

*In the opinion of Co-Bond Counsel, under existing statutes, regulations, rulings and court decisions and assuming compliance with certain covenants and the accuracy of certain representations, interest on the Series 2009 Bonds (a) is excludable from gross income of the holders of such Series 2009 Bonds except during any period while such Series 2009 Bond is held by a "substantial user" of the 2009 Project or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended, (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (c) is exempt from taxation under the laws of the State of Florida, except as to taxes imposed by Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220. For a more complete discussion of the tax aspects relating to the Series 2009 Bonds, see "TAX MATTERS" herein.*

**NEW ISSUE - BOOK-ENTRY ONLY**

**RATINGS: See "RATINGS" herein**



**\$83,235,000**  
**BROWARD COUNTY, FLORIDA**  
**Port Facilities Revenue Bonds**  
**Series 2009A (Non-AMT)**

**Dated: Date of Delivery**

**Due: September 1, as shown on the inside cover page**

The Port Facilities Revenue Bonds, Series 2009A (Non-AMT) (the "Series 2009 Bonds") are being issued by Broward County, Florida (the "County"), for the purpose of providing funds, together with other legally available funds, to (i) pay all or a portion of the costs of the 2009 Project, as described herein, (ii) fund a subaccount of the Reserve Account, and (iii) pay certain costs of issuance and expenses relating to the Series 2009 Bonds. The Series 2009 Bonds will be issued under a Resolution adopted on July 20, 1989, as supplemented and amended (the "Original Resolution") and Resolution No. 2009-414 adopted by the Board of County Commissioners on June 9, 2009 (the "Series Resolution" and, together with the Original Resolution, the "Bond Resolution"). The Series 2009 Bonds and any other bonds issued on a parity with the Series 2009 Bonds are secured by a pledge of certain revenues of the County. Regions Bank, Jacksonville, Florida, will act as Bond Registrar and Paying Agent for the Series 2009 Bonds. Additionally, Regions Bank, Jacksonville, Florida, will serve as Trustee under the Construction Fund and Reserve Account Trust Indenture.

THE SERIES 2009 BONDS ARE SPECIAL OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE NET REVENUE DERIVED BY THE COUNTY FROM THE OPERATION OF ITS PORT FACILITIES AND BY OTHER FUNDS AND ACCOUNTS PLEDGED THEREFOR, AS DESCRIBED HEREIN. THE SERIES 2009 BONDS SHALL NOT CONSTITUTE A GENERAL OBLIGATION, OR A PLEDGE OF THE FAITH, CREDIT OR TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS. NEITHER THE COUNTY, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION SHALL BE OBLIGATED TO EXERCISE ITS AD VALOREM TAXING POWER IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY OF OR IN THE COUNTY TO PAY PRINCIPAL OF THE SERIES 2009 BONDS, THE INTEREST THEREON, OR OTHER COSTS INCIDENTAL THERETO, OR TO PAY THE SAME FROM ANY OTHER FUNDS OF THE COUNTY EXCEPT FROM THE MONEYS AND REVENUES PLEDGED THEREFOR, IN THE MANNER PROVIDED IN THE BOND RESOLUTION.

The Series 2009 Bonds will be initially issued as fully registered bonds, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2009 Bonds. Purchasers will not receive certificates representing their ownership interest in the Series 2009 Bonds purchased. The Series 2009 Bonds shall be issued in denominations of \$5,000 or any multiple thereof. The Series 2009 Bonds shall be dated their date of delivery and shall bear interest from such date. Interest on the Series 2009 Bonds is payable semi-annually on March 1 and September 1 of each year commencing March 1, 2010. Amounts due on the Series 2009 Bonds will be paid to DTC or its nominee, which will remit such payments in accordance with its normal procedures, as described herein. See "DESCRIPTION OF THE SERIES 2009 BONDS – Book-Entry Only System" herein. The Series 2009 Bonds are subject to redemption prior to maturity as described herein.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2009 Bonds are offered when, as and if issued, subject to the approving opinions of Nabors Giblin & Nickerson, P.A., Tampa, Florida, and KnoxSeaton, Miami, Florida, Co-Bond Counsel to the County. Certain legal matters will be passed on by Edwards Angell Palmer & Dodge LLP, West Palm Beach, Florida, and Rasco Klock Reininger Perez Esquenazi Vigil & Nieto, Coral Gables, Florida, Co-Disclosure Counsel to the County. Certain legal matters will be passed upon for the County by the Office of the County Attorney and for the Underwriters by Ruden, McClosky, Smith, Schuster & Russell, P.A., Fort Lauderdale, Florida. Raymond James & Associates, Inc., Orlando, Florida and Fidelity Financial Services, L.C., Hollywood, Florida are serving as Co-Financial Advisors to the County in connection with the sale of the Series 2009 Bonds. It is expected that the Series 2009 Bonds in definitive book-entry form will be available for delivery through the facilities of DTC in New York, New York on or about July 8, 2009.

**Siebert Brandford Shank & Co., LLC**

**Goldman Sachs & Co.**

**Merrill Lynch & Co.**

Dated: June 24, 2009

**MATURITY DATES, PRINCIPAL AMOUNTS, INITIAL CUSIP NUMBERS, INTEREST RATES AND  
YIELDS**

**\$83,235,000  
BROWARD COUNTY, FLORIDA  
PORT FACILITIES REVENUE BONDS  
SERIES 2009A (NON-AMT)**

<b><u>Maturity (September 1)</u></b>	<b><u>Principal Amount</u></b>	<b><u>Initial CUSIP No.**</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>
2010	\$1,940,000	11506KBN0	3.000%	1.920%
2011	275,000	11506KBP5	3.000	2.660
2011	2,360,000	11506KCE9	5.000	2.660
2012	2,765,000	11506KBQ3	5.000	3.090
2013	250,000	11506KBR1	4.000	3.590
2013	2,650,000	11506KCF6	5.000	3.590
2014	3,045,000	11506KBS9	5.000	4.000
2015	250,000	11506KBT7	4.500	4.250
2015	2,945,000	11506KCH2	5.000	4.250
2016	3,355,000	11506KBU4	5.000	4.500
2017	3,520,000	11506KBV2	5.000	4.760
2018	200,000	11506KBW0	5.250	4.960
2018	3,500,000	11506KCJ8	5.500	4.960
2019	1,100,000	11506KBX8	5.000	5.120
2019	2,800,000	11506KCK5	5.500	5.120
2020	4,110,000	11506KBY6	5.000	5.280
2021	4,315,000	11506KBZ3	5.000	5.380
2022	4,530,000	11506KCA7	5.125	5.480
2023	1,500,000	11506KCB5	6.000	5.530*
2024	675,000	11506KCC3	5.500	5.600
2025	2,000,000	11506KCD1	6.000	5.660*

\$7,615,000 – 5.250% Term Bond Initial CUSIP No. 11506KCM1\*\* due September 1, 2024 - Yield 5.600%

\$8,880,000 – 5.375% Term Bond Initial CUSIP No. 11506KCL3\*\* due September 1, 2026 - Yield 5.700%

\$18,655,000 – 5.500% Term Bond Initial CUSIP No. 11506KCG4\*\* due September 1, 2029 - Yield 5.820%

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\* Yield shown to the first call date of September 1, 2019.

\*\* The County is not responsible for the use of initial CUSIP numbers referenced herein nor is any representation made by the County as to their correctness. The initial CUSIP numbers provided herein are included solely for the convenience of the readers of this Official Statement.

**BROWARD COUNTY, FLORIDA  
BOARD OF COUNTY COMMISSIONERS**

Stacy Ritter, Mayor  
Ken Keechl, Vice Mayor  
Josephus Eggelletion, Jr., Commissioner  
Suzanne N. Gunzburger, Commissioner  
Kristin D. Jacobs, Commissioner  
Ilene Lieberman, Commissioner  
John E. Rodstrom, Jr., Commissioner  
Diana Wasserman-Rubin, Commissioner  
Lois Wexler, Commissioner

**COUNTY ADMINISTRATOR**

Bertha Henry

**COUNTY ATTORNEY**

Jeffrey J. Newton, Esq.

**CHIEF FINANCIAL OFFICER AND DIRECTOR,  
FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT**

Michael J. Geoghegan

**PORT EVERGLADES DEPARTMENT**

Phillip C. Allen, Port Director

**CO-FINANCIAL ADVISORS**

Raymond James & Associates, Inc.  
Fidelity Financial Services, L.C.

**CO-BOND COUNSEL**

Nabors, Giblin & Nickerson, P.A.  
KnoxSeaton

**CO-DISCLOSURE COUNSEL**

Edwards Angell Palmer & Dodge LLP  
Rasco Klock Reiningier Perez Esquenazi Vigil & Nieto

**INDEPENDENT AUDITORS**

Rachlin LLP  
Fort Lauderdale, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE COUNTY OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN AS SET FORTH IN THIS OFFICIAL STATEMENT AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COUNTY OR THE UNDERWRITERS. 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 2009 BONDS BY A PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER, SOLICITATION OR SALE. THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE SERIES 2009 BONDS.

THE SERIES 2009 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAS THE BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE UNDERWRITERS HAVE 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 UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: [www.MuniOS.com](http://www.MuniOS.com). THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. SUCH FORWARD-LOOKING STATEMENTS INCLUDE BUT ARE NOT LIMITED TO CERTAIN STATEMENTS CONTAINED IN THE INFORMATION UNDER THE CAPTIONS "ESTIMATED SOURCES AND USES OF FUNDS," "RISK FACTORS" AND IN TABLE II UNDER THE HEADING "CERTAIN HISTORICAL AND PROJECTED FINANCIAL INFORMATION." THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2009 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2009 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER OR YIELDS HIGHER, THAN THE PUBLIC OFFERING PRICES OR YIELDS SET FORTH ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES OR YIELDS MAY BE CHANGED FROM TIME TO TIME, AFTER THE INITIAL OFFERING TO THE PUBLIC, BY THE UNDERWRITERS.



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**OFFICIAL STATEMENT**  
**relating to**  
  
**\$83,235,000**  
**BROWARD COUNTY, FLORIDA**  
**Port Facilities Revenue Bonds**  
**Series 2009A (Non-AMT)**

**INTRODUCTION**

This Official Statement, which includes the cover page and the Appendices hereto, furnishes information about Broward County, Florida (the “County”) and the issuance and sale of \$83,235,000 aggregate principal amount of the County’s Port Facilities Revenue Bonds, Series 2009A (Non-AMT) (the “Series 2009 Bonds”). For definitions of capitalized terms not otherwise deferred herein, please see “APPENDIX D - The Bond Resolution.”

Port Everglades (the “Port”) is a deep-water port located within the Cities of Fort Lauderdale, Hollywood and Dania Beach, Florida, as well as in unincorporated areas of southeastern Broward County, approximately 23 miles north of Miami and 48 miles south of West Palm Beach. It is comprised of more than 2,190 acres, of which more than 1,277 acres are owned by the County. See Map on inside back cover of this Official Statement. The Port serves the import and export shipping business primarily in petroleum, building materials, other bulk and breakbulk cargos, and general and containerized cargo. Port Everglades is also a center for passenger cruise ships and the County operates a foreign trade zone at the Port. See “THE PORT” herein.

The County is issuing the Series 2009 Bonds pursuant to the Constitution and laws of the State of Florida and Resolutions adopted by the Port Everglades Authority on July 20, 1989, as supplemented and amended (the “Original Resolution”) and Resolution No. 2009-414 adopted by the Board of County Commissioners (the “Board”) on June 9, 2009 (the “Series Resolution” and, together with the Original Resolution, the “Bond Resolution”). In a referendum held on March 10, 1992, the voters of the County voted to dissolve the Port Everglades Authority, which previously exercised governmental authority over the Port. Pursuant to such referendum and Chapters 91-346 and 94-429, Laws of Florida, all powers, duties, responsibilities, obligations and functions of the Port Everglades Authority were transferred to the County and the County assumed, subject to its terms, all indebtedness of the Port Everglades Authority, including all obligations and rights under the Original Resolution as in effect at the time of such transfer. The County now operates the Port Facilities through its Port Everglades Department (the “Port Department”).

The County is issuing the Series 2009 Bonds to provide funds, together with other legally available funds of the County, to (i) pay all or a portion of the costs of the 2009 Project, as described herein, (ii) fund a subaccount of the Reserve Account, and (iii) pay certain costs of issuance and expenses relating to the Series 2009 Bonds.

Under the Original Resolution, the County has outstanding \$53,185,000 principal amount of its Port Facilities Refunding Revenue Bonds, Series 1989-A (the “Series 1989-A Bonds”),

\$10,680,000 Port Facilities Refunding Revenue Bonds, Series 1998A (the “Series 1998A Bonds”), \$79,825,000 Port Facilities Refunding Revenue Bonds, Series 1998B (the “Series 1998B Bonds”), and \$66,505,000 Port Facilities Refunding Revenue Bonds, Series 1998C (the “Series 1998C Bonds” and together with the Series 1989-A Bonds, the Series 1998A Bonds and the Series 1998B Bonds, the “Outstanding Bonds”).

The County has previously issued \$46,145,000 aggregate principal amount of its Subordinate Port Facilities Refunding Revenue Bonds, Series 2008 (the “Series 2008 Subordinate Bonds”). The pledge of Net Revenue to secure the outstanding Bonds is senior to the pledge thereof to secure the Series 2008 Subordinate Bonds, as more fully described under “THE FINANCING PLAN” herein.

The Series 2009 Bonds, the Outstanding Bonds, and any Additional Bonds and Refunding Bonds that may be issued under the Bond Resolution will be secured on a parity by a pledge of Net Revenue derived by the County from the operation of the Port Facilities. The Series 2009 Bonds, the Outstanding Bonds and any Additional Bonds and Refunding Bonds issued on a parity with the Series 2009 Bonds under the Bond Resolution are referred to collectively as the “Bonds.”

Regions Bank, Jacksonville, Florida, will act as Bond Registrar and Paying Agent for the Series 2009 Bonds. Additionally, Regions Bank, Jacksonville, Florida, will serve as Trustee under the Construction Fund and Reserve Account Trust Indenture. See “THE FINANCING PLAN” herein.

The County has covenanted to charge or maintain rates, fees and rentals so that in each Fiscal Year, the Gross Revenues (excluding investment income on funds on deposit in the Construction Fund) will be sufficient to provide an amount at least equal to the sum of (i) 100% of the Current Expenses of the current Fiscal Year; (ii) 125% of the Principal and Interest Requirements for the current Fiscal Year; (iii) 100% of the Reserve Account Deposit Requirement for the current Fiscal Year; and (iv) 100% of the amount required by the Bond Resolution to be deposited to the Renewal and Replacement Fund in the current Fiscal Year. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009 BONDS—Rate Covenant” herein.

This Official Statement describes the County, the Port, the Bonds and the Bond Resolution. The descriptions do not purport to be comprehensive or definitive and, with respect to the Bond Resolution, reference is made to “APPENDIX D - The Bond Resolution” for the complete text thereof.

## **THE FINANCING PLAN**

Simultaneous with the issuance of the Series 2009 Bonds, the County will deposit a portion of the proceeds of the Series 2009 Bonds to the credit of the 2009 Project Account established within the Construction Fund under the Bond Resolution for the purpose of making available funds to pay the costs of acquisition and construction of the 2009 Project.

The “2009 Project” will be owned by the County, located on Port Everglades property, and is described as follows:

1. Improvements to Terminal 18 to be operated under a long-term use agreement with Royal Caribbean Cruises LTD – Includes (a) renovating approximately 33,000 square feet of warehouse space into baggage handling area and customs offices, (b) adding approximately 138,000 square feet for passenger embarkation operations, (c) new inter-modal areas including 600 new parking spaces, (d) two new loading bridges, and (e) electrification facilities which will permit vessels using Terminal 18 to connect to shore side electrical service.
2. High-Wind Bollards – Installation of 22 new high-wind bollards throughout the Port, plus 4 new 50-ton bollards at Berths 16-18, and 8 replacement bollards at Berths 9-10.
3. Cruise Terminal No. 19; Terminal 19 – Midport – Renovations of the existing Terminal 19 and conversion of the existing warehouse for terminal usage, including new elevators, escalators and a new loading bridge.
4. FPL Discharge Canal – Midport – Construction of an at grade bridge spanning across the FPL Discharge Canal, relocation of an existing covered boat storage structure, and construction of a new boat ramp and two-lane access road.
5. Midport Container Terminal – Purchase of a new-build mobile harbor crane to replace current P1 crane with a 100-ton lift capacity. This crane will be used to load/discharge containerized, heavy lift, neo-bulk cargo to and from ships at the Midport Container Terminal. Upgrades to Crane P2 including complete painting, new spreader, personnel elevator, new brake system, new motor control center, new pump back controllers and new diesel engine, generators and radiators.
6. Southport ICTF Facility Phase I; McIntosh Loop Road; Southport Phase VIII – Construction of a rail spur to serve the aggregate terminal yard which will constitute Phase I of the future Intermodal Container Transfer Facility; Realignment of the McIntosh Road to create a loop road; and development of approximately 41 acres of container terminal yard facilities at Southport.
7. Midport Roadway Expansion from SE 19th Avenue, east, to the eastern terminus and turn around for Eller Drive at Terminals 22/24 – Improving approximately 3,100 lineal feet of Eller Drive and includes, but is not limited to, site preparation, demolition, earthwork, storm drainage, sidewalks, accessible ramps, curbing, street lighting, traffic signal modifications, electrical, landscaping, irrigation, fencing, sub-grade, sub-base, milling, asphalt pavement, relocation of fire hydrants, pavement markings and signage.
8. Port Buildings Roofing System Repairs and Improvements – Installation and repair of the roofing systems for various Port terminals and buildings, specifically Terminals 2, 4, 19, 22/24 and 25; Buildings 6 and 28, Port Administration

Building, OTD Building, Crowley Maintenance Building and Foreign Trade Zone Buildings B & E.

9. Portwide Signage Improvements on roadways and cruise terminals – Development and installation of portwide signage for Port Everglades’ cruise terminals and roadways including connectivity of the system to a central location.
10. Southport Turning Notch Expansion Mitigation (enhancement) – Enhancements to an area to create a mangrove habitat.

See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

The County has entered into a Construction Fund and Reserve Account Trust Indenture dated the date of delivery with Regions Bank, Jacksonville, Florida, as trustee (the “Trustee”) to act as custodian and disburse moneys deposited in the Construction Fund, including proceeds of the Series 2009 Bonds credited to the 2009 Project Account, and moneys and policies deposited to the Reserve Account. The responsibilities of the Trustee under the Construction Fund and Reserve Account Trust Indenture are limited solely to administration of the funds and accounts described therein and the County may terminate such indenture at any time without the consent of or notice to any Bondholders.

### **ESTIMATED SOURCES AND USES OF FUNDS**

**Sources:**

Principal Amount of the Bonds	\$83,235,000.00
Net Original Issue Discount	(503,528.90)
Total Sources	<u>\$82,731,471.10</u>

**Uses:**

Deposit to subaccount of the Reserve Account <sup>(1)</sup>	6,916,487.50
Deposit to 2009 Project Account	75,000,000.00
Costs of Issuance <sup>(2)</sup>	382,548.09
Underwriters’ Discount	432,435.51
Total Uses	<u>\$82,731,471.10</u>

<sup>(1)</sup> Funds held in the subaccount of the Reserve Account are pledged specifically and exclusively for the payment of the Series 2009 Bonds.

<sup>(2)</sup> Includes the financial advisory fees, legal fees and other expenses incurred in connection with the issuance of the Series 2009 Bonds.



## DESCRIPTION OF THE SERIES 2009 BONDS

### General

The Series 2009 Bonds will be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof. The Series 2009 Bonds will be dated their date of delivery and will bear interest at the rates and mature in the amounts and on the dates set forth on the inside cover page of this Official Statement, payable semiannually on March 1 and September 1 of each year commencing March 1, 2010. Principal of and interest on the Series 2009 Bonds is payable to the registered owner thereof, which initially will be a nominee of DTC. Interest on the Series 2009 Bonds will be calculated based on a year of 360 days consisting of twelve 30-day months.

### Book-Entry Only System

*THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE COUNTY BELIEVES TO BE RELIABLE, BUT THE COUNTY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.*

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2009 Bonds. The Series 2009 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 Series 2009 Bond certificate will be issued for each maturity of the Series 2009 Bonds as set forth on the inside cover page of this Official Statement, 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 transfer and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or

indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Series 2009 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2009 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2009 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 2009 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 2009 Bonds, except in the event that use of the book-entry system for the Series 2009 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2009 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 2009 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 2009 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2009 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 Series 2009 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2009 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond Resolution. For example, Beneficial Owners of Series 2009 Bonds may wish to ascertain that the nominee holding the Series 2009 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 Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent by the Paying Agent to DTC. If less than all of the Series 2009 Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2009 Bonds unless authorized by a Direct Participant in accordance with DTC’s Money Market Instrument (MMI) procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 Series 2009 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and interest payments on the Series 2009 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 detailed information from the County or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC 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 DTC Participant and not DTC nor its nominee, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and interest, as applicable, to Cede & Co., (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

### **Discontinuance of Book-Entry Only System**

In the event the County decides to obtain Series 2009 Bond certificates, the County may notify DTC and the Bond Registrar, whereupon DTC will notify the DTC Participants, of the availability through DTC of Series 2009 Bond certificates. In such event, the County shall prepare and execute, and the Bond Registrar shall authenticate, transfer and exchange, Series 2009 Bond certificates as requested by DTC in appropriate amounts and within the guidelines set forth in the Bond Resolution. DTC may also determine to discontinue providing its services with respect to the Series 2009 Bonds at any time by giving written notice to the County and the Bond Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the County and the Bond Registrar shall be obligated to deliver Series 2009 Bond certificates as described herein. In the event Series 2009 Bond certificates are issued, the provisions of the Bond Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the County and the Bond Registrar to do so, the County will direct the Bond Registrar to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2009 Bonds to any DTC Participant having Series 2009 Bonds credited to its DTC account; or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2009 Bonds.

### **Registration, Transfer and Exchange**

If the book-entry only system is discontinued, the Beneficial Owners shall receive certificated Series 2009 Bonds which will be subject to registration of transfer or exchange as set forth below. Transfer of any Series 2009 Bond may be registered upon the registration books maintained by the Bond Registrar upon surrender of such Series 2009 Bond to the Bond

Registrar together with a proper written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar. Upon surrender to the Bond Registrar, a new fully registered Series 2009 Bond of the same maturity, in the same aggregate principal amount and bearing the same rate of interest will be issued to and in the name of the transferee. No charge shall be made to any Bondholder for the privilege of registration, transfer or exchange hereinabove granted, but any Bondholder requesting any such registration, transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto. The Bond Registrar shall not be required to transfer or exchange any Series 2009 Bond during the 15 days next preceding any interest payment date or, in the case of a proposed redemption after the mailing of a notice of redemption, during the period of 15 days next preceding the mailing of a notice of redemption.

The County, the Bond Registrar and the Paying Agent shall deem and treat the registered owner of any Series 2009 Bond as the absolute owner of such Series 2009 Bond for all purposes, including for the purpose of receiving payment of the principal of and interest on the Series 2009 Bonds.

## Redemption

*Optional Redemption.* The Series 2009 Bonds maturing on or prior to September 1, 2019 are not subject to optional redemption prior to maturity. The Series 2009 Bonds maturing on or after September 1, 2020 are subject to redemption prior to maturity, at the option of the County, as a whole or in part at any time on or after September 1, 2019, at par, plus accrued interest to the redemption date.

*Mandatory Sinking Fund Redemption.* The Series 2009 Bonds maturing on September 1, 2024 are subject to redemption prior to maturity from Amortization Requirements deposited to the Redemption Account of the Sinking Fund established under the Bond Resolution, on September 1 in the years and from the Amortization Requirements shown below, at a redemption price equal to 100% of the principal amount of the Series 2009 Bonds to be redeemed on the redemption date.

<u>Year</u>	<u>Amortization Requirements</u>
2023	\$3,265,000
2024*	4,350,000

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\* Maturity

*Mandatory Sinking Fund Redemption.* The Series 2009 Bonds maturing on September 1, 2026 are subject to redemption prior to maturity from Amortization Requirements deposited to the Redemption Account of the Sinking Fund established under the Bond Resolution, on September 1 in the years and from the Amortization Requirements shown below, at a redemption price equal to 100% of the principal amount of the Series 2009 Bonds to be redeemed on the redemption date.

<u>Year</u>	<u>Amortization Requirements</u>
2025	\$3,290,000
2026*	5,590,000

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\* Maturity

*Mandatory Sinking Fund Redemption.* The Series 2009 Bonds maturing on September 1, 2029 are subject to redemption prior to maturity from Amortization Requirements deposited to the Redemption Account of the Sinking Fund established under the Bond Resolution, on September 1 in the years and from the Amortization Requirements shown below, at a redemption price equal to 100% of the principal amount of the Series 2009 Bonds to be redeemed on the redemption date.

<u>Year</u>	<u>Amortization Requirements</u>
2027	\$5,890,000
2028	6,210,000
2029*	6,555,000

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\* Maturity

Amounts to be redeemed by operation of the Redemption Account of the Sinking Fund will be reduced by the principal amount of any Series 2009 Bond scheduled to be redeemed but which was previously purchased or redeemed by the County and delivered to the Paying Agent for cancellation pursuant to the Bond Resolution.

### **Selection of Series 2009 Bonds for Redemption; Notice and Effect of Redemption**

If less than all of the Series 2009 Bonds or of any one maturity of such Series shall be called for redemption, the particular Series 2009 Bonds to be redeemed shall be selected by an Authorized Officer in such manner as the Authorized Officer in his discretion deems fair and appropriate.

So long as the Series 2009 Bonds are issued in book-entry form, notice of redemption will be mailed at least 30 days before the redemption date, to Cede & Co., as nominee for DTC, and the Paying Agent will not mail redemption notices directly to the Beneficial Owners of Series 2009 Bonds. See “DESCRIPTION OF THE SERIES 2009 BONDS—Book-Entry Only System.”

If notice of redemption has been given and moneys for payment of the redemption price are held by the County or the Paying Agent in trust for the holders of Series 2009 Bonds to be redeemed, all as provided in the Bond Resolution, the Series 2009 Bonds so called for



redemption will become due and payable on the redemption date at the applicable redemption price, interest on the Series 2009 Bonds so called for redemption will cease to accrue, such Series 2009 Bonds will not be deemed to be outstanding under the Bond Resolution and will cease to be entitled to any lien, benefit or security under the Bond Resolution, and the holders of such Series 2009 Bonds will have no rights in respect thereof, except to receive payment of the redemption price thereof, including accrued interest to the date of redemption.

## **SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009 BONDS**

### **Pledge of Net Revenue**

The Series 2009 Bonds, Outstanding Bonds, along with any Additional Bonds or Refunding Bonds hereafter issued under the Bond Resolution, are payable from and are equally and ratably secured pursuant to the Bond Resolution by a pledge of and a lien on the Net Revenue of the County derived from the operation of the Port Facilities and the moneys on deposit from time to time in the Funds and Accounts established pursuant to the Bond Resolution (excluding the Rebate Fund and the Operation and Maintenance Fund and the accounts therein), subject to the provisions of the Bond Resolution permitting application thereof for the purposes and on the terms and conditions set forth in the Bond Resolution. See “APPENDIX D — The Bond Resolution.”

Pursuant to the Bond Resolution, “Net Revenue” means, for any period, Gross Revenue for such period less Operating Expenses for such period. The term “Gross Revenue” is defined generally as all fees, rentals, charges and other income, including any investment income from moneys held on deposit in any of the Funds and Accounts (which do not include the Operation and Maintenance Fund and the Rebate Fund), received by or accrued to the County from the Port Facilities (all as calculated in accordance with generally accepted accounting principles applicable to the County), but does not include (i) receipts and revenue derived from the imposition of an ad valorem tax or any other tax the County is authorized to levy, including any investment income earned thereon or on funds held in the Rebate Fund or the Operation and Maintenance Fund, (ii) revenue derived from the operation of any Special Purpose Facilities or from investment income derived from money on deposit in any funds or accounts pledged to the payment of Special Purpose Bonds, except as may expressly be provided in any resolution authorizing the issuance of such Special Purpose Bonds, and (iii) any grants, contributions or donations, including investment interest thereon. “Operating Expenses” means the reasonable and necessary expenses of administration, maintenance, repair and operation of the Port Facilities, but does not include (i) any reserves for extraordinary maintenance or repair, (ii) any allowance for depreciation, (iii) any deposits or transfers to the credit of the Funds and Accounts, the Rebate Fund and the Operation and Maintenance Fund, and (iv) any expenses of Special Purpose Facilities financed by Special Purpose Bonds; provided, however, that to the extent such Operating Expenses relate, all or in part, to a future period of time they shall be prospectively determined by reference to the Annual Budget.

THE SERIES 2009 BONDS ARE SPECIAL OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE NET REVENUE DERIVED BY THE COUNTY FROM THE OPERATION OF THE PORT FACILITIES, AND OTHER FUNDS AND ACCOUNTS PLEDGED THEREFOR, AS DESCRIBED HEREIN.



THE SERIES 2009 BONDS SHALL NOT CONSTITUTE A GENERAL OBLIGATION, OR A PLEDGE OF THE FAITH, CREDIT OR TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS. NEITHER THE COUNTY, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION SHALL BE OBLIGATED TO EXERCISE ITS AD VALOREM TAXING POWER IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY OF OR IN THE COUNTY TO PAY PRINCIPAL OF THE SERIES 2009 BONDS, THE INTEREST THEREON, OR OTHER COSTS INCIDENTAL THERETO, OR TO PAY THE SAME FROM ANY OTHER FUNDS OF THE COUNTY EXCEPT FROM THE MONEYS AND REVENUES PLEDGED THEREFOR, IN THE MANNER PROVIDED IN THE BOND RESOLUTION.

### **Rate Covenant**

Under the Bond Resolution, the County covenants

- (a) that it will continue in effect the present tariff of rates and fees for, and the present rentals and other charges for the use of, the Port Facilities and the services furnished by the County until the same are revised as provided in the Bond Resolution;
- (b) that it will not change, revise or reduce any such rates, fees, rentals and other charges if such change, revision or reduction will result in producing less Gross Revenue unless such rates, fees, rentals and other charges as so changed, revised or reduced will produce sufficient Gross Revenue to comply with the following paragraph (c); and
- (c) that, subject to the two preceding paragraphs, from time to time and as often as it appears necessary it will revise the rates, fees, rentals and other charges for the use of the Port Facilities and for the services furnished by the County as may be necessary or proper in order that the Gross Revenue (excluding investment income on funds on deposit in the Construction Fund) will at all times be sufficient in each Fiscal Year to provide an amount at least equal to the sum of:
  - (i) 100% of the Current Expenses for the current Fiscal Year,
  - (ii) 125% of the Principal and Interest Requirements for the current Fiscal Year,
  - (iii) 100% of the Reserve Account Deposit Requirement for the current Fiscal Year, and
  - (iv) 100% of the amount required by the Bond Resolution to be deposited to the Renewal and Replacement Fund in the current Fiscal Year.

The deposit to the credit of the Sinking Fund in any Fiscal Year of an amount in excess of the amounts required under the Bond Resolution for such Fiscal Year shall be taken into account in adjusting the rates, fees, rentals and other charges for any subsequent Fiscal Years. Any deficiency in the amounts deposited to the credit of the Sinking Fund or the Renewal and

Replacement Fund in any Fiscal Year shall, as promptly as may be practicable, be added to the amounts referred to above for the remaining Fiscal Years in adjusting such rates, fees, rentals and other charges.

### **Reserve Account**

The Bond Resolution provides for the establishment and maintenance of a Reserve Account in the Sinking Fund to be held for the benefit and security of the holders of the Bonds. Upon the issuance of any Series of Bonds, under the terms, limitations and conditions provided in the Bond Resolution, the County must provide for the funding of the Reserve Account in an amount equal to the Reserve Account Requirement. Such amounts may be paid in full or in part from the proceeds of such Series of Bonds or may be accumulated in equal monthly payments to the Reserve Account from the date of issuance of such Series of Bonds as provided in the Series Resolution with respect to such Series of Bonds. The County may provide for a Reserve Account Credit Facility in lieu of cash deposits to the Reserve Account (or appropriate subaccount), or in substitution for all or a portion of the cash and/or securities on deposit in the Reserve Account (or appropriate subaccount).

Transfers from the Gross Revenue Fund to the Reserve Account will be made at the times and in the amounts described under “APPENDIX D — The Bond Resolution.”

Moneys in the Reserve Account will be used first for the purpose of paying the interest on and the principal of the Bonds whenever and to the extent that the moneys held for the credit of the corresponding subaccount of the Debt Service Account and for the credit of the General Fund are insufficient for such purpose and thereafter for the purpose of making deposits to the credit of the respective subaccount of the Redemption Account whenever and to the extent that moneys held for the credit of the Gross Revenue Fund and General Fund are insufficient for such purposes.

Separate subaccounts in the Reserve Account may be established for each Series of Bonds. If the County establishes separate subaccounts in the Reserve Account for any Series of Bonds and pledges such subaccount specifically and exclusively to the payment of such Series of Bonds, or if the County provides for a Reserve Account Credit Facility, then, in every such case, withdrawals from the Reserve Account will be from the subaccount established for the respective Bonds for which the withdrawal is required, if no priority is specified between Bonds, then on a pro rata basis.

The County has established a separate subaccount in the Reserve Account for the Series 2009 Bonds. Upon delivery of the Series 2009 Bonds and upon deposit of \$6,916,487.50 of proceeds of the Series 2009 Bonds into the subaccount of the Reserve Account for the Series 2009 Bonds, the amounts on deposit in such subaccount of the Reserve Account will equal the Reserve Account Requirement for the Series 2009 Bonds. Funds held in such subaccount are pledged specifically and exclusively for the payment of the Series 2009 Bonds. For the Outstanding Bonds, the Reserve Account Requirement of \$21,854,005.09 has been satisfied by a Reserve Account Credit Facility from MBIA Insurance Corporation in the amount of \$21,854,005.09.

## **Outstanding Obligations**

As of the date of issuance of the Series 2009 Bonds, there will be no notes, bonds or other evidences of indebtedness of the County other than the Series 2009 Bonds, the Outstanding Bonds and any Subordinated Obligations which are secured by a pledge of the Net Revenue or the amounts on deposit from time to time in the Funds and Accounts established pursuant to the Bond Resolution. Any Additional Bonds and Refunding Bonds that may be issued under the Bond Resolution will be secured on a parity with the Series 2009 Bonds and the Outstanding Bonds by the pledge of Net Revenue under the Bond Resolution. The pledge of Net Revenue to secure the Bonds will be senior to the pledge thereof to secure any Subordinated Obligations. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009 BONDS — Issuance of Subordinated Obligations” herein.

## **Issuance of Additional Bonds**

The County may issue additional Bonds (“Additional Bonds”) secured by the Bond Resolution from time to time on a parity with the Series 2009 Bonds, the Outstanding Bonds, and any other Additional Bonds or Refunding Bonds theretofore issued under and secured by the Bond Resolution and then Outstanding for the purpose of providing funds, together with other legally available funds, to pay all or any part of the Cost of a Project, and to make deposits to the Funds and Accounts and to pay other costs of issuance and expenses relating thereto.

As a condition precedent to or simultaneously with the delivery of Additional Bonds under the Original Resolution, in addition to other requirements, the following must be obtained and filed with the Authorized Officer:

(a) Either

(i) a certificate signed by the Finance Director, demonstrating that the “Adjusted Net Revenue” (as hereafter defined) for the immediately preceding Fiscal Year or for any twelve consecutive months in the eighteen months immediately preceding the date of issuance of the Additional Bonds with respect to which the certificate is made (“Test Period”), as selected by the Finance Director, is equal to not less than 125% of the maximum Principal and Interest Requirements for all Bonds then Outstanding, including the Additional Bonds with respect to which the certificate is made. Adjusted Net Revenue shall mean, for the purposes hereof, the Net Revenue during the Test Period, as determined by the Accountant (excluding investment income on funds on deposit in the Construction Fund), adjusted by the Finance Director to reflect (A) 100% of the additional Net Revenue which, in the opinion of the Rate Consultant, would have been received by the County from increases in tariffs, rates, fees, rentals and other charges for the use of Port Facilities or the services furnished by the County if such increases had been implemented and in effect during such Test Period, provided that such increases must be adopted as of the date the certification required by Section 2.07 of the Original Resolution is made and such increase must be effective on, or scheduled to become effective no later than six months from, the date on which such certificate is made; and (B) 100% of the additional Net Revenue which, in the opinion of the Rate Consultant, would have been realized during such Test Period but for the inclusion, in Operating

Expenses during such Test Period, of specified sums of extraordinary, non-recurring, expenditures which materially and adversely distort Net Revenue during the Test Period as a fair basis upon which to project future Net Revenue; or

(ii) a certificate of the Rate Consultant demonstrating that the Net Revenue (excluding investment income on funds on deposit in the Construction Fund) projected by the Rate Consultant for each Bond Year from issuance of the Additional Bonds through the fifth Bond Year after the Bond Year in which the Project financed with the proceeds of such Additional Bonds is scheduled to be completed is equal to not less than 125% of the annual Principal and Interest Requirements in each of such years for all Bonds then Outstanding, including the Additional Bonds to which the certificate is made.

(b) A certificate of an Authorized Officer stating that provision has been made in an applicable Series Resolution to fund the Reserve Account Requirement as same will exist following issuance of such Additional Bonds.

As a further condition precedent for the issuance of Additional Bonds, the following additional test is required by the Trust Indenture dated May 1, 1998, as supplemented (the "Trust Indenture") which authorizes the Series 2008 Subordinate Bonds (collectively with any refunding bonds issued pursuant to the Trust Indenture, the "Subordinate Bonds"), either:

(a) a certificate signed by the Finance Director demonstrating that the "Adjusted Net Revenue" (as hereinafter defined) for the immediately preceding Fiscal Year or for any twelve consecutive months in the eighteen months immediately preceding the date of issuance of the Additional Bonds with respect to which the certificate is made (the "Test Period"), as selected by the Finance Director, is equal to not less than 110% of the maximum Composite Principal and Interest Requirements in the current or any future Bond Year for all Bonds then outstanding under the provisions of the Bond Resolution, including the Additional Bonds with respect to which the certificate is made, and for all Subordinate Bonds then Outstanding. Adjusted Net Revenue shall mean the Net Revenue during the Test Period, as determined by the Accountant (excluding investment income on funds on deposit in the Construction Fund), adjusted by the Finance Director to reflect (x) 100% of the additional Net Revenue which, in the opinion of the Rate Consultant, would have been received by the County from increases in tariffs, rates, fees, rentals and other charges for the use of Port Facilities or the services furnished by the County if such increases had been implemented and in effect during such Test Period, provided that such increases must be adopted as of the date the certification required by this paragraph is made and such increase must be effective on, or scheduled to become effective no later than six months from, the date on which such certificate is made; and (y) 100% of the additional Net Revenue which, in the opinion of the Rate Consultant, would have been realized during such Test Period but for the inclusion, in Operating Expenses during such Test Period, of specified sums of extraordinary, non-recurring, expenditures which materially and adversely distort Net Revenue during the Test Period as a fair basis upon which to project future Net Revenue; or

(b) a certificate of the Rate Consultant demonstrating that the Net Revenue (excluding investment income on funds on deposit in the Construction Fund) projected by the Rate Consultant for each Bond Year from issuance of the Additional Bonds through the fifth Bond Year after the Bond Year in which the Project financed with the proceeds of such Additional Bonds is scheduled to be completed is equal to not less than 110% of the annual Composite Principal and Interest Requirements in each of such Bond Years for all Bonds then outstanding under the provision of the Bond Resolution, including the Additional Bonds with respect to which the certificate is made, and for all Subordinate Bonds then Outstanding.

For purposes of the latter test and the hereinafter described test for issuing Refunding Bonds set forth in the Trust Indenture, “Composite Principal and Interest Requirements” means, for any applicable period, the sum of the Principal and Interest Requirements for the Bonds and Principal and Interest Requirements for the Subordinate Bonds for such period.

### **Issuance of Refunding Bonds**

The County may issue refunding Bonds (“Refunding Bonds”) secured by the Bond Resolution from time to time on a parity with the Series 2009 Bonds, the Outstanding Bonds and any other Additional Bonds or Refunding Bonds theretofore issued under and secured by the Bond Resolution and then Outstanding for the purpose of providing funds, together with other legally available funds, for refunding all or any portion of the Bonds of any one or more Series issued under the Bond Resolution, or refunding any Subordinated Obligation, or refunding any other outstanding bonds or indebtedness of the County which were not issued under the provisions of the Bond Resolution.

In addition to other requirements described in the Bond Resolution, as a condition precedent to or simultaneously with the delivery of Refunding Bonds, one of the following tests must be met:

- (a) the maximum Principal and Interest Requirements for all Outstanding Bonds after the issuance of the Refunding Bonds (excluding any Bonds being defeased by proceeds of the Refunding Bonds) is not greater than the maximum Principal and Interest Requirements for all Outstanding Bonds prior to issuance of the Refunding Bonds; or
- (b) the Average Annual Debt Service Requirement for all Outstanding Bonds after issuance of the Refunding Bonds (excluding any Bonds being defeased by proceeds of the Refunding Bonds) is not greater than the Average Annual Debt Service Requirement for all Outstanding Bonds prior to issuance of the Refunding Bonds; or
- (c) the sum of the present values of the Principal and Interest Requirements for each year for all Outstanding Bonds after issuance of the Refunding Bonds (excluding any Bonds being defeased by proceeds of the Refunding Bonds) is not greater than the sum of the present values of the Principal and Interest Requirements for each year for all Outstanding Bonds prior to issuance of the Refunding Bonds,

using as a discount factor for such computation the yield on the Bonds being defeased; or

- (d) the Net Revenue (excluding investment income on funds on deposit in the Construction Fund) projected by the Rate Consultant, in writing, for each Bond Year from issuance of the Refunding Bonds through the fifth Bond Year after the Bond Year in which the Refunding Bonds are issued is equal to not less than 125% of the annual Principal and Interest Requirements in each of such years for all Bonds then Outstanding, excluding any Bonds being defeased by proceeds of the Refunding Bonds and including the Refunding Bonds with respect to which the certificate is made.

As a further condition precedent for the issuance of Refunding Bonds required by the Trust Indenture, the following additional test must be met:

If the Refunding Bonds are being issued under clause (d) above, then the Finance Director must also file with the Trustee a certificate confirming that the Net Revenue (excluding investment income on funds on deposit in the Construction Fund) projected by the Rate Consultant, in writing, for each Bond Year from issuance of the Refunding Bonds through the fifth Bond Year after the Bond Year in which the Refunding Bonds are issued is equal to not less than 110% of the annual Composite Principal and Interest Requirements in each of such Bond Years for all Bonds then outstanding under the provisions of the Bond Resolution (excluding any Bonds being defeased by proceeds of the Refunding Bonds and including the Refunding Bonds with respect to which the certificate is made), and for all Subordinate Bonds then Outstanding.

### **Issuance of Subordinated Obligations**

The County may issue obligations (“Subordinated Obligations”) other than Bonds from time to time other than under the Bond Resolution which are payable in whole or in part from the Net Revenue, but only if such obligations are, by their terms, subordinated to the lien on Net Revenue in favor of all Bonds issued under the provisions of the Bond Resolution.

The County has previously issued its Series 2008 Subordinate Bonds which constitute Subordinated Obligations under the Bond Resolution. The Trust Indenture, which authorized the issuance of the Series 2008 Subordinate Bonds, further limits the issuance of Bonds, as described in “ – Additional Bonds” above and other Subordinate Obligations.

### **Issuance of Special Purpose Bonds**

The County may issue obligations (“Special Purpose Bonds”) from time to time, other than under the Bond Resolution, for purposes of financing “Special Purpose Facilities” and paying certain costs in connection therewith and funding any required sinking funds, reserves and other payments, all as more fully set forth in one or more resolutions adopted by the County authorizing the issuance of the Special Purpose Bonds. “Special Purpose Facilities” means any Improvements to the Port Facilities that can be financed on a self-liquidating basis, as determined under the Bond Resolution, and which are not part of any Project for which Outstanding Bonds have been issued or included within any revenue projections used to assist in



the sale of any Outstanding Bonds. Special Purpose Bonds shall be secured solely by the rentals, loan payments, other charges and revenue derived by the County pursuant to, or resulting from, a lease, loan agreement, installment sales agreement or other financing arrangement relating to the Special Purpose Facilities to be financed thereby and/or by the operation thereof.

Special Purpose Bonds shall not be issued unless the Consulting Engineers shall have filed a certificate with the County to the effect that the Special Purpose Facilities can be financed on a self-liquidating basis in that the estimated rentals, loan payment or other charges to be derived by the County under the applicable agreements relating to the Special Purpose Facilities, or revenue otherwise resulting therefrom, will be at least sufficient to pay the direct operating expenses related thereto and the principal of, redemption premium, if any, and interest on the Special Purpose Bonds that finance the same, as the same mature and become due and all sinking fund, reserve or other payments required by the Special Purpose Bonds Resolution, as the same become due. In addition to the foregoing, Special Purpose Bonds may not be issued until a lease, loan agreement, installment sales agreement or other financing arrangement has been entered into between the County and the person or entity (including an entity controlled by the County) who will lease or use the Special Purpose Facilities, which lease, loan agreement, installment sales agreement or other financing arrangement shall be for a term as long as the period during which the Special Purpose Bonds are outstanding and unpaid.

Special Purpose Bonds shall be secured solely by a lien on the revenues generated by the Special Purpose Facilities in connection with which they are issued and by other legally available funds, and may not be secured by a lien on Net Revenue other than as Subordinated Obligations. See “SECURITY AND SOURCES OF PAYMENTS FOR THE SERIES 2009 BONDS— Issuance of Subordinated Obligations” herein. There are no Special Purpose Bonds outstanding.

## **RISK FACTORS**

The County’s ability to derive Net Revenue from its operation of the Port in amounts sufficient to pay debt service on the Series 2009 Bonds depends upon many factors, many of which are not subject to the control of the County. These factors include the financial strength of the petroleum, cruise passenger and cargo shipping industries in general, and of the firms in those industries that operate at the Port in particular. While the Port Department is of the view that the diverse nature of business activities at the Port provides a degree of financial stability and insulation from downturns in particular economic sectors, a worsening of general economic conditions, including inflation, general cost increases, international trade or oil embargoes, or continued trade deficit imbalances, nonetheless could affect the Port’s operations and the County’s income by either increasing operating costs without corresponding revenue increases, or decreasing cargo or cruise volume. Described below are certain factors that could affect future operations of the Port and certain related matters.

### **Cruise/Tourist Industry Fluctuations**

The Port currently derives approximately 27% of its total revenues from the passenger cruise industry, which is a part of the tourist industry. In addition, approximately 50% of the Cruise revenue for the Port for Fiscal Year 2008 was generated by one company, Carnival Corporation, which is the parent corporation for several of the cruise lines providing passenger

cruises from the Port. See “THE PORT – Business Operations – Cruise” herein. The cruise/tourist industry is subject to economic fluctuation due to any one or more of many factors, including fuel prices and the health of the economy in general, which are beyond the control of the County. While recent experience has been that the cruise lines reduce passenger fares to sustain passenger volumes at capacity, any significant change in such factors (e.g., a significant increase in fuel prices or a significant downturn in the economy) could produce a substantial and/or extended decrease in cruise travel, which decrease could have a material adverse impact on Net Revenue.

### **Economic Conditions**

Historically, the financial performance of the tourist industry has correlated with the state of the national economy. Future increases in cruise passenger traffic will depend largely on the ability of the U.S. to sustain growth in economic output and income. Since 2006, the rate of economic growth in the U.S. has slowed considerably, primarily due to losses in real estate values and tightening of credit in financial markets. During September 2008, there were significant and dramatic changes in the financial markets. The Federal National Mortgage Association (“Fannie Mae”) and the Federal Home Loan Mortgage Corporation (“Freddie Mac”) were taken over by the federal government to prevent their collapse. Several U.S. commercial and investment banks declared bankruptcy, were acquired by other financial institutions, combined with other financial institutions or sought huge infusions of capital. The volatility in the capital markets led the U.S. government to intervene by making funds available to certain institutions, taking over the ownership of others and assuming large amounts of troubled financial instruments in exchange for imposing greater regulation over certain institutions in order to restore the consumers’ confidence in the nation’s financial markets. The short and long term effects of these developments on the broader economy are not known at this time. There can be no assurances that such developments will not have an adverse effect on the tourist industry.

### **Economic Downturn Impacts on Cargo**

The global economic downturn which affected all major U.S. seaports with double-digit reductions in containerized cargo throughout 2008 began impacting Port Everglades later in the year which allowed the Port to realize an 8.65% growth in containerized cargo for Fiscal Year 2008. The strength of the Port’s north/south trade served as a cushion for most of 2008. For Fiscal Year 2009, Port Everglades is also experiencing double-digit declines in containerized cargo.

### **Competition**

The Port currently faces competition in certain of its business operations from other ports in the southeastern Atlantic region, including the Port of Miami. In the future, the level of competition could increase if these ports were to expand or establish additional facilities and services, which may have an adverse impact on Net Revenue. In addition, it is possible that other means of transporting cargoes presently handled at the Port could be devised and implemented that would have the effect of reducing the volume of such cargoes at the Port. For example, the Port’s market area has seen an expansion of international seaport facilities in

Caucedo, Dominican Republic; Kingston, Jamaica; Freeport, Bahamas; and Colón, Panama, among others, in the Caribbean basin. While the cargo volume of these ports represents a small percentage of Port Everglades' containerized cargo, these international seaport facilities are well positioned to handle transshipment cargo for the hemisphere. Transshipment cargo is cargo that is transferred from one vessel to another to reach its final destination. This is also a business activity which is projected to grow with the expansion of the Panama Canal in 2014. Within Florida, both Tampa and Jacksonville have added new container terminals which have been leased to international shipping lines.

In the Cruise sector Port Everglades primarily competes with the Port of Miami and Port Canaveral for the largest share of cruise passengers. Secondary competition has been increasing as a result of the modernization of the cruise fleet. While Port Everglades continues to handle the newer and larger cruise ships, smaller ports throughout the United States have benefited by redeployment of the older fleet to these smaller markets. This expansion of smaller market cruise ports has increased the options for cruise lines and could potentially impact the length of seasonal deployments in South Florida. The current economic declines have resulted in decreased cruise demand in the Mediterranean, which is benefiting the Port for the 2010 cruise schedule. Cruise lines are also providing deep discounts which are helping to maintain passenger volumes. Cruises have demonstrated their value in the competition for shrinking vacation dollars. While multi-day passengers have essentially been flat since 2004, competition from expanded land-side gaming options have reduced single day passengers by 58% since 2004. During that time, two of three day cruise operators in Port Everglades ceased operations. The rate of decline for the remaining day cruise operator is projected to slow.

A 2005 study commissioned by Port Everglades to review its petroleum operations determined that there are no significant competitive issues from nearby ports or interstate liquids pipelines that would substantially impact the Port's petroleum operations and associated Port revenues.

Fuel switching, e.g., the use of natural gas in place of fuel oil, could have a limited impact on petroleum revenues. Calypso LNG, LLC has proposed the installation of a deepwater offshore port off the coast of Broward County to receive liquefied natural gas. The deepwater port, if operational, would provide a second source of natural gas for the South Florida region. The additional availability of natural gas could possibly reduce the amount of fuel oil used by Florida Power & Light Company's Port Everglades plant. In Fiscal Year 2008 the Port revenues attributed to FPL totaled approximately \$300,000. Calypso has temporarily withdrawn its application due to political opposition.

## **Labor Relations**

The Port Department considers its relations with its employees, some of whom are members of unions, to be good. As public employees, under Florida law, unionized employees of the Port Department are prohibited from striking.

Certain operations at the Port are dependent on good labor relations among the stevedoring firms, marine terminal operators, shipping lines and other franchisees operating at the Port and the longshoremen, cargo checkers and other workers who work at the Port, but are

not employed by the Port Department. Florida is a “right to work” state, and some of these workers are unionized, while others are not. The International Longshoreman’s Association (“ILA”) Local 1526 represents some of the longshoremen at the Port and ILA Local 1922 represents some of the cargo checkers at the Port. Some of the franchisees at the Port use ILA union labor and are presently operating under an eight-year contract which expires in 2010. One of the firms at the Port uses Teamsters labor represented by International Brotherhood of Teamsters Local 390.

In the opinion of the Port Department, the Port Department and its franchisees enjoy good labor relations with both the ILA and the Teamsters. There has not been a strike at the Port by the ILA since 1970, and there has never been a strike at the Port by the Teamsters. However, there can be no assurance that strikes or other labor disruptions will not occur in the future. Any prolonged strike or disruption could adversely affect Net Revenue, although certain large users of the Port would be required to honor minimum wharfage guaranties, notwithstanding the occurrence of a strike.

### **Improvement of Port Facilities**

No assurance can be given that, as a result of unanticipated circumstances, the cost of capital improvements currently under consideration by the County will not exceed the amount of funds available to the County for such purposes. To the extent that such funds are insufficient to pay for the cost of acquiring and constructing these capital improvements, the County would be required to provide additional moneys or reduce the scope of its 5-Year Capital Improvement Program. Either of these alternatives could have an adverse impact on Net Revenue. Additionally, the Port Everglades Department intends to seek a 3.5% tariff increase in Fiscal Year 2010 and a 3% tariff increase in each of the Fiscal Years 2011 through 2014, which may impact the Port’s competitiveness. See “The PORT – Capital Improvement Program.”

### **Regulation**

The County is subject to the general requirements of State and federal environmental laws, including the regulations of the Florida Department of Environmental Protection. Projects involving dredging at the Port require the approval of the U.S. Army Corps of Engineers. The County, in compliance with Section 15 of the United States Shipping Act, publishes and files with the Federal Maritime Commission a port tariff establishing the rate, rules and regulations that apply to all users of the Port Facilities. To the best knowledge of the Port Department, the County is currently in compliance with all State and federal regulations requiring (i) approval of projects that have been or are being implemented or (ii) reporting of operations conducted at the Port; however, the Port, from time to time, has been determined by the Florida Department of Law Enforcement to be not substantially compliant with the State’s seaport security standards pursuant to Section 311.12, Florida Statutes. To the best knowledge of the Port Department, no failure to obtain a required approval has occurred and no regulatory action has been taken or threatened which, in either case, would have a material adverse impact on the operations of the Port or the revenues generated or to be generated by the Port Facilities. No assurance can be given, however, that the County will be able to obtain approvals that may be required in the future (i) to implement improvements that are contemplated for the Port or (ii) to maintain existing Port Facilities, or that it will meet all of the reporting and other requirements that have

been or may be imposed by State or federal agencies or authorities. A failure to obtain such approvals or to meet such reporting or other requirements could result in a loss of revenue for the Port or a failure to realize projected revenue, which loss or failure could have a material adverse impact on Net Revenue.

## **Hurricanes**

The State of Florida is generally susceptible to hurricanes and similar storms in which winds and tidal surges are powerful enough to cause severe destruction. Located on the Atlantic Ocean, the Port, specifically, and the County, generally, are particularly susceptible to such storms and their effects. The County has adopted a Hurricane Plan in an effort to, among other things, establish protective measures to be effected at the Port and to make the Port Facilities safer in case a hurricane occurs. The Port Facilities are presently included under the County's property casualty insurance policies. However, the insurance for wind and flood damage under such policies has a separate \$25,000,000 deductible for any one occurrence for the Port location. The County does not maintain a designated fund for the deductible. Any such funding would be subject to the availability of funds at the time of the loss and at the Board's direction. In addition, the amount of Net Revenue that would be lost during any period of repair required after the effects of a hurricane or other casualty cannot be predicted with any reasonable degree of certainty. The County's property insurance includes coverage for time element also known as business interruption insurance coverage that cover certain events and are subject various deductibles and a 4 day waiting period for Port Blockage and a \$250,000 property damage deductible regarding collapse and/or impact of/to bulkheads, piers, wharves docks, and dolphins. No assurance can be given that such insurance would be adequate to cover all damages and losses including lost Net Revenue during any repair or reconstruction period resulting from a hurricane or other casualty.

## **Environmental Hazards**

Any owner or operator of real estate may be adversely affected by legislative, regulatory, administrative and enforcement actions involving environmental controls. For example, if any of the property on which Port Facilities are located or other property operated by the County is determined to be contaminated, the County could be liable for significant clean-up costs, even if it is not responsible for the contamination. If the County were to discover such a site, the costs of decontamination or clean-up could be significant and the incurrence of such costs could have a material adverse impact on Net Revenue.

Through voluntary agreement, several petroleum companies having operations located at the Port created and funded an independent corporation, Port Everglades Environmental Corporation (PEECO). PEECO was created to address the problem of, and clean up of historical petroleum contamination on common areas owned by the Port, including pipeline right-of-ways, loading berths and roadways adjacent to oil company properties, used by the petroleum companies for transportation of their petroleum products. Through efforts of PEECO and the Port, the contaminated areas have all been deemed eligible for state funded clean-up by the Florida Department of Environmental Protection as an Early Detection Incentive (EDI) Site. The Port believes that the likelihood of having a financial liability for petroleum contamination costs not covered by the state or oil industry is remote.

## DEBT SERVICE SCHEDULE

The following table details the debt service payments to be made in each year on the Series 2009 Bonds and the aggregate amount of such payments. The table also sets forth the total debt service payments to be made in each year on the Outstanding Bonds and Series 2008 Subordinate Bonds.

Year	Total Debt Service on Outstanding Bonds	Total Debt Service on Series 2008 Subordinate Bonds <sup>2</sup>	Series 2009 Bonds		Total Debt Service	Total Composite Debt Service
			Principal Amount	Interest		
2009	\$21,846,959	\$3,410,502	-	-	-	\$25,257,461
2010	21,845,178	3,405,506	\$1,940,000	\$4,973,610	\$6,913,610	\$32,164,294
2011	21,844,928	3,403,174	2,635,000	4,277,150	6,912,150	\$32,160,252
2012	21,844,115	3,402,528	2,765,000	4,150,900	6,915,900	\$32,162,543
2013	21,842,750	3,395,922	2,900,000	4,012,650	6,912,650	\$32,151,322
2014	21,844,750	3,390,806	3,045,000	3,870,150	6,915,150	\$32,150,706
2015	21,847,250	3,387,966	3,195,000	3,717,900	6,912,900	\$32,148,116
2016	21,848,500	3,380,583	3,355,000	3,559,400	6,914,400	\$32,143,483
2017	12,316,750	3,378,724	3,520,000	3,391,650	6,911,650	\$22,607,124
2018	12,316,750	3,371,932	3,700,000	3,215,650	6,915,650	\$22,604,332
2019	12,323,750	3,367,027	3,900,000	3,012,650	6,912,650	\$22,603,427
2020	12,321,500	3,361,221	4,110,000	2,803,650	6,913,650	\$22,596,371
2021	12,319,500	3,357,292	4,315,000	2,598,150	6,913,150	\$22,589,942
2022	12,321,750	3,347,073	4,530,000	2,382,400	6,912,400	\$22,581,223
2023	12,317,000	3,343,351	4,765,000	2,150,237	6,915,237	\$22,575,588
2024	12,319,500	3,337,027	5,025,000	1,888,825	6,913,825	\$22,570,352
2025	12,322,750	3,329,232	5,290,000	1,623,325	6,913,325	\$22,565,307
2026	12,320,500	3,318,639	5,590,000	1,326,488	6,916,488	\$22,555,627
2027	12,321,750	3,308,960	5,890,000	1,026,025	6,916,025	\$22,546,735
2028	-	-	6,210,000	702,075	6,912,075	\$6,912,075
2029	-	-	6,555,000	360,525	6,915,525	\$6,915,525
Total	<u>\$310,285,929</u>	<u>\$63,997,466</u>	<u>\$83,235,000</u>	<u>\$55,043,410</u>	<u>\$138,278,410</u>	<u>\$512,561,805</u>

<sup>2</sup> Reflects interest at a synthetic fixed rate of 3.642% plus an assumed spread of 0.25% to account for alternative minimum tax and basis spread.



## THE COUNTY

### Generally

Broward County, created in October 1915 by the Legislature of the State of Florida, is located on the southeast coast of Florida and has an area of approximately 1,197 square miles. The County is bordered to the south by Miami-Dade County and to the north by Palm Beach County. Located within the County are 31 municipalities. The County ranks second in the State and 15th in the nation with a 2000 Census population of approximately 1.62 million persons. Broward County's Planning Services Division estimates the County's 2008 population to be 1,756,086. Four airports, including the Fort Lauderdale-Hollywood International Airport, are located in the County. The Port is located less than two miles from Fort Lauderdale-Hollywood International Airport. General governance, finance, economic and demographic information concerning the County may be found in "APPENDIX A - General Information Concerning Broward County, Florida" herein.

### County Governance

The County is governed by the provisions of its Charter (the "Charter") as amended, originally adopted by the electors of the County on November 5, 1974. Under the Charter, the County functions as a home rule government consistent with the provisions of the Florida Constitution and the general laws of the State.

The nine-member Board of County Commissioners (the "Board") is the legislative body of the County government. The Board annually elects a Mayor who serves as presiding officer. The Charter provides for one County Commissioner to be elected from each of the nine Commission districts. Elections are held every two years for staggered four-year terms. Each candidate must be a registered elector and a legal resident of the district to be represented.

The County Commissioners and expiration of their terms are as follows:

Stacy Ritter, Mayor	November 2012
Ken Keechl, Vice Mayor	November 2010
Josephus Eggelletion, Jr., Commissioner	November 2012
Suzanne N. Gunzburger, Commissioner	November 2010
Kristin D. Jacobs, Commissioner	November 2010
Ilene Lieberman, Commissioner	November 2012
John E. Rodstrom, Jr., Commissioner	November 2012
Diana Wasserman-Rubin, Commissioner	November 2010
Lois Wexler, Commissioner	November 2012

The County Administrator, appointed by the Board, is the chief administrative officer of the County government. The County Administrator directs the functions of County government through several offices, eight major departments, and various divisions within each department. Pursuant to an Administrative Code adopted by the Board, unless otherwise stated in the Charter, the County Administrator can appoint, suspend, or remove all County employees, with the

exception of the County Auditor and the County Attorney. The County Administrator also serves as ex-officio Clerk of the Board.

## THE PORT

*The information presented in this section, unless otherwise attributed to a specific source, was obtained from the Port Department.*

### Port Everglades Department

The Broward County Port Authority was originally created in 1927 by a Special Act of the Florida Legislature. Upon its creation, the Broward County Port Authority assumed the then-existing debt of the cities of Fort Lauderdale and Hollywood, Florida incurred in constructing the Port. The name of the Broward County Port Authority was changed to the Port Everglades Authority in 1965. This entity exercised governmental authority over the Port from 1927 until 1992, when a transition of authority from the Port Everglades Authority to the County commenced, which was completed in 1994. This transition of authority was occasioned by a referendum held on March 10, 1992, in which the voters of the County voted to dissolve the Port Everglades Authority. As a result of this referendum, the Florida Legislature, by special act, dissolved the Port Everglades Authority. All powers, duties, responsibilities, obligations and functions of the Port Everglades Authority were transferred to the County, and the County assumed, subject to its terms, all indebtedness of the Port Everglades Authority, including all obligations and rights under the Resolution as in effect at the time of such transfer. The County now operates the Port Facilities through the Port Department. Key management personnel of the Port Department are described immediately below.

*Phillip C. Allen, **Port Director***, joined the Port in 2005 after serving as the CFO for the Broward County Board of County Commissioners. He served as Interim Port Director in 2001-2002. His previous experience includes positions as the Director of Finance, Director of the Office of Management and Budget, and Executive Assistant to the Mayor for the City of Cleveland, Ohio and the Budget Director for the City of Akron, Ohio. Mr. Allen holds a BBA degree with a major in accounting from Ohio University and a MBA from the University of Akron. He is a member of the American Association of Port Authorities and currently serves as Chair of the Florida Seaports Transportation and Economic Development Council. He has also previously served as Executive Board Member of the Government Finance Officers Association of the United States and Canada.

*Glenn A. Wiltshire, **Deputy Port Director***, was appointed to his present position in August 2006. Prior to that, he served as an officer in the United States Coast Guard, retiring with the rank of Captain at the end of a 30-year career in June 2006. During his Coast Guard career, he held numerous positions with strategic planning, environmental protection, marine safety, and maritime security responsibilities, ending with him serving as U.S. Coast Guard Captain of the Port and Sector Commander for the the New York/New Jersey area. Mr. Wiltshire has a Bachelor of Science degree in Ocean Sciences from the U.S. Coast Guard Academy and a Masters of Public Administration degree from the John F. Kennedy School of Government, Harvard University.

*Carlos Buqueras*, **Director of Business Development**, was appointed to his present position in 1993. He previously served as an International Distribution Manager for Corning Inc.'s corporate headquarters in Corning, New York. Mr. Buqueras has a Master of Science degree in economics from the University of Barcelona and a MBA degree in international business from Fairleigh Dickinson University. He is a Board Member and past Chair of the International Marketing Committee of the Broward Economic Development Council, a member of the International Trade Advisory Board of the Fort Lauderdale Chamber of Commerce and a past President and Board Member of the Florida Free Trade Zone Association, Inc.

*Robert J. Flint*, **Director of Operations**, was appointed to his present position in May, 1989, and has forty-two (42) years of experience in the maritime industry, having served as the Senior Vice-President of Eller and Company and as President of South Atlantic Terminals and Manager of Operations for Pittson Stevedoring Company. Mr. Flint has also served as a licensed deck officer with an American flag steamship company. Mr. Flint is a graduate of New York Maritime College where he received a Bachelor of Science Degree in Maritime Transportation.

*Mary Spiegel Meynarez, C.P.A.*, **Director of Finance**, joined the Port in April, 1989 after serving as the Finance Director for the Broward County Aviation Department. Previous experience included positions as the Assistant Director of Finance for the City of Miami and with a private accounting firm. Ms. Meynarez holds a BBA degree with a major in accounting from Florida International University and is a Florida registered Certified Public Accountant. She is a member of the Finance Committee of the American Association of Port Authorities, the Florida Institute of Certified Public Accountants, the Government Finance Officers Association of the United States and Canada and the Florida Government Finance Officers Association.

*Pia Thompson*, **Director of Business Administration**, joined the Port in 1977 and was appointed to her present position in 2007. Ms. Thompson had been the Port's Assistant Director of Business Administration since 2001. She also previously served as Property Manager for 12 years as well as Contract Compliance Officer for the Port. A graduate of Prospect Hall College, Ms. Thompson is a Certified Property Manager (CPM) by the Institute of Real Estate management (IREM). She was the Past President of IREM and currently serves on the Executive Board. Ms. Thompson holds the Real Property Administrator (RPA) designation by the Building Owners and Managers Institute International.

## **General Attributes**

Port Everglades is a deep-water Atlantic Ocean port located on the southeast coast of Florida, approximately 23 miles north of Miami and 48 miles south of West Palm Beach. The Port is located within the Cities of Fort Lauderdale, Hollywood and Dania Beach, Florida, as well as within unincorporated areas in southeastern Broward County, Florida. It is comprised of more than 2,190 acres, of which approximately 1,277 acres are County-owned. Of the 2,190 acres in the jurisdictional area of the Port, approximately 1,742 are upland, and 448 are submerged. The Port is the deepest port in Florida, with a design depth of 42 feet at mean low water. The Port's piers and wharves are less than two miles from the open-ocean shipping lanes offshore.

The Port is divided into three distinct adjacent geographic areas: (i) Northport, which is the site of the Greater Fort Lauderdale/Broward County Convention Center, cruise operations and petroleum and container operations; (ii) Midport, which is the site of container operations, cruise terminals, bulk cement operations, and neo-bulk operations and (iii) Southport, which is currently dedicated to container operations as well as the Foreign Trade Zone. See Map on inside back cover of this Official Statement.

The Port is close to major inland transportation routes. It is within two miles of the Fort Lauderdale-Hollywood International Airport and is connected by a short rail spur operated by Florida East Coast Railway to major U.S. freight train lines. Interstate 595 terminates at the Port; it gives the Port direct access to major local interstate highways, including I-95, I-75, the Florida Turnpike and the Sawgrass Expressway.

In Fiscal Years 2007 and 2008, the Port hosted 5,496 and 5,226 port calls, respectively, from vessels ranging from aircraft carriers and mega cruise ships to container ships and tankers of all sizes. For Fiscal Year 2009, the Port Department has forecasted 5,766 port calls at the Port. In 2008, the Port ranked third-busiest among the world's cruise ports, second largest petroleum port in Florida, second in Florida in terms of total cargo tonnage handled and eleventh in the nation in terms of foreign waterborne container cargo. The Port receives refined petroleum products that are distributed over a 12-county area in southern Florida.

Within the Port, the Port Department provides traditional municipal services, including public safety and public works. The Port Department is responsible for road maintenance on County-owned roads within the Port, as well as the provision of water and sewer service within this area.

## **Revenue Sources**

The County owns the Port Facilities and authorizes independent firms to provide services and to operate the enterprises located at the Port. The Port derives revenue from the following primary business activities: passenger cruise ships, containerized cargo, petroleum cargo, dry bulk and neobulk cargo, naval port calls, vessel lay-in, parking, real estate and related property leases, and Foreign-Trade Zone transactions. Each of these activities is described below.

Rules and regulations, as well as a complete schedule of all charges assessed for the use of Port Facilities, are contained in a tariff published by the Port Department and approved by the Board of County Commissioners as part of the County's Administrative Code. The Port is not subject to regulation as to the rate levels by any governmental body other than the Board of County Commissioners. However, the Federal Maritime Commission prescribes the form of tariff utilized by the Port Department. Charges are levied for services provided by private enterprise as well as services supplied directly by the Port Department. The Port Department reviews tariffs annually, with revisions traditionally effective on October 1<sup>st</sup> of each year. The Port Department adjusts its tariff based upon the costs associated with providing such services as well as a review of competitive factors, including tariffs of competing ports.

Wharfage charges are applied against cargo and passengers moving between vessels and the Port's terminal facilities and are based on handling units—for example, barrels, tons or

passengers. Dockage charges are applied against a vessel for berthing at a wharf, pier or other bulkhead structure and are based on the vessel's size (typically gross registered tonnage) and the period that the vessel is berthed. The charges for wharfage and dockage are computed separately, so that a vessel which ties up at a berth pays a dockage charge even though no cargo is handled.

In an effort to give the Port a competitive advantage in attracting additional shipping lines and maintaining those presently using the Port, contracts between the Port and certain container shipping lines and cruise lines provide for wharfage and dockage fees based on a percentage of published tariff rates based on throughput. Petroleum and other liquid bulk items using pipeline connections on the piers are charged wharfage based on the number of barrels unloaded. Currently most multiday passenger activity is discounted from 10% to 20% off published Port Tariff Rates, under the current Tariff cruise ships are charged wharfage fees of \$8.10 for each passenger embarking on or disembarking from multi-day cruises and \$1.85 for each passenger embarking on or disembarking from single-day cruises.

**PORT EVERGLADES DEPARTMENT**

**PORT EVERGLADES VERSUS SELECTED PORT CRUISE TARIFF COMPARISONS FOR FISCAL YEAR 2009  
TARIFFS AS CURRENTLY POSTED ON RELATED PORT WEBSITES WITH VARYING EFFECTIVE DATES**

<b>Wharfage – Passenger (Embark/Debark)</b>	<b>UNITS</b>	<b>PORT <sup>1</sup> EVERGLADES</b>	<b>MIAMI</b>	<b>JAXPORT</b>	<b>TAMPA</b>	<b>PORT CANAVERAL</b>	<b>PORT OF PALM BEACH</b>
- Multi-day (Less than 12 calls per year)	Each	\$8.10	\$8.98	\$8.18	\$6.00	\$6.12	\$6.00
- Multi-day	Each	\$8.10	\$8.98	\$8.18	\$6.00	\$6.12	\$4.50
- Daily (25 sailings per month)	Each	\$1.85	\$1.76	N/S	N/S	\$1.60	\$1.75
- Daily (180 – 200 sailings per year)	Each	N/S	\$2.92	N/S	N/S	\$3.15	N/S
- Security Fee	Each	*	\$ -	\$2.00	\$ -	\$ -	\$1.00

\* Cruise lines billed directly by the Port for security overtime incurred during each ship call.

<sup>1</sup> The Port Everglades Department has proposed a 3.5% tariff increase in Fiscal Year 2010.

See discussion "THE PORT – Capital Improvement Plan."

N/S = Not Specified

Combined dockage and wharfage fees provide the major portion of the Port's operating revenues. In Fiscal Year 2008, wharfage accounted for approximately \$53 million, or 45% of the Port's operating revenues, and dockage generated approximately \$18 million, or 16% of the Port's operating revenues.

Most ports allow a specified number of days of "free time" during which cargo may be left without charge, either in covered transit sheds or in uncovered storage areas. The Port Department currently allows between 12 and 48 calendar days of free time, depending on the commodity, and quantity after which storage or demurrage charges are assessed. The Port Department provides, either through Department personnel or third-party contractors, vessel and on-shore services that are necessary to operate a modern port facility and receives revenue for charges made for these services.

Passengers embarking on cruise ships calling at the Port are assessed a daily fee for parking privately-owned vehicles in designated Department-owned parking facilities. In 2008, parking fees generated approximately \$9 million, or approximately 8% of the Port's operating revenues. Container lines are assessed an hourly charge for utilizing the Port's container gantry cranes, which are maintained by the Port Department.



As an additional source of income, the Port Department leases land, office space, and warehouse space to various private entities including steamship lines, agents, stevedoring firms, Foreign Trade Zone users and others under the terms of approximately 110 separate leases. The majority of office and warehouse space leases are for terms from one to three years. Land leases with terminal operators usually have initial terms of five to ten years with options to renew for additional five- to ten-year terms. In addition, the County has a 99-year lease agreement with a separate private entity which operates a retail marketplace in Northport. In 2008, leases of real property, including the Foreign-Trade Zone discussed below, generated approximately \$9,800,000, or approximately 8% of the Port's operating revenues.

The County (or its predecessor, the Port Everglades Authority) has operated a foreign trade zone at the Port since 1978, when Port Everglades' Foreign-Trade Zone No. 25 ("FTZ #25" or the "Foreign-Trade Zone") became Florida's first such facility offering businesses duty-related advantages for import and export goods. A foreign trade zone is a duty-free and quota-free area in a United States Customs port of entry that handles foreign and domestic cargo imported from, or exported or re-exported to, a foreign country. Those who ship goods through a foreign trade zone can postpone, reduce or eliminate customs duties, excise taxes and other state and federal charges. Goods resting in a foreign trade zone are not within the limits of United States commerce for customs purposes. Total acreage designated for FTZ #25 status in the County is 305 acres, 82 of which are located within the boundaries of the Port. Activated space within FTZ #25 at the Port consists of a 22.7-acre fenced and lighted security area. Five warehouse buildings totaling 388,600 square feet (9.7 million cubic feet) are located within this area. All facilities in FTZ #25 at the Port are owned by the County. The Foreign-Trade Zone, including special-purpose subzones typically receives and ships goods valued at more than \$8 billion per year (in/out). Nearly 3,562 different commodities from more than 59 countries of origin moved through FTZ #25 in 2008. The top five commodities for 2008 were jet fuel, cosmetics, alcoholic beverages, tools & hardware, and auto parts, and the top five countries of origin for 2008 were Venezuela, Mexico, United Kingdom, France, and Japan. The Foreign Trade Zone is primarily a landlord operation; most of the Port's revenues from this business are derived from lease rentals.

## **Business Operations**

*Cruise.* The Port currently has eleven passenger terminals, ten of which are equipped with hydraulic loading bridges, elevators and escalators for efficient embarkation and disembarkation, large waiting rooms and customs inspection areas. Two of the passenger terminals are designed as dual purpose facilities, also handling cargo operations through a connected transit cargo warehouse.

The volume of cruise passengers embarking and debarking at Port Everglades has grown significantly in the past decade, rising from 2,256,169 passenger movements in 1998 to a high of 4,075,406 passenger movements in 2004 and settling to approximately 3.2 million passenger movements in 2008. In 2008, the Port derived approximately 27% (\$31.5 million) of its operating revenues from the passenger cruise industry. Fourteen cruise lines provide service at the Port via a 40-ship cruise fleet, including Carnival Cruise Lines, Celebrity Cruises, Costa Cruise Lines, Cunard Line, Discovery Cruise Line, Hapag-Lloyd Cruises, Holland America Line, Celebration Cruise Line, MSC Cruises, Princess Cruises, Regent Seven Seas Cruises, Royal



Caribbean International, Seabourn, and Silversea Cruises. Cruise ships embarking from the Port range in size from the 9,961 gross registered ton (GRT) *Seabourn Legend*, with a passenger capacity of 204, to the 158,000 GRT *Independence of the Seas*, with passenger capacity of 3,600. In fall 2009, the 220,000 GRT *Oasis of the Seas* will begin embarking from the Port, and its sister ship, the *Allure of the Seas*, will begin embarking from the Port in the fall of 2010. Each of these ships will have nominal capacity of 5400 passengers.

Two of the world's largest cruise organizations, Carnival Corporation ("Carnival Corporation" or "Carnival") and Royal Caribbean Cruises Ltd. ("RCL"), have long-term agreements with Port Everglades guaranteeing annual business volumes as described below. The Port has historically been a seasonal cruise port, with cruise lines operating typically from October to May offering Eastern and Western Caribbean cruises as well as South America, Panama Canal and round-the-world cruises. In recent years this has changed to some degree with Carnival, Princess, and RCL homeporting ships year-round in Port Everglades. This trend has been strengthened under the long-term agreement with RCL. This agreement more than tripled RCL's guarantees with the first of two new Oasis-class ships homeporting year-round in Port Everglades starting in November 2009 and a second Oasis-class ship starting in November 2010. Cruise schedules are subject to change, which could result in an increase or decrease in the number of first-time calls for the Port.

The RCL agreement is for a ten-year term which commenced January 1, 2008 and also provides for two additional five-year option terms. In addition to the higher passenger guarantees, the RCL agreement provides for \$54.5 million plus interest in capital cost recovery fees from Royal Caribbean related to the expansion of Terminal 18. The total capital costs are to be recovered from the line within the first six contract years of the initial ten-year term. During the initial ten-year term, both the Port and RCL have an option to terminate the agreement after a written notice twelve months prior to the anticipated termination. The terminating party is obligated to pay \$20,000,000 when the Termination Option is exercised. If RCL initiates the Termination Option, they will also be obligated for any unpaid capital cost recovery fees. If the Port initiates the Termination Option, RCL will be released from any unpaid balance of the total capital cost recovery charge. RCL further has an option to terminate the RCL agreement by giving twelve (12) months prior written notice to County, if a new levy, charge or fee is imposed or assessed under any applicable law, rule, regulation, directive or other legal requirement of any federal, state or local governmental authority resulting in an adjustment to the then current Port User Charge (as defined in the RCL agreement) of twenty-five (25%) or greater to the RCL Lines (as defined in the RCL agreement) if the RCL Lines were to continue using the Port as a home port and RCL and the County are unable to reach an agreement satisfactory to RCL within ninety (90) calendar days following written notice to RCL of the imposition or assessment date of such new charge (the "Material Adverse Change Clause"). Termination of the RCL agreement pursuant to this Material Adverse Change Clause would not obligate RCL to pay the \$20,000,000 penalty. Additional costs and expenses related to increases by the U.S. Coast Guard of the maritime security level at the Port are subject to the rights of RCL under the Material Adverse Change Clause.

Carnival Corporation has long-term agreements with the Port of eleven years and ten years, respectively through its subsidiary organizations, Worldwide Shore Services and Princess

Cruises, Inc. The Worldwide Shore Services' agreement term ends September 30, 2010 and the Princess Cruises' agreement term ends October 31, 2009. The agreements with Worldwide Shore Services and Princess Cruises have no provisions for early termination and the Worldwide Shore Services' agreement further "absolutely, irrevocably, and unconditionally guarantees each Annual Guaranteed Payment." The Port and Carnival Corporation are currently negotiating the terms of a new long-term agreement which would cover all Carnival brands including Princess Cruises. Initial negotiations have determined Carnival's interests in upgrading of the Port's terminals and in a contract with a duration of at least ten years.

In 2008, as noted in the following chart, the Port ranked third in the world behind the Port of Miami and Port Canaveral as a port offering cruise ship service. Although not detailed in the international comparisons, the passenger totals below include one-day cruise activity. Comparisons provided by the Florida Ports Council for Fiscal Years 2007/2008 show that Port Canaveral handled the highest number of one-day cruise passengers with 1,089,456 versus 591,059 one-day passengers for Port Everglades. If only multi-day passenger counts are considered, Port Everglades would move ahead of Port Canaveral in the ranking with 2,636,711 multi-day cruise passengers versus 2,484,504 for Port Canaveral during the same period. As a cruise port, Port Everglades holds several advantages over competing ports, including a deeper channel and turning basin, close proximity to deep water, major hotels and nearby Fort Lauderdale-Hollywood International Airport. The Port holds a world record of handling 49,234 cruise passengers in one day on January 3, 2009.

**Top Ten Cruise Ports  
2008 Passenger Traffic**

<b>Port</b>	<b>Passengers</b>
Miami	4,137,531
Canaveral	3,600,000
Everglades	3,227,770
Cozumel	2,569,433
Hong Kong	2,475,500
Barcelona	2,069,651
Civitavecchia (Rome)	1,819,845
St. Thomas	1,760,000
Nassau	1,552,994
Cayman Islands	1,496,853
San Juan	

Source: 2009 - Cruise Industry News

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The following table sets forth cruise passenger traffic at the Port from 1999 through 2008.

### CRUISE PASSENGER TRAFFIC

2008.....	3,227,770
2007.....	3,409,946
2006.....	3,239,154
2005.....	3,801,464
2004.....	4,075,406
2003.....	3,375,671
2002.....	3,485,857
2001.....	3,072,343
2000.....	2,737,389
1999.....	2,392,324

Source: Port Everglades Annual Commerce Report Fiscal Year 2008, a publication of the Port Department.

*Containerized Cargo.* Containerized cargo accounted for approximately 29% of operating revenue in Fiscal Year 2008. Containerization is a method of carrying, loading and unloading waterborne cargo in large metal containers of standard shapes and sizes. Containers permit shippers to move cargo from ship to shore and truck or rail to ship without intermediate handling steps. Port-owned rail-mounted gantry cranes as well as privately owned stick cranes are largely used to unload containers from ships directly onto trucks. The Port's largest terminal operator primarily utilizes the roll-on/roll-off (ro/ro) method of container operations and supplements its operation with the use of Port-owned gantry cranes. Containerization requires less labor and is less costly than breakbulk cargo shipping, which requires manual loading and unloading. Containerization has replaced breakbulk cargo as a transportation mode in appropriate cargo categories.

The Port now ranks as the number one container port in Florida based on total twenty-foot equivalent unit (TEU) count, as noted in the table below from the Florida Ports Council's Mission Plan. Port Everglades also ranks eleventh among U.S. seaports for containerized cargo and during the last few years has been growing at a faster rate than most of the top ten ports in the United States. From 1998 to 2008, the volume of containerized cargo billed at Port Everglades increased from 4,257,414 tons to 6,584,747 tons, representing growth of 55%. Port Everglades produced a sixth consecutive year of growth in containerized cargo during Fiscal Year 2008, increasing the amount of containerized cargo tonnage shipped 8.7%, totaling a record 6,584,747 tons. The Port has increased containerized cargo an average of 11.5% annually for the past six years, and it increased containerized cargo tonnage by more than 2.9 million tons during that time.

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**U.S. Port Container Volumes, 2008 and 2007**  
**(Includes loaded and empty containers) In TEU's**

<b>Rank 2008</b>	<b>Seaport</b>	<b>2008</b>	<b>2007</b>	<b>Absolute Change</b>	<b>% Change</b>	<b>2007 Rank</b>
1	Los Angeles	7,849,985	8,355,039	-505,054	-6.0%	1
2	Long Beach	6,350,125	7,312,465	-962,340	-13.2%	2
3	New York/New Jersey	5,265,053	5,299,105	-34,052	-0.6%	3
4	Savannah*	2,616,126	2,604,312	11,814	0.5%	5
5	Oakland	2,236,244	2,388,182	-151,938	-6.4%	4
6	Hampton Roads*	2,083,278	2,128,366	-45,088	-2.1%	7
7	Seattle	1,704,492	1,973,504	-269,012	-13.6%	8
8	Tacoma	1,861,352	1,924,934	-63,582	-3.3%	6
9	Houston*	1,794,309	1,768,627	25,682	1.5%	10
10	Charleston*	1,635,534	1,754,376	-118,843	-6.8%	9
<b>11</b>	<b>Port Everglades</b>	<b>985,095</b>	<b>948,687</b>	<b>36,408</b>	<b>3.8%</b>	<b>11</b>
<b>12</b>	<b>Miami</b>	<b>828,349</b>	<b>884,945</b>	<b>-56,596</b>	<b>-6.4%</b>	<b>12</b>
<b>13</b>	<b>Jacksonville</b>	<b>697,494</b>	<b>710,073</b>	<b>-12,579</b>	<b>-1.8%</b>	<b>13</b>
14	Baltimore	612,877	610,466	2,411	0.4%	14
15	Anchorage	544,315	504,844	39,471	7.8%	15
16	Wilmington (DE)	N/A	284,352			16
17	Philadelphia	255,994	253,492	2,502	1.0%	15
18	Portland (OR)	245,459	262,246	-16,787	-6.4%	18
19	New Orleans	N/A	250,649			19
20	Palm Beach	244,638	249,931	-5,293	-2.1%	20

\*Primary Florida competitors.

Data source: American Association of Port Authorities as of March 1, 2009. N/A= Not Available

There are 34 container shipping lines that maintain regular service at the Port. Cargo shippers at the Port provide service to over 200 ports in 118 countries. Most of these shipping lines primarily serve the Caribbean Basin, Central and South America, the Mediterranean, and the Far East. In 2009, 82% of the Port's containerized cargo originated in or was destined for these trade areas. Of that amount, 32% of the Port's containerized cargo volume was destined for Central America. Please see the chart below for a summary of activity by trade lane and related percentage shares.

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**PORT EVERGLADES MARKET SHARE REPORT Fiscal Year 2008**  
**COMPARISON WITH ACTIVITY IN U.S. SOUTH ATLANTIC SEAPORTS**

TRADE LANE	CONTAINERIZED CARGO VOLUME IN TONS		PEV % of	% of
	PORT EVERGLADES	Grand Total	Market	PEV
CARIBBEAN	1,543,480	8,318,084	18.56%	<b>25.05%</b>
<b>CENTRAL AMERICA</b>	<b>2,000,812</b>	<b>3,879,243</b>	<b>51.58%</b>	<b>32.47%</b>
EAST COAST SOUTH AMERICA	513,786	1,542,352	33.31%	<b>8.34%</b>
MEDITERRANEAN	410,512	3,624,988	11.32%	<b>6.66%</b>
MIDDLE EAST	70,177	3,545,156	1.98%	<b>1.14%</b>
NORTH COAST SOUTH AMERICA	532,864	1,465,474	36.36%	<b>8.65%</b>
NORTHERN EUROPE	128,290	7,735,273	1.66%	<b>2.09%</b>
NORTHERN FAR EAST	359,434	13,331,805	2.70%	<b>5.84%</b>
OTHERS	53,371	2,028,465	2.63%	<b>0.87%</b>
SOUTHEAST ASIA	77,791	3,184,663	2.44%	<b>1.27%</b>
WEST COAST SOUTH AMERICA	472,668	2,614,549	18.08%	<b>7.67%</b>
<b>GRAND TOTAL</b>	<b>6,163,184</b>	<b>51,270,052</b>	<b>12.02%</b>	<b>100.0%</b>
<b>REGIONAL TOTAL</b>	<b>5,063,610</b>	<b>17,819,702</b>		<b>82.16%</b>
<b>% of REGIONAL CARGO</b>	<b>28.42%</b>			

Per data extracted from the Journal of Commerce Port Import Export Reporting System (PIERS) which generally reports 5-10% fewer tons than billed by the Port.

In addition to being the leading port in Florida for containerized cargo trade, Port Everglades leads all South Atlantic Region U.S. seaports in trade within this hemisphere. As noted in the chart above, the Port handles 28% of this market versus its closest rival, the Port of Jacksonville, which handles 26%. The Port is particularly dominant in Central America, where it not only is first in the South Atlantic, with 52% of the market, but also first among all U.S. seaports, with 19% of the entire market in 2008 (see chart below).

**Top Five Container Seaports**  
**Loaded Twenty-Foot Equivalent Units (TEUs)**  
**Central American Market**

Port	TEUs
Everglades	238,535
Gulfport	163,525
Wilmington, DE	145,669
Miami	137,061
Houston	63,458
Other U.S. Ports	505,330
<b>Total Central America</b>	<b>1,253,578</b>
<b>% Port Everglades</b>	<b>19%</b>

Source: Extracted from calendar 2008 cargo activity reported in the "PIERS Port Horizons Spring 2009 Issue."

With the signing of a long-term, guaranteed-revenue terminal operating agreement with the Mediterranean Shipping Company (MSC) in 2004, the Port has secured long-term Far East trade connections. Far East trade currently represents 7.1% of the Port's activity.

The table below sets forth the total container cargo tonnage billed by the Port from 1999 through 2008.

**CONTAINER CARGO TONNAGE BILLED**

2008.....	6,584,747
2007.....	6,060,149
2006.....	5,688,442
2005.....	5,076,403
2004.....	4,145,394
2003.....	3,633,610
2002 .....	3,425,269
2001.....	3,907,890
2000.....	4,091,936
1999.....	4,143,982

Source: Port Everglades Annual Commerce Report Fiscal Year 2008, a publication of the Port Department.

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The tables below set forth the 10 top export and import countries for the Port for Fiscal Year 2008 related to containerized trade, as well as the 10 top export and import containerized commodities for the Port during that period.

**TOP 10 EXPORT  
COUNTRIES  
(FISCAL 2008)**

Rank	Country	Short Tons
1	Honduras	339,692
2	Bahamas	219,853
3	Venezuela	207,685
4	Dominican Republic	176,329
5	Costa Rica	142,695
6	Guatemala	140,943
7	People's Republic of China	113,386
8	Brazil	107,529
9	Colombia	87,184
10	Chile	70,263

**TOP 10 IMPORT  
COUNTRIES  
(FISCAL 2008)**

Rank	Country	Short Tons
1	Honduras	474,483
2	Guatemala	253,771
3	Brazil	210,081
4	Chile	196,585
5	People's Republic of China	174,957
6	Costa Rica	165,292
7	Colombia	140,074
8	Dominican Republic	78,444
9	Venezuela	54,827
10	Bahamas	46,583

**TOP 10 EXPORT  
COMMODITIES  
(FISCAL 2008)**

Rank	Commodity	Short Tons
1	General cargo, miscellaneous	280,330
2	Grocery products, miscellaneous	263,118
3	Paper & paperboard, including waste	222,212
4	Building Materials	130,147
5	Yarns, Misc	124,472
6	Fabrics, Incl. Raw Cotton	122,620
7	Poultry, Chiefly Fresh & Frozen	105,536
8	Auto Parts	89,386
9	Apparels, Misc.	86,012
10	Mixed Metal Scrap	70,322

**TOP 10 IMPORT  
COMMODITIES  
(FISCAL 2008)**

Rank	Commodity	Short Tons
1	Bananas	266,516
2	Fruits, Misc	260,553
3	Ceramics & Mosaic Tiles	217,513
4	Vegetables	161,319
5	General Cargo, NOS	127,175
6	Underwear, T-Shirts	112,946
7	Non Alcoholic Beverage	106,712
8	Beer & Ale	68,122
9	Elec & Electronics	67,010
10	Marble, Onyx	62,062

Sources: the Port Department and Port Everglades Annual Commerce Report Fiscal Year 2008, a publication of the Port Department.

*Petroleum.* Petroleum accounted for approximately 20% of the Port's operating revenues in 2008. The Port is the second largest storage and distribution center for petroleum products in Florida. During 2008, approximately 114 million barrels of petroleum products were transferred from/to vessels at the Port. Most of the Port's petroleum arrives from refineries located along the U.S. Gulf Coast, in Venezuela, Europe and throughout the Caribbean. Twelve petroleum terminal operators receive product across Port docks to their privately-owned storage facilities within the Port jurisdictional Area. Most of the petroleum products imported to the Port are shipped via tanker truck to retail outlets in the twelve counties of southern Florida and by pipeline to Fort Lauderdale-Hollywood International Airport and Miami International Airport. Petroleum products handled at the Port include asphalt, diesel fuel, gasoline, residual fuel oil, jet fuel, propane, crude oil and alternative fuels such as ethanol and biodiesel.

*Bulk Cargo.* In addition to containerized cargo and petroleum, the Port also handles dry bulk and neobulk cargoes. The Port historically has been a major south Florida gateway for dry bulk and neobulk (breakbulk) commodities. Cement, alumina sand and gypsum are the primary dry bulk commodities handled at the Port. Steel and yachts are the primary neobulk commodities handled at the Port.

Cement imports, which constitute most of the dry bulk handled at the Port, are unloaded from ships pneumatically into privately-owned silos where they are stored until distributed by enclosed truck or in bags. Through 34 silos of two major cement terminals (owned by Continental Cement Co. of Florida, Inc. and CEMEX), prior to the recession, the Port handled nearly 2 million tons of cement and related materials per year. Gypsum and alumina sand are handled by automated buckets and open dump trucks. Volumes of cement, alumina sand and gypsum have been highly variable and are affected by the demands of the construction industry and by population growth in southern Florida and has declined with the slump in the housing market. In Fiscal Year 2008, dry bulk tonnage declined to 895,000 tons. The volume of breakbulk steel imports is also affected by the level of activity of the construction industry in the southern Florida region. Yacht activity, on the other hand, has experienced a long-term growth trend and grew 27% in Fiscal Year 2008.

The Port has twelve berths available for general cargo loading. Support facilities available for general cargo handling include several transit warehouses adjacent to the ship berths for storing cargo temporarily. Specialized facilities for general cargo have been built at the Port by private entities on land leased from the Port. These include cement silos and a cold storage warehouse for frozen meats and produce.

*Port Calls.* The Port is a liberty port for navy vessels from throughout the world. A number of United States Navy vessels have historically called at the Port. In 2008, 22 Navy vessels called at the Port. Department management does not foresee any significant increases or decreases in naval activity at the Port in the near-term.

*Lay-In.* In addition to the vessels that call at the Port to load or discharge cargo or passengers, as described above, vessels lay-in at the Port for a number of other reasons, including maintenance and repair and fueling.

## **Recent Developments**

Today, Port Everglades is ranked third in the world based on passenger count, as noted in the chart in the cruise section above. Port Everglades's current strategy is to enter into long-term, guaranteed agreements with major cruise lines to expand its market share. The Port has also entered into formal negotiations for a new long-term cruise agreement with Carnival Corporation, the world's largest cruise operator.

As of Fiscal Year 2008, Port Everglades remains the number one container cargo port in Florida. The Port's growth over the past several years has been fueled by the signing of long-term, guaranteed agreements with container operators new to Port Everglades while retaining most existing tenants. These new operators include Chiquita Banana in 2003, MSC in 2004, and

Compania Sud-Americana de Vapores (CSAV) in 2005. These new terminal operators have also attracted the following lines new to Port Everglades: Hamburg Sud, Hapag-Lloyd, and Maruba. The Port recently amended its 20-year terminal operating lease agreement with Mediterranean Shipping Corporation, the second largest containerized cargo carrier in the world, to accommodate their increasing volumes.

In January 2008, Maersk/Universal exercised its option for a 36-month early termination of its terminal operating lease, which had an expiration date of September 28, 2013. Maersk also has a terminal operating lease in the Port of Miami and originally assumed the lease in Port Everglades when it acquired the former Sealand Service in the late 1990's. The Maersk terminal had been one of the least productive in Port Everglades for the past several years, and Maersk has been reducing its services in the region. Maersk was responsible for approximately \$3.8 million in lease and guarantee payments for the remainder of their early termination period to January 20, 2011. The County received a negotiated termination payment of \$2,350,000 and two buildings with a fair market value of \$1,450,000 under a negotiated termination settlement. The container terminal formerly leased to Maersk/Universal has been leased on a short-term basis to King Ocean Service de Venezuela S.A., MSC Mediterranean Shipping Company and FIT Florida International Terminals while the construction of an additional 41 acres of container yard are completed in 2010.

### **Capital Improvement Plan**

On December 4, 2007, the Broward County Board of County Commissioners adopted the Port Everglades Master/Vision Plan which covers a 20-year planning horizon from 2006 through 2026. The Master/Vision Plan analyzed maritime business trends from regional, national, international and Port perspectives. It included a physical evaluation of existing Port Everglades deepwater facilities as well as the cargo, cruise, and petroleum storage infrastructure and a review of the Port's interstate highway, freight, rail and airport connections and synergies. Marketing assessments and forecasts were produced for containerized cargo, non-containerized cargo and cruise operations. The Master/Vision Plan identified opportunities and constraints that could impact the 10- and 20-Year vision plans and devised business, financial and asset utilization strategies which resulted in the final long term vision for the Port.

The projects in the Port Everglades Master/Vision Plan 5-Year Plan were incorporated with the Port's continuing infrastructure, maintenance, and renewal programs to create the 5-Year Capital Improvement Plan (the "5-Year CIP"). Master Plan projects in the 5-Year CIP were selected because of their added value, i.e., revenue generation, economic impact and customer need in the near term. Cruise terminal expansion and improvements are included in the 5-Year CIP because the Port will receive additional revenue from increased passenger throughput, allowing the Port to recover the capital and financing costs of constructing the cruise projects. A proposed crushed rock/aggregate facility was included because it introduces a new service and revenue stream to Port Everglades that responds to the construction industry's need for this material, with the capital cost of the construction paid by private investment. The Port will receive throughput charges and land lease payments for this proposed facility. Road improvements consisting of the By-Pass Road in Northport is included to respond to customer need and mitigate existing traffic concerns.

The projected 5-Year CIP for Port Everglades for Fiscal Years 2009 through 2013 totals \$414,278,550. The project category totals are as follows general infrastructure \$122,246,000; cargo facilities projects \$99,432,000; passenger facilities projects \$74,854,000 and the other port capital improvements/reserves \$117,746,850. The County expects to finance a portion of the 5-Year CIP through the issuance of additional Bonds. See “SECURITY AND SOURCES OF PAYMENTS FOR THE SERIES 2009 BONDS – Issuance of Additional Bonds” above. Funding for the 5-Year CIP is comprised of \$9,104,800 in state and federal grants, \$118,555,700 in net future bond proceeds/financing (inclusive of the Series 2009 Bonds), \$228,672,050 in use of internal funds, and \$57,946,000 in private sources primarily derived from new business generated within the Port.

Funding of major capital improvements includes (i) Cruise Terminal 18 Phase II (approximately \$62,000,000), (ii) Aggregate Terminal and Rail Yard (approximately \$55,000,000), (iii) Midport Parking Garage (approximately \$27,700,000), (iv) Spangler Blvd Bypass Road (approximately \$20,000,000), (v) Bulkhead Replacement/Repair (approximately \$20,000,000), (vi) Southport Turning Notch Phase I (approximately \$19,030,000), (vii) Cruise Terminal 4 Redevelopment/Expansion (approximately \$13,000,000), and (viii) Mitigation for Westlake Improvements (approximately \$10,000,000).

Funding for the CIP for the six-year period for Fiscal Years 2009 through 2014 is set forth in the table below. The Update to the 2006 Port Everglades Master Plan could impact the amount of CIP funding requirements going forward.

#### FUNDING OF CAPITAL IMPROVEMENT PLAN

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>
<b>Revenues</b>							
State Grants	-	\$ 1,900,000	-	\$ 2,738,000	\$ 2,946,000	\$ 15,832,000	\$ 23,416,000
Federal Grants	-	-	\$ 2,000,000	-	-	-	2,000,000
Interest Income	\$ 2,500,000	-	-	-	-	-	2,500,000
Less Five Percent <sup>1</sup>	(125,000)	(95,000)	(100,000)	(136,900)	(147,300)	(791,600)	(1,395,800)
Private Investment	-	-	-	-	57,946,000	3,929,000	61,875,000
Reimbursement from CVB	5,000,000	5,000,000	-	-	-	-	10,000,000
Bond Proceeds/Financing (Net)	75,000,000	-	12,795,200	14,187,900	14,426,800	72,590,400	189,000,300
Transfer from Operating Fund	15,755,280	15,350,700	15,657,000	25,622,200	27,884,500	28,071,500	128,341,180
Fund Balance	38,967,470	49,225,000	29,980,700	-	-	-	118,173,170
<b>Total Revenues</b>	<b>\$137,097,750</b>	<b>\$71,380,700</b>	<b>\$60,332,900</b>	<b>\$42,411,200</b>	<b>\$103,056,000</b>	<b>\$119,631,300</b>	<b>\$533,909,850</b>

<sup>1</sup> Under Florida law local governments may not budget in excess of 95% of anticipated revenues.

On April 14, 2009, the Board approved a grant from the State of Florida in the amount of \$355,286 for the FPL Discharge Canal Bridge project. An additional \$1,900,000 grant award is in process. The FPL Discharge Canal Bridge project was appropriated in Fiscal Year 2008 and 2009 in the total amount of \$11,027,090. The State of Florida also has a \$2,800,000 grant award

in process for Berth 33 Bulkhead Repairs. The project was appropriated in Fiscal Year 2009 in the amount of \$5,000,000.

Additionally, the Port expects to increase tariffs as a funding source for its 5-year CIP. A recommendation will be made to the Board of County Commissioners to approve a 3.5% tariff increase for Fiscal Year 2010. If approved, the increased tariff will result in approximately a \$3,500,000 annual increase in Port revenues. The Port also intends to recommend a 3.0% tariff increase for Fiscal Years 2011 through 2014.

## **Future Projects**

The U.S. Army Corps of Engineers is currently conducting a feasibility study for improvements to the Port Everglades Harbor. The improvements are designed to provide safe navigation for vessels transiting the federal channels with vessels at berth as well as provide for a deeper harbor to accommodate the deeper draft cargo and petroleum vessels anticipated calling at the Port which may be impacted by the Panama Canal expansion. The program includes modifications to the Port's Outer & Inner Entrance Channel, Main Turning Basin, South Extension of the Main Turning Basin, Southport Access Channel, Turning Notch and the Dania Cut-Off Canal. Based on the latest estimated schedule from the U.S. Army Corps of Engineers, the feasibility study is anticipated to be complete with a Record of Decision (ROD) by Summer 2012 with potential construction starting in 2014. The Port estimates its initial portion of the cost of these improvements to be \$40 million, which is reflected in the capital budget for Fiscal Year 2014. The project is expected to be completed in 2019. The total cost and the Port's share beyond 2014 have not been determined. The project will be funded through Federal and State grants, bond proceeds and funds on hand.

The "Harbor Deepening Project" would make up to five major channel and basin improvements. This includes deepening the Outer Entrance Channel (OEC), Inner Entrance Channel (IEC), and Main Turning Basin (MTB), making Southport Access Channel (SAC) and Turning Notch improvements (TN1), and removing the Widener Shoal. While the optimal depths for the channel deepening is still to be determined by the ACOE study, current plans are to deepen the OEC from 45' to 53' and deepen the IEC, MTB, and SAC from 42' to 49'. The Harbor Deepening Project would also remove the Widener Shoal on the east side of the MTB immediately west of the northwest corner of John U Lloyd State Park and deepen that area to 49' to correspond to the SAC to allow larger cargo ships to safely transit to Southport. The Southport Turning Notch (TN1) would be extended to the west and deepened from 42' to 49' to lengthen Berth 30 to accommodate larger ships both for berthing and turning, and provide space for a new berth for a crushed rock facility included in the Port's Master Plan. The extension of TN1 will require the release of an existing Conservation Easement on 8.7 acres of mangroves located west of the existing Turning Notch. The Port is currently in discussions with the Florida Department of Environmental Conservation concerning the creation of new mangroves and other environmental enhancements on adjacent port-owned land to offset the area that would be affected by the TN1 extension.

## **CERTAIN HISTORICAL AND PROJECTED FINANCIAL INFORMATION**

### **Historical Revenues and Expenses and Debt Service Coverage**

Table I included herein depicts the Port's historical total operating revenue, operating expenses and net operating revenue for Fiscal Years 2004 through 2008. Increases in operating revenue and the cost of operations during the past decade reflect increased business operations, in particular container throughput and cruise operations. General and administrative expenses have increased in recent years as the Port Department has developed and implemented its capital improvements program. Table I further depicts the Port's historical debt service coverage based on such net operating revenue. Historical debt service coverage was calculated by adding the Port's interest income to its net operating revenue and dividing the total by the debt service on all of the Port's outstanding capital indebtedness inclusive of principal and interest accrued in each year on all notes and bonds.

### **Projected Revenues and Expenses and Debt Service Coverage**

Table II included herein is a consolidated financial summary of the projected operating revenues and expenses for Fiscal Years 2009 through 2014 prepared by the Port Department. Table II further demonstrates the Port Department's projected aggregate debt service coverage utilizing the Port Department's projected net operating revenue, combined with certain investment income, divided by the aggregate of the debt service payments on all Bonds included those projected for the Series 2009 Bonds for Fiscal Years 2009 through 2014. The achievement of certain results or other expectations contained in forward-looking statements such as those set forth in Table II involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

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**TABLE I**  
**PORT EVERGLADES DEPARTMENT**  
**HISTORICAL REVENUE, EXPENSES AND DEBT SERVICE COVERAGE**  
**(Dollars in Thousands)**

	Fiscal Year <u>2004</u>	Fiscal Year <u>2005</u>	Fiscal Year <u>2006</u>	Fiscal Year <u>2007</u>	Fiscal Year <u>2008<sup>(1)</sup></u>
<b>Operating Revenues</b>					
Petroleum	\$22,734	\$22,945	\$22,947	\$23,756	\$23,620
Container	20,461	24,193	25,393	28,557	33,867
Cruise	30,601	30,001	28,146	31,483	31,489
Bulk	4,595	4,836	5,662	3,252	1,599
Breakbulk/Neobulk	2,148	2,228	2,798	2,803	1,670
Real Estate	20,379 <sup>(2)</sup>	10,777	11,151	11,109	11,878 <sup>(3)</sup>
All Other	11,559	10,878	11,480	11,540	13,318
<b>Subtotal</b>	<u>112,477</u>	<u>105,858</u>	<u>107,577</u>	<u>112,500</u>	<u>117,441</u>
Non-Operating – Investment	1,345	3,557	7,053	8,922	6,248
Non-Operating – All Other	<u>84</u>	<u>184</u>	<u>1</u>	<u>34</u>	<u>23</u>
Total Revenues	<u>113,906</u>	<u>109,599</u>	<u>114,631</u>	<u>121,456</u>	<u>123,712</u>
Operating Expenses	56,489	65,232	69,117	72,111	73,093
Non-Operating Expenses	<u>407</u>	<u>736</u>	<u>1,588</u>	<u>451</u>	<u>4,028 <sup>(4)</sup></u>
<b>Total Expenses</b>	<u>56,896</u>	<u>65,968</u>	<u>70,705</u>	<u>72,562</u>	<u>77,121</u>
Net Income Available for Debt Service	<u>\$57,010</u>	<u>\$43,631</u>	<u>\$43,926</u>	<u>\$48,894</u>	<u>\$46,591</u>
Senior Bonds Debt Service	\$21,844	\$21,844	\$21,845	\$21,854	\$21,803
Senior Bonds Debt Service Coverage Ratio	2.61x	2.00x	2.01x	2.24x	2.14x
Subordinated Debt Service	\$25,237	\$25,235	\$25,236	\$25,246	\$25,150
Subordinated Debt Service Coverage Ratio	2.26x	1.73x	1.74x	1.94x	1.85x

(1) CCRC revenue treated as contributed capital in Fiscal Year 2008 will be treated as non-operating revenue for Fiscal Year 2009.

(2) Fiscal Year 2004 Real Estate Revenue includes a one-time lease termination settlement of \$4.8 million.

(3) Fiscal Year 2008 Real Estate Revenue includes a one-time lease termination settlement of \$1.5 million.

(4) Fiscal Year 2008 Non-Operating Expenses include a one-time swap termination fee of \$3.4 million.

Source: Port Everglades Department.

**TABLE II**  
**PORT EVERGLADES DEPARTMENT**  
**PROJECTED REVENUES, EXPENSES AND DEBT SERVICE COVERAGE**  
**(Dollars in Thousands)**

	Approved Budget Fiscal Year <u>2009</u>	Proposed Budget Fiscal Year <u>2010</u>	Fiscal Year <u>2011</u>	Fiscal Year <u>2012</u>	Fiscal Year <u>2013</u>	Fiscal Year <u>2014</u>
Petroleum	\$ 24,700,145	\$ 25,525,700	\$ 26,291,500	\$ 27,080,200	\$ 27,892,600	\$ 28,729,400
Cruise	33,057,892	37,981,600	44,045,139	45,626,360	47,264,346	48,961,136
Container	31,913,288	31,196,800	33,838,800	34,854,000	35,899,600	36,976,600
Bulk	2,003,657	1,664,000	2,128,600	2,192,500	2,258,300	2,326,000
Neobulk	1,292,050	956,800	1,373,400	1,414,600	1,457,000	1,500,700
Navy	291,900	319,400	329,000	338,900	349,100	359,600
Lay-in	473,760	500,700	515,700	531,200	547,100	563,500
Real Estate	10,385,700	11,126,700	11,460,500	12,290,300	12,659,000	13,038,800
Foreign Trade Zone	727,308	1,232,800	1,257,456	1,282,605	1,308,257	1,334,422
Midport Parking	4,149,700	6,093,200	7,670,000	7,900,100	8,137,103	8,381,216
Northport Parking	4,023,500	3,860,700	3,937,914	4,016,672	4,097,006	4,178,946
Public Safety	1,228,000	1,229,600	1,266,500	1,304,500	1,343,600	1,383,900
Miscellaneous Finance	227,500	264,000	271,900	280,100	288,500	297,200
<b>Total Revenues</b>	<b>\$114,474,400</b>	<b>\$121,952,000</b>	<b>\$134,386,409</b>	<b>\$139,112,037</b>	<b>\$143,501,512</b>	<b>\$148,031,421</b>
<b>Total Expenses</b>	<b>(82,112,295)</b>	<b>(85,430,360)</b>	<b>(91,382,758)</b>	<b>(94,596,185)</b>	<b>(97,581,028)</b>	<b>(100,661,366)</b>
Gross margin	32,362,105	36,521,640	43,003,651	44,515,352	45,920,484	47,370,055
CCRC revenue	4,488,114	7,069,820	10,558,445	12,719,921	13,057,647	2,371,263
Eligible interest income	4,833,000	3,668,000	3,668,000	3,668,000	3,668,000	3,668,000
Additional O&M reserve requirement	--	(557,000)	(992,100)	(535,500)	(497,500)	(513,400)
Amount available for debt service	\$ 41,683,219	\$ 46,702,460	\$ 56,237,996	\$ 60,368,273	\$ 62,148,631	\$ 52,895,918
<b>Amount available for transfer to capital projects:</b>						
Amount available for debt service	\$ 41,683,219	\$ 46,702,460	\$ 56,237,996	\$ 60,368,273	\$ 62,148,631	\$ 52,895,918
Less debt service	(25,131,544)	(32,042,708)	(32,043,144)	(33,518,572)	(35,182,181)	(36,839,168)
Plus ineligible interest income	534,000	465,000	465,000	465,000	465,000	465,000
Retained in Operating Fund	(1,734,944)	(24,715)	(29,775)	(26,925)	(27,775)	(23,075)
Total	\$ 15,350,731	\$ 15,100,037	\$ 24,630,077	\$ 27,287,776	\$ 27,403,675	\$ 16,498,675

Table II, continued

**Revised existing plus new debt covenant tests:**

Eligible bond covenant revenue	\$ 41,683,219	\$ 46,702,460	\$ 56,237,996	\$ 60,368,273	\$ 62,148,631	\$ 52,895,918
Debt Service (125% Test)	\$ 21,846,958	\$ 28,758,788	\$ 28,757,078	\$ 30,228,715	\$ 31,893,900	\$ 33,551,000
Debt Service (110% Test)	\$ 25,131,544	\$ 32,042,708	\$ 32,043,144	\$ 33,518,572	\$ 35,182,181	\$ 36,839,168
Test (125%)	1.91	1.62	1.96	2.00	1.95	1.58
Test (110%)	1.66	1.46	1.76	1.80	1.77	1.44

**Debt service computation:**

Existing senior debt service payments	\$ 21,846,958	\$ 21,845,178	\$ 21,844,928	\$ 21,844,115	\$ 21,842,750	\$ 21,844,750
New 2009 Bonds	-	6,913,610	6,912,150	6,915,900	6,912,650	6,915,150
Debt service on new capital funds (2011)*				1,468,700	1,468,700	1,468,700
Debt service on new capital funds (2012)*					1,669,800	1,669,800
Debt service on new capital funds (2013)*						1,652,600
Sub-total new senior debt payments	21,846,958	28,758,788	28,757,078	30,228,715	31,893,900	33,551,000
Existing 2008 Sub Bonds debt service payments	3,284,586	3,283,920	3,286,066	3,289,857	3,288,281	3,288,168
<b>Total debt service payments</b>	<b>\$ 25,131,544</b>	<b>\$ 32,042,708</b>	<b>\$ 32,043,144</b>	<b>\$ 33,518,572</b>	<b>\$ 35,182,181</b>	<b>\$ 36,839,168</b>

\* Debt Service is estimated at 10% of gross bond financing.

Source: The Port Department.

(1) Fiscal Year 2009 revenues are based upon the approved budget amounts. Fiscal Year 2010 revenues are based on submitted budgets including a proposed 3.5% tariff increase and the arrival of the first Oasis class vessel anticipated to arrive in November of 2009. Fiscal Year 2011 reflects a second Oasis class vessel. Fiscal Years 2011 through 2014 revenues assume a 3% annual tariff increase.

## **UPDATE TO THE MASTER PLAN**

The Master Plan Update's Executive Summary, prepared by Port Staff, provides for an introduction, progress on the projects by area of the Port and the Plan Development (as described therein). The Executive Summary from the 2006 Port Everglades Master Plan Update adopted by the Board is included in APPENDIX C herein.

## **CONTINUING DISCLOSURE**

The County will covenant for the benefit of the holders of the Series 2009 Bonds to provide certain financial information and operating data relating to the County and the Series 2009 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. The County has agreed to provide or cause to be provided for the benefit of the Beneficial Owners of the Series 2009 Bonds to the centralized information repository or such other municipal securities information repository as may be required by law, from time to time, the information set forth in the Bond Resolution, commencing with the Fiscal Year ending September 30, 2009.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in "APPENDIX E - Form of Continuing Disclosure Certificate" attached hereto. The Continuing Disclosure Certificate shall be executed by the County prior to the issuance of the Series 2009 Bonds. These covenants have been made in order to assist the Underwriters in complying with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule").

With respect to the Series 2009 Bonds, no party other than the County is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule. The County has never failed to comply with any prior agreements to provide continuing disclosure information pursuant to the Rule.

The County is not and has not been in default under its prior undertakings.

## **INVESTMENT POLICY**

The County adopted a detailed written investment policy on September 27, 1995 (as amended on May 8, 2007) that applies to all funds (cash, cash equivalents and investments) held by or for the benefit of the Board, except for proceeds of refunded bond issues which are deposited in escrow, debt service funds governed by their bond indentures and funds of the constitutional officers and other components of the County governed by independent boards, unless as authorized by mutual agreement.

The objectives of the investment policy are: (a) safety and preservation of capital, liquidity, (b) yield maximization, and (c) investment responsibility.

Subject to certain restrictions in the County's investment policy concerning maximum allowable percentages, the County may invest in the following types of securities: (a) direct

obligations of, or obligations guaranteed by the United States of America, (b) obligations of federal agencies of the United States of America (as outlined in the investment policy), (c) obligations issued by government sponsored enterprises, (d) the Florida Local Government Surplus Funds Trust Fund, (e) repurchase agreements, (f) commercial paper, (g) state and/or local government taxable and/or tax-exempt debt, (h) bank time deposits, (i) registered investment companies, (j) collateralized mortgage obligations, (k) World Bank notes, bonds and discount notes, (l) obligations of the Tennessee Valley Authority, (m) reverse repurchase agreements, (n) U.S. dollar denominated sovereign debt, and (o) Securities and Exchange Commission registered money market funds. Investments in any derivative securities, including interest only or principal only and inverse floaters investments, are prohibited unless specifically designated above. The County utilizes portfolio diversification as a way to control risk. Investment managers are expected to display prudence in the selection of securities as a way to minimize default risk. To control risk of illiquidity, a minimum of 2 percent of the portfolio shall be held in overnight repurchase agreements and/or U.S. Treasury instruments.

The County's investment policy may be modified from time to time by the Board.

## **LITIGATION**

There is no litigation of any nature now pending or, to the best knowledge of the County, threatened against the County which, in the opinion of the Office of the County Attorney, will have any material adverse effect on the County's ability to pay the Series 2009 Bonds or to collect the Net Revenue.

At the time of the delivery of the Series 2009 Bonds, the County will deliver a certificate to the effect that no litigation or other proceedings are pending or, to the best knowledge of the County, threatened against the County in the Circuit Court for the Seventeenth Judicial Circuit of the State of Florida in and for Broward County and in the United States District Court for the Southern District of Florida or in any other court for which the County has received actual notice in any way (i) restraining or enjoining the issuance, sale or delivery of the Series 2009 Bonds or (ii) questioning or affecting the validity of the Series 2009 Bonds or any proceedings of the County taken with respect to the authorization, sale, execution or issuance of the Series 2009 Bonds or of the pledge of any moneys or other security provided for the Series 2009 Bonds.

The County currently is actively engaged in numerous lawsuits. These include cases where the redress sought is for other than monetary damages, i.e., mandamus, injunction, declaratory relief and cases for which the County has insurance or is named as a nominal defendant. The Office of the County Attorney is of the opinion that the possible exposure resulting from any ultimate resolution of litigation in which the County is a defendant would not have a material adverse economic effect upon the Port.

## **ENFORCEABILITY OF REMEDIES**

The remedies available to the owners of the Series 2009 Bonds upon an event of default under the Trust Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title II of the United States Code, the remedies specified by the

federal bankruptcy code and the Trust Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2009 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

## **LEGALITY**

Certain legal matters incident to the validity of the Series 2009 Bonds are subject to the approval of Nabors Giblin & Nickerson, P.A., Tampa, Florida, and KnoxSeaton, Miami, Florida, Co-Bond Counsel, whose approving opinions, the proposed form of which is attached hereto as APPENDIX F, will be delivered at the time of issuance of the Series 2009 Bonds. The opinions will speak only as of their respective dates, and subsequent distribution of them by recirculation of the Official Statement or otherwise shall create no implication that Co-Bond Counsel have reviewed or expresses any opinions concerning any of the matters referenced in the opinions subsequent to their respective dates. Co-Bond Counsel has not been engaged to, nor has it undertaken to review compliance with any federal or state law with regard to the sale or distribution of the Series 2009 Bonds. Certain legal matters will be passed on by Edwards Angell Palmer & Dodge LLP, West Palm Beach, Florida, and Rasco, Reininger, Perez, Esquenazi & Vigil, P.L., d/b/a Rasco Klock Reininger Perez Esquenazi Vigil & Nieto, Coral Gables, Florida, Co-Disclosure Counsel to the County. Certain legal matters will be passed upon for the County by the Office of the County Attorney, and for the Underwriters by their Counsel, Ruden, McClosky, Smith, Schuster & Russell, P.A., Fort Lauderdale, Florida.

## **TAX MATTERS**

### **Opinion of Co-Bond Counsel**

In the opinion of Co-Bond Counsel, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2009 Bonds (a) is excluded from gross income for federal income tax purposes, except for any period during which a Series 2009 Bond is held by a "substantial user" or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (c) is not taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations. The opinions set forth in clause (a) above are subject to the condition that the County comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2009 Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Series 2009 Bonds to be so included in gross income retroactive to the date of issuance of the Series 2009 Bonds. The County has covenanted to comply with all such requirements. In rendering this opinion, Co-Bond Counsel has assumed continuing compliance with such covenants.



## **Internal Revenue Code of 1986**

The Code contains a number of provisions that apply to the Series 2009 Bonds, including, among other things, restrictions relating to the use or investment of the proceeds of the Series 2009 Bonds and the payment of certain arbitrage earnings in excess of the “yield” on the Series 2009 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2009 Bonds being included in gross income for federal income tax purposes retroactive to their date of issue.

## **Collateral Tax Consequences**

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Series 2009 Bonds. Prospective purchasers of the Series 2009 Bonds should be aware that the ownership of the Series 2009 Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2009 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Series 2009 Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2009 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2009 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2009 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL OR CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

## **Florida Taxes**

In the opinion of Co-Bond Counsel, the Series 2009 Bonds and the income thereon are exempt under existing laws of the State of Florida, except as to any tax imposed by Chapter 220, Florida Statutes, on income, interest or profits on debt obligations owned by corporations.

## **Other Tax Matters**

Interest on the Series 2009 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2009 Bonds should consult their own tax advisors as to the income tax status of interest on the Series 2009 Bonds in their particular state or local jurisdictions. During prior years legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2009 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2009 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2009 Bonds and their market value. No assurance can be given that

additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2009 Bonds.

### **Original Issue Discount**

Co-Bond Counsel is further of the opinion that the difference between the principal amount of the Series 2009 Bonds maturing on September 1, 2019 with an interest rate of 5.000%, September 1, 2020 through September 1, 2022, inclusive, September 1, 2024, September 1, 2026 and September 1, 2029 (collectively the “Discount Bonds”), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriter or wholesalers) at which price a substantial amount of such Discount Bonds of the same maturity was sold constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2009 Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

### **Bond Premium**

The difference between the principal amount of the Series 2009 Bonds maturing on September 1, 2010 through September 1, 2018, inclusive, September 1, 2019 with an interest rate of 5.500%, September 1, 2023 and September 1, 2025 (collectively, the “Premium Bonds”), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriter or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond or, in the case of a Premium Bond callable prior to maturity, the amortization period and yield must be determined on the basis of the earliest call date that results in the lowest yield on the Premium Bond. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

## **RATINGS**

Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., Moody's Investors Service, Inc. and Fitch Ratings have assigned the rating of "A-" with a "stable outlook," "A2" with a "negative outlook," and "A" with a "stable outlook," respectively, to the Series 2009 Bonds. Such ratings reflect only the views of such rating agencies and an explanation of the significance of such ratings may be obtained from such rating agencies. There is no assurance that such ratings given to the Series 2009 Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by such rating agencies if, in their judgment, circumstances so warrant. Any such downward change or withdrawal of such ratings may have an adverse effect on the market price of the Series 2009 Bonds.

## **DISCLOSURE PURSUANT TO SECTION 517.051, FLORIDA STATUTES**

Rule 69W-400.003, Office of Financial Regulation which reports to the Florida Financial Services Commission, under Section 517.051(1), Florida Statutes ("Rule 69W-400.003"), requires the County to disclose each and every default as to the payment of principal and interest with respect to obligations issued by the County after December 31, 1975. Rule 69W-400.003 further provides, however, that if the County in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted.

The Series 2009 Bonds do not constitute a general debt, liability or obligation of the County, but instead are secured by a pledge of the Net Revenue and other security described herein. Accordingly, the County, in good faith, believes that the disclosure of any default on bonds with respect to which the County was merely a conduit issuer and which are secured by payments of the borrower under a loan agreement, lease agreement or other installment sale agreement, will not be considered material by a reasonable investor. Although the County is aware of the existence of certain defaults on obligations for which it is a conduit issuer, the County is not obligated to pay debt service on such defaulted obligations except from payments made from borrowers under their respective agreements and because such defaults in no way impact the Series 2009 Bonds, specific disclosures related to such defaults have been omitted.

## **UNDERWRITING**

The Series 2009 Bonds are being purchased by the Underwriters reflected on the cover page hereof at an aggregate purchase price of \$82,299,035.59 (representing the par amount of \$83,235,000, less net original issue discount of \$503,528.90 and less Underwriters' discount of \$432,435.51). The Underwriters' obligations are subject to certain conditions precedent described in the Bond Purchase Agreement entered into between the County and the Underwriters, and they will be obligated to purchase all of the Series 2009 Bonds if any Series 2009 Bonds are purchased. The Series 2009 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2009 Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

## **CO-FINANCIAL ADVISORS**

Raymond James & Associates, Inc. and Fidelity Financial Services, L.C. are serving as Co-Financial Advisors to the County in connection with the sale of the Series 2009 Bonds. The Co-Financial Advisors assisted in matters relating to the planning, structuring and issuance of the Series 2009 Bonds and provided other advice. The Co-Financial Advisors will not engage in any underwriting activity with regard to the issuance and sale of the Series 2009 Bonds. The Co-Financial Advisors are not obligated to undertake and have not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

## **FINANCIAL STATEMENTS**

The general purpose financial statements of the County as of and for the Fiscal Year ended September 30, 2008, included herein APPENDIX B have been audited by Rachlin LLP, independent auditors, as stated in the report appearing herein, and are an integral part of this Official Statement.

## **MISCELLANEOUS**

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and are made subject to all of the detailed provisions of such documents, to which reference is hereby made for full and complete statements of all matters of fact relating to the Series 2009 Bonds, the security for and the source for repayment for the Series 2009 Bonds and the rights and obligations of the holders thereof.

The information contained in this Official Statement has been compiled from official and other sources believed to be reliable, and is believed to be correct as of the date of this Official Statement, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters.

Any statements made in this Official Statement involving matters of opinion or of estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

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## **AUTHORIZATION OF OFFICIAL STATEMENT**

The delivery of this Official Statement has been duly authorized by the County Commission. At the time of delivery of the Series 2009 Bonds, the County will furnish its certificate, executed by the Mayor to the effect that nothing has come to her attention which would lead her to believe that this Official Statement, as of its date and as of the date of the delivery of the Series 2009 Bonds, contains an untrue statement of a material fact or omits to state any material fact which should be included therein for the purpose for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

BROWARD COUNTY, FLORIDA

By: /s/ Stacy Ritter  
Mayor

By: /s/ Bertha Henry  
County Administrator

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**APPENDIX A**

**GENERAL INFORMATION CONCERNING  
BROWARD COUNTY, FLORIDA**

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## **APPENDIX A**

### **GENERAL INFORMATION CONCERNING BROWARD COUNTY, FLORIDA**

Broward County, created in October 1915 by the legislature of the State of Florida, is located on the southeast coast of Florida and has an area of approximately 1,197 square miles. The County is bordered on the south by Miami-Dade County and on the north by Palm Beach County. Located within the County are 31 municipalities. The County ranks second in the State and 15th in the nation with a 2000 Census population of 1.62 million persons. Broward County's Planning Services Division estimates the County's 2008 population to be 1,756,086. Approximately 50% of the County's population lives in its seven largest cities: Coral Springs, Fort Lauderdale, Hollywood, Miramar, Pembroke Pines, Pompano Beach and Davie. Four airports, including the Fort Lauderdale-Hollywood International Airport, are located in the County. Port Everglades, the State's deepest harbor and a leading international cruise port, is located less than two miles from Fort Lauderdale-Hollywood International Airport.

#### **Governmental Structure**

The County is governed by the provisions of its Charter (the "Charter") as amended – originally adopted by the electors of the County on November 5, 1974. Under the Charter, the County functions as a home rule government consistent with the provisions of the Florida Constitution and the general laws of the State.

The nine member Board of County Commissioners is the legislative body of the County government. The Board annually elects a Mayor who serves as presiding officer. The Charter provides for one County Commissioner to be elected from each of the nine Commission districts. Elections are held every two years for staggered four year terms. Each candidate must be a registered elector and a legal resident of the district to be represented.

The County Commissioners and expiration of their terms are as follows:

Stacy Ritter, Mayor	November 2012
Ken Keechl, Vice Mayor	November 2010
Josephus Eggelletion, Commissioner	November 2012
Suzanne N. Gunzburger, Commissioner	November 2010
Kristin D. Jacobs, Commissioner	November 2010
Ilene Lieberman, Commissioner	November 2012
John E. Rodstrom, Jr., Commissioner	November 2012
Diana Wasserman-Rubin, Commissioner	November 2010
Lois Wexler, Commissioner	November 2012

The County Administrator, appointed by the Board, is the chief administrative officer of the County government. The County Administrator directs the functions of County government through several offices, eight major departments, and various divisions within each department. Pursuant to an Administrative Code adopted by the Board, unless otherwise stated in the Charter, the County Administrator can appoint, suspend, or remove all County employees, with the exception of the County Auditor and the County Attorney. The County Administrator also serves as ex-officio Clerk of the Board.

Under the Charter, checks and balances are provided by the Office of the County Auditor. The County Auditor, appointed by the Board, maintains an advisory position to that body.

Legal services are provided to the County government by the Office of the County Attorney. The County Attorney is appointed by the Board. Staff attorneys, appointed by the County Attorney, represent the Board and all other departments, divisions, boards, and offices in all legal matters affecting the County.

## Population

In the 90 years since it began as an agricultural community of 5,000, the County has steadily grown and is the second largest county in Florida and the 15th largest county in the nation according to the 2000 census.

Year	Broward County		State of Florida		United States	
	Population	Change <sup>1</sup>	Population	Change <sup>1</sup>	Population	Change <sup>1</sup>
1960	333,946	—	4,951,560	—	179,323,000	—
1970	620,100	8.57%	6,789,443	3.71%	203,212,000	1.33%
1980	1,018,257	6.42	9,747,061	4.36	226,505,000	1.15
1990	1,255,488	2.33	13,003,362	3.34	249,632,692	1.02
2000	1,623,018	2.93	15,982,378	2.29	281,421,906	1.27
2007(2)	1,759,591	1.08	18,199,526	1.81	301,290,332	0.94

Source: U.S. Department of Commerce, Bureau of Census.

(1) The average annual percentage increase over the preceding period.

(2) This data is estimated. 2007 represents the last year data is available at the County level from the Bureau of Census.

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### Labor Force and Unemployment Rates(1)

Year Ended December 31	Estimated Broward County Civilian Labor Force	Unemployment Rates		
		Broward County	Florida	United States
1997	777,164	4.9	4.8	4.9
1998	787,776	4.5	4.3	4.5
1999	799,068	4.1	3.9	4.2
2000	815,361	3.7	3.6	4.0
2001	852,300	4.9	4.8	4.7
2002	860,005	6.0	5.5	5.8
2003	877,270	5.5	5.1	6.0
2004	899,880	4.7	4.6	5.5
2005	947,447	3.8	3.9	5.1
2006	974,486	3.1	3.3	4.6
2007	991,155	3.4	3.8	4.6
2008	1,001,139	6.6	7.3	6.5

Source: Florida Research and Economic Database.

(1) Average labor force and unemployment rates during the calendar year.

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**Estimated Nonagricultural Employment by Economic Sector**  
**Fort Lauderdale Metropolitan Statistical Area**  
(in thousands)

	<b>2004</b>	<b>2004</b>	<b>2005</b>	<b>2005</b>	<b>2006</b>	<b>2006</b>	<b>2007</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>
	<b>Total</b>	<b>Percent of Total</b>	<b>Total</b>	<b>Percent of Total</b>	<b>Total</b>	<b>Percent of Total</b>	<b>Total</b>	<b>Percent of Total</b>	<b>Total</b>	<b>Percent of Total</b>
<b>Grand Total</b>	733.4	100.0%	748.1	100.0%	784.0	100.0%	789.8	100.0%	772.3	100.0%
<b>Goods Producing</b>	77.1	10.5%	82.2	11.0%	92.0	11.7%	90.7	11.5%	77.8	10.1%
Construction	46.9	6.4%	51.3	6.9%	60.0	7.7%	59.5	7.5%	49.4	6.4%
Manufacturing	30.2	4.1%	30.8	4.1%	32.0	4.1%	31.1	3.9%	28.3	3.7%
<b>Service Providing</b>	656.4	89.5%	665.9	89.0%	691.9	88.3%	699.1	88.5%	694.5	89.9%
Trade, Transportation and Utilities	154.4	21.1%	164.5	22.0%	173.5	22.1%	174.9	22.1%	170.4	22.1%
Wholesale Trade	39.5	5.4%	44.0	5.9%	47.0	6.0%	47.2	6.0%	46.4	6.0%
Retail Trade	96.5	13.2%	99.1	13.2%	102.6	13.1%	103.7	13.1%	100.6	13.0%
Transportation, Warehousing, and Utilities	18.5	2.5%	21.4	2.9%	23.9	3.0%	24.0	3.0%	23.4	3.0%
Financial Activities	58.7	8.0%	62.9	8.4%	67.7	8.6%	65.6	8.3%	59.6	7.7%
Information	N/A	N/A	N/A	N/A	20.3	2.6%	19.9	2.5%	19.8	2.6%
Professional and Business Services	134.4	18.3%	124.5	16.6%	125.4	16.0%	129.2	16.4%	123.7	16.0%
Education and Health Services	82.8	11.3%	86.7	11.6%	89.0	11.4%	91.4	11.6%	98.6	12.8%
Leisure and Hospitality	75.6	10.3%	77.9	10.4%	78.3	10.0%	79.5	10.1%	80.7	10.4%
Other Services	30.8	4.2%	29.9	4.0%	34.3	4.4%	34.3	4.3%	34.8	4.5%
Government	100.4	13.7%	100.3	13.4%	103.4	13.2%	104.2	13.2%	106.9	13.8%
Federal	7.6	1.0%	7.9	1.1%	7.9	1.0%	7.8	1.0%	7.8	1.0%
State & Local	92.9	12.7%	92.4	12.4%	95.5	12.2%	96.4	12.2%	99.1	12.9%



## **Largest Private Employers**

The County has a diversified economy with a balance among technology, manufacturing, financial, international and domestic tourism, residential and commercial construction, and retail trade. There were approximately 76,100 business establishments with operations in the County at the end of Fiscal Year 2008. According to the recently released 2002 Economic Census conducted by the United States Census Bureau, more than 70% of firms within Broward County have fewer than 20 employees; while this is a smaller percentage than at the state or national level, Broward small businesses provide more employment and payroll than the state and national average. Additionally, approximately 100 of these businesses are Fortune 500 companies or divisions thereof. The next Economic Census began in 2007, and results will be published in 2009 and 2010.

The table below shows the principal employers in the County for 2008.

<b>Company</b>	<b>Employees</b>
Broward County School	28,134
Broward County	11,908
Tenet Healthcare Corp.	10,156
Memorial Healthcare	10,000
North Broward Hospital	8,062
American Express	5,800
The Continental Group	3,900
Nova Southeastern Univ.	3,028
City of Fort Lauderdale	2,647
PRC	2,700

Source: Broward County Planning Services Division

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**Per Capita Personal Income(1)**  
**Broward County, Florida, and United States**

<b>Year Ended December 31</b>	<b>Broward County</b>	<b>Percent of Florida</b>	<b>Percent of U.S.</b>	<b>State of Florida</b>	<b>Percent of U.S.</b>	<b>United States</b>
1992	22,866	116.3%	113.6%	19,664	97.7%	20,137
1993	23,840	115.4%	114.6%	20,650	99.3%	20,800
1994	24,952	115.2	110.5	21,655	95.9	22,581
1995	26,143	111.2	111.0	23,512	99.8	23,562
1996	27,042	109.9	109.7	24,616	99.9	24,651
1997	26,721	107.4	105.2	24,869	97.9	25,412
1998	28,015	107.1	104.2	26,161	97.3	26,893
1999	27,950	105.1	100.4	26,593	95.5	27,843
2000	29,409	105.9	99.8	27,764	94.2	29,469
2001	30,702	105.9	101.0	29,048	95.5	30,413
2002	31,785	106.8	102.8	29,758	96.3	30,906
2003	32,844	109.1	104.3	30,116	95.6	31,487
2004	34,008	108.0	103.0	31,469	95.2	33,050
2005	36,595	108.0	106.0	34,001	106.0	34,471
2006	39,743	108.0	108.0	36,720	108.0	36,714
2007(2)	N/A	N/A	N/A	N/A	N/A	N/A

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis.

(1) Stated in current dollars (i.e., actual dollars for each year with no adjustment for inflation).

(2) 2006 is the last year for which data is available. Per Capita Personal Income data will not be available at the county level until late April 2009 for calendar year 2007.

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## Taxable Sales for the County

The following table shows the taxable sales within the County for the calendar years 1997-2008 and the percentage increase in such sales for each year.

<b>Taxable Sales</b> <b>(\$ in Thousands)</b>		
<b>Year Ended December 31</b>	<b>Taxable Sales</b>	<b>Percent Change from Prior Year</b>
1997	19,551,103	3.91
1998	20,575,171	5.24
1999	21,873,432	6.31
2000	23,785,139	8.74
2001	25,422,717	6.88
2002	25,194,309	(0.90)
2003	25,122,603	(0.28)
2004	27,608,938	9.90
2005	31,941,903	15.7
2006	34,759,141	8.82
2007	30,678,853	(11.7)
<u>2008*</u>	30,346,291	(1.1)

Source: State of Florida, Department of Revenue.

\*Year-end total estimated based on collections through August of 2008

## Tourism

Tourism is an important component of the County's economy. The combination of favorable climate (Fort Lauderdale has a mean temperature of 75.5 degrees Fahrenheit), together with diverse recreational opportunities, including theaters, parks, public beaches, yacht basins, fishing, golf, tennis, restaurants, thoroughbred racing, jai alai, and water recreational facilities, have made the County a tourist center. The County's multipurpose convention center expansion was completed in 2002 giving the facility a total of 600,000 gross square feet of space. The three level, 180,000 square foot expansion is mainly comprised of a 50,000 square feet of exhibit hall, a 33,000 square foot ballroom and 15,000 sq. ft of meeting room space. In addition, the expansion was complimented with a "Cyber" café, wireless internet access, a full service kitchen and concession stand. The existing loading dock was extended to serve the new hall by adding four new dock spaces. Connecting corridors were built at all levels in order to provide convenient access between the original building and the expansion as well as from the original building to the adjacent parking garage.

Tourists now visit the County over the entire year instead of merely during winter months and the tourism industry is currently drawing from a worldwide market. The Greater Fort Lauderdale Convention and Visitors Bureau reported that more than 10.87 million people visited

Broward County in calendar year 2008, and had an economic impact of \$9.07 billion. The County's 2008 hotel occupancy rate was 67.7%, which exceeded the state average of 60.9%, and the Average Daily Rate (ADR) was \$122.80, a decrease of 1.9% over the previous year.

## Building Permits

In the late 1980's, the construction of multi-family units exceeded the construction of single family homes. In contrast, the number of permits issued in the 1990's for single family homes exceeded the number of permits issued for multi-family units. The gap between the two has narrowed significantly in the recent past due to a number of factors including the very limited availability of vacant land and continued population growth, both of which have contributed to increased housing density. The yearly data for building permits is presented in the following table.

### Building Permits Issued in Broward County (\$ in Thousands)

Calendar Year	Single Family Units	Single Family Valuation	Multi- Family Units	Multi- Family Valuation	Total Residential Units	Total Residential Valuation <sup>(1)</sup>	Total Non- Residential Valuation <sup>(2)</sup>	Permit Valuation <sup>(3)</sup>
1996	9,857	966,196	5,161	315,018	15,018	1,281,214	847,021	2,128,235
1997	7,481	N/A	5,549	N/A	13,030	1,274,826	N/A	1,274,826
1998	8,797	N/A	3,687	N/A	12,484	1,277,947	N/A	1,277,947
1999	8,571	N/A	3,449	N/A	12,020	1,406,750	N/A	1,406,750
2000	9,148	N/A	2,689	N/A	11,837	1,459,803	N/A	1,459,803
2001	8,296	N/A	2,490	N/A	10,786	1,383,892	N/A	1,383,892
2002	5,701	N/A	6,319	N/A	12,020	1,561,660	N/A	1,561,660
2003	3,931	N/A	4,432	N/A	8,363	1,080,166	N/A	1,080,166
2004	4,811	N/A	3,980	N/A	8,791	1,077,816	N/A	1,077,816
2005	3,353	N/A	2,817	N/A	6,170	1,112,104	N/A	1,112,104
2006	3,308	N/A	3,378	N/A	6,686	991,153	N/A	991,153
2007	1,754	N/A	2,179	N/A	3,933	617,307	N/A	617,307
2008	967	N/A	1,205	N/A	2,172	346,893	N/A	346,893

Sources: Bureau of Economic and Business Research, University of Florida; Sun-Sentinel Research Services;  
U.S. Bureau of the Census.

(1) Includes valuation of fixtures such as pools and recreation areas.

(2) Includes commercial and industrial construction. Since 1997, this information has not been readily available from other sources.

(3) Prior to 1997, this figure includes permits for additions, alterations, and repairs of existing structures.

## **Education**

Broward County Public Schools is the sixth largest district in the nation with approximately 259,000 students currently enrolled and a fiscal year 2008-2009 budget of \$5.01 billion. The system consists of 283 schools: 138 elementary schools, 42 middle schools, and 32 high schools. In addition, there are 55 charter schools and 16 other sites for adult community, vocational, and training centers. Broward County Public Schools is an independent operating and taxing entity, meaning that it is separate from the County.

There are three four-year colleges and universities in the County: Florida Atlantic University and Florida International University, which are public, and Nova Southeastern University, which is private. Florida Atlantic University and Florida International University are two of the nine universities in the State of Florida University system. Broward College, Prospect Hall College, City College, Fort Lauderdale College, the Art Institute of Fort Lauderdale, and Keiser Institute of Technology are two-year colleges located in the County. There are also seven educational institutions in the County with degree or certificate programs providing vocational and technical education.

## **Transportation**

Surface Transportation: The County is served by three bus lines, two railroads (Florida East Coast Railway and CSX), and major freight carriers. The road system within the County, totaling approximately 4,800 miles, contains over 140 miles of interstate and other expressways (including I-95, I-75, I-595, the Florida Turnpike, and the Sawgrass Expressway) and approximately 375 miles of divided highways. The County-operated bus system, with an active fleet of 295 fixed route busses and 96 community busses, serviced 38.5 million passengers in fiscal year 2008 and is projected to serve approximately 38.7 million passengers during fiscal year 2009. TRIRail, a commuter rail system, provides service along a 66 mile corridor from Palm Beach County to Miami-Dade County.

Sea Transportation: Port Everglades, the State's deepest harbor and one of the top three cruise ports in the world, is located in the County – less than two miles from Fort Lauderdale-Hollywood International Airport. Port Everglades is served by major motor freight carriers and two railroads. All functions, assets, and liabilities of Port Everglades passed over to the County in November, 1994 as the result of a local bill which dissolved the separate governing body of the Port and transferred all related duties and powers to the Board. In fiscal year 2008, Port Everglades handled 113.94 million barrels of petroleum and 6.58 million tons of containerized cargo. A total of 3,227,770 cruise ship passengers went through Port Everglades on 1,676 sailings in fiscal year 2008.

A portion of Port Everglades has been designated a Foreign Trade Zone ("FTZ"), where foreign components can be assembled, packaged, and shipped without usual customs duties. The FTZ at Port Everglades was the first such operating zone established in Florida. The FTZ now includes eleven general-purpose sites and four special-purpose subzone sites within and outside of the Port's boundaries on a total of 431 acres. In fiscal year 2008, cargo valued at more than \$8 billion was received and shipped (in/out) from all active general-purpose and special-purpose subzone sites combined.

Air Transportation: Four airports are located in the County. There are three general aviation airports and the Fort Lauderdale-Hollywood International Airport (the “Airport”), which is used by most major national commercial airlines and several foreign commercial airlines. For calendar year 2008, enplaned passengers totaled 11,322,881 – an decrease of .19% over calendar year 2007. Approximately 130,553 total tons of cargo were handled at the Airport in calendar year 2008 – a decrease of 13.7% over the amount handled in calendar year 2007.

## **Public Works and Transportation Department**

The Public Works Department of the County is made up of the following Divisions: Construction Management, Facilities Maintenance, Highway Construction and Engineering Services, Highway and Bridge Maintenance, Highway Construction and Engineering Services, Traffic Engineering Services, Waste and Recycling Services, and Water and Wastewater Services and Seaport Construction and Engineering

The Construction Management Division is responsible for directing the planning, design, and construction processes for new and renovated County facilities.

The Seaport Construction and Engineering Division oversees the development and administration of the extensive Capital Improvement Program at Port Everglades, which includes a wide range of functions from strategic planning and harbor maintenance/dredging to environmental mitigation/monitoring and wildlife protection.

The Facilities Maintenance Division oversees the leasing, maintenance, operation and renovation of most County governmental facilities (including courthouses, libraries, social service agencies, and administrative offices), parking areas and grounds. This includes the provision of security services in many of these facilities.

The Highway Construction and Engineering Services Division oversees project management for major roadway improvement projects and participates in the Land Development Review process. It is also responsible for engineering plan review, permitting and roadway inspections as well as surveying, design and project management services for intersection improvement and congestion management projects.

The Highway and Bridge Maintenance Division provides the essential service of maintaining the County’s road system and the unincorporated street system. Roadway maintenance projects include the construction of roadways, paths and curbs, including roadway turn lanes, street widening and resurfacing. The division is also responsible for sidewalk installation and repair, guardrail installation and guardrail repair/replacement, and the maintenance of roadway medians and roadside shoulders, the repair and maintenance of 75 fixed bridges, the operation and maintenance of the three County bascule (draw) bridges, roadway drainage improvements, neighborhood entranceway beautification and maintenance, and street brooming and cleaning of catch basins and storm storm-water pipe to comply with the National Pollution Discharge Elimination Standards (NPDES).

The Traffic Engineering Division operations include the planning, design, engineering, construction and maintenance of all traffic control devices for County maintained roads (traffic



signals, signs and markings). In addition, unincorporated area services include school crossing guards and street lighting installation and maintenance.

The Waste and Recycling Services Division offers a comprehensive waste management and recycling system for the residents of Broward County. Through its operations, W.R.S. provides community residents with viable methods to address waste management issues by offering program solutions which include land filling and waste-to-energy, garbage collection, trash transfer stations, disposal of household hazardous waste, and electronics recycling collection. The County's resource recovery system includes facilities at three regional sites. The southern site, which began commercial operations in August 1991, consists of a 2,250 tons per day waste-to-energy facility and residue landfill. The northern site, which began commercial operations in March 1992, consists of a 2,250 tons per day waste-to-energy facility operated in conjunction with an adjacent landfill. The third site, located in the western portion of the County, is a contingency landfill backing up the two waste-to-energy facilities. Landfill operations began on this site in September 1988.

The Water and Wastewater Services Division plans, designs, and constructs facilities to ensure adequate capacity for potable water, sewer and storm water, and provides retail water and sewer services for over 50,000 customers. Water and Wastewater Services is also responsible for pumping, treating and distributing water, as well as providing for collection, treatment, reuse and disposal of wastewater for over 600,000 citizens. The Division is also involved in the operation of waterways, water control structures and well systems as well as removal of aquatic vegetation from certain bodies of water throughout the County.

### **Overview of the Budget Process**

The County Administrator prepares and submits the proposed annual budget and capital program to the Board and executes the budget and capital program in accordance with ordinances adopted by the Board. A policy-setting workshop is held with the Board in January or February of each year to review major trends and provide staff with policy guidance for developing the budget. Once guidance from the Board has been received, the Director of the Office of Management and Budget distributes specific instructions on budgetary policies and procedures to the County's departments, divisions, and offices. Each department then prepares and submits its budget. Internal meetings to review agency-requested budgets are then held to develop budget recommendations to the County Administrator. After approval by the County Administrator, the proposed budget is submitted to the Board in early July. During August, the Board conducts budget workshops to review the proposed budget. The budget, as amended in the budget workshops, is again reviewed during public hearings held in September before final approval and adoption by the Board. The Board must adopt the final budget and establish the final millage rate necessary to fund the budget no later than September 30th.

Chapter 129, Florida Statutes, defines and places a legal requirement upon county governments to adopt and operate within a balanced annual budget. In addition to being the annual operating plan, the adopted budget represents the legal authority to expend funds. Chapter 129, Florida Statutes, provides penalties for making unbudgeted expenditures. The County has consistently operated within a balanced budget and is required to continue this practice.

The Board's adopted budget for fiscal year 2009 contains a millage rate of 5.3145 mills. With respect to the individual components of the fiscal year 2009 millage rate, the operating millage rate is 4.7471, the capital outlay millage rate is 0.1418 mills, and the remaining 0.4256 mills funds this year's debt service payments associated with various voter-approved General Obligation bonds.

### **Capital Improvement Program for Public Improvements**

The Board requires the County Administrator to develop and submit to the Board for approval a continuous five-year Capital Improvement Program (the "CIP"). In each year, the County Administrator must review the CIP, revise it as necessary, and prepare the CIP for approval and adoption by the Board. An annual update of the CIP provides, upon approval by the Board, a continuous five year program.

The CIP development process is coordinated by the Office of Management and Budget and involves the linking of all County agencies for comprehensive review, input, and development. The CIP also utilizes input from the long range capital improvement plan. The CIP development process includes public participation as well as input from governmental entities for certain joint projects and project requests. The adopted CIP for fiscal years 2009-2013 includes the following:

Transportation and Mass Transit Projects *	\$294,600,620
Environmental/Beach Renourishment	84,967,100
Aviation	1,340,526,490
Port	454,674,960
Water/Wastewater	481,983,090
Criminal Justice/Public Safety/Human Services	83,252,750
Libraries and Parks	31,846,240
General Government *	82,937,480
Neighborhood Improvement/Redevelopment/Housing/ Economic Development	<u>77,254,224</u>
Total	\$2,932,042,954

It is anticipated that the adopted CIP for the fiscal years 2009-2013 will be funded as follows:

Bonds	\$1,293,281,090
Federal and State Grants	489,301,494
Local Sources (Taxes, Fees, Fund Balance)	<u>1,149,460,370</u>
Total	\$2,932,042,954

\* Note: also includes reserves for projects included in the capital program in future years.

## Non-Ad Valorem Revenues

The following table presents the net non-ad valorem revenues available to the County for the payment of debt service for “covenant to budget and appropriate debt” and certain special revenue debt for the fiscal year ended September 30, 2008.

### Net Available Non-Ad Valorem Revenues for the fiscal year ended September 30, 2008 (Dollars in Thousands)

License and Permit Fees	\$ 18,483
State Revenue Sharing	38,134
Licenses (State Revenue)	612
Local Government Half Cent Sales Tax	50,827
Utility Services Taxes and Fire Rescue Tax	10,668
Fines and Forfeitures	4,249
Interest Earnings	20,988
Charges for Services	330,037
Miscellaneous Revenue	22,772
Non-Revenue Sources/Fund Balance	275,913
Federal/State Grants	90,525
Special Assessments	2,315
	<hr/>
Total Gross Non-Ad Valorem Revenues	\$865,523
Less Operations Costs not paid by Ad Valorem Taxes	(632,534)
	<hr/>
Total Net Available Non-Ad Valorem Revenues	\$232,980

## Employee Relations

As of October 1, 2008 (fiscal year 2009), the County had 5,895 full and part-time funded positions, as compared with 6,340 in fiscal year 2008, excluding employees of constitutional officers. The County budget also provides for 476 federal and state grant employee positions in fiscal year 2009. The Constitutional Officers are funded for 6,011 positions in fiscal year 2009.

There are eight organized collective bargaining units within the County: Amalgamated Transit Union, Local 1267 (Mass Transit, 785 unit employees); Amalgamated Transit Union, Local 1591 (White Collar, 1,228 unit employees); Federation of Public Employees (Blue Collar, 1,187 unit employees); Government Supervisory Association of Florida, Local 100 (GSA Supervisors, 351 unit employees); Federation of Public Employees (Port Everglades Blue Collar,

74 unit employees); Federation of Public Employees, Supervisory (Port Everglades Supervisors, 15 unit employees); Federation of Public Employees, Non-Supervisory (Port Everglades White Collar, 72 unit employees); and Government Supervisory Association of Florida, Local 100 (GSA Professionals, 1,269 unit employees). This information is based on data as of October 13, 2008.

All contracts expired on September 30, 2008, with the exception of the Mass Transit bargaining unit which expires on September 30, 2009. The County has never experienced a serious work stoppage and Florida law prohibits public employees from striking.

### **Pension Plan**

The County participates in the Florida Retirement System (the “System”). Pension costs of the County are recorded in the period salaries are earned. For fiscal year 2008, pension expenditures and expenses of the County, as required and defined by the System, were approximately \$94.6 million or 13.7 percent of covered payroll.

The County’s relative position and undertakings in the System are not determinable. Instead, contributions of all participating agencies throughout the State are pooled to fund accrued benefits under the System. System officials have reported that the System has no unfunded pension benefit obligation as of July 1, 2007 – the latest valuation date of the plan.

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**APPENDIX B**

**GENERAL PURPOSE FINANCIAL STATEMENTS OF  
BROWARD COUNTY, FLORIDA FOR  
FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of County Commissioners of Broward County, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Broward County, Florida (the County), as of and for the year ended September 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Supervisor of Elections Office, a constitutional officer of the County, which represents .07% and .20%, respectively, of the assets and revenues of the aggregate remaining fund information. We also did not audit the financial statements of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Supervisor of Elections Office and the aggregate discretely presented component units, are based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of September 30, 2008, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States.



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In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2009 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the Required Supplementary Information on pages 12 through 17 and pages 58 through 63, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, supplemental combining and individual fund financial statements and schedules, supplemental financial schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information identified in the table of contents as the introductory and statistical sections and the supplemental financial schedules have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Rachlin LLP*

Fort Lauderdale, Florida  
March 9, 2009

**Rachlin**  
accountants • advisors

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# Management's Discussion and Analysis

September 30, 2008

The management of Broward County offers this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2008. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our Letter of Transmittal.

## FINANCIAL HIGHLIGHTS

The following are key financial highlights for the fiscal year:

- The assets of the County exceeded its liabilities at September 30, 2008 by \$4.4 billion (net assets). Of this amount, \$894 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$240 million, \$145 million of which was from governmental activities and \$95 million was from business-type activities.
- As of September 30, 2008, the County's governmental funds reported combined ending fund balances of \$1.2 billion, a decrease of \$29 million from the prior year. Of this amount, \$997 million is available for use at the County's discretion (unreserved fund balance).
- At September 30, 2008, unreserved fund balance for the General Fund was \$233 million, or 16 percent of total general fund expenditures and transfers out.
- The County's total bonded debt decreased by \$109 million or 5 percent during the fiscal year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements contain three components: government-wide financial statements; fund financial statements; and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Broward County's finances, in a manner similar to a private sector business.

The statement of net assets presents information on all of Broward County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Broward County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities). The governmental activities of the County include general government, public safety, transportation, human services, culture and recreation, physical environment, and economic environment. The business type activities of the County include water and wastewater, resource recovery, aviation, and a seaport.

The government-wide financial statements include not only the County itself, but also the Housing Finance Authority, the Health Facilities Authority, and the Clerk of the Courts, legally separate entities for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 19 and 20 of this report.

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the County can be divided into three categories: governmental funds; proprietary funds; and fiduciary funds.

Governmental funds -Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Broward County maintains 32 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sheriff Operations Fund, the County Transportation Trust Fund, and the Capital Outlay Reserve Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining

statements elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund and other major governmental funds to demonstrate compliance with these budgets.

**Proprietary funds** – The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business type activities in the government-wide financial statements. The County uses enterprise funds to account for its water and wastewater, resource recovery, aviation and seaport operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self insurance, vehicle fleet, and print shop operations. Because these services predominantly benefit governmental rather than business type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for four proprietary operations, all of which are considered to be major funds of the County. Conversely, the three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds and the non-major enterprise funds is

provided in the form of combining statements elsewhere in this report.

**Fiduciary funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

## Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## Other Information

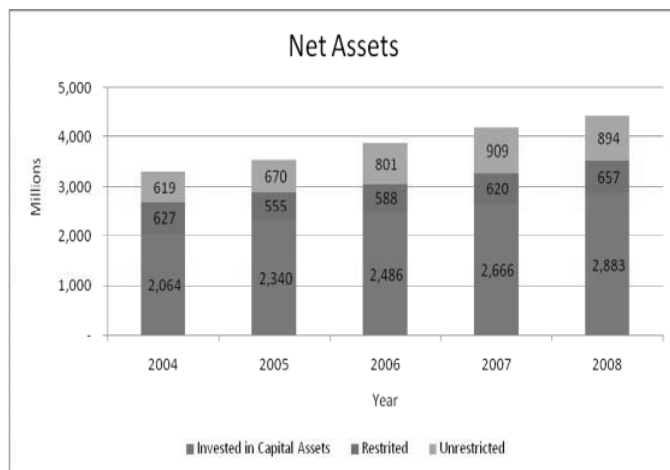
In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the general and major special revenue funds and the funding progress of Other Post Employment Benefit Plans. The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds and fiduciary funds are presented immediately following the required supplementary information.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$4.4 billion as of September 30, 2008.

### Broward County's Net Assets As of September 30, 2008 and 2007 (in thousands of dollars)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Current and other assets	\$1,519,193	\$1,519,906	\$ 983,375	\$ 954,775	\$ 2,502,568	\$2,474,681
Capital assets	2,186,204	2,063,484	2,480,273	2,440,503	4,666,477	4,503,987
Total assets	3,705,397	3,583,390	3,463,648	3,395,278	7,169,045	6,978,668
Long-term debt outstanding	987,384	1,023,844	1,455,946	1,486,700	2,443,330	2,510,544
Other liabilities	162,491	148,505	128,856	125,081	291,347	273,586
Total liabilities	1,149,875	1,172,349	1,584,802	1,611,781	2,734,677	2,784,130
Net assets:						
Invested in capital assets, net of related debt	1,626,074	1,469,543	1,257,411	1,196,335	2,883,485	2,665,878
Restricted	329,122	311,784	327,498	308,084	656,620	619,868
Unrestricted	600,326	629,714	293,937	279,078	894,263	908,792
Total net assets	\$2,555,522	\$2,411,041	\$1,878,846	\$1,783,497	\$4,434,368	\$4,194,538



The largest portion of the County's net assets reflects its investment in capital assets (e.g. land, buildings, machinery and equipment) less any related debt used to acquire those assets still outstanding. These capital assets are used to provide services to citizens; consequently these assets are not available for future spending. It should also be noted that the resources required to repay the related debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

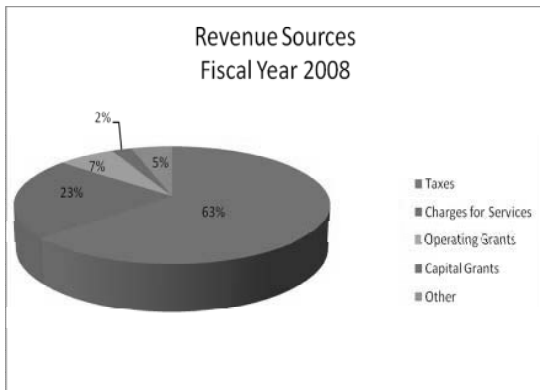
An additional portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the County's ongoing obligations to citizens and creditors. As of September 30, 2008, the County reports positive balances in all three categories of net assets, both for the government as a whole as well as for its separate governmental and business type activities.

### Governmental Activities

Governmental activities increased the County's net assets by \$145 million. Key elements of this increase are as follows:

#### Broward County's Changes in Net Assets For the Year Ended September 30, 2008 and 2007 (in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 408,021	\$ 426,196	\$ 566,761	\$ 543,267	\$ 974,782	\$ 969,463
Operating grants and contributions	121,975	119,114	1,686	1,652	123,661	120,766
Capital grants and contributions	42,845	15,960	30,985	20,919	73,830	36,879
General revenues:						
Property taxes	900,243	926,865			900,243	926,865
Other taxes	243,285	246,306			243,285	246,306
Other	87,225	129,491	31,358	45,885	118,583	175,376
Total revenues	1,803,594	1,863,932	630,790	611,723	2,434,384	2,475,655
<b>Expenses:</b>						
General government	233,278	213,782			233,278	213,782
Public safety	26,393	23,506			26,393	23,506
Transportation	202,038	193,522			202,038	193,522
Human services	142,459	144,588			142,459	144,588
Culture and recreation	194,975	205,504			194,975	205,504
Physical environment	35,512	29,720			35,512	29,720
Economic environment	26,947	37,612			26,947	37,612
Sheriff	723,688	694,110			723,688	694,110
Property Appraiser	19,953	19,780			19,953	19,780
Supervisor of Elections	16,861	13,304			16,861	13,304
Interest on long-term debt	36,921	45,911			36,921	45,911
Aviation			200,156	203,982	200,156	203,982
Port Everglades			110,922	109,847	110,922	109,847
Water and wastewater			107,256	101,953	107,256	101,953
Resource recovery System			113,084	115,057	113,084	115,057
Other			4,111	3,974	4,111	3,974
Total expenses	1,659,025	1,621,339	535,529	534,813	2,194,554	2,156,152
Increase in net assets before transfers	144,569	242,593	95,261	76,910	239,830	319,503
Transfers	(88)	(88)	88	88		
Increase in net assets	144,481	242,505	95,349	76,988	239,830	319,503
Net assets – Beginning	2,411,041	2,168,536	1,783,497	1,706,499	4,194,538	3,875,035
<b>Net assets – Ending</b>	<b>\$2,555,522</b>	<b>\$2,411,041</b>	<b>\$1,878,846</b>	<b>\$1,783,497</b>	<b>\$4,434,368</b>	<b>\$4,194,538</b>



## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

### Governmental Funds

The focus of the County's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of its fiscal year.

At September 30, 2008, the County's governmental funds reported combined ending fund balances of \$1.2 billion, a decrease of \$29 million from the prior year. This decrease resulted from an increase in the General Fund of \$10 million, a \$8 million decrease in the Capital Outlay Reserve Fund, and a general decrease in the fund balance of all other governmental funds of \$31 million.

Approximately 81% of the combined fund balances (\$997 million) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate prior year obligations (\$129 million), (2) to pay debt service (\$40 million), or (3) for other restricted purposes.

The General Fund is the chief operating fund of the County. At September 30, 2008, the unreserved fund balance of the General Fund was \$233 million and the total fund balance was \$291 million. As a measure of the General Fund's liquidity, the total fund balance represents approximately 16 percent of total General Fund expenditures and transfers out.

The other major governmental funds of the County include the Sheriff's Operations Fund, which does not have a fund balance but has a small reserve for inventory, the County Transportation Trust Fund, which receives revenues dedicated to meeting various transportation needs, and the County's Capital Outlay Reserve Fund, which is the principal capital projects fund of the County.

### Proprietary Funds

The County's proprietary funds provide the same type of

The County's governmental activities had net expenses of (\$1.1 billion) before general revenues. However, these services are funded primarily from general taxes, and those general revenues produced net revenues of \$144 million. Charges for services decreased 4% due to decreased demand for services due to the economy. Property tax revenues decreased 3% due to voter and legislated initiatives to reduce these revenues. Sheriff expenses increased 4% due to personnel cost increases, including OPEB cost recognition,

The County's business type activities had net revenue of \$64 million and increased net assets by \$95 million, with all major operations except one reporting net revenues for the year.

information found in the government-wide financial statements but in more detail.

Aviation operating revenues increased \$16 million or 9%. Terminal rentals revenue and customer facility charges increased substantially during 2008. Unrestricted net assets of the Aviation Department were \$37 million at September 30, 2008.

Port Everglades operating revenues increased \$5 million or approximately 4% due primarily to new tariff items for terminal security. Unrestricted net assets of the Port Everglades Fund were \$168 million at September 30, 2008.

Water and Wastewater System operating revenues increased \$5 million or 5% due to general growth in system usage and to rate increases. Unrestricted net assets of the Water and Wastewater System were \$17 million at September 30, 2008.

Resource Recovery System operating revenues decreased \$5 million or 4% due to lower tipping fees. Unrestricted net assets of the Resource Recovery System were \$72 million at September 30, 2008.

## BUDGETARY HIGHLIGHTS

Budget and actual comparison schedules are provided in the Basic Financial Statements for the General Fund and all major special revenue funds. Budget and actual comparison schedules are also provided in the Combining and Individual Fund Statements and Schedules for all nonmajor funds with annually appropriated budgets. The budget and actual comparison schedules show the original adopted budgets, the final revised budget, actual results, and variance between the final budget and actual results for the General Fund and major special revenue funds.

After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, new bond or loan proceeds, new grant awards, or other unanticipated revenues.

Differences between the original budget and the final amended budget for the General Fund were relatively minor and can be summarized as follows (in thousands):

- Revenues were decreased \$17,414 or 1% due primarily to decreased estimated charges for state revenue sharing funds, sales tax proceeds, charges for services and interest income.



- Expenditures were increased \$36,426 or 5% due to general increases in most functional areas.
- Operating transfers in were reduced \$91,143 or 58% due to changes in expected results in other funds.
- Operating transfers out were decreased \$43,456 or 5% due to decreased expected transfers to other funds, reduced by increased transfers to constitutional officers,

General Fund actual total revenues were \$1.4 billion or 100% of the final budget amount. Total expenditures of \$661 million were 89% of the final budget as several functional areas were under budget due to hiring freezes and reductions of general spending. Net transfers out of \$726 million were \$47 million or 6% under the budget. Revenues exceeded expenditures and transfers, resulting in an increase in the General Fund balance of \$8 million, which compared to a budgeted decrease of \$117 million.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The County's investment in capital assets for its governmental and business type activities as of September 30, 2008 amounted to \$4.7 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, parks, roads, highways, and bridges. The total increase in the County's investment in capital assets for the current fiscal year was four percent.

Major capital asset events during the fiscal year included the following:

- Acquisition of equipment for the Sheriff's Office (\$20 million).
- Construction of the Miramar Branch Library (\$17 million).
- Construction of Hazmat Regional, Airport Seaport, and Alligator Alley fire station (\$26 million)
- Road improvements for widening Sunrise Boulevard from Pine Island to Hiatus Road (\$12 million).

### Broward County's Capital Assets (in thousands) (net of depreciation) September 30, 2008

			<i>Total</i>	
	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>2008</i>	<i>2007</i>
Land	\$398,298	\$345,943	\$744,241	\$740,803
Landfill		28,108	28,108	28,245
Property held for leasing		189,075	189,075	191,709
Buildings	666,094	719,179	1,385,273	1,365,700
Improvements	661,734	331,458	993,192	923,929
Equipment	243,270	494,858	738,128	677,841
Construction in progress	216,808	371,652	588,460	575,760
<b>Total</b>	<b>\$2,186,204</b>	<b>\$2,480,273</b>	<b>\$4,666,477</b>	<b>\$4,503,987</b>

Additional information on the County's capital assets can be found in Note 3 to the financial statements.

### Long-Term Debt

At September 30, 2008, the County had total bonded debt outstanding of \$2.2 billion, a 5% decrease from the prior year. Of this amount, \$494 million comprises debt backed by the full faith and credit of the government, \$194 million is special obligation debt secured by dedicated revenue sources, \$152 million is loans payable and other obligations, and \$1.3 billion is secured solely by specified revenue sources (i.e. revenue bonds).

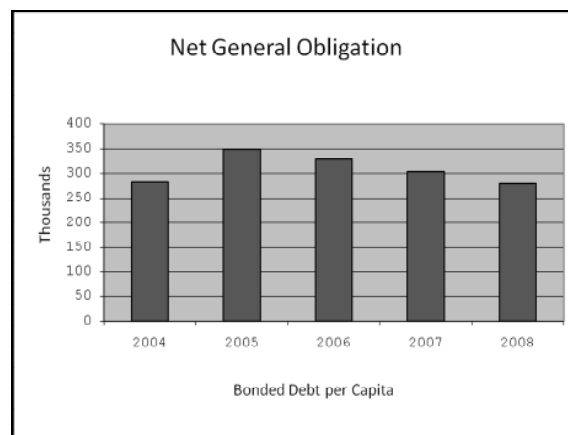
### Broward County's Outstanding Debt, (in thousands) September 30, 2008

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>	
			<i>2008</i>	<i>2007</i>
General Obligation Bonds	\$493,615		\$ 493,615	\$535,290
Special Obligation Bonds	193,890		193,890	205,855
Loans Payable and				
Other Obligations	71,054	\$ 80,744	151,998	151,972
Revenue bonds		1,340,405	1,340,405	1,394,617
<b>Total</b>	<b>\$758,559</b>	<b>\$1,421,149</b>	<b>\$2,179,708</b>	<b>\$2,288,364</b>

The County's outstanding bonded indebtedness decreased \$109 million during the year. New bonds issued during the year were \$150 million refunding revenue bonds at the Airport and Port Everglades. The County continues to meet its financial needs through prudent use of its revenues and creative debt financing programs. The County's financial strength and sound financial management practices are reflected in its general obligation bond investment ratings, which are among the highest levels attained by Florida counties:

Aa1 Moody's Investor Services  
AA+ Standard & Poor's Corporation  
AA+ Fitch IBCA, Inc.

The County's required Annual Disclosure Statement may be found on line at [www.broward.org/finance](http://www.broward.org/finance). This disclosure report details and updates certain statistics and financial performance which form the basis for the security for the County's indebtedness. Additional information on the County's long-term debt can be found in Note 4 to the financial statements.



## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Local, national and international economic factors influence the County's revenues. Positive or negative economic growth is correlated with decreased revenues from property taxes, sales taxes, charges for services, as well as state and federal grants. Economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment, new construction, assessed valuation, and Enterprise Fund revenues.

- The unemployment rate for the County is currently 6.1%, somewhat higher than the rate for the state of Florida 6%, and the rate for the nation of 6.9%.
- Tourist visitors during 2008 were 10.7 million, an increase of 2% over 2007.
- Net assessed value of real and personal property within the County increased 11%.

- Inflation in the region rose at a rate above the national average in 2008.

All of these factors were considered in preparing the County's budget for the 2009 fiscal year. In addition, a Constitutional Amendment to reduce property taxes was reflected in reduced revenues from that source for Fiscal 2009. As a result, certain reductions in service levels and staffing and other cost reduction initiatives were implemented for Fiscal 2009.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Accounting Division Director  
115 S. Andrews Avenue, Room 221  
Fort Lauderdale, FL 33301



# Basic Financial Statements



## Green Buildings

Broward County's first "green building," the South Regional/Broward College Library in Pembroke Pines, is certified by the United States Green Building Council as a LEED (Leadership in Energy and Environmental Design) facility. As a LEED facility, it uses energy, water, materials and land more efficiently than buildings that are simply built to local code. The County is also seeking LEED certification for existing buildings. Broward County has been a member of the U.S. Green Building Council since 2002. Visit [www.broward.org/library](http://www.broward.org/library).

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# STATEMENT OF NET ASSETS

September 30, 2008  
(In Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and Cash Equivalents	\$ 278,143	\$ 78,698	\$ 356,841	\$ 4,662
Investments	1,112,629	242,847	1,355,476	8,058
Receivables (Net)	11,688	40,228	51,916	4,874
Delinquent Taxes Receivable (Net)	7,846		7,846	
Internal Balances	9,012	(9,012)		
Due from Primary Government				180
Due from Other Governments	71,548	5,178	76,726	
Inventories	10,450	8,810	19,260	
Prepaid Expenses	1,615		1,615	
Advances to Component Unit	750		750	
Other Current Assets	10,184	7,371	17,555	110
Restricted Assets:				
Cash and Cash Equivalents		290,372	290,372	18,557
Investments		301,155	301,155	
Deferred Charges	5,328	17,728	23,056	
Capital Assets:				
Non-depreciable	615,106	717,595	1,332,701	652
Depreciable (Net)	1,571,098	1,762,678	3,333,776	5,291
Total Assets	3,705,397	3,463,648	7,169,045	42,384
LIABILITIES				
Accounts Payable	43,220	21,654	64,874	1,392
Accrued Liabilities	46,482	26,200	72,682	1,184
Accrued Interest Payable	7,829		7,829	
Due to Primary Government				750
Due to Component Unit	180		180	
Due to Other Governments	17,518	9,032	26,550	1,302
Escrow Deposits	19,962		19,962	227
Unearned Revenue	27,300	1,549	28,849	6
Other Current Liabilities		2,477	2,477	
Current Liabilities Payable from				
Restricted Assets		67,944	67,944	10,000
Non-current Liabilities:				
Due Within One Year	126,998	140,576	267,574	584
Due in More Than One Year	860,386	1,315,370	2,175,756	1,900
Total Liabilities	1,149,875	1,584,802	2,734,677	17,345
NET ASSETS				
Invested in Capital Assets, Net of				
Related Debt	1,626,074	1,257,411	2,883,485	5,943
Restricted for:				
Capital Projects	228,233	65,367	293,600	
Debt Service	32,477	84,260	116,737	
Transportation	15,865		15,865	
E-911	20,194		20,194	
Court Fee Funds	25,301		25,301	
Equipment Modernization	3,245		3,245	
Passenger Facility Charges		129,269	129,269	
Landfill Closure		26,921	26,921	
Revenue Bonds Renewal and Replacement		21,681	21,681	
Other	3,807		3,807	9,319
Unrestricted	600,326	293,937	894,263	9,777
Total Net Assets	\$ 2,555,522	\$ 1,878,846	\$ 4,434,368	\$ 25,039

See accompanying notes

# STATEMENT OF ACTIVITIES

for the fiscal year ended September 30, 2008

(In Thousands)

	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Component Units
					Governmental Activities	Business- type Activities	
<b>Activities:</b>							
<b>Primary Government</b>							
Governmental Activities:							
General Government	\$ 233,278	\$ 59,432	\$ 2,237		\$ (171,609)		\$ (171,609)
Public Safety	26,393	13,566	6,986	\$ 69	(5,772)		(5,772)
Transportation	202,038	35,074	17,035	41,367	(108,562)		(108,562)
Human Services	142,459	5,590	40,021		(96,848)		(96,848)
Culture and Recreation	194,975	24,719	5,408	302	(164,546)		(164,546)
Physical Environment	35,512	7,725	7,088	1,107	(19,592)		(19,592)
Economic Environment	26,947	2,241	17,232		(7,474)		(7,474)
Sheriff	723,688	256,344	25,278		(442,066)		(442,066)
Property Appraiser	19,953	3,093			(16,860)		(16,860)
Supervisor of Elections	16,861	237	690		(15,934)		(15,934)
Interest on Long-term Debt	36,921				(36,921)		(36,921)
<b>Total Governmental Activities</b>	<b>1,659,025</b>	<b>408,021</b>	<b>121,975</b>	<b>42,845</b>	<b>(1,086,184)</b>		<b>(1,086,184)</b>
Business-type Activities:							
Aviation	200,156	235,747	1,551	12,721		\$ 49,863	49,863
Port Everglades	110,922	117,441		13,322		19,841	19,841
Water and Wastewater	107,256	95,768		4,942		(6,546)	(6,546)
Resource Recovery System	113,084	114,470	135			1,521	1,521
Other	4,111	3,335				(776)	(776)
<b>Total Business-type Activities</b>	<b>535,529</b>	<b>566,761</b>	<b>1,686</b>	<b>30,985</b>		<b>63,903</b>	<b>63,903</b>
<b>Total Primary Government</b>	<b>\$ 2,194,554</b>	<b>\$ 974,782</b>	<b>\$ 123,661</b>	<b>\$ 73,830</b>	<b>\$ (1,086,184)</b>	<b>\$ 63,903</b>	<b>\$ (1,022,281)</b>
<b>Component Units:</b>							
Clerk of Courts	\$ 53,037	\$ 45,999					\$ (7,038)
Housing Finance Authority	1,572	1,482					(90)
Health Facilities Authority	75	74					(1)
<b>Total Component Units</b>	<b>\$ 54,684</b>	<b>\$ 47,555</b>					<b>\$ (7,129)</b>
General Revenues:							
Taxes:							
Property Taxes					\$ 900,243		\$ 900,243
One-Half Cent Sales Tax					66,147		66,147
Gasoline Taxes					85,563		85,563
Revenue Sharing - Unrestricted					38,134		38,134
Other					53,441		53,441
Interest Income					65,085	\$ 31,358	96,443
Miscellaneous					22,140		22,140
Transfers					(88)	88	
<b>Total General Revenues and Transfers</b>					<b>1,230,665</b>	<b>31,446</b>	<b>1,262,111</b>
<b>Change in Net Assets</b>					<b>144,481</b>	<b>95,349</b>	<b>239,830</b>
<b>Net Assets - Beginning</b>					<b>2,411,041</b>	<b>1,783,497</b>	<b>4,194,538</b>
<b>Net Assets - Ending</b>					<b>\$ 2,555,522</b>	<b>\$ 1,878,846</b>	<b>\$ 4,434,368</b>
							<b>\$ 25,039</b>

See accompanying notes.

# BALANCE SHEET

## Governmental Funds

September 30, 2008  
(In Thousands)

	<i>MAJOR FUNDS</i>					
	<i>General</i>	<i>Sheriff Operations</i>	<i>County Transportation Trust</i>	<i>Capital Outlay Reserve</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 9,257	\$71,152	\$10,883	\$ 55,046	\$120,323	\$ 266,661
Investments	245,686		83	371,581	414,087	1,031,437
Receivables (Net):						
Accounts	1,300	189			2,138	3,627
Other	4,217				3,834	8,051
Delinquent Taxes Receivable (Net)	7,281			147	418	7,846
Due from Other County Funds	48,230	2,632	40		13,275	64,177
Due from Other Governments	33,828	91	17,209		20,161	71,289
Inventory	5,007	2,978	1,627		146	9,758
Other Assets	1	1,049				1,050
Advances to Component Unit	750					750
Advances to Other Funds	2,544					2,544
<b>Total Assets</b>	<b>\$358,101</b>	<b>\$78,091</b>	<b>\$29,842</b>	<b>\$426,774</b>	<b>\$574,382</b>	<b>\$1,467,190</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ 18,295	\$ 3,339	\$ 454	\$ 4,470	\$ 15,339	\$ 41,897
Accrued Liabilities	8,082	26,376	459	3,260	8,081	46,258
Due to Other County Funds	3,123	45,130			18,845	67,098
Due to Component Unit	180					180
Due to Other Governments	5,648	268			11,602	17,518
Advances from Other Funds					2,544	2,544
Escrow Deposits	8,713		8,405		2,844	19,962
Deferred Revenue	22,943			147	16,751	39,841
<b>Total Liabilities</b>	<b>66,984</b>	<b>75,113</b>	<b>9,318</b>	<b>7,877</b>	<b>76,006</b>	<b>235,298</b>
Fund Balances:						
Reserved for Encumbrances	1,186			36,388	91,396	128,970
Reserved for Inventory	5,007	2,978	1,627			9,612
Reserved for Debt Service					39,895	39,895
Reserved for E-911	20,194					20,194
Reserved for Court Fee Funds	25,301					25,301
Reserved for Equipment Modernization	3,245					3,245
Reserved for Loans Receivable and Advances	3,204				638	3,842
Reserved for Inmate Welfare					3,807	3,807
Unreserved/Undesignated Related to:						
General Fund	232,980					232,980
Special Revenue Funds			18,897		61,834	80,731
Capital Projects Funds				382,509	300,806	683,315
<b>Total Fund Balances</b>	<b>291,117</b>	<b>2,978</b>	<b>20,524</b>	<b>418,897</b>	<b>498,376</b>	<b>1,231,892</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$358,101</b>	<b>\$78,091</b>	<b>\$29,842</b>	<b>\$426,774</b>	<b>\$574,382</b>	<b>\$1,467,190</b>

See accompanying notes.

# RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

September 30, 2008  
(In Thousands)

Fund balances - total governmental funds

\$1,231,892

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources  
and therefore are not reported in the governmental funds.

	<i>Asset Cost</i>	<i>Accumulated Depreciation</i>	<i>Net</i>	
Land	\$398,298		\$398,298	
Construction in Progress	216,808		216,808	
Buildings	909,250	\$(243,156)	666,094	
Improvements	919,869	(258,135)	661,734	
Equipment	674,030	(433,919)	240,111	2,183,045

Other long-term assets are not available to pay for current period expenditures  
and therefore are deferred in the governmental funds.

12,541

Certain assets reported in governmental activities are not financial resources  
and therefore are not reported in governmental funds.

Prepaid expenses	\$ 1,615	
Deferred charges - unamortized bond issuance costs	5,328	6,943

Some liabilities applicable to the County's governmental activities are not due and payable  
in the current period and are not reported as fund liabilities.

General obligation bonds	\$(493,615)	
Special obligation bonds	(193,890)	
Loans payable and other obligations	(71,054)	
Discount/(premium) and deferred on refunding	(18,094)	
Arbitrage rebate payable	(4,553)	
Compensated absences	(101,281)	
Postemployment benefits other than pension	(19,175)	
Accrued interest payable	(7,829)	(909,491)

Internal service funds are used by management to charge the costs of self-insurance, printing and fleet services to individual funds.

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

30,592

**Total net assets of governmental activities**

**\$2,555,522**

See accompanying notes.

# STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

**Governmental Funds**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>MAJOR FUNDS</i>				<i>Other</i>	<i>Total</i>
	<i>General</i>	<i>Sheriff Operations</i>	<i>County Transportation Trust</i>	<i>Capital Outlay Reserve</i>	<i>Governmental Funds</i>	<i>Governmental Funds</i>
Revenues:						
Taxes (Net of Discounts)	\$ 816,859		\$ 62,689	\$ 24,042	\$ 68,999	\$ 972,589
Special Assessment/Impact Fees	2,315		5,953		619	8,887
Licenses and Permits	18,483		292		473	19,248
Federal Grants	66,954			69	55,443	122,466
State Revenues:						
Revenue Sharing	38,134					38,134
Grants	23,571			50	9,642	33,263
Licenses	612		417			1,029
Gasoline Taxes			22,874			22,874
Tourist Tax					42,773	42,773
One-Half Cent Sales Tax	50,827		15,320			66,147
Other					8,282	8,282
Charges for Services	330,037		1,603	30	16,652	348,322
Fines and Forfeitures	4,249				11,565	15,814
Interest Income	20,988		1,020	17,714	21,929	61,651
Miscellaneous	22,772		822	1,212	13,708	38,514
Total Revenues	1,395,801		110,990	43,117	250,085	1,799,993
Expenditures:						
Current:						
General Government	202,612				34,698	237,310
Public Safety	17,153	\$ 659,793			30,530	707,476
Transportation	142,526		27,292			169,818
Human Services	140,310				313	140,623
Culture and Recreation	121,941				27,257	149,198
Physical Environment	15,683				3,533	19,216
Economic Environment	19,903				6,623	26,526
Capital Outlay		26,814	182	55,588	190,395	272,979
Debt Service:						
Principal Retirement	960				68,540	69,500
Interest and Fiscal Charges	125				40,019	40,144
Bond and Loan Issuance Costs					16	16
Total Expenditures	661,213	686,607	27,474	55,588	401,924	1,832,806
Excess of Revenues Over (Under) Expenditures	734,588	(686,607)	83,516	(12,471)	(151,839)	(32,813)
Other Financing Sources (Uses):						
Transfers In	109,781	740,720		12,481	203,200	1,066,182
Transfers Out	(836,309)	(54,113)	(83,638)	(8,144)	(84,066)	(1,066,270)
Total Other Financing Sources (Uses)	(726,528)	686,607	(83,638)	4,337	119,134	(88)
Net Change in Fund Balances	8,060		(122)	(8,134)	(32,705)	(32,901)
Fund Balances, October 1	281,033	998	20,398	427,031	531,081	1,260,541
Changes in Reserves for Inventory	2,024	1,980	248			4,252
<b>Fund Balances, September 30</b>	<b>\$ 291,117</b>	<b>\$ 2,978</b>	<b>\$ 20,524</b>	<b>\$418,897</b>	<b>\$ 498,376</b>	<b>\$ 1,231,892</b>

*See accompanying notes.*



# RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

for the fiscal year ended September 30, 2008  
(In Thousands)

Net change in fund balances - total governmental funds	\$ (32,901)	
Changes in reserves for inventory	4,252	\$ (28,649)

Total change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the statement of activities, the loss of disposed capital assets is reported.

Expenditures for capital assets	\$232,576	
Current year depreciation	(105,661)	
Loss on disposition of assets	(3,358)	123,557

Some of the revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 167

Bond and loan proceeds provide current financing resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal is an expenditure in the governmental funds but reduces the long-term liability in the statement of net assets.

Principal payment 69,500

Governmental funds report bond and loan issuance costs as expenditures. However, these amounts are reported on the statement of net assets as deferred charges and amortized over the life of the debt.

Bond and loan issuance costs	\$16	
Amortization of bond and loan issuance costs	(529)	(513)

Governmental funds report operating leases as expenditures. However, these amounts are reported on the statement of net assets as prepaid expenses and amortized over the life of the lease.

Amortization of prepaid rent (45)

Some expenses reported in the statement of activities do not require the use of financial resources and therefore are not reported as expenditures in governmental funds. These expenses are:

Change in compensated absences	\$ (6,461)	
Change in postemployment benefits other than pension	(19,175)	
Change in accrued interest payable	1,742	
Amortization of debt discount and premium	3,204	
Amortization of refunding difference	(1,778)	(22,468)

The net revenue of internal service funds is reported with governmental activities on the statement of activities. 2,932

<b>Change in net assets of governmental activities</b>		<b>\$144,481</b>
--	--	------------------

*See accompanying notes.*

# PROPRIETARY FUNDS

## Statement of Net Assets

September 30, 2008

(In Thousands)

	Aviation	Port Everglades	Water and Wastewater	Resource Recovery System	Other Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>ASSETS</b>							
Current Assets:							
Cash and Cash Equivalents	\$ 20,160	\$ 14,664	\$ 20,964	\$ 11,895	\$11,015	\$ 78,698	\$ 11,482
Investments	19,050	148,720		75,077		242,847	81,192
Receivables (Net):							
Accounts	5,524	13,317	12,139	9,142	106	40,228	10
Due from Other County Funds							2,921
Due from Other Governments	4,660	490		28		5,178	259
Inventory	336	3,036	5,438			8,810	692
Other Current Assets	2,527	1,625	818	2,401		7,371	9,134
Total Current Assets	52,257	181,852	39,359	98,543	11,121	383,132	105,690
Noncurrent Assets:							
Restricted Assets:							
Cash and Cash Equivalents	240,722	14,060	35,590			290,372	
Investments	234,659	26,313	4,499	33,346	2,338	301,155	
Deferred Charges	8,916	2,962	2,782	3,068		17,728	
Capital Assets:							
Land	282,797	56,652	4,874		1,620	345,943	
Construction in Progress	209,406	40,628	118,800	2,818		371,652	
Landfill (Net)				28,108		28,108	
Property Held for Leasing (Net)		189,075				189,075	
Buildings (Net)	540,481	88,205	89,474	1,000	19	719,179	
Improvements (Net)	259,215	56,842		14,958	443	331,458	
Equipment (Net)	14,748	74,579	403,941	1,541	49	494,858	3,159
Total Noncurrent Assets	1,790,944	549,316	659,960	84,839	4,469	3,089,528	3,159
Total Assets	1,843,201	731,168	699,319	183,382	15,590	3,472,660	108,849
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable		9,659		11,522	473	21,654	1,323
Accrued Liabilities	18,282	1,503	12,950	333	78	33,146	735
Due to Other Governments	368	2,503	3,364	2,797		9,032	
Unearned Revenue	1,549					1,549	
Other Current Liabilities	2,477	5,000	58,578			66,055	28,945
Total Current Liabilities	22,676	18,665	74,892	14,652	551	131,436	31,003
Noncurrent Liabilities:							
Liabilities Payable from Restricted Assets	94,114	15,140	21,157	6,283	305	136,999	
Revenue Bonds and Loans Payable							
Long-Term (Net)	776,841	232,747	256,357	12,651		1,278,596	
Other Long-Term Liabilities	13,032	1,199	2,385	19,266	1,889	37,771	56,266
Total Noncurrent Liabilities	883,987	249,086	279,899	38,200	2,194	1,453,366	56,266
Total Liabilities	906,663	267,751	354,791	52,852	2,745	1,584,802	87,269
<b>NET ASSETS</b>							
Invested in Capital Assets, Net of Related Debt	671,195	259,881	294,550	29,654	2,131	1,257,411	3,159
Restricted for:							
Capital Projects	50,641	14,726				65,367	
Debt Service	48,071	4,047	27,556	4,586		84,260	
Passenger Facility Charges	129,269					129,269	
Landfill Closure				24,583	2,338	26,921	
Revenue Bonds Renewal and Replacement		16,681	5,000			21,681	
Unrestricted	37,362	168,082	17,422	71,707	8,376	302,949	18,421
Total Net Assets	\$ 936,538	\$463,417	\$344,528	\$130,530	\$12,845	1,887,858	\$ 21,580

Adjustments to reflect the consolidation of internal service fund activities related to business-type activities

(9,012)

Net assets of business-type activities

\$1,878,846

See accompanying notes.

**PROPRIETARY FUNDS**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Aviation</i>	<i>Port Everglades</i>	<i>Water and Wastewater</i>	<i>Resource Recovery System</i>	<i>Other Nonmajor Enterprise Funds</i>	<i>Total</i>	<i>Internal Service Funds</i>
Operating Revenues:							
Concessions	\$ 43,888					\$ 43,888	
Parking Fees	47,737	\$ 9,118				56,855	
Terminal Rentals	40,816					40,816	
Airfield Fees	16,454					16,454	
Building and Ground Rentals	9,345	9,788				19,133	
Vessel and Cargo Services		89,739				89,739	
Wastewater Treatment Charges			\$ 55,291			55,291	
Water Sales			37,388			37,388	
Tipping Fees				\$108,076		108,076	
Recycling				6,078	\$ 139	6,217	
Customer Facility Charges	28,468					28,468	
Assessments					1,069	1,069	
Miscellaneous	572	8,796	3,089	316	2,127	14,900	\$119,860
Total Operating Revenues	187,280	117,441	95,768	114,470	3,335	518,294	119,860
Operating Expenses:							
Personal Services	29,339	19,351	25,635	4,099	1,085	79,509	8,474
General Operating	93,926	53,743	36,938	87,939	2,976	275,522	111,627
Depreciation	34,855	20,022	34,357	1,340	77	90,651	1,366
Total Operating Expenses	158,120	93,116	96,930	93,378	4,138	445,682	121,467
Operating Income (Loss)	29,160	24,325	(1,162)	21,092	(803)	72,612	(1,607)
Non-Operating Revenues (Expenses):							
Grants	1,551			135		1,686	
Interest Income	17,273	7,420	1,507	4,599	559	31,358	3,434
Interest Expense	(41,436)	(13,845)	(9,877)	(934)		(66,092)	
Gain (Loss) on Sale of Capital Assets	78	(184)	(544)	(2)		(652)	67
Passenger Facility Charges	48,467					48,467	
Other	(669)	(3,770)	99	(18,770)	27	(23,083)	1,018
Total Non-Operating Revenues (Expenses)	25,264	(10,379)	(8,815)	(14,972)	586	(8,316)	4,519
Income (Loss) Before Capital Contributions and Transfers	54,424	13,946	(9,977)	6,120	(217)	64,296	2,912
Capital Contributions	12,721	13,322	4,942			30,985	
Transfers In				252	933	1,185	
Transfers Out				(845)	(252)	(1,097)	
Change in Net Assets	67,145	27,268	(5,035)	5,527	464	95,369	2,912
Total Net Assets, October 1	869,393	436,149	349,563	125,003	12,381		18,668
<b>Total Net Assets, September 30</b>	<b>\$936,538</b>	<b>\$463,417</b>	<b>\$344,528</b>	<b>\$130,530</b>	<b>\$12,845</b>		<b>\$ 21,580</b>
Adjustments to reflect the allocation of internal service fund net revenue (expense) to business-type activities						(20)	
<b>Change in net assets of business-type activities</b>						<b>\$95,349</b>	

See accompanying notes.

# PROPRIETARY FUNDS

## Statement of Cash Flows for the fiscal year ended September 30, 2008 (In Thousands)

	<i>Aviation</i>	<i>Port Everglades</i>	<i>Water and Wastewater</i>	<i>Resource Recovery System</i>	<i>Other Nonmajor Enterprise Funds</i>	<i>Total</i>	<i>Internal Service Funds</i>
Cash Flows from Operating Activities:							
Cash Received from Customers	\$191,845	\$117,398	\$100,150	\$118,013	\$3,430	\$530,836	\$13,495
Cash Received for Premiums							104,980
Cash Payments to Suppliers for Goods and Services	(95,261)	(53,958)	(37,513)	(86,330)	(3,008)	(276,070)	(75,861)
Cash Payments to Employees for Services	(29,144)	(18,988)	(25,202)	(3,964)	(1,136)	(78,434)	(8,389)
Cash Payments for Claims							(26,114)
Other Cash Received				76	27	103	323
Other Cash Paid				(17,150)	(849)	(17,999)	
Net Cash Provided by (Used for) Operating Activities	67,740	44,452	37,435	10,645	(1,536)	158,436	8,434
Cash Flows from Noncapital Financing Activities:							
Grants Received	1,551			107		1,658	
Transfers In				252	933	1,185	
Transfers Out				(845)	(252)	(1,097)	
Other Non-Operating Revenues (Expenses)		(3,667)	353			(3,314)	
Net Cash Provided by (Used for) Noncapital Financing Activities	1,551	(3,667)	353	(486)	681	(1,568)	
Cash Flows from Capital and Related Financing Activities:							
Acquisition and Construction of Capital Assets	(58,307)	(25,338)	(37,061)	(1,360)	(7)	(122,073)	(539)
Proceeds from Sale of Capital Assets	440	23	39			502	76
Proceeds from Bonds and Notes		43,887	19,856			63,743	
Debt Principal Payments	(35,875)	(55,380)	(7,436)	(5,945)		(104,636)	
Interest and Fiscal Charges Paid	(41,951)	(11,090)	(13,499)	(830)		(67,370)	
Capital Contributions	18,815	7,612	1,439			27,866	
Receipt of Passenger Facility Charges	48,467					48,467	
Capital Recovery and Surcharge Fees			1,857			1,857	
Net Cash Used for Capital and Related Financing Activities	\$ (68,411)	\$(40,286)	\$(34,805)	\$ (8,135)	\$(7)	\$(151,644)	\$ (463)

(continued)

See accompanying notes.

**PROPRIETARY FUNDS**  
**Statement of Cash Flows, continued**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Aviation</i>	<i>Port Everglades</i>	<i>Water and Wastewater</i>	<i>Resource Recovery System</i>	<i>Other Nonmajor Enterprise Funds</i>	<i>Total</i>	<i>Internal Service Funds</i>
Cash Flows from Investing Activities:							
Purchase of Investment Securities	\$(728,032)	\$(287,408)	\$(59,872)	\$(134,225)	\$(13,133)	\$(1,220,670)	\$(194,297)
Proceeds from Sale and Maturities of Investment Securities	853,685	249,819	67,021	91,975	10,795	1,273,295	174,239
Interest and Dividends on Investments	17,273	7,410	1,757	4,599	559	31,598	3,434
Net Cash Provided by (Used for) Investing Activities	142,926	(30,179)	8,906	(37,651)	(1,779)	82,223	(16,624)
Net Increase (Decrease) in Cash and Cash Equivalents	143,506	(29,680)	11,889	(35,627)	(2,641)	87,447	(8,653)
Cash and Cash Equivalents, October 1	117,376	58,404	44,665	47,522	13,656	281,623	20,135
<b>Cash and Cash Equivalents, September 30</b>	<b>\$260,882</b>	<b>\$28,724</b>	<b>\$56,554</b>	<b>\$11,895</b>	<b>\$11,015</b>	<b>\$369,070</b>	<b>\$11,482</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>							
Operating Income (Loss)	\$ 29,160	\$ 24,325	\$ (1,162)	\$ 21,092	\$ (803)	\$ 72,612	\$ (1,607)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Depreciation Expense	34,855	20,022	34,357	1,340	77	90,651	1,366
Miscellaneous Non-Operating Revenue (Expense)	85			17,518	27	(17,406)	736
Provision for Uncollectable Accounts			148			148	
Decrease (Increase) in Assets:							
Accounts Receivable (Net)	922	236	4,382	3,506	96	9,142	2
Due from Other County Funds		(490)		38		(452)	(2,300)
Due from Other Governments							148
Inventory		(549)	(1,725)			(2,274)	(33)
Other Current Assets	1,172	197	42	(2,401)		(990)	1,803
Increase (Decrease) in Liabilities:							
Accounts Payable	661	19	278	2,625	214	3,797	150
Accrued Liabilities		363		150	(52)	461	(328)
Due to Other County Funds					(849)	(849)	(213)
Due to Other Governments	(7)	607	670	445		1,715	
Other Current Liabilities	592					592	
Liabilities Payable from Restricted Assets		(278)	445			167	
Estimated Liability for Insurance Claims							8,710
Provision for Landfill Closure				1,368	(246)	1,122	
Total Adjustments	38,280	20,127	38,597	(10,447)	(733)	85,824	10,041
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$67,440</b>	<b>\$44,452</b>	<b>\$37,435</b>	<b>\$10,645</b>	<b>\$(1,536)</b>	<b>\$158,436</b>	<b>\$8,434</b>
<b>Noncash Investing, Capital and Financing Activities:</b>							
Capital Assets Acquired Through a Capital Lease Obligation	\$ 9,656						
Issuance of Refunding Bonds to Advance Refund Existing Debt	103,975						
Change in Fair Value of Investments	25	\$ 227		\$ 247	\$ 4	\$ 503	\$ 195

See accompanying notes.

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## STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

### Agency Funds

September 30, 2008  
(In Thousands)

	<i>Total</i>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 14,209
Investments	22,691
Accounts Receivable (Net)	1,536
Delinquent Taxes Receivable (Net)	104,984
Due from Other Governments	5,448
<b>Total Assets</b>	<b>\$148,868</b>
<b>LIABILITIES</b>	
Accounts Payable	\$ 90
Due to Other Governments	9,733
Due to Individuals	6,346
Escrow Deposits	132,699
<b>Total Liabilities</b>	<b>\$148,868</b>

See accompanying notes.

## COMPONENT UNITS

### Statement of Net Assets

September 30, 2008

(In Thousands)

	<i>Clerk of Courts</i>	<i>Housing Finance</i>	<i>Health Facilities</i>	<i>Total</i>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,138	\$ 1,506	\$18	\$ 4,662
Investments		8,058		8,058
Receivables (Net)	3,859	1,015		4,874
Due from Primary Government	180			180
Other Current Assets	65	45		110
Restricted Assets:				
Cash and Cash Equivalents	8,330	10,227		18,557
Capital Assets:				
Non-depreciable		652		652
Depreciable (Net)	4,499	792		5,291
<b>Total Assets</b>	<b>20,071</b>	<b>22,295</b>	<b>18</b>	<b>42,384</b>
<b>LIABILITIES</b>				
Accounts Payable	1,376	16		1,392
Accrued Liabilities	768	416		1,184
Due to Primary Government		750		750
Due to Other Governments	1,302			1,302
Escrow Deposits		227		227
Unearned Revenue		6		6
Current Liabilities Payable from				
Restricted Assets		10,000		10,000
Non-current Liabilities:				
Due Within One Year	538	46		584
Due in More Than One Year	1,813	87		1,900
<b>Total Liabilities</b>	<b>5,797</b>	<b>11,548</b>		<b>17,345</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of				
Related Debt	4,499	1,444		5,943
Restricted for:				
Other	8,694	625		9,319
Unrestricted	1,081	8,678	18	9,777
<b>Total Net Assets</b>	<b>\$14,274</b>	<b>\$10,747</b>	<b>\$18</b>	<b>\$25,039</b>

See accompanying notes



## COMPONENT UNITS

### Statement of Activities

for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Clerk of Courts</i>	<i>Housing Finance</i>	<i>Health Facilities</i>	<i>Total</i>
Program Expenses:				
Personal Services	\$43,647	\$ 901		\$44,548
Professional Fees		138	\$ 6	144
General Operating	6,764	459		7,223
Depreciation	2,626	40		2,666
Interest Expense		34		34
Payment to Primary Government			69	69
Total Program Expenses	53,037	1,572	75	54,684
Program Revenues:				
Charges for Services				
Court Related Revenues	35,885			35,885
Non-court Related Revenues	1,348			1,348
Fines and Forfeitures	4,511			4,511
Recording Fees	3,268			3,268
Authority Fees		1,045	74	1,119
Rentals		95		95
Bond Issuance and Redemption Income		290		290
Miscellaneous	987	52		1,039
Total Program Revenues	45,999	1,482	74	47,555
Program Loss	(7,038)	(90)	(1)	(7,129)
General Revenues:				
Interest and Investment Income	893	395	2	1,290
Total General Revenues	893	395	2	1,290
Change in Net Assets	(6,145)	305	1	(5,839)
Net Assets - Beginning	20,419	10,442	17	30,878
<b>Net Assets - Ending</b>	<b>\$14,274</b>	<b>\$10,747</b>	<b>\$18</b>	<b>\$25,039</b>

See accompanying notes.

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## NOTES TO FINANCIAL STATEMENTS – CONTENTS

September 30, 2008

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## NOTE I -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

Broward County, Florida (County) is a political subdivision of the State of Florida. It is guided by an elected Board of County Commissioners, which is governed by the Florida Statutes and a local County Charter. In addition there are four elected Constitutional Officers: the Clerk of the Circuit and County Courts (Clerk); Property Appraiser; Sheriff; and Supervisor of Elections. The Board of County Commissioners (BOCC), Property Appraiser, Sheriff, and Supervisor of Elections comprise the Broward County primary government.

The accompanying financial statements present the County (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the County.

### Blended Component Units

Water Control Districts are special taxing districts created to maintain and improve water resource and drainage programs in the County and are governed by a board comprised of the BOCC. The financial results of the four individual Water Control Districts (District No.2, District No.3, District No.4 and Cocomar) are combined into one Special Revenue Fund to facilitate presentation.

The legal authority by which each of the following Water Districts was created and the financial statement requirements for them are as follows:

#### **Broward County Water Control District No. 2 -**

Section 298.01, F.S.; County Ord.No.79-93.The governing body is the Board of County Commissioners. Separate financial statements are not required or prepared.

#### **Broward County Water Control District No. 3 -**

Section 298.01, F.S.; County Ref. 4/15/69.The governing body is the Board of County Commissioners. Separate financial statements are not required or prepared.

#### **Broward County Water Control District No. 4 -**

Section 298.01, F.S.; County Ref. 3/29/66.The governing body is the Board of County Commissioners. Separate financial statements are not required or prepared.

#### **Cocomar Water Control District –**

Section 125.01(5) (a), F.S.; County Ord. No. 80-17.The governing body is the Board of County Commissioners. Separate financial statements are not required or prepared.

The following organizations are also shown as blended component units:

The **Broward County Community Redevelopment Agency (CRA)** acts in an advisory capacity to the County to establish and carry out redevelopment objectives in economically deprived areas of the County. It was established by Florida Statute Section 163.356 and County Ordinance No. 80-110. The governing body is the BOCC. The agency conducted no financial transactions during the year and has no assets, liabilities or fund balance.

The **Broward County Educational Facilities Authority (EFA)** acts in an advisory capacity to the County in alleviating the shortage of educational facilities and projects in the County. It was established by Florida Statute Section 243.021 and County Ordinance No. 86-15. The BOCC appoints the governing body. The authority conducted no financial transactions during the year and has no assets, liabilities or fund balance.

The **Broward County Governmental Leasing Corporation** (the Corporation) has entered into master lease-purchase agreements with the County to finance the acquisition, construction or equipping of certain facilities and is governed by the BOCC. The Corporation was formed by the County solely for the purpose of acting as lessor of the facilities. The Corporation has no financial activity to report.

### Discretely Presented Component Units

The Clerk of Circuit and County Courts (Clerk) is an elected, Constitutional Office of the County and has separate legal standing from the County. The governing body of the Clerk is not the same as the governing body of the County. The Clerk provides services to the courts and receives most of its revenues from those who are utilizing court services and processes. The Clerk is included as a component unit because its exclusion from the financial reporting entity could render the County's financial statements misleading.

The Broward County Health Facilities Authority (HeFA) was created to assist in the acquisition, construction, financing and refinancing of health facilities in the County. It was established by Florida Statute Section 154.207 and County Ordinance No. 77-35. The HeFA is governed by a Board appointed by the BOCC and is financially accountable to the County. The HeFA is authorized to issue bonds which are not deemed to constitute a

debt of HeFA, the County, or any political sub-division thereof (see Note 4).

The Broward County Housing Finance Authority (HFA) was established in 1979 by County Ordinance No. 79-41 for the purpose of encouraging the investment of private capital and stimulating the construction of residential housing for low and moderate income families through the use of public financing. The HFA is governed by a Board appointed by the BOCC, and the County must also approve HFA's contracts and bond issues. The HFA is authorized to issue revenue bonds that are not deemed to constitute a debt of HFA, the County, or any political sub-division thereof (see Note 4).

The HFA has a note payable to the County which is secured by an office building. The principal balance of the note was \$750,000 on September 30, 2008. The note is due in full on or before July 1, 2015 and bears interest at 4 percent.

Complete financial statements for each of the individual discretely presented component units that issue them may be obtained at the entities administrative offices as follows. Financial statements are not required for other component units.

**Clerk of Circuit and County Courts**

Finance and Budget Department  
201 S.E. 6th Street, Room 275  
Fort Lauderdale, FL 33301

**Broward County Health Facilities Authority**

Accounting Division  
P. O. Box 14740  
Fort Lauderdale, FL 33302

**Broward County Housing Finance Authority**

Accounting Division  
P. O. Box 14740  
Fort Lauderdale, FL 33302

**B. Basis of Presentation**

**Government-wide Statements**

The government-wide financial statements (i.e. the statement of net assets and the changes in net assets) report information on all of the nonfiduciary activities of the primary government (the County) and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements**

Separate financial statements are provided for the County's funds, including governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Separate statements for each fund category are presented. The emphasis of the fund financial statements is on major governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

*General Fund* – This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Sheriff Operations Fund* – This is the County Sheriff's primary operating fund. It accounts for all financial resources of the Sheriff's Office, except those required to be accounted for in another fund.

*County Transportation Trust Fund* – This is used to account for funds received for the construction and maintenance of roads, bridges, and traffic engineering.

*Capital Outlay Reserve Fund* – This is used to account for special capital outlay projects not routine in nature and not considered ordinary operating

expenditures.

The County reports the following major enterprise funds:

*Aviation Fund* – This fund accounts for the operations of the Fort Lauderdale-Hollywood International and North Perry Airports.

*Port Everglades Fund* – This fund accounts for the operation, maintenance, and construction of the County's seaport system.

*Water and Wastewater Fund* – This fund accounts for water and sewerage treatment services provided to certain incorporated and unincorporated areas of the County.

*Resource Recovery Fund* – This fund accounts for the operations of the County's Resource Recovery System and other solid waste activities.

The County also reports the following fund types:

*Internal Service Funds* – These funds account for self-insurance coverage for workers' compensation claims, public liability, medical malpractice, and County-owned vehicle accidents, for consolidated vehicle management services, and for printing services, all of which are provided to other County functions on a cost-reimbursement basis.

*Agency Funds* – These funds account for taxes and licenses collected on behalf of the County and other taxing entities, funds received and disbursed by the Sheriff's Office in a fiduciary capacity, and various other funds and fees received and disbursed in a fiduciary capacity.

### **C. Measurement Focus, Basis of Accounting**

*Government-wide and Proprietary Fund Financial Statements* – The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

*Governmental Fund Financial Statements* – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for grants which are collected within 6 months. Intergovernmental revenues, property taxes and interest are significant revenue sources considered to be susceptible to accrual in the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences claims and judgments and postemployment benefits other than pensions, are recorded only when payment is due.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. While governments have the option of following subsequent private-sector guidance for their business-type activities, the County has elected not to follow subsequent private-sector guidance.

*Proprietary Fund Financial Statements* – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds and of the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

*Fiduciary Fund Financial Statements* – Agency funds report only assets and liabilities, have no measurement focus, and use the accrual basis of accounting.

### **D. Assets, Liabilities and Net Assets or Equity**

#### ***1. Deposits and Investments***

The County maintains an investment pool for substantially all cash and cash equivalents and investments of all funds. All money market investments and participating interest-earning investment contracts with a remaining maturity at time of purchase of ninety days or less are recorded at amortized cost plus accrued interest. All other investments are carried at fair value as determined from quoted market prices. Each fund's portion

of the pool is presented as “cash and cash equivalents”, “investments” or “restricted assets” as appropriate. Earnings are allocated to each fund based on average daily balances of cash and investments.

The County considers cash and cash equivalents to be cash on hand, demand deposits, investments and equity in the County’s cash management pool with original maturities at time of purchase of three months or less.

The County is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, repurchase agreements, certificates of deposit, the Local Government Surplus Trust Funds Investment Pool - an SEC Rule 2a-7 like fund which has the characteristics of a Money Market Fund, and the Florida Local Government Investment Trust. All cash deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, “Florida Security for Public Deposits Act,” and are collateralized with eligible securities having a market value equal or greater than the average daily or monthly balance of all public deposits. The County’s investment practices are governed by Chapters 125 and 218.415 of the Florida Statutes, County Ordinance 87-82, and the requirements of outstanding bond issues.

## **2. Receivables and Payables**

Activity between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other county funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible accounts of \$82,774,000.

## **3. Disaggregation of Receivables and Payables Balances**

### **Receivables**

Receivables in the General Fund are 76 percent liens receivables and 24 percent are vendor receivables. The majority of the liens receivables in the General Fund are not expected to be collected within one year. Receivables in the Special Revenue Funds are 60 percent tourist development tax receivables from hotels and motels, 18 percent loan receivables from the Museum of Art, 100 percent of which are not scheduled to be collected in the subsequent year, 17 percent local housing assistance receivables consisting principally of long term notes receivable, 100 percent of which are not scheduled to be collected in the subsequent year, and 5 percent Sheriff Operations receivables. Receivables in the Enterprise Funds are 77 percent due from customers and 23 percent due from haulers which deliver to the resource recovery plants.

### **Payables**

Accounts payables balances in each fund are 100 percent payable to vendors.

## **4. Property Tax Calendar**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied and are due and payable on November 1 of each year and may be paid upon receipt of the notice at declining discounts through the month of February. All unpaid taxes on real and personal property become delinquent on April 1 of the year following the year in which the taxes were levied. Delinquent real property taxes bear interest at the rate of one and one-half percent per month, and interest continues to accrue until a certificate is sold at auction, from which time the interest rate shall be as bid by the buyer of the certificate. Personal property taxes bear interest at one and one-half percent per month from April 1 until paid. After May 1 of each year and following proper procedures, a court order may be issued to seize and sell the property.

## **5. Inventories and Prepaid Items**

Inventories consist principally of materials and supplies held for consumption and are recorded at cost for Governmental Funds and at the lower of average cost or market for Proprietary Funds. In the Governmental Funds the cost of inventories are recorded as expenditures at the time of purchase, while in the other funds, the cost of inventories are recorded as expenditures when consumed. In the Governmental Funds, reported inventories are offset by a fund balance reserve which indicates that they do not constitute available spendable resources. Payments for prepaid items are reported as expenditures in the Governmental Funds and are capitalized and reflected as prepaid expenses in the government-wide financial statements.

## **6. Restricted Assets**

Restricted assets and reserves of the Enterprise Funds at September 30, 2008 represent amounts restricted for construction, debt service, maintenance and improvements under the terms of outstanding bond agreements or some other legal outside party requirements. These requirements establish a restriction on net assets in an amount equal to the restricted assets less any related liabilities.

Assets were restricted for the following purposes (in thousands):

Bond sinking and reserve accounts	\$170,523
Construction accounts	365,669
Landfill closure escrow accounts	26,921
Other restricted accounts	28,414
	<b>\$591,527</b>

Amounts payable from restricted assets at September 30, 2008 consist of the following (in thousands):

Accounts payable	\$21,707
Revenue bonds and interest payable	84,261
Customers' deposits	8,116
Deferred revenue	22,610
Accrued closure costs	305
	<b>\$136,999</b>

Reclassified on government-wide statements (in thousands)

Current liabilities payable from restricted assets	\$69,055
Noncurrent liabilities due within 1 year	\$140,576

## 7. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), including those assets acquired prior to fiscal year ended September 30, 1980, are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The capitalization levels are \$1,000 for equipment and \$5,000 for land, buildings and infrastructure. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the business-type activities during fiscal 2008 was \$69,851,000. Of this amount, \$3,759,000 was included as part of the cost of capital assets under construction in connection with various construction projects.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures, and improvements	20-65 years
Runways, aprons, taxiways, and navigation easements	5-40 years
Furniture, fixtures, and equipment	3-15 years
Roads and streets	40 years
Bridges	50 years
Sidewalks and traffic signals	30 years
Lakes, waterways, and water control structures	50-75 years

## 8. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave and related fringe benefits. The cost of earned but unused vacation pay is accrued when earned in the government-wide and proprietary financial statements. A liability for earned but unused sick leave is accrued only to the extent that the leave will result in cash payments at termination. A liability for these amounts is reported in governmental funds only if they have matured, due to employee retirement or resignation.

## 9. Long-term Obligations

In the government-wide and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, deferral amounts on refundings as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and deferral amounts on refundings. Bond issuance costs are reported as deferred charges.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, deferral amounts on refundings, as well as bond issuance costs, during the current period. The face amount of the debt issues are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.



## **10. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

## **11. Passenger Facility Charges**

The Federal Aviation Administration (FAA) authorized the Aviation Department to impose a Passenger Facility Charge (PFC) of \$3 per departing passenger commencing January 1, 1995. This authorization was amended to increase the charge to \$4.50 per departing passenger effective October 1, 2005.

Through initial and subsequent FAA approvals, the Aviation Department is authorized to collect PFC's up to \$451,943,000 including interest, of which \$386,187,000 has been collected as of September 30, 2008. The net receipts from PFC's are non-refundable and restricted to be used on FAA "approved capital projects" and debt service on revenue bonds that fund approved PFC eligible projects. As of September 30, 2008, \$256,918,000 of the collected PFCs had been spent on approved projects or debt service, and the remaining \$129,269,000 was reflected as a restricted asset and a restriction of net assets.

## **12. Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

## **13. Use of Estimates**

The preparation of financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## **E. Excess of Expenditures Over Appropriations**

For the year ended September 30, 2008, General Fund expenditures exceeded appropriations in the following departments (in thousands):

<b>Public Safety</b>	
County Administration – Emergency Management Operations	\$ 237
Public Works and Transportation-Detention and Correction Facilities	1,154
<b>Transportation</b>	
Public Works and Transportation – Road and Street Facilities	2,701
Aviation	309
Port Everglades	282
County Administrator - Mass Transit	1,465
<b>Culture and Recreational</b>	
Public Works and Transportation – Libraries	98
<b>Economic Environment</b>	
Office of Housing	1,686
Human Services - Community Development	4,109
Community Services - Community Development	20

For the year ended September 30, 2008, expenditures exceeded appropriations in the Supervisor of Elections Operations Fund by \$768,000 and in the 2006 Professional Sports Facilities and Civic Arena Debt Service Fund by \$864,000.

## **F. Deficits**

At September 30, 2008, the Mass Transit Capital Grants Fund had an undesignated fund deficit of \$4,337,000. The County plans to eliminate this deficit in the ensuing fiscal year.

## NOTE 2 -DEPOSITS AND INVESTMENTS

### A. Summary of Deposit and Investment Balances

The following is a summary of the County's deposit and investment balances as of September 30, 2008 (in thousands):

	<i>Government-wide Statement of Net Assets</i>	<i>Component Units Statement of Net Assets</i>	<i>Fiduciary Funds Statement of Net Assets</i>	<i>Total</i>
Cash and cash equivalents	\$356,841	\$4,662	\$14,209	\$375,712
Investments	1,355,476	8,058	22,691	1,386,225
Restricted assets	591,527	18,557		610,084
<b>Total</b>	<b>\$2,303,844</b>	<b>\$31,277</b>	<b>\$36,900</b>	<b>\$2,372,021</b>

### B. Deposits

The County maintains a pool for substantially all cash and cash equivalents and investments. These balances are reflected in the financial statements as "cash and cash equivalents", "investments", or "restricted assets" as appropriate. Earnings are allocated monthly to each fund based on average daily balances of cash and investments.

All cash deposits are held in qualified public depositories pursuant to State Statutes. Under the Statutes, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depositories' collateral pledging level. The pledging level may range from 50% to 125% depending upon the depositories' financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any potential losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral, and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

### C. Investments

The County has a formal investment policy that, in the opinion of management, is designed to insure conformity with State Statutes and seeks to limit exposure to investment risks. The investment policy specifies the types, issuer, maturity and performance measurement of investment securities that are permissible. Qualified institutions utilized for investment transactions are also addressed within the policy, as well as diversification requirements for the investment portfolio. The County's investment portfolio became the first County portfolio in the state to receive the highest possible rating from Standard & Poor's (AAAf/SI+), based on credit quality, risk and stability.

Under State Statutes and County Ordinances, the County is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, repurchase agreements, certificates of deposit, certain Money Market Funds and the Florida Local Government Investment Trust. County policy requires that securities underlying repurchase agreements must have a market value of at least 101 percent of the cost of the repurchase agreements. There were no losses during the period due to default by counterparties to investment transactions and, in the opinion of County management, no types of investments during the period other than those permitted as enumerated above. The County does not have any direct exposure to subprime backed securities.

As of September 30, 2008, the County's investments consisted of the following (in thousands):

<i>Investment Type</i>	<i>Fair Value</i>	<i>Weighted Average Maturity (Days)</i>
U.S. Treasury	\$268,240	72
U.S. Agencies	1,748,888	689
Commercial Paper	49,373	24
Money Market Mutual Funds	77,403	1
<b>Total Fair Value</b>	<b>\$2,143,904</b>	
<b>Portfolio Weighted Average Maturity</b>		<b>570</b>

**Interest Rate Risk** - In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio within the following maturity categories: overnight 35%; 1-30 days 80%; 31-90 days 80%; 91 days to 1 year 70%; 1-2 years 40%; 2-3 years 20%; 3-4 years 15%; 4-5 years 10%. As of September 30, 2008 the portfolio weighted average maturity was 570 days, and was in accordance with the County's investment policy.

**Credit Risk** -The County's investment policy contains specific rating criteria for certain investments. The policy states that commercial paper, bonds, notes, or obligations of the State of Florida, any municipality or political subdivision or any agency or authority of the state, if such obligations are rated, must be rated in one of the two highest rating categories by at least two nationally recognized rating agencies. Commercial paper not rated must be backed by a letter of credit or line of credit rated in one of the two highest rating categories. Any investments in World Bank Notes, Bonds and Discount Notes must be rated AAA or equivalent by Moody's Investor Service and/or Standard and Poor's Corporation.

The County's investments in U.S. Treasuries and U.S. Agencies are rated AAA by Standard & Poor's and Fitch Ratings, and Aaa by Moody's Investor Services. The County's investments in commercial paper are rated P-1 by Moody's Investor Services and A-1 by Standard & Poor's or higher. The County's investments in Money Market Mutual Funds are rated AAA m by Standard & Poor's.

**Concentration of Credit Risk** - The County places no limit on the amount that may be invested in securities of the U. S. Government and Agency thereof, or government sponsored corporation securities. The County requires that all other investments be diversified with no more than 5% of the value of the portfolio invested in the securities of any single issuer. GASB 40 requires disclosure when the percent is 5% or more in any one issuer. The investment in the Federal Home Loan Bank is 41%, the Federal Home Loan Mortgage Corporation is 24%, the Federal National, Mortgage Association is 8% and Federal Farm Credit Bank is 7%.

### NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2008 is as follows (in thousands):

<b><i>Governmental Activities:</i></b>	<b><i>Beginning Balances</i></b>	<b><i>Increases</i></b>	<b><i>Decreases</i></b>	<b><i>Ending Balances</i></b>
Capital assets not being depreciated:				
Land	\$ 394,871	\$ 3,427		\$ 398,298
Construction in progress	258,673	74,889	\$116,754	216,808
Total capital assets not being depreciated	653,544	78,316	116,754	615,106
Capital assets being depreciated:				
Buildings	841,261	67,989		909,250
Improvements	803,423	116,446		919,869
Equipment	632,122	86,253	29,119	689,256
Total capital assets being depreciated	2,276,806	270,688	29,119	2,518,375
Less accumulated depreciation for:				
Buildings	220,706	22,450		243,156
Improvements	223,282	34,853		258,135
Equipment	422,878	49,724	26,616	445,986
Total accumulated depreciation	866,866	107,027	26,616	947,277
Total capital assets being depreciated, net	1,409,940	163,661	2,503	1,571,098
<b>Governmental activities capital assets, net</b>	<b>\$2,063,484</b>	<b>\$241,977</b>	<b>\$119,257</b>	<b>\$2,186,204</b>

<b><i>Business-type Activities:</i></b>	<b><i>Beginning Balances</i></b>	<b><i>Increases</i></b>	<b><i>Decreases</i></b>	<b><i>Ending Balances</i></b>
Capital assets not being depreciated:				
Land	\$ 345,932	\$ 11		\$ 345,943
Construction in progress	317,087	82,082	\$27,517	371,652
Total capital assets not being depreciated	663,019	82,093	27,517	717,595
Capital assets being depreciated:				
Landfill	36,216			36,216
Property held for leasing	239,734	520		240,254
Buildings	1,051,545	8,991	748	1,059,788
Improvements	569,125	7,520		576,645
Equipment	714,052	54,925	3,798	765,179
Total capital assets being depreciated	2,610,672	71,956	4,546	2,678,082
Less accumulated depreciation for:				
Landfill	7,971	137		8,108
Property held for leasing	48,025	3,154		51,179
Buildings	306,400	34,760	551	340,609
Improvements	225,337	19,850		245,187
Equipment	245,455	32,750	7,884	270,321
Total accumulated depreciation	833,188	90,651	8,435	915,404
Total capital assets being depreciated, net	1,777,484	(18,695)	(3,889)	1,762,678
<b>Business - type activities capital assets, net</b>	<b>\$2,440,503</b>	<b>\$63,398</b>	<b>\$23,628</b>	<b>\$2,480,273</b>

Depreciation expense was charged to function/programs of the primary government as follow (in thousands):

Governmental Activities:	
General Government	\$17,792
Public Safety	4,198
Transportation	27,632
Human Services	772
Culture and Recreation	17,100
Physical Environment	12,602
Economic Environment	276
Sheriff	24,891
Property Appraiser	142
Supervisor of Elections	1,622
<b>Total depreciation expense - governmental activities</b>	<b>\$107,027</b>
Business - type Activities:	
Aviation	\$34,855
Port Everglades	20,022
Water and Wastewater	34,357
Resource Recovery	1,340
Other	77
<b>Total depreciation expense - business - type activities</b>	<b>\$90,651</b>

### Construction Commitments

At September 30, 2008 the County had in process various uncompleted construction projects with remaining balances totaling approximately \$251,655,000. The retainage payable on these contracts totaled \$22,811,000. Funding for these projects is to be made primarily through the proceeds of related bond issues, loans and future taxes.

### Property Held for Leasing

Property held for leasing consists of land and buildings leased under operating leases to commercial enterprises by the Aviation and Port Everglades Funds. Lease terms vary from one to ninety-nine years and require, in some cases, the construction of leasehold improvements that will be contributed to the County at lease termination.

The following is a schedule of minimum future rentals on non-cancelable operating leases as of September 30, 2008 (in thousands):

Years ending September 30:	
2009	\$ 73,918
2010	69,621
2011	66,673
2012	48,459
2013	45,957
2014-2018	143,098
2019-2023	26,883
2024-2028	14,649
2029-2033	13,065
2034-2038	6,375
2039-2043	3,693
2044-2048	4,493
2049-2053	5,466
2054-2058	6,650
2059-2063	8,091
2064-2068	9,844
2069-2073	11,976
2074-2078	14,571
2079-2083	17,728
2084-2088	21,569
2089-2093	21,032
<b>Total</b>	<b>\$633,811</b>

Total minimum future rentals do not include contingent rentals that may be received under certain concession leases on the basis of a percentage of the tenant's gross revenue in excess of stipulated minimums. Contingent rentals for the fiscal year ended September 30, 2008 amounted to \$43,888,000.

The County has 25-year lease and use agreements with its major airline tenants (the signatory airline agreements). The agreements require that landing fees and terminal rentals be reviewed annually and adjusted as necessary so that the total revenue is sufficient to meet the Aviation Fund's requirements as determined by the rate and charges model of the signatory airline agreements. At the end of the fiscal year, after all required deposits have been made, any remaining excess funds are used to meet the requirements in the following fiscal year. These excess funds have been recorded as deferred revenue by the Aviation Fund at September 30, 2008 and have been included in current liabilities payable from restricted assets. For the year ended September 30, 2008, these funds amounted to \$22,140,000.

### Discretely Presented Component Units

Capital asset activity for the year ended September 30, 2008 is as follows (in thousands):

<i>Governmental Activities:</i>	<i>Beginning Balances</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balances</i>
Capital assets not being depreciated:				
Land	\$ 652			\$ 652
Total capital assets not being depreciated	652			
Capital assets being depreciated:				
Buildings	1,115			1,115
Equipment	13,014	\$ 2,271	\$ 12	15,273
Total capital assets being depreciated	14,129	2,271	12	16,388
Less accumulated depreciation for:				
Buildings	359	28		387
Equipment	8,084	2,638	12	10,710
Total accumulated depreciation	8,443	2,666	12	11,097
Total capital assets being depreciated, net	5,686	(395)		5,291
<b>Governmental activities capital assets, net</b>	<b>\$6,338</b>	<b>\$(395)</b>	<b>\$ -</b>	<b>\$5,943</b>

## NOTE 4 - LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended September 30, 2008 are as follows (in thousands):

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 535,920		\$(42,305)	\$493,615	\$ 47,285
Special Obligation Bonds	205,855		(11,965)	193,890	12,450
Loans Payable and Other Obligations	86,284		(15,230)	71,054	13,319
Unamortized Bond Premiums, Discount and Deferred Amount on Refunding	19,520		(1,426)	18,094	
Claims and Judgments	80,347	\$ 34,627	(25,917)	89,057	28,945
Compensated Absences	95,918	82,547	(75,966)	102,499	24,999
Postemployment Benefits Other Than Pensions		25,558	(6,383)	19,175	
<b>Total</b>	<b>\$1,023,844</b>	<b>\$142,732</b>	<b>\$(179,192)</b>	<b>\$987,384</b>	<b>\$126,998</b>
<b>Business - type Activities:</b>					
Revenue Bonds Payable	\$1,394,617	\$150,463	\$(204,675)	\$1,340,405	\$63,950
Loan Payable and Other Obligations	65,688	19,856	(4,800)	80,744	68,378
Unamortized Bond Premiums, Discount and Deferred Amount on Refunding	(4,762)	(670)	(1,246)	(6,678)	
Capital Lease		9,656	(860)	8,796	2,671
Compensated Absences	9,639	4,810	(4,013)	10,436	4,276
Postemployment Benefits Other Than Pensions		579	(177)	402	
Other	21,518	1,504	(1,181)	21,841	1,301
<b>Total</b>	<b>\$1,486,700</b>	<b>\$186,198</b>	<b>\$(216,952)</b>	<b>\$1,455,946</b>	<b>\$140,576</b>

For the governmental activities, claims and judgments, compensated absences, and post employment benefits other than pensions are generally liquidated by the general fund. For the business-type activities, other long-term liabilities at September 30, 2008 included: landfill closure and post closure costs of \$20,846,000 and arbitrage liabilities of \$995,000.

The debt service requirements for all bonds and loans outstanding as of September 30, 2008 are as follows (in thousands):

<b>GOVERNMENTAL ACTIVITIES</b>									<b>BUSINESS-TYPE ACTIVITIES</b>	
<i>Year Ending September 30</i>	<i>General Obligation Bonds</i>		<i>Special Obligation Bonds</i>		<i>Loan Payable and Other Obligations</i>		<i>Total</i>		<i>Revenue Bonds Payable</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2009	\$ 47,285	\$ 22,963	\$ 12,450	\$ 9,567	\$13,319	\$ 3,001	\$ 73,054	\$ 35,531	\$ 63,950	\$ 44,904
2010	52,665	20,651	13,050	8,966	9,890	2,540	75,605	32,157	68,280	64,663
2011	37,450	18,496	8,100	8,373	10,275	2,142	55,825	29,011	71,710	61,558
2012	27,715	16,959	8,415	8,036	7,830	1,705	43,960	26,700	68,095	58,103
2013	21,055	15,814	8,785	7,678	6,265	1,386	36,105	24,878	59,455	54,702
2014-2018	120,755	62,140	39,415	32,957	13,565	4,316	173,735	99,413	295,665	225,419
2019-2023	145,540	28,727	47,040	22,608	6,125	1,712	198,705	53,047	316,555	149,145
2024-2028	41,150	1,526	56,635	9,026	3,785	544	101,570	11,096	313,895	63,605
2029-2033									82,800	6,312
<b>Total</b>	<b>\$493,615</b>	<b>\$187,276</b>	<b>\$193,890</b>	<b>\$107,211</b>	<b>\$71,054</b>	<b>\$17,346</b>	<b>\$758,559</b>	<b>\$311,833</b>	<b>\$1,340,405</b>	<b>\$728,411</b>

Governmental loans payable and other obligations above include: First Florida loans amounting to \$43,400,000 of principal and \$14,521,000 of interest; Certificates of Participation amounting to \$25,030,000 of principal and \$2,801,000 of interest, and commercial paper amounting to \$2,624,000 principal and \$24,000 of interest. Also, Claims and Judgments include an arbitrage liability of \$4,553,000.

Certain bond indentures contain provisions as to annual debt service, sinking fund, and minimum net revenue requirements. In addition, certain indentures require maintenance of various accounts and specify the deposits to be made to such accounts. At September 30, 2008, the County was in compliance with significant debt covenants.

Business-type loans payable and other obligations above includes an interest-free State Infrastructure Bank Loan amounting to \$17,166,000 with repayment terms of \$4.8 million in fiscal years 2009 thru 2011 and \$2.8 million in fiscal year 2012 and commercial paper amounting to \$63,578,000 to be repaid during fiscal year 2009.

The following is a summary of the major provisions and significant debt service requirements for the outstanding bonds at September 30, 2008 (dollars in thousands):

	Primary Purpose	Type	Interest Payment	
			Rate %	Date
Governmental Activities				
General Obligation Bonds (GOB):				
2001 GOB A	Library Project	serial	4.0-5.25	1-1 7-1
2001 GOB B	Refunding Issue	serial	4.0-5.0	1-1 7-1
2003 GOB Refunding	Refunding Issue	serial	2.0-5.0	1-1 7-1
2004 GOB	Parks and Land Preservation Project	serial	2.0-5.0	1-1 7-1
2005 GOB	Parks and Land Preservation Project	serial	3.0-5.0	1-1 7-1
2007 GOB A Refunding	Library Partial Advance Refunding Issue	serial	4.0-5.0	1-1 7-1
2007 GOB B Refunding	Parks Partial Advance Refunding Issue	serial	5.0	1-1 7-1
Total General Obligation Bonds				
Special Obligation Bonds:				
1998 Gas Tax Refunding	Refunding Issue	serial	4.0-5.25	3-1 9-1
2004 Tourist Development Tax	Refunding Issue	serial	3.0-3.375	4-1 10-1
2006 Professional Sports Facilities	Civic Arena - Refunding Issue - A	serial/term	4.0-5.0	3-1 9-1
2006 Professional Sports Facilities	Civic Arena - Refunding Issue - B	serial/term	5.7-6.0	3-1 9-1
Total Special Obligation Bonds				
Business-type Activities Revenue Bonds:				
Revenue Bonds:				
Aviation Fund				
1998 E Airport System Revenue	Refunding Issue	serial	4.8 - 5.1	4-1 10-1
1998 F Airport System Revenue	Construction and Improvement	serial	4.0 - 4.74	4-1 10-1
1998 G Airport System Revenue	Improvements	serial	3.70 - 5.125	4-1 10-1
1998 G Airport System Revenue	Improvements	term	5.0	4-1 10-1
1998 H-1 Passenger Facility Charge	Improvements	serial	3.10 - 5.25	4-1 10-1
1998 H-2 Passenger Facility Charge	Improvements	serial	4.70-5.125	4-1 10-1
1998 H-2 Passenger Facility Charge	Improvements	term	4.75	4-1 10-1
2001 I Passenger Facility Charge	Improvements	term	4.0 - 5.75	4-1 10-1
2001 J-1 Airport System Revenue	Improvements	term	5.25 - 5.75	4-1 10-1
2001 J-2 Airport System Revenue	Improvements	term	5.8 - 6.9	4-1 10-1
2003 K Airport System Revenue	Refunding Issue	serial	2.0 - 6.0	4-1 10-1
2004 L Airport System Revenue	Improvements	serial	2.0 - 4.6	4-1 10-1
2004 M1 Airport System Revenue	Improvements	serial	auction	monthly
2004 M2 Airport System Revenue	Improvements	serial	auction	monthly
2008 N Airport System Revenue	Refunding Issue	serial	variable	monthly
Total Aviation Bonds				
Port Everglades Fund				
1989 A Port Facilities Refunding	Refunding Issue	appreciation	7.4-7.45	3-1 9-1
1989 A Port Facilities Refunding	Refunding Issue	term	5.0-7.5	3-1 9-1
1998 A Port Facilities Revenue	Refunding Issue	serial	4.4-4.8	3-1 9-1
1988 B Port Facilities Revenue	Refunding Issue	term	5.0	3-1 9-1
1998 C Port Facilities Revenue	Capital Improvements	serial	5.375	3-1 9-1
1998 C Port Facilities Revenue	Capital Improvements	term	5.0	3-1 9-1
1998 Subordinate Port Facilities	Refunding Issue	serial	5.003	monthly
2008 Subordinate Port Facilities	Refunding Issue	serial	3.642	monthly
Total Port Everglades Bonds				
Waste and Wastewater Fund				
1988 Water and Sewer Utility	Construction and Refunding Issue	appreciation	7.0-7.5	4-1 10-1
2003 A Water and Sewer Utility	Construction and Refunding Issue	serial	2.0-5.0	4-1 10-1
2003 A Water and Sewer Utility	Construction and Refunding Issue	term	4.625	4-1 10-1
2003 B Water and Sewer Utility	Refunding Issue	serial	2.5-5.0	4-1 10-1
2005 Water and Sewer Utility	Construction and Refunding Issue	serial	5.0	4-1 10-1
2005 Water and Sewer Utility	Construction and Refunding Issue	term	5.0	4-1 10-1
Total Water and Wastewater Bonds				
Resource Recovery Fund				
2003 A Solid Waste System	Refunding Issue	serial	2.913-3.476	1-1 7-1
Total Resource Recovery Bonds				
Total Revenue Bonds				



Optional Redemption		Final	Original	Retired/Refunded	Accretion	Outstanding
Year	Premium	Maturity Date	Amount Issued			September 30
2007	1%	1/1/2012	\$135,135	(\$106,735)		\$28,400
N/A	N/A	1/1/2012	146,620	(86,870)		59,750
N/A	N/A	1/1/2010	46,640	(34,350)		12,290
2007	N/A	1/1/2024	187,770	(99,660)		88,110
2015	N/A	1/1/2025	154,135	(13,590)		140,545
N/A	N/A	1/1/2021	86,690			86,690
2022	N/A	1/1/2024	77,830			77,830
						<b>\$493,615</b>
N/A	N/A	9/1/2010	\$51,760	(\$41,355)		\$10,405
2011	N/A	10/1/2013	19,280	(5,855)		13,425
2016	N/A	9/1/2028	124,290	(4,470)		119,820
2016	N/A	9/1/2028	52,475	(2,235)		50,240
						<b>\$193,890</b>
2008	1%	10-1-2013	\$75,560			\$75,560
2008	1%	10-1-2009	10,530	(\$7,180)		3,350
2008	1%	10-1-2018	44,635	(11,120)		33,515
2019	N/A	10-1-2023	18,880			18,880
2008	1%	10-1-2015	66,620	(30,555)		36,065
2008	1%	10-1-2018	20,270			20,270
2019	N/A	10-1-2023	39,780			39,780
2011	1%	10-1-2026	41,855	(5,185)		36,670
2011	1%	10-1-2026	135,970			135,970
2016	N/A	10-1-2021	149,185	(12,245)		136,940
N/A	N/A	10-1-2009	87,360	(56,345)		31,015
2014	1%	10-1-2027	142,015	(12,205)		129,810
N/A	N/A	10-1-2029	72,750	(72,750)		-
N/A	N/A	10-1-2029	32,475	(32,475)		-
N/A	N/A	10-1-2029	103,975			103,975
						<b>\$801,800</b>
N/A	N/A	9-1-2010	\$37,875	(\$39,747)	\$1,872	-
N/A	N/A	9-1-2016	79,580	(26,395)		\$53,185
2009	N/A	9-1-2012	13,195	(2,515)		10,680
2009	N/A	9-1-2027	79,825			79,825
2009	N/A	9-1-2012	43,795	(5,935)		37,860
2009	N/A	9-1-2027	28,645			28,645
2009	2%	9-1-2027	49,000	(49,000)		-
2009	N/A	9-1-2027	46,145	(1,425)		44,720
						<b>\$254,915</b>
N/A	N/A	10-1-2008	\$8,466	(\$18,295)	\$12,209	\$2,380
2014	N/A	10-1-2025	84,415	(200)		84,215
2014	N/A	10-1-2027	20,215			20,215
2014	N/A	10-1-2027	99,370	(18,185)		81,185
2015	N/A	10-1-2026	23,065			23,065
N/A	N/A	10-1-2030	53,675			53,675
						<b>\$264,735</b>
N/A	N/A	7-1-2011	\$34,800	(\$15,845)		\$18,955
						<b>\$18,955</b>
						<b>\$1,340,405</b>

## Revenue Bonds

The Broward County Airport System Revenue Refunding Bond Series 2008N were issued to provide funds for the refunding of the Series 2004M Airport System Revenue Bonds Series. As a result of this refunding, the County reduced its debt service requirements by \$31,203,900, which resulted in an economic gain of \$25,385,600.

The Broward County Subordinate Port Facilities Revenue Refunding Bond Series 2008 were issued to provide funds for the refunding of the Series 1998 Subordinate Port Facilities Revenue Refunding Bonds. As a result of this refunding, the County increased its debt service requirements by \$1,235,000, which resulted in an economic loss of \$2,596,000.

## First Florida Governmental Financing Commission Loans Payable

The First Florida Governmental Financing Commission (the "Commission") was created pursuant to the Florida Interlocal Cooperation Act of 1969, Section 163.01, Florida Statutes, as amended. The current members of the Commission are: Broward County, Florida; City of Hollywood, Florida; City of Boca Raton, Florida; City of Gainesville, Florida; City of Clearwater, Florida; City of Sarasota, Florida and the City of St. Petersburg, Florida.

The Commission is a separate legal entity and public body permitted to authorize, issue and sell bonds for the purpose of financing or refinancing any capital projects for its members. The Commission's stated purpose is to enable its participating members to benefit from the economies of scale associated with large financings.

The proceeds of the Commission's bonds are used to fund loans to the participating members. The repayment terms of the loan agreements are designed to provide for the payment of principal and interest on the bonds when due.

It is the Bond Counsel's opinion that each member of the Commission is liable only to the extent of the payments on its loan agreement. At September 30, 2008, the County had loans payable to the Commission totaling \$43,400,000.

The loans are included in Loans Payable and Other Obligations of Governmental Activities in the Long-Term Obligations and are due in annual installments through 2028. Interest on these loans is at fixed rates ranging from 3.6% to 8.0% payable semi-annually.

## Sales Tax Revenue Commercial Paper Program

The County utilizes a multi-purpose commercial paper program (the "Program") for financing a variety of public projects. The Program is supported by a \$125,000,000 credit facility agreement and a pledge of the County's share of the Local Government Half Cent Sales Tax. Under the Program, maturing commercial paper will either be refunded with new commercial paper or retired from general or project related revenues, proceeds from new bond issues or proceeds from State or Federal grants. See Note 13 for a description of the termination of the Program in 2009.

As of September 30, 2008, the County had Sales Tax Revenue Commercial Paper Notes outstanding of \$66,202,000 of which \$2,624,000 is included in Loans Payable and Other Obligations of the Governmental Activities Long-Term Obligations; and \$63,578,000 is included in the Business-Type Activities. During fiscal year 2008, \$960,000 was redeemed in the Governmental Activities and \$19,856,000 was issued in the Business-Type Activities. Interest rates on outstanding notes during fiscal year 2008 ranged from 1.5% to 3.8%. These notes will be repaid in fiscal year 2009.

Commercial paper activity for the year ended September 30, 2008 is as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities	\$ 3,584		\$(960)	\$ 2,624
Business-type activities	43,722	\$19,856		63,578
<b>Total</b>	<b>\$47,306</b>	<b>\$19,856</b>	<b>\$(960)</b>	<b>\$66,202</b>

## Obligation under Lease Purchase Agreements - Certificates of Participation

The County has entered into Master Lease-Purchase Agreements (the "Lease Agreements") with the Broward County Commission Governmental Leasing Corporation (the "Corporation"), a single purpose not-for-profit Florida Corporation, to finance the acquisition, construction and or

equipping of certain facilities. The Corporation was formed by the County solely for the purpose of acting as lessor of the facilities, with the County as lessee. The County Commissioners serve as the Board of Directors of the Corporation. The Corporation has title to the facilities subject to the rights of the County under the terms of the Lease Agreements. A Trustee has been appointed to collect and disburse all amounts due under the Lease Agreements.

Simultaneously with the Lease Agreements, the Corporation issued Certificates of Participation Series 1998 and Series 2004 (the "Certificates"), to third parties, evidencing undivided proportionate interest in basic lease payments to be made by the County, as lessee. The Lease Agreements further provide for successive one year renewal lease terms unless earlier termination following an event of default or a non-appropriation of funds to make the lease payments. Failure to appropriate funds to pay the lease payments will result in termination of the Lease Agreements and the return of certain of the leased property to the Trustee.

The basic rent payments and, consequently, the principal and interest components payable to the owners of Certificates are payable solely from revenue appropriated by the County for that purpose. The County is not legally required to appropriate sums for the purpose of making the lease payments and the Certificates are not general obligations or a pledge of the faith and credit of the County. Payments of principal and interest on the Series 1998 and Series 2004 Certificates are insured by AMBAC Indemnity Corporation and Municipal Bond Investor Assurance Corporation (MBIA), respectively, under municipal bond insurance policies.

Basic lease payments represented by the Certificates are payable to the owners of the Certificates on each December 1 and June 1, and will be reflected as debt service expenditures when remitted to the Trustee.

The obligation through maturity to the holders of the Certificates, which will be serviced by the annual lease payments, is as follows (in thousands):

<b>Year ended September 30</b>	<b>Total Payments</b>
2009	\$ 6,719
2010	6,729
2011	6,725
2012	3,828
2013	3,830
Total	27,831
Less Interest	2,801
<b>Principal Outstanding</b>	<b>\$25,030</b>

Interest on the Certificates ranges from 2.00% to 5.00%. The principal amount of the Certificates has been included in Loans Payable and Other Obligations of Governmental Activities in the Long-Term Obligations at September 30, 2008.

#### **Derivative Disclosure - Interest Rate Swap**

*Objective of the interest rate swap* -The County entered into an interest rate swap agreement for \$46,145,000 of its 2008 Series Subordinate Port Facilities Refunding Revenue Bonds for the outstanding period of the bonds as a means to lower its true borrowing costs when compared against fixed-rate bonds at the time of issuance. The intention of the swap was to effectively change the County's variable interest rate. Based on the swap agreement, the County pays a synthetic fixed rate of 3.642%.

*Terms* - The bonds and the related swap agreement mature on September 1, 2027, and the swap's notional amount of \$46,145,000 matches the principal amount of the bonds issued. The swap was entered into at the same time that the bonds were issued (July 2008). The notional value of the swap and the principal amount of the associated debt declined beginning in fiscal 2008. The bonds are also subject to optional redemption beginning in 2008. Under the swap, the County pays the counterparty a fixed payment of 3.642% and receives a variable payment computed by the remarketing agent that would cause the bonds to have a market value equal to the principal thereof, plus accrued interest, under prevailing market conditions as of the date of the determination.

*Fair value* -As of September 30, 2008, the swap had a negative fair value of \$19,000, and the swap's notional amount of \$46,145,000 matches the principal amount of the bonds issued.

*Credit risk* - As of September 30, 2008, the County was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value become positive, the County could be exposed to credit risk in the amount of the swap's fair value. The swap agreement is subject to termination prior to September 1, 2027, upon the concurrence of certain termination events. An irrevocable

transferable direct-pay Letter of Credit ("2008 Letter of Credit") was issued by The Bank of Nova Scotia ("BONS") pursuant to the "Reimbursement Agreement" dated as of July 1, 2008 between the County and BONS. The 2008 Letter of Credit is an irrevocable obligation of BONS. The 2008 Letter of Credit was issued in an amount equal to the aggregate principal amount of the outstanding Series 2008 bonds, plus 56 days' interest thereon at the rate of 15% per annum. The Trustee, upon compliance with the terms of the 2008 Letter of Credit, is authorized and directed to draw amounts sufficient to pay principal and interest of the Series 2008 Bonds when due because of maturity, redemption or acceleration, delivered for purchase pursuant to a demand for purchase by the owner thereof or a mandatory tender for the purchase and not remarketed among other provisions.

*Basis risk* - Municipal interest rate swaps are normally based on a fixed payment and an indexed variable receipt instead of the actual variable debt payment. Any difference between the indexed variable receipt and the actual market-determined variable rate paid on the bonds is called "basis risk." Under the swap, the County will be paid the actual market-determined variable borrowing rate on the swap, as determined by the remarketing agent, which eliminates the basis risk.

*Termination risk* -Under certain conditions, the County or the counterparty may terminate the swap. If the swap is terminated, the variable-rate bonds would no longer carry a synthetic interest rate but would become fixed-rate bonds. While this could increase the County's total debt service if at the time of termination the swap has a negative fair value by approximately the amount of such negative fair value, the counterparty would have no claim against the County for any other compensation.

*Swap payments and associated debt* - As interest rates vary, the variable-rate interest payments and swap payments will vary. Using rates as of September 30, 2008, debt service requirements of the variable-rate bonds and the swap payments, assuming current interest rates remain the same for their term, were as follows (in thousands):

Year Ending September 30	Variable Rate Bonds		Total
	Principal	Interest	
2009	\$1,670	\$1,615	\$3,285
2010	1,730	1,554	3,284
2011	1,795	1,491	3,286
2012	1,860	1,430	3,290
2013	1,930	1,358	3,288
2014-2018	10,760	5,690	16,450
2019-2023	12,880	3,586	16,466
2024-2027	12,095	1,079	13,174
<b>Total</b>	<b>\$44,720</b>	<b>\$17,803</b>	<b>\$62,523</b>

The interest rate swap agreement does not affect the obligation of the County under the Indenture to repay the principal and variable interest on the Series 1998 bonds. However, during the term of the swap agreement, the County effectively pays a fixed rate on the debt. The debt service requirements to maturity for these bonds [presented in this note] are based on that fixed rate. The County will be exposed to variable rates if the counter party to the swap defaults or if the swap agreement is terminated. A termination or default of the swap agreement may also result in the County making or receiving a termination or default payment.

#### **Defeased Bonds**

The County has entered into refunding transactions whereby refunding bonds have been issued to facilitate the retirement of the County's obligation with respect to certain bond issues already outstanding. The proceeds of the refunding issues have been placed in irrevocable escrow accounts and invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for future payments of interest and principal on the bond issues being refunded. Refunded bonds are not included in the County's outstanding long-term debt since the County has legally satisfied its obligations through the refunding transactions.

The following is a summary of the County's defeasance transactions (in thousands):

Year of Defeasance	Bond Issue(s) Defeased	Principal Outstanding September 30, 2008
1989	Port Facilities Revenue Bonds Series 1986	\$55,065
1994	Tourist Development Tax Special Revenue Bonds Series 1988	506
1998	Port Facilities Refunding Bonds Series 1989A (including accretion)	19,263
2007	General Obligation Bonds Library Project Series 2001A (Partially Refunded)	88,515
2007	General Obligation Bonds Parks & Land Series 2004 (Partially Refunded)	80,175

### Conduit Debt

The two component units of the County, Broward County Health Facilities Authority (HeFA) and Broward County Housing Finance Authority (HFA) are authorized to issue bonds to fulfill their corporate purposes. Bonds issued by HeFA and HFA shall not be deemed to constitute a debt of the HeFA, HFA, the County, or any political sub-division thereof. As of September 30, 2008 the total revenue bonds outstanding of HeFA and HFA are \$629,865,000.

The County authorized the issuance of the Resource Recovery Refunding Revenue Bonds, Series 2001A (Wheelabrator North Broward Inc. Project and the Wheelabrator South Broward Inc. Project) in the aggregate principal amount of \$150,700,000 and \$175,665,000, respectively. The proceeds of the Series 2001 Bonds (North and South Sites) were used to refund all of the County's Resource Recovery Revenue Bonds, Series 1984 (Broward Waste Energy Company, L.P. North Project and SES Broward Company, L.P. South Project) which were outstanding and pay certain costs of issuance of the Series 2001 Bonds (North and South Sites).

There are also other industrial development bonds issued by the County which are not deemed to constitute a debt to the County or any political sub-division thereof. The County does not maintain the total outstanding balance of these bonds.

### Capital Lease

The Aviation Fund entered into a lease agreement as lessee for financing the acquisition of shuttle buses. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The assets acquired through the capital lease are as follows (in thousands):

Asset:	
Equipment	\$9,656
Less: Accumulated depreciation	(690)
Total	\$8,966

The future minimum lease obligation and the net present value of the minimum lease payments as of September 30, 2008 are as follows (in thousands):

<u>Year Ending September 30</u>	
2009	\$2,944
2010	2,944
2011	2,944
2012	492
Total minimum lease payments	9,324
Less: amount representing interest	(528)
Present value of minimum lease payments	\$8,796

## Pledged Revenues

The County issues bonds that are secured by a pledge of specific revenues. Total pledged revenues to repay the principal and interest of revenue bonds as of September 30, 2008 are as follows (in thousands):

### Governmental Activities:

Source of Revenue Pledged	Professional Sports Franchise Facilities Tax, Professional Sports Franchise Sales Tax Rebate, and the County Preferred Revenue Allocation	Tourist Development Tax Revenue and Net Revenues of the Convention Center	Local Option Gas Tax
Current revenue pledged	\$ 23,036	\$35,641	\$30,413
Current year debt service	\$13,927	\$2,485	\$5,610
Total future revenues pledged*	\$ 275,055	\$14,815	\$11,231
Description of debt	Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2006 A & B	Tourist Development Tax Special Revenue Refunding Bonds (Convention Center), Series 2004	Gas Tax Revenue Refunding Bonds, Series 1998
Purpose of debt	To refund Civic Arena Bonds Series 1996	To refund Tourist Development Tax Bonds Series 1994	To refund Gas Tax Revenue Bonds Series 1991
Term of commitment	2007-2028	2005-2013	1998-2010
Percentage of debt service to pledged revenues (current year)	60.5%	7.0%	18.4%

### Business Type Activities:

Source of Revenue Pledged	Airport Net Revenues	Port Everglades Net Revenues	Water and Sewer Net Revenues	Solid Waste System Net Revenues
Current revenue pledged	\$187,280	\$124,332	\$97,668	\$100,299
Current year debt service	\$65,660	\$25,150	\$19,673	\$6,776
Total future revenues pledged*	\$1,240,845	\$372,809	\$434,842	\$20,319
Description of debt	Airport System Revenue Bonds, issued 1998 -2008	Port Facility Revenue Bonds, issued 1989 -2008	Water and Sewer Utility Revenue Bonds, issued 1988 -2005	Solid Waste System Revenue Bonds issued 2003
Purpose of debt	Construction, Improvement, and Refunding	Capital Improvement and Refunding	Construction and Refunding	Refunding
Term of commitment	2013-2029	2010-2027	2008-2030	2011
Percentage of debt service to pledged revenues (current year)	35.1%	20.2%	20.1%	6.8%

\*Total future principal and interest payments

## NOTE 5 - RISK MANAGEMENT

The County is exposed to various risks and losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Under the County's Risk Management Program, the Self-Insurance Fund provides coverage for up to a maximum of \$2,000,000 (Self-Insured Retention Limit) for each worker's compensation occurrence. In addition, the County has purchased excess coverage for losses above the self-insured retention limit. Office of Transportation, auto liability, medical malpractice, and general liability are entirely self-insured, with the County providing coverage up to the statutory limits of \$100,000 per person and \$200,000 per occurrence. The County (through the Self-Insurance Fund) purchases commercial insurance for life, disability, airport liability, property damage, and numerous smaller policies that

are required by lease agreements, union contracts, state statutes, etc. Settled claims have not exceeded this commercial coverage in the past three years.

The Sheriff's Office operates a Self-Insurance Program for general, professional and auto liability risks. The Sheriff provides coverage up to the statutory limits of \$100,000 per person and \$200,000 per occurrence. Excess coverage for losses up to \$5,000,000 per occurrence is provided through commercial coverage. Settled claims have not exceeded this commercial coverage in the past three years.

Funds participating in the Risk Management Program make payments to the Self-Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish reserves for all losses. The actuarial estimates include the effects of specific, incremental claim adjustment expenses, salvage, subrogation and other allocated claim adjustments.

The reserves for the Self-Insurance Fund totaled \$84,504,000 at September 30, 2008 and are reported as a liability of the Self-Insurance Fund. Participating funds are indemnified against any losses in a given year in excess of the fees charged. Fees charged are expensed as incurred in all funds. The total claims liability at September 30, 2008 reflects management's loss estimates of \$60,779,000 for all reported claims and \$36,673,000 for claims incurred but not reported, net of a discount of \$12,948,000 computed based on a projected interest rate of 4.00%. The net assets accumulated in the County's Self-Insurance Fund are designated for future catastrophic losses or for the purchase of additional commercial insurance against such losses when available at advantageous rates. Changes in the Fund's claims liability amount in fiscal 2007 and 2008 were (in thousands):

<i>Fiscal Year</i>	<i>Liability October 1</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Liability Claim Payments</i>	<i>September 30</i>
2007	\$71,881	\$23,761	\$19,848	\$75,794
2008	\$75,794	\$34,627	\$25,917	\$84,504

## NOTE 6 – INTERFUND BALANCES AND INTERFUND TRANSFERS

### Interfund Balances

Interfund balances at September 30, 2008 are as follows (in thousands):

		Due From			Total
		General Fund	Sheriff Operations	Nonmajor Governmental	
Due to	General Fund		\$45,025	\$ 3,205	\$48,230
	Sheriff Operations	\$ 82		2,550	2,632
	County Transportation Trust	40			40
	Nonmajor Governmental	192		13,083	13,275
	Internal Service	2,809	105	7	2,921
Total		\$3,123	\$45,130	\$18,845	\$67,098

The \$45,025,000 due from the Sheriff Operations to the General Fund represents \$44,996,000 for unexpended County appropriations, and \$29,000 for services provided to the Sheriff that includes warehouse use, and automobile tags. The \$3,205,000 due from Nonmajor Governmental to the General Fund represents \$2,795,000 unexpended County appropriations by the Property Appraiser, \$220,000 owed by a Debt Service Fund, \$84,000 owed by the Sheriff Grants and Special Projects Fund, and \$106,000 owed by the Sheriff Victim Witness Fund. The \$2,809,000 due from the General Fund to Internal Service represents the liability incurred in the Self Insurance Fund from the Sheriff in fiscal year 2008.

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.



## Interfund Transfers

Interfund transfers for the year ended September 30, 2008 are as follows (in thousands):

	<i>Transfer from</i>							<i>Total</i>
	<i>General Fund</i>	<i>Sheriff Operations</i>	<i>County Transportation Trust</i>	<i>Capital Outlay Reserve</i>	<i>Resource Recovery</i>	<i>Nonmajor Governmental</i>	<i>Nonmajor Enterprise</i>	
<b>Transfer To</b>								
General Fund		\$54,113	\$45,977	\$7,699		\$1,992		\$ 109,781
Sheriff Operations	\$740,720							740,720
Capital Outlay Reserve	8,426					4,055		12,481
Resource Recovery							\$252	252
Nonmajor Governmental	87,075		37,661	445		78,019		203,200
Enterprise	88				\$845			933
<b>Total</b>	<b>\$836,309</b>	<b>\$54,113</b>	<b>\$83,638</b>	<b>\$8,144</b>	<b>\$845</b>	<b>\$84,066</b>	<b>\$252</b>	<b>\$1,067,367</b>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (4) fund the following Constitutional Officers: Sheriff, Property Appraiser, and Supervisor of Elections.

The transfer of \$54,113,000 from the Sheriff Operations to the General Fund is for the Broward Sheriff's Office budget surplus for the fiscal year ended September 30, 2008.

## NOTE 7 -LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State laws and regulations require the County to place a final cover on its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for up to thirty years after closure. Although closure and postclosure care costs will be paid only near or after the landfill stops accepting waste, the County recognizes a portion of these costs as an operating expense in each period based on landfill capacity utilized.

At September 30, 2008, the County estimates that the cost of permanently capping and maintaining its landfills in accordance with existing regulations will be \$41,897,000. Of this amount, the County has accrued a liability of \$20,846,000 based on amortizing the total estimated cost over the operational life of the landfills. Of the total liability, \$305,000 is included in current liabilities payable from restricted assets and \$20,540,000 is included in other long-term liabilities on the Proprietary Funds -Statement of Net Assets.

The County's three landfills are the Davie landfill, which has been closed, the interim contingency landfill and the resource recovery landfill. A summary of the landfill accounts is as follows (in thousands):

	<b>Davie Landfill</b>	<b>Interim Contingency Landfill</b>	<b>Resource Recovery Landfill</b>
Liability 9/30/08	\$2,138	\$11,226	\$7,482
Estimated total closure and postclosure care costs remaining to be recognized		11,152	9,900
Estimated remaining life of landfill (in years)	N/A-closed	16	3
Capacity used to date	100%	54%	51%

The \$41,897,000 cost estimate is considered sufficient by County management and the County's consulting engineer. However, existing regulations may change which may require the County to incur additional closure and postclosure costs.

The County is required by state laws and regulations to make annual deposits to finance closure and postclosure care. At September 30, 2008, cash and investments of \$26,921,000 are held for these purposes. These are reported as restricted assets on the Proprietary Funds -Statement of Net Assets. The County expects that future inflation costs will be paid from interest earnings on these annual deposits. However, if interest earnings are inadequate or additional closure or postclosure care requirements are determined, these costs may need to be covered by charges to future landfill users.

## NOTE 8 -LARGE USER AGREEMENTS

The County has entered into agreements with large (wholesale) users of the North Regional Wastewater System (the System). These agreements provide that the cost of operating the System be charged to each large user on the basis of each user's proportionate share of total gallons processed. In addition, each large user is charged a debt service fee for the principal, interest and debt coverage requirements on debt issued to finance the construction of the North Regional Wastewater Treatment Facility. The debt service charge is based on the relative percentage of reserve capacity designated for each user to total reserved capacity.

## NOTE 9 -RELATED PARTY TRANSACTIONS

The County allocates certain support department costs which include legal, fiscal, purchasing, personnel, internal audit and communication costs to other County departments. Certain funds are also charged for the cost of services provided by the Self-Insurance, Fleet Services and Print Shop Funds. Costs of approximately \$131,168,000 for the above-mentioned services were allocated between funds during the year ended September 30, 2008.

## NOTE 10 -PENSION COSTS

The County participates in the Florida Retirement System (FRS), a defined benefit, cost-sharing, multiple-employer Public Employment Retirement System (PERS), which covers substantially all permanent full and part-time County employees. The FRS is noncontributory and is totally administered by the State of Florida.

Benefits are computed on the basis of age, average final compensation and service credit. Average final compensation is the average of the five highest fiscal years of earnings. The Florida Retirement System provides vesting of benefits after six years of creditable service. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age or date. The FRS also provides death and disability benefits. A State statute establishes benefits.

FRS issues an annual financial report. A copy can be obtained by sending a written request to the Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or by visiting their website at <http://dms.myflorida.com>.

The County's required contribution rate is established by State statute, and ranges from 9.85% to 20.92% of covered payroll, based on employee risk groups. A summary of the covered payroll, contributions and percentage of covered payroll are as follows (in thousands):

	2008	2007	2006
Covered Payroll	\$688,717	\$674,136	\$644,403
Contributions	\$94,646	\$93,121	\$78,920
% of Covered Payroll	13.7%	13.8%	12.2%

The County has met all contribution requirements for the current year and the two preceding years.

## NOTE 11 -OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

### *Plan Description*

The County has two single employer defined benefit healthcare plans, the County plan and the Broward Sheriff's Office plan. The County plan allows its employees and their beneficiaries to continue obtaining health, dental and other insurance benefits upon retirement. The Broward Sheriff's Office plan provides postemployment health insurance benefits for employees and sworn officers upon retirement and subsidizes a portion of the premiums. The benefits of the County's plan conform with Florida statutes, which are the legal authority for the plan. The provisions of the plan for the Broward Sheriff's Office may be amended through negotiations between the Broward Sheriff's Office and its employee bargaining units. The plans have no assets and do not issue separate financial reports.

#### *Funding Policy and Annual OPEB Cost*

The County makes no direct contribution to the County plan. Retirees and their beneficiaries pay the same group rates as are charged to the County for active employees. However, the County's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits in the same manner as the Broward Sheriff's Office actuaries which is described below that is called the Employer Contribution.

Retirees and their beneficiaries of the Broward Sheriff's Office plan pay the same blended rates as active employees. However, the Broward Sheriff's Office provides a discount of 2% for each year of service with the Broward Sheriff's Office up to 50% of the blended rates to retirees and their beneficiaries who meet certain qualifications. The Broward Sheriff's Office also pays 100% of the premiums for line-of-duty disabled retirees. The Broward Sheriff's Office makes no advance funding contributions to the plan; rather, it pays the discounts for retirees and their beneficiaries when due. In addition, the Broward Sheriff's Office actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits that it includes in the Employer Contributions. This offset equals the total age-adjusted costs paid by the Broward Sheriff's Office or its active employees for coverage of the retirees and their dependents for the year net of the retiree's own payments for the year.

The County and Broward Sheriff's Office annual other postemployment benefit (OPEB) cost for each plan is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The annual OPEB cost for the County and the Broward Sheriff's Office for the current year and the related information for each plan are as follows (in thousands):

	Broward County Employees	Broward Sheriff's Office
Required contribution rates:		
Employer	Pay-as-you-go	Pay-as-you-go
Active Plan members	N/A	N/A
Annual required contribution	\$4,599	\$22,111
Interest on net OPEB obligation	-	-
Adjustment to annual required contribution	-	-
Annual OPEB cost	4,599	22,111
Contributions made	(1,406)	(5,329)
Increase in net OPEB obligation	3,193	16,782
Net OPEB obligation – beginning of year	-	-
Net OPEB obligation – end of year	\$3,193	\$16,782

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2008 for each of the plans were as follow (in thousands):

	Broward County Employees	Broward Sheriff's Office
Fiscal year ended	9/30/2008	9/30/2008
Annual OPEB cost	\$4,599	\$22,111
Percentage of OPEB cost contributed	30.57%	24.10%
Net OPEB obligation	\$3,193	\$16,782

#### *Funded Status and Funding Progress*

The funded status of the plans as of October 1, 2007 was as follows (in thousands):

Actuarial accrued liability	\$48,755	\$256,540
Actuarial value of plan assets	-	-
Unfunded actuarial accrued liability	48,755	256,540
Funded Ratio	0.00%	0.00%
Covered payroll	\$272,383	\$295,950
Unfunded actuarial accrued liability as a percentage of covered payroll	17.90%	86.68%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information is designed to provide multi-year trend information to show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, the County has not contributed assets to the plans at this time.

*Actuarial Methods and Assumptions:*

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows.

	Broward County Employees	Broward Sheriff's Office
Actuarial valuation date	10/1/2007	10/1/2007
Actuarial cost method	Entry age	Entry age
Amortization method	Level percent, closed	Level percent, closed
Remaining amortization period	30 years	30 years
Asset valuation method	Unfunded	Unfunded
Actuarial assumptions:		
Investment rate of return	4.00%	4.00%
Projected salary increases	4.00%	4.50-10.50%
Healthcare inflation rate	10% initial 5% ultimate	10% initial 5% ultimate

## NOTE 12 -COMMITMENTS AND CONTINGENT LIABILITIES

The County is currently actively engaged in various lawsuits including cases where the redress sought is for other than monetary damages, i.e., mandamus, injunction, declaratory relief and cases for which the County has insurance or is named as a nominal defendant. The County Attorney is of the opinion that the possible exposure resulting from any ultimate resolution of litigation in which the County is a defendant would not have a material effect upon the financial statements of the County.

Federal and State of Florida grants are subject to audit by the granting agencies to determine if activities comply with conditions of the grant. Management believes that no material liability will arise from any such audits.

The County leases office facilities and equipment under various leases, most of which have been executed on a year-to-year basis. Rental expenses for equipment leases and office facilities for the year ended September 30, 2008 amounted to \$7,440,000. Future commitments under operating leases at September 30, 2008, are not material.

In connection with the financing and construction of two recovery plants, the County and twenty-five municipalities have entered into agreements requiring, among other things, the delivery of a minimum number of tons of processable waste to the plants during each of the next five years. To the extent that the minimum annual tonnage is not delivered, the County and the contract municipalities are required to make payments sufficient to compensate the operators of the plants for the undelivered tonnage at the then current tipping fees. In addition, the agreement with the operators of the plants provides for an annual adjustment to the base tipping fee.

The County and the contract municipalities have agreed to assess, through the Broward County Solid Waste Disposal District, uniform service fees on all improved real property sufficient to pay any system cost not covered by tipping fees, including the cost of any undelivered tonnage. During fiscal year 2008, the County was obligated to deliver 1,095,000 tons of processable waste to the plants. Actual deliveries were 1,130,332 tons. As a result, the County exceeded the minimum tonnage commitment.

In connection with the Resource Recovery Refunding Revenue Bonds Series 2001A (Wheelabrator North Broward Inc. Project and the Wheelabrator South Broward Inc. Project) (see Note 4); the refunding of the outstanding Resource Recovery Bonds will generate a net present value savings of approximately \$43.8 million. These savings will be realized over a period of eight years, commencing March 1, 2001. Based on a bond refund savings sharing agreement, Waste Management, Inc. will receive approximately \$13.1 million with the balance of \$30.7 million going to the Solid Waste System, the County and twenty-five municipalities.

bond refund savings sharing agreement, Waste Management, Inc. will receive approximately \$13.1 million with the balance of \$30.7 million going to the Solid Waste System, the County and twenty-five municipalities.

### **NOTE 13 -SUBSEQUENT EVENTS**

On February 18, 2009 the County issued \$175,380,000 in Water and Sewer Utility Revenue Bonds Series 2009A, for system improvements, to finance additional system improvements, to increase the funded debt service reserve account, and to pay issuance costs, and to retire Commercial Paper Program Obligations.

Effective February 25, 2009, the County has not renewed its line of credit agreement with Dexia Bank for its Commercial Paper Program. As a result, the County has paid the entire outstanding balance of the Commercial Paper Program except for approximately \$4,664,000 which was loaned to the Bank Atlantic Center (BAC) for Arena Improvements. The original agreement between the County and the Bank Atlantic Center was for the commercial paper loan to be repaid over a ten year period. The provisions of the new term loan agreement with Dexia calls for 20 equal quarterly payments of principal and interest, which will provide for a five year payoff. The first principal and interest payment is due April 1, 2009.

# Required Supplementary Information



## **Sustainable Landscapes**

NatureScape Broward helps residents, municipalities, businesses and schools create and maintain sustainable landscapes that conserve water, protect water quality and provide habitats for native and migratory wildlife. More than 2,000 Broward County residents have achieved NatureScape certification for their yards. In addition, NatureScape landscaping is being used around government buildings, reducing irrigation and the amount of electrical power needed for grounds maintenance. Broward County has obtained certification for 37 facilities and seeks to certify 76 facilities by 2013. Visit [www.broward.org/naturescape](http://www.broward.org/naturescape).

# GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS

## GENERAL FUND

To account for all financial resources except those required to be accounted for in other funds.

## SPECIAL REVENUE FUNDS

***Sheriff Operations Fund*** - To account for the general operations of the Sheriff.

***County Transportation Trust Fund*** - To account for funds received for construction and maintenance of roads, bridges, and traffic engineering.

## NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

### Budgetary Information

State Statutes require that all county governments establish budgetary systems and approve balanced annual budgets for such funds as may be required by law or by sound financial practices and accounting principles generally accepted in the United States. The BOCC, after review of the tentative budgets, holds public hearings and then adopts the annual budget for the General, certain Special Revenue and Debt Service Funds. The Constitutional Officers, except for the Clerk of the Courts, prepare annual operating budgets for their general funds which are reflected as Special Revenue Funds in the fund financial statements. No annual budgets are established for the Sheriff's Special Revenue Fund, the Park Open Space and Recreational Trust Fund, the Other Trust Funds and the Capital Projects Funds. The Sheriff's Special Revenue Fund has no budget since all costs incurred are budgeted in the Sheriff's General Fund and are reimbursed by the Sheriff's Special Revenue Fund. The Park Open Space and Recreational Trust Fund and the Other Trust Funds do not require budgets since expenditures are controlled by the fund balance. The Capital Projects Funds are budgeted on a multi-year basis. All governmental fund appropriations lapse at year end except capital outlay items.

The appropriated budget is prepared by fund, department and division on the same basis of accounting as required for governmental fund types and conforms with GAAP. By local budget policy, transfers of appropriations between departments and overexpenditure of appropriations at the department level require the approval of the Board. The County legal level of budgetary control, the level at which expenditures may not legally exceed appropriations, is at the department level.



**GENERAL FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Revenues:				
Taxes (Net of Discounts)	\$ 849,190	\$ 849,190	\$ 816,859	\$(32,331)
Special Assessment/Impact Fees	1,127	1,127	2,315	1,188
Licenses and Permits	21,962	21,777	18,483	(3,294)
Federal Grants	65,367	67,642	66,954	(688)
State Revenues:				
Revenue Sharing	41,270	38,473	38,134	(339)
Grants	25,909	26,739	23,571	(3,168)
Licenses	629	629	612	(17)
One-Half Cent Sales Tax	57,592	50,392	50,827	435
Charges for Services	359,838	353,039	330,037	(23,002)
Fines and Forfeitures	5,207	5,198	4,249	(949)
Interest Income	24,476	18,498	20,988	2,490
Miscellaneous	18,416	19,729	22,772	3,043
Subtotal	1,470,983	1,452,433	1,395,801	(56,632)
Less 5% of Anticipated Revenues	(57,010)	(55,874)		55,874
Total Revenues	1,413,973	1,396,559	1,395,801	(758)
Expenditures:				
Current:				
General Government				
County Commission	13,505	13,505	12,709	796
Supervisor of Elections	73	73	27	46
County Administrator	5,502	5,725	4,821	904
Office of Management and Budget	55,115	49,556	48,710	846
Governmental Relations	3,859	3,976	3,720	256
Finance and Administrative Services	67,828	76,556	59,170	17,386
Boards and Other Agencies	5,356	5,416	5,034	382
Judicial	11,287	11,713	8,744	2,969
Urban Planning and Redevelopment	26,155	26,413	22,170	4,243
Public Works and Transportation - Administration	41,145	47,220	37,507	9,713
Total General Government	229,825	240,153	202,612	37,541
Public Safety				
Sheriff	1,731	1,731	1,508	223
County Administration - Emergency Management Operations	1,987	3,222	3,459	(237)
Human Services - Medical Examiner and Trauma Services	6,288	6,519	5,394	1,125
Community Services - Consumer Affairs	2,691	2,772	2,504	268
Urban Planning and Redevelopment - Housing and Community Development	11,082	11,082	2,624	8,458
Public Works and Transportation - Detention and Correction Facilities			1,154	(1,154)
Public Works and Transportation - Judicial Complexes	502	550	479	71
Public Works and Transportation - School Guard	57	58	31	27
Total Public Safety	24,338	25,934	17,153	8,781
Transportation				
Public Works and Transportation - Road and Street Facilities	1,957	2,038	4,739	(2,701)
Aviation			309	(309)
Port Everglades			282	(282)
County Administrator - Mass Transit	131,585	135,731	137,196	(1,465)
Total Transportation	\$ 133,542	\$ 137,769	\$ 142,526	\$ (4,757)

(continued)

**GENERAL FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual, Continued**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Human Services				
Human Services - Childrens Services, Elderly Services, Family Success, Substances Abuse and Health Care Services	\$ 152,088	\$ 156,616	\$ 130,784	\$ 25,832
Community Services - Animal Care and Regulation	5,177	5,481	4,976	505
County Health Unit	2,401	2,421	1,973	448
Judicial - Legal Aid	1,126	1,227	1,220	7
Public Works and Transportation - Mosquito Control	1,341	1,488	1,357	131
Total Human Services	162,133	167,233	140,310	26,923
Culture and Recreation				
Community Services - Libraries, Parks and Recreation, Cultural Boards and Other Agencies - Historical Commission	119,790	127,094	121,546	5,548
Public Works and Transportation - Libraries	352	356	297	59
			98	(98)
Total Culture and Recreation	120,142	127,450	121,941	5,509
Physical Environment				
Environmental Protection	13,731	17,067	13,741	3,326
Water and Wastewater	2,013	2,081	1,942	139
Total Physical Environment	15,744	19,148	15,683	3,465
Economic Environment				
Urban Planning and Redevelopment	9,715	9,860	7,107	2,753
Office of Economic Development	2,451	5,848	2,419	3,429
Office of Equal Opportunity	3,615	4,337	3,332	1,005
Office of Housing			1,686	(1,686)
Human Services - Community Development	640	640	4,749	(4,109)
Human Services - Veteran's Services	595	607	590	17
Community Services - Community Development			20	(20)
Total Economic Environment	17,016	21,292	19,903	1,389
Debt Service				
Principal Retirement	771	960	960	
Interest and Fiscal Charges	309	307	125	182
Total Debt Service	1,080	1,267	1,085	182
Total Expenditures	703,820	740,246	661,213	79,033
Excess of Revenues Over Expenditures	710,153	656,313	734,588	78,275
Other Financing Sources (Uses):				
Transfers In:				
From Debt Service Funds		234	235	1
From Other Funds	157,164	65,787	55,433	(10,354)
From Constitutional Officers			54,113	54,113
Total Transfers In	157,164	66,021	109,781	43,760
Transfers Out:				
To Debt Service Funds	(44,306)	(44,306)	(44,306)	
To Constitutional Officers	(749,357)	(780,316)	(777,521)	2,795
To Other Funds	(88,882)	(14,467)	(14,482)	(15)
Total Transfers Out	(882,545)	(839,089)	(836,309)	2,780
Total Other Financing Uses	(725,381)	(773,068)	(726,528)	46,540
Net Change in Fund Balance	(15,228)	(116,755)	8,060	124,815
Fund Balance, October 1	171,591	288,805	281,033	(7,772)
Changes in Reserves for Inventory			2,024	2,024
<b>Fund Balance, September 30</b>	<b>\$ 156,363</b>	<b>\$ 172,050</b>	<b>\$ 291,117</b>	<b>\$ 119,067</b>

**SHERIFF OPERATIONS FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Revenues				
Expenditures:				
Current:				
Public Safety				
Sheriff	\$ 690,010	\$ 697,044	\$ 659,793	\$ 37,251
Capital Outlay	24,001	43,675	26,814	16,861
Reserves	15,877	23,113		23,113
Total Expenditures	729,888	763,832	686,607	77,225
Excess of Revenues Over (Under) Expenditures	(729,888)	(763,832)	(686,607)	77,225
Other Financing Sources (Uses):				
Transfers In	729,888	763,832	740,720	(23,112)
Transfers Out			(54,113)	(54,113)
Total Other Financing Sources	729,888	763,832	686,607	(77,225)
Net Change in Fund Balance			998	998
Fund Balance, October 1			1,980	1,980
Changes in Reserves for Inventory				
<b>Fund Balance, September 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,978</b>	<b>\$ 2,978</b>

**COUNTY TRANSPORTATION TRUST FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**

for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Revenues:				
Taxes (Net of Discounts)	\$ 67,595	\$ 67,595	\$ 62,689	\$ (4,906)
Special Assessment/Impact Fees	4,819	4,819	5,953	1,134
Licenses and Permits	707	707	292	(415)
State Revenues:				
Licenses	400	400	417	17
Gasoline Taxes	25,115	23,809	22,874	(935)
One-Half Cent Sales Tax	17,364	17,364	15,320	(2,044)
Charges for Services	1,857	1,857	1,603	(254)
Interest Income	482	482	1,020	538
Miscellaneous	526	526	822	296
Subtotal	118,865	117,559	110,990	(6,569)
Less 5% of Anticipated Revenue	(5,939)	(5,939)		5,939
Total Revenues	112,926	111,620	110,990	(630)
Expenditures:				
Current:				
Transportation				
Public Works & Transportation - Road & Street Facilities	28,341	28,353	27,292	1,061
Capital Outlay	107	220	182	38
Total Expenditures	28,448	28,573	27,474	1,099
Excess of Revenues Over Expenditures	84,478	83,047	83,516	469
Other Financing Uses				
Transfers Out	(87,548)	(87,599)	(83,638)	3,961
Total Other Financing Uses	(87,548)	(87,599)	(83,638)	3,961
Net Change in Fund Balance	(3,070)	(4,552)	(122)	4,430
Fund Balance, October 1	6,717	18,863	20,398	1,535
Changes in Reserves for Inventory			248	248
<b>Fund Balance, September 30</b>	<b>\$ 3,647</b>	<b>\$ 14,311</b>	<b>\$ 20,524</b>	<b>\$ 6,213</b>

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## OTHER POSTEMPLOYMENT BENEFITS

### Schedule of Funding Progress

for the fiscal year ended September 30, 2008

(In Thousands)

	<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability(AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
County Employees Plan	10/1/2007	\$0	\$48,755	\$48,755	0.00%	\$272,383	17.90%
Broward Sheriff's Office Plan	10/1/2007	\$0	\$256,540	\$256,540	0.00%	\$295,950	86.68%

The above amounts reflect data for one year due to this being the year of implementation of GASB 45.

# Supplemental Combining and Individual Fund Statements and Schedules

## Advanced Technology Vehicles

The Broward County Transit fleet includes 12 hybrid-diesel/electric buses. The new buses are cleaner and quieter than conventional buses, and expected to get 20 to 30 percent better fuel economy while emitting 50 to 70 percent less hazardous air pollutants and fewer greenhouse gases. Fort Lauderdale-Hollywood International Airport maintains one of the largest fleets of biodiesel and hybrid-electric shuttle buses in the nation. And, the County fleet includes 51 hybrid-electric vehicles; 47 bi-fuel compressed natural gas/gasoline (CNG) vehicles; 13 CNG vehicles and five CNG refueling sites; eight liquefied petroleum vehicles (LPG) and one LPG refueling site; and one electric vehicle. Broward County is also testing a hydrogen-powered device designed to save fuel, improve engine performance and provide a “green” alternative to conventional fuels.



## GOVERNMENTAL FUNDS

### NONMAJOR SPECIAL REVENUE FUNDS

**Tourist Development Tax Fund** - To account for the County's Tourist Development Tax receipts.

**Local Housing Assistance Trust Fund** - To account for funds received for the State Housing Initiatives Partnership Program.

**Water Control Districts Fund** - To account for funds received for the maintenance of water resource and drainage programs in special districts of the county.

**Other Special Revenue Fund** - To account for other special revenue activities.

**Sheriff Special Revenue Fund** - To account for funds received from the County Law Enforcement Trust Fund and grants for public safety and capital expenditures.

**Property Appraiser Operations Fund** - To account for the general operations of the Property Appraiser.

**Supervisor of Elections Operations Fund** - To account for the general operations of the Supervisor of Elections.

**Park, Open Space and Recreational Trust Fund** - To receive gifts and fees and to disburse these monies for parks and recreational needs.

**Other Trust Fund** - To receive and account for donations to be used for a specific purpose and to collect civil penalties imposed for polluting and expend funds to restore polluted areas.

### NONMAJOR DEBT SERVICE FUNDS

**1986 General Obligation Bonds Debt Service Fund** - To account for the payment of the current year's principal and interest requirements on the Public Improvement Bonds.

**2001A/2007A General Obligation Bonds Debt Service Fund** - To account for the payment of the current year's principal and interest requirements on the 2001A/2007A General Obligation Bonds.

**2004/2005/2007B General Obligation Bonds Debt Service Fund** - To account for the payment of the current year's principal and interest requirements on the 2004/2005/2007B General Obligation Bonds.

**General Obligation Refunding Bonds Debt Service Fund** - To account for the payment of the current year's principal and interest requirements on the General Obligation Refunding Bonds.

**Tourist Tax Revenue Bonds Debt Service Fund** - To account for the payment of the current year's principal and interest requirements on the Tourist Development Tax Revenue Bonds.

**1995 Special Obligation Refunding Bonds Debt Service Fund** - To account for the payment of the current year's principal and interest requirements on the Special Obligation Bonds.

**2006 Professional Sports Facilities and Civic Arena Bonds Debt Service Fund** - To account for the payment of the current year's principal and interest requirements on the Professional Sports Facilities and Civic Arena Bonds.

**1998 Gas Tax Revenue Refunding Bonds Debt Service Fund** - To account for the payment of the current year's principal and interest requirements on the Gas Tax Revenue Refunding Bonds.

**Florida Financing Loan Pool Debt Service Fund** - To account for the payment of the current year's principal and interest requirements on the Florida Financing Loan Pool debt.

**Certificates of Participation Fund** - To account for the payment of the current year's principal and interest requirements on the Certificates of Participation.

### NONMAJOR CAPITAL PROJECTS FUNDS

**Engineering Road Projects Fund** - To account for the expenditure of local option and state gasoline taxes.

**Convention Center Capital Projects Fund** - To account for the construction and improvements of the Convention Center.

**Professional Sports Facilities and Civic Arena Capital Projects** - To account for the improvements to the civic arena facility.

**1989 General Obligation Bonds Fund** - To account for the acquisition of environmentally sensitive lands.

**Beach Renourishment Fund** - To account for the restoration of eroded beaches.

**Unincorporated Area Capital Projects Fund** - To account for the capital improvements program in the county unincorporated areas.

**2001 General Obligation Bonds Fund** - To account for the construction, expansion, and renovation of the county libraries.

**2004/2005 General Obligation Bonds Fund** - To account for the acquisition and preservation of land and the renovation and expansion of parks.

**Mass Transit Capital Grants Fund** - To account for the mass transit capital outlay.



# COMBINING BALANCE SHEET

## Nonmajor Governmental Funds

September 30, 2008

(In Thousands)

	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>Total Nonmajor Governmental Funds</i>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 30,437	\$ 16,301	\$ 73,585	\$ 120,323
Investments	58,568	22,889	332,630	414,087
Receivables (Net):				
Accounts	2,138			2,138
Other	1,251		2,583	3,834
Delinquent Taxes Receivable (Net)	7	411		418
Due from Other County Funds	23	926	12,326	13,275
Due from Other Governments	1,776		18,385	20,161
Inventory	146			146
<b>Total Assets</b>	<b>\$ 94,346</b>	<b>\$ 40,527</b>	<b>\$ 439,509</b>	<b>\$ 574,382</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 2,191		\$ 13,148	\$ 15,339
Accrued Liabilities	1,352		6,729	8,081
Due to Other County Funds	6,490	\$ 221	12,134	18,845
Due to Other Governments	1,035		10,567	11,602
Advance from Other Funds			2,544	2,544
Escrow Deposits	88		2,756	2,844
Deferred Revenue	16,173	411	167	16,751
Total Liabilities	27,329	632	48,045	76,006
Fund Balances:				
Reserved for Encumbrances	738		90,658	91,396
Reserved for Debt Service		39,895		39,895
Reserved for Loans Receivable	638			638
Reserved for Inmate Welfare	3,807			3,807
Unreserved/Undesignated Related to:				
Special Revenue Funds	61,834			61,834
Capital Projects Funds			300,806	300,806
Total Fund Balances	67,017	39,895	391,464	498,376
<b>Total Liabilities and Fund Balances</b>	<b>\$ 94,346</b>	<b>\$ 40,527</b>	<b>\$ 439,509</b>	<b>\$ 574,382</b>

# COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

**Nonmajor Governmental Funds**  
For the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>Total Nonmajor Governmental Funds</i>
Revenues:				
Taxes (Net of Discounts)	\$ 1,678	\$ 67,321		\$ 68,999
Special Assessments/Impact Fees	619			619
Licenses and Permits	473			473
Federal Grants	19,172		\$ 36,271	55,443
State Revenues:				
Grants	3,187		6,455	9,642
Tourist Tax	42,773			42,773
Other	8,282			8,282
Charges for Services	14,842		1,810	16,652
Fines and Forfeitures	11,565			11,565
Interest Income	2,974	1,522	17,433	21,929
Miscellaneous	6,092	4,675	2,941	13,708
Total Revenues	111,657	73,518	64,910	250,085
Expenditures:				
Current:				
General Government	34,698			34,698
Public Safety	30,530			30,530
Human Services	313			313
Culture and Recreation	27,257			27,257
Physical Environment	3,533			3,533
Economic Environment	6,623			6,623
Capital Outlay	11,803		178,592	190,395
Debt Service:				
Principal Retirement		68,540		68,540
Interest and Fiscal Charges		40,012	7	40,019
Bond and Loan Issuance Costs		16		16
Total Expenditures	114,757	108,568	178,599	401,924
Excess of Revenues Under Expenditures	(3,100)	(35,050)	(113,689)	(151,839)
Other Financing Sources (Uses):				
Transfers In	51,065	79,559	72,576	203,200
Transfers Out	(38,410)	(18,676)	(26,980)	(84,066)
Total Other Financing Sources	12,655	60,883	45,596	119,134
Net Change in Fund Balances	9,555	25,833	(68,093)	(32,705)
Fund Balances, October 1	57,462	14,062	459,557	531,081
<b>Fund Balances, September 30</b>	<b>\$ 67,017</b>	<b>\$ 39,895</b>	<b>\$ 391,464</b>	<b>\$ 498,376</b>

# NONMAJOR SPECIAL REVENUE FUNDS

## Combining Balance Sheet

September 30, 2008

(In Thousands)

	<i><b>Tourist Development Tax</b></i>	<i><b>Local Housing Assistance Trust</b></i>	<i><b>Water Control Districts</b></i>	<i><b>Other Special Revenue</b></i>	<i><b>Sherriff Special Revenue</b></i>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,293	\$ 1,433	\$2,759	\$1,461	\$13,914
Investments	20,852	11,038	8	4	13,644
Receivables (Net):					
Accounts	2,130				
Other	638	613			
Delinquent Taxes Receivable (Net)			7		
Due from Other County Funds					23
Due from Other Governments				88	1,591
Inventory					146
<b>Total Assets</b>	<b>\$25,913</b>	<b>\$13,084</b>	<b>\$2,774</b>	<b>\$1,553</b>	<b>\$29,318</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 1,253	\$ 28	\$ 102	\$ 7	\$ 256
Accrued Liabilities	94	35		20	603
Due to Other County Funds	926				2,762
Due to Other Governments					
Escrow Deposits	75	5	6		
Deferred Revenue		13,016	7		3,030
<b>Total Liabilities</b>	<b>2,348</b>	<b>13,084</b>	<b>115</b>	<b>27</b>	<b>6,651</b>
Fund Balances:					
Reserved for Encumbrances			634	28	
Reserved for Loans Receivable	638				
Reserved for Inmate Welfare					3,807
Unreserved/Undesignated	22,927		2,025	1,498	18,860
<b>Total Fund Balances</b>	<b>23,565</b>		<b>2,659</b>	<b>1,526</b>	<b>22,667</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$25,913</b>	<b>\$13,084</b>	<b>\$2,774</b>	<b>\$1,553</b>	<b>\$29,318</b>

<i>Property Appraiser Operations</i>	<i>Supervisor of Elections Operations</i>	<i>Park, Open Space and Recreational Trust</i>	<i>Other Trust</i>	<i>Total</i>
\$3,623	\$628	\$2,512	\$ 1,814	\$30,437
			13,022	58,568
8				2,138
				1,251
				7
				23
			97	1,776
				146
<b>\$3,631</b>	<b>\$628</b>	<b>\$2,512</b>	<b>\$14,933</b>	<b>\$94,346</b>
\$ 105	\$314		\$126	\$2,191
303	194		103	1,352
2,802				6,490
421			614	1,035
			2	88
	120			16,173
3,631	628		845	27,329
			76	738
				638
				3,807
		\$2,512	14,012	61,834
		2,512	14,088	67,017
<b>\$3,631</b>	<b>\$628</b>	<b>\$2,512</b>	<b>\$14,933</b>	<b>\$94,346</b>

# NONMAJOR SPECIAL REVENUE FUNDS

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Tourist Development Tax</i>	<i>Local Housing Assistance Trust</i>	<i>Water Control Districts</i>	<i>Other Special Revenue</i>	<i>Sherriff Special Revenue</i>
Revenues:					
Taxes (Net of Discounts)			\$1,678		
Special Assessment/Impact Fees					
Licenses and Permits				\$ 473	
Federal Grants					\$18,482
State Revenues:					
Grants					3,187
Tourist Tax	\$ 42,773				
Other	2,000	\$5,061		1,221	
Charges for Services	7,250	1,020			3,700
Fines and Forfeitures	115				9,806
Interest Income	918	542	143	70	566
Miscellaneous	68				4,626
Total Revenues	53,124	6,623	1,821	1,764	40,367
Expenditures:					
Current:					
General Government					
Public Safety					29,378
Human Services					
Culture and Recreation	26,768				
Physical Environment			1,300	1,835	
Economic Environment		6,623			
Capital Outlay	313		116	43	4,655
Total Expenditures	27,081	6,623	1,416	1,878	34,033
Excess of Revenues Over (Under) Expenditures	26,043		405	(114)	6,334
Other Financing Sources (Uses):					
Transfers In	13,413				
Transfers Out	(36,495)				
Total Other Financing Sources (Uses)	(23,082)				
Net Change in Fund Balances	2,961		405	(114)	6,334
Fund Balances, October 1	20,604		2,254	1,640	16,333
<b>Fund Balances, September 30</b>	<b>\$ 23,565</b>	<b>\$ -</b>	<b>\$2,659</b>	<b>\$1,526</b>	<b>\$22,667</b>

<i>Property Appraiser Operations</i>	<i>Supervisor of Elections Operations</i>	<i>Park, Open Space and Recreational Trust</i>	<i>Other Trust</i>	<i>Total</i>
		\$ 619		\$ 1,678
				619
				473
	\$ 690			19,172
				3,187
				42,773
				8,282
\$ 2,582			\$ 290	14,842
			1,644	11,565
		142	593	2,974
511	78		809	6,092
3,093	768	761	3,336	111,657
19,656	15,042			34,698
			1,152	30,530
			313	313
		10	479	27,257
			398	3,533
				6,623
513	5,451		712	11,803
20,169	20,493	10	3,054	114,757
(17,076)	(19,725)	751	282	(3,100)
17,076	19,725		851	51,065
		(1,915)		(38,410)
17,076	19,725	(1,915)	851	12,655
		(1,164)	1,133	9,555
		3,676	12,955	57,462
\$ -	\$ -	\$ 2,512	\$14,088	\$ 67,017

**TOURIST DEVELOPMENT TAX FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:			
State Revenues:			
Tourist Tax	\$ 41,909	\$ 42,773	\$ 864
Other	2,000	2,000	
Charges for Services	5,500	7,250	1,750
Fines and Forfeitures		115	115
Interest Income	517	918	401
Miscellaneous	131	68	(63)
Subtotal	50,057	53,124	3,067
Less 5% of Anticipated Revenue	(2,520)		2,520
Total Revenue	47,537	53,124	5,587
Expenditures:			
Current:			
Culture and Recreation			
Greater Fort Lauderdale Convention and Visitors Bureau	31,679	26,768	4,911
Capital Outlay	352	313	39
Total Expenditures	32,031	27,081	4,950
Excess of Revenues Over Expenditures	15,506	26,043	10,537
Other Financing Sources (Uses):			
Transfers In	13,413	13,413	
Transfers Out	(35,238)	(36,495)	(1,257)
Total Other Financing Uses	(21,825)	(23,082)	(1,257)
Net Change in Fund Balance	(6,319)	2,961	9,280
Fund Balance, October 1	19,966	20,604	638
<b>Fund Balance, September 30</b>	<b>\$ 13,647</b>	<b>\$ 23,565</b>	<b>\$ 9,918</b>



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**LOCAL HOUSING ASSISTANCE TRUST FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i><b>Final Budgeted Amounts</b></i>	<i><b>Actual Amounts</b></i>	<i><b>Variance with Final Budget Positive (Negative)</b></i>
Revenues:			
State Revenues:			
Other	\$17,851	\$5,061	\$(12,790)
Charges for Services	2,893	1,020	(1,873)
Interest Income	1,676	542	(1,134)
Total Revenues	22,420	6,623	(15,797)
Expenditures:			
Current:			
Economic Environment			
Urban Planning & Redevelopment	22,420	6,623	15,797
Total Expenditures	22,420	6,623	15,797
Excess of Revenues Over Expenditures			
Fund Balance, October 1			
<b>Fund Balance, September 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**WATER CONTROL DISTRICTS FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i><b>Final Budgeted Amounts</b></i>	<i><b>Actual Amounts</b></i>	<i><b>Variance with Final Budget Positive (Negative)</b></i>
Revenues:			
Taxes (Net of Discounts)	\$1,797	\$1,678	\$(119)
Interest Income	57	143	86
Miscellaneous			
Subtotal	1,854	1,821	(33)
Less 5% of Anticipated Revenue	(93)		93
Total Revenues	1,761	1,821	60
Expenditures:			
Current:			
Physical Environment			
Public Works	1,859	1,300	559
Capital Outlay	794	116	678
Total Expenditures	2,653	1,416	1,237
Excess of Revenue Over (Under) Expenditures	(892)	405	1,237
Fund Balance, October 1	2,254	2,254	
<b>Fund Balance, September 30</b>	<b>\$1,362</b>	<b>\$2,659</b>	<b>\$1,297</b>

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**OTHER SPECIAL REVENUE FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i><b>Final Budgeted Amounts</b></i>	<i><b>Actual Amounts</b></i>	<i><b>Variance with Final Budget Positive (Negative)</b></i>
Revenues:			
Licenses and Permits	\$ 477	\$ 473	\$ (4)
State Revenues			
Other	1,315	1,221	(94)
Interest Income	40	70	30
Subtotal	1,832	1,764	(68)
Less 5% of Anticipated Revenue	(92)		92
Total Revenues	1,740	1,764	24
Expenditures:			
Current:			
Physical Environment			
Environmental Protection	1,454	1,306	148
Community Services	846	529	317
Capital Outlay	122	43	79
Total Expenditures	2,422		544
Excess of Revenues Over (Under) Expenditures	(682)	(114)	568
Fund Balance, October 1	1,640	1,640	
<b>Fund Balance, September 30</b>	<b>\$ 958</b>	<b>\$1,526</b>	<b>\$568</b>

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**PROPERTY APPRAISER OPERATIONS FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:			
Charges for Services	\$ 3,003	\$ 2,582	\$ (421)
Miscellaneous		511	511
Total Revenues	3,003	3,093	90
Expenditures:			
Current:			
General Government			
Property Appraiser	22,310	19,656	2,654
Capital Outlay	564	513	51
Total Expenditures	22,874	20,169	2,705
Excess of Revenues Over (Under) Expenditures	(19,871)	(17,076)	2,795
Other Financing Sources			
Transfers In	19,871	17,076	(2,795)
Total Other Financing Sources	19,871	17,076	(2,795)
Net Change in Fund Balance			
Fund Balance, October 1			
Fund Balance, September 30	\$ -	\$ -	\$ -

# SUPERVISOR OF ELECTIONS OPERATIONS FUND

## Schedule of Revenues, Expenditures, and Changes in Fund Balance

### Budget and Actual

for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:			
Federal Grants		\$ 690	\$ 690
Miscellaneous		78	78
Total Revenues		768	768
Expenditures:			
Current:			
General Government			
Supervisor of Elections	\$ 13,666	15,042	(1,376)
Capital Outlay	6,059	5,451	608
Total Expenditures	19,725	20,493	(768)
Excess of Revenues Under Expenditures	(19,725)	(19,725)	
Other Financing Sources:			
Transfers In	19,725	19,725	
Total Other Financing Sources	19,725	19,725	
Net Change in Fund Balance			
Fund Balance, October 1			
<b>Fund Balance, September 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# NONMAJOR DEBT SERVICE FUNDS

## Combining Balance Sheet

September 30, 2008  
(In Thousands)

	<i>1986 General Obligation Bonds</i>	<i>2001A/2007A General Obligation Bonds</i>	<i>2004/2005/2007B General Obligation Bonds</i>	<i>General Obligation Refunding Bonds</i>	<i>Tourist Tax Revenue Bonds</i>
<b>ASSETS</b>					
Cash and Cash Equivalents		\$732	\$1,435	\$1,788	\$2,182
Investments					
Delinquent Taxes Receivable (Net)		75	158	178	
Due from Other County Funds					
<b>Total Assets</b>	<b>\$ -</b>	<b>\$807</b>	<b>\$1,593</b>	<b>\$1,966</b>	<b>\$2,182</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Due to Other County Funds					
Deferred Revenue		\$ 75	\$ 158	\$ 178	
<b>Total Liabilities</b>		<b>75</b>	<b>158</b>	<b>178</b>	
Fund Balances:					
Reserved for Debt Service		732	1,435	1,788	\$2,182
<b>Total Fund Balances</b>		<b>732</b>	<b>1,435</b>	<b>1,788</b>	<b>2,182</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$807</b>	<b>\$1,593</b>	<b>\$1,966</b>	<b>\$2,182</b>

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<i><b>1995 Special Obligation Refunding Bonds</b></i>	<i><b>2006 Professional Sports Facilities &amp; Civic Arena Bonds</b></i>	<i><b>1998 Gas Tax Revenue Refunding Bonds</b></i>	<i><b>Florida Financing Loan Pool</b></i>	<i><b>Certificates of Participation</b></i>	<i><b>Total</b></i>
	\$ 93	\$ 32 6,194	\$7,739	\$ 2,300 16,695	\$16,301 22,889 411 926
	926				
<b>\$ -</b>	<b>\$1,019</b>	<b>\$6,226</b>	<b>\$7,739</b>	<b>\$18,995</b>	<b>\$40,527</b>
		\$ 221			\$ 221 411
		221			632
	\$1,019	6,005	\$7,739	\$18,995	39,895
	1,019	6,005	7,739	18,995	39,895
<b>\$ -</b>	<b>\$1,019</b>	<b>\$6,226</b>	<b>\$7,739</b>	<b>\$18,995</b>	<b>\$40,527</b>

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**NONMAJOR DEBT SERVICE FUNDS**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>1986 General Obligation Bonds</i>	<i>2001A/2007A General Obligation Bonds</i>	<i>2004/2005/2007B General Obligation Bonds</i>	<i>General Obligation Refunding Bonds</i>	<i>Tourist Tax Revenue Bonds</i>
Revenues:					
Taxes (Net of Discounts)		\$12,303	\$25,851	\$29,167	
Interest Income		65	224	131	\$ 74
Miscellaneous					
Total Revenues		12,368	26,075	29,298	74
Expenditures:					
Debt Service:					
Principal Retirement		6,415	10,365	25,525	2,030
Interest and Fiscal Charges		5,828	15,448	4,174	455
Bond and Loan Issuance Costs		9	7		
Total Expenditures		12,252	25,820	29,699	2,485
Excess of Revenues Over (Under) Expenditures		116	255	(401)	(2,411)
Other Financing Sources (Uses):					
Transfers In				647	11,169
Transfers Out	\$(44)				(9,772)
Total Other Financing Sources (Uses)	(44)			647	1,397
Net Change in Fund Balances	(44)	116	255	246	(1,014)
Fund Balances, October 1	44	616	1,180	1,542	3,196
<b>Fund Balances, September 30</b>	<b>\$ -</b>	<b>\$ 732</b>	<b>\$ 1,435</b>	<b>\$ 1,788</b>	<b>\$ 2,182</b>



<i>1995 Special Obligation Refunding Bonds</i>	<i>2006 Professional Sports Facilities &amp; Civic Arena Bonds</i>	<i>1998 Gas Tax Revenue Refunding Bonds</i>	<i>Florida Financing Loan Pool</i>	<i>Certificates of Participation</i>	<i>Total</i>
					\$ 67,321
	\$ 460	\$ 466	\$ 39	\$ 63	1,522
	3,927		748		4,675
	4,387	466	787	63	73,518
	5,085	4,850	8,760	5,510	68,540
	9,734	760	2,397	1,216	40,012
					16
	14,819	5,610	11,157	6,726	108,568
	(10,432)	(5,144)	(10,370)	(6,663)	(35,050)
	19,018	5,010	18,071	25,644	79,559
\$(179)	(8,669)		(12)		(18,676)
(179)	10,349	5,010	18,059	25,644	60,883
(179)	(83)	(134)	7,689	18,981	25,833
179	1,102	6,139	50	14	14,062
<b>\$ -</b>	<b>\$ 1,019</b>	<b>\$ 6,005</b>	<b>\$ 7,739</b>	<b>\$18,995</b>	<b>\$ 39,895</b>

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# **I 1986 GENERAL OBLIGATION BONDS DEBT SERVICE FUND**

## **Schedule of Revenues, Expenditures, and Changes in Fund Balance**

### **Budget and Actual**

for the fiscal year ended September 30, 2008  
(In Thousands)

	<i><b>Final Budgeted Amounts</b></i>	<i><b>Actual Amounts</b></i>	<i><b>Variance with Final Budget Positive (Negative)</b></i>
Revenues			
Expenditures			
Other Financing Uses:			
Transfers Out	\$(44)	\$(44)	
Total Other Financing Uses	(44)	(44 )	
Net Change in Fund Balance	(44)	(44)	
Fund Balance, October 1	44	44	
<b>Fund Balance, September 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**2001A / 2007A GENERAL OBLIGATION BONDS DEBT SERVICE FUND****Schedule of Revenues, Expenditures, and Changes in Fund Balance****Budget and Actual**

for the fiscal year ended September 30, 2008

(In Thousands)

	<i><b>Final Budgeted Amounts</b></i>	<i><b>Actual Amounts</b></i>	<i><b>Variance with Final Budget Positive (Negative)</b></i>
Revenues:			
Taxes (Net of Discounts)	\$12,840	\$12,303	\$(537)
Interest Income	50	65	15
Subtotal	12,890	12,368	(522)
Less 5% of Anticipated Revenue	(645)		645
Total Revenues	12,245	12,368	123
Expenditures:			
Debt Service:			
Principal Retirement	6,415	6,415	
Interest and Fiscal Charges	5,831	5,828	3
Bond and Loan Issuance Costs	11	9	2
Total Expenditures	12,257	12,252	5
Excess of Revenues Over (Under) Expenditures	(12)	116	128
Fund Balance, October 1	616	616	
<b>Fund Balance, September 30</b>	<b>\$ 604</b>	<b>\$ 732</b>	<b>\$ 128</b>

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**2004 / 2005 / 2007B GENERAL OBLIGATION BONDS DEBT SERVICE FUND****Schedule of Revenues, Expenditures, and Changes in Fund Balance****Budget and Actual**

for the fiscal year ended September 30, 2008

(In Thousands)

	<i><b>Final Budgeted Amounts</b></i>	<i><b>Actual Amounts</b></i>	<i><b>Variance with Final Budget Positive (Negative)</b></i>
Revenues:			
Taxes (Net of Discounts)	\$26,944	\$25,851	\$(1,093)
Interest Income	230	224	(6)
Subtotal	27,174	26,075	(1,099)
Less 5% of Anticipated Revenue	(1,359)		1,359
Total Revenues	25,815	26,075	260
Expenditures:			
Debt Service:			
Principal Retirement	10,365	10,365	
Interest and Fiscal Charges	15,450	15,448	2
Bond and Loan Issuance Costs	12	7	5
Total Expenditures	25,827	25,820	7
Excess of Revenues Over (Under) Expenditures	(12)	255	267
Fund Balance, October 1	1,180	1,180	
<b>Fund Balance, September 30</b>	<b>\$ 1,168</b>	<b>\$ 1,435</b>	<b>\$ 267</b>

# GENERAL OBLIGATION REFUNDING BONDS DEBT SERVICE FUND

## Schedule of Revenues, Expenditures, and Changes in Fund Balance

### Budget and Actual

for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:			
Taxes (Net of Discounts)	\$30,388	\$29,167	\$(1,221)
Interest Income	215	131	(84)
Subtotal	30,603	29,298	(1,305)
Less 5% of Anticipated Revenue	(1,528)		1,528
Total Revenues	29,075	29,298	223
Expenditures:			
Debt Service:			
Principal Retirement	25,525	25,525	
Interest and Fiscal Charges	4,686	4,174	512
Total Expenditures	30,211	29,699	512
Excess of Revenues Over (Under) Expenditures	(1,136)	(401)	735
Other Financing Sources:			
Transfers In	647	647	
Total Other Financing Sources	647	647	
Net Change in Fund Balance	(489)	246	735
Fund Balance, October 1	1,542	1,542	
<b>Fund Balance, September 30</b>	<b>\$ 1,053</b>	<b>\$ 1,788</b>	<b>\$ 735</b>

# TOURIST TAX REVENUE BONDS DEBT SERVICE FUND

## Schedule of Revenues, Expenditures, and Changes in Fund Balance

### Budget and Actual

for the fiscal year ended September 30, 2008

(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:			
Interest Income	\$ 75	\$ 74	\$ (1)
Total Revenues	75	74	(1)
Expenditures:			
Debt Service:			
Principal Retirement	2,049	2,030	19
Interest and Fiscal Charges	457	455	2
Total Expenditures	2,506	2,485	21
Excess of Revenues Over (Under) Expenditures	(2,431)	(2,411)	20
Other Financing Sources (Uses):			
Transfers In	11,516	11,169	(347)
Transfers Out	(9,772)	(9,772)	
Total Other Financing Sources	1,744	1,397	(347)
Net Change in Fund Balance	(687)	(1,014)	(327)
Fund Balance, October 1	3,196	3,196	
<b>Fund Balance, September 30</b>	<b>\$ 2,509</b>	<b>\$ 2,182</b>	<b>\$ (327)</b>

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# 1995 SPECIAL OBLIGATION REFUNDING BONDS DEBT SERVICE FUND

## Schedule of Revenues, Expenditures, and Changes in Fund Balance

### Budget and Actual

for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues			
Expenditures			
Other Financing Uses:			
Transfers Out	\$(179)	\$(179)	
Total Other Financing Uses	(179)	(179)	
Net Change in Fund Balance	(179)	(179)	
Fund Balance, October 1	179	179	
<b>Fund Balance, September 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## 2006 PROFESSIONAL SPORTS FACILITIES AND CIVIC ARENA DEBT SERVICE FUND

### Schedule of Revenues, Expenditures, and Changes in Fund Balance

#### Budget and Actual

for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:			
Interest Income	\$ 448	\$ 460	\$ 12
Miscellaneous	3,955	3,927	(28)
Subtotal	4,403	4,387	(16)
Less 5% of Anticipated Revenue	(220)		220
Total Revenues	4,183	4,387	204
Expenditures:			
Debt Service:			
Principal Retirement	5,085	5,085	
Interest and Fiscal Charges	8,870	9,734	(864)
Total Expenditures	13,955	14,819	(864)
Excess of Revenues Under Expenditures	(9,772)	(10,432)	(660)
Other Financing Sources (Uses):			
Transfers In	17,724	19,018	1,294
Transfers Out	(9,016)	(8,669)	347
Total Other Financing Sources	8,708	10,349	1,641
Net Change in Fund Balance	(1,064)	(83)	981
Fund Balance, October 1	1,102	1,102	
<b>Fund Balance, September 30</b>	<b>\$ 38</b>	<b>\$ 1,019</b>	<b>\$ 981</b>



# 1998 GAS TAX REVENUE REFUNDING BONDS DEBT SERVICE FUND

## Schedule of Revenues, Expenditures, and Changes in Fund Balance

### Budget and Actual

for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:			
Interest Income	\$ 300	\$ 466	\$166
Subtotal	300	466	166
Less 5% of Anticipated Revenue	(15)		15
Total Revenues	285	466	181
Expenditures:			
Debt Service:			
Principal Retirement	4,850	4,850	
Interest and Fiscal Charges	763	760	3
Total Expenditures	5,613	5,610	3
Excess of Revenues Over (Under) Expenditures	(5,328)	(5,144)	184
Other Financing Sources:			
Transfers In	5,010	5,010	
Total Other Financing Sources	5,010	5,010	
Net Change in Fund Balance	(318)	(134)	184
Fund Balance, October 1	6,139	6,139	
<b>Fund Balance, September 30</b>	<b>\$ 5,821</b>	<b>\$ 6,005</b>	<b>\$184</b>

# FLORIDA FINANCING LOAN POOL DEBT SERVICE FUND

## Schedule of Revenues, Expenditures, and Changes in Fund Balance

### Budget and Actual

for the fiscal year ended September 30, 2008

(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:			
Interest Income	\$ 86	\$ 39	\$(47)
Miscellaneous	776	748	(28)
Subtotal	862	787	(75)
Less 5% of Anticipated Revenue	(4)		4
Total Revenues	858	787	(71)
Expenditures:			
Debt Service:			
Principal Retirement	8,760	8,760	
Interest and Fiscal Charges	2,416	2,397	19
Total Expenditures	11,176	11,157	19
Excess of Revenues Under Expenditures	(10,318)	(10,370)	(52)
Other Financing Sources:			
Transfers In	18,071	18,071	
Transfers Out	(12)	(12)	
Total Other Financing Sources (Uses)	18,059	18,059	
Net Change in Fund Balance	7,741	7,689	(52)
Fund Balance, October 1	50	50	
<b>Fund Balance, September 30</b>	<b>\$ 7,791</b>	<b>\$ 7,739</b>	<b>\$(52)</b>

# CERTIFICATES OF PARTICIPATION DEBT SERVICE FUND

## Schedule of Revenues, Expenditures, and Changes in Fund Balance

### Budget and Actual

for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:			
Interest Income	\$ 3	\$ 63	\$60
Total Revenues	3	63	60
Expenditures:			
Debt Service:			
Principal Retirement	5,510	5,510	
Interest and Fiscal Charges	1,230	1,216	14
Total Expenditures	6,740	6,726	14
Excess of Revenues Over (Under) Expenditures	(6,737)	(6,663)	74
Other Financing Sources:			
Transfers In	25,644	25,644	
Total Other Financing Sources	25,644	25,644	
Net Change in Fund Balance	18,907	18,981	74
Fund Balance, October 1	14	14	
<b>Fund Balance, September 30</b>	<b>\$18,921</b>	<b>\$18,995</b>	<b>\$74</b>

# NONMAJOR CAPITAL PROJECTS FUNDS

## Combining Balance Sheet

September 30, 2008

(In Thousands)

	<i>Engineering Road Projects</i>	<i>Convention Center Capital Projects</i>	<i>Professional Sports Facilities and Civic Arena Capital Projects</i>	<i>1989 General Obligation Bonds</i>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 12,191	\$6,791	\$ 80	
Investments	137,433			
Receivables (Net):				
Other	39		2,544	
Due from Other County Funds	12,134			
Due from Other Governments				
<b>Total Assets</b>	<b>\$161,797</b>	<b>\$6,791</b>	<b>\$2,624</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>				
Liabilities:				
Accounts Payable	\$ 5,601	\$ 28	\$ 1	
Accrued Liabilities	1,941	28		
Due to Other County Funds				
Due to Other Governments				
Advances from Other Funds			2,544	
Escrow Deposits		2,750		
Deferred Revenue	39			
<b>Total Liabilities</b>	<b>7,581</b>	<b>2,806</b>	<b>2,545</b>	
Fund Balances (Deficit):				
Reserved for Encumbrances	40,458	256		
Unreserved/Undesignated (Deficit)	113,758	3,729	79	
<b>Total Fund Balances (Deficit)</b>	<b>154,216</b>	<b>3,985</b>	<b>79</b>	
<b>Total Liabilities and Fund Balances (Deficit)</b>	<b>\$161,797</b>	<b>\$6,791</b>	<b>\$2,624</b>	<b>\$ -</b>

<i>Beach Renourishment</i>	<i>Unincorporated Area Capital Projects</i>	<i>2001 General Obligation Bonds</i>	<i>2004/2005 General Obligation Bonds</i>	<i>Mass Transit Capital Grants</i>	<i>Total</i>
\$18,395	\$ 24,561 96,709	\$11,567 9,980	\$88,508		\$ 73,585 332,630
				\$ 192	2,583
344				18,041	12,326
<b>\$18,739</b>	<b>\$121,270</b>	<b>\$21,547</b>	<b>\$88,508</b>	<b>\$18,233</b>	<b>\$439,509</b>
\$ 651 291	\$ 921 1,269 10,567	\$ 1,698 554	\$ 1,241 2,330	\$ 3,007 316 12,134	\$ 13,148 6,729 12,134 10,567 2,544
128			6		2,756
1,070	12,757	2,252	3,577	15,457	167
5,145 12,524	18,781 89,732	7,491 11,804	11,414 73,517	7,113 (4,337)	48,045
17,669	108,513	19,295	84,931	2,776	90,658
<b>\$18,739</b>	<b>\$121,270</b>	<b>\$21,547</b>	<b>\$88,508</b>	<b>\$18,233</b>	<b>\$439,509</b>

**NONMAJOR CAPITAL PROJECTS FUNDS**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Engineering Road Projects</i>	<i>Convention Center Capital Projects</i>	<i>Professional Sports Facilities and Civic Arena Capital Projects</i>	<i>1989 General Obligation Bonds</i>
Revenues:				
Federal Grants	\$ 815			
State Grants	304			
Charges for Services	1,770		\$38	
Interest Income	7,287	\$ 221	2	
Miscellaneous	34			\$ 8
Total Revenues	10,210	221	40	8
Expenditures:				
Capital Outlay:				
Parks				
Beach Renourishment				
Libraries				
Stormwater Drainage				
Transportation	51,044			
Convention Center		1,587		
Other Projects				130
Debt Service:				
Interest and Fiscal Charges			7	
Total Expenditures	51,044	1,587	7	130
Excess of Revenues Over (Under) Expenditures	(40,834)	(1,366)	33	(122)
Other Financing Sources (Uses):				
Transfers In	39,843	1,285		
Transfers Out	(23,990)			(1,190)
Total Other Financing Sources (Uses)	15,853	1,285		(1,190)
Net Change in Fund Balances	(24,981)	(81)	33	(1,312)
Fund Balances (Deficit), October 1	179,197	4,066	46	1,312
<b>Fund Balances (Deficit), September 30</b>	<b>\$154,216</b>	<b>\$ 3,985</b>	<b>\$79</b>	<b>\$ -</b>

<i><b>Beach Renourishment</b></i>	<i><b>Unincorporated Area Capital Projects</b></i>	<i><b>2001 General Obligation Bonds</b></i>	<i><b>2004 / 2005 General Obligation Bonds</b></i>	<i><b>Mass Transit Capital Grants</b></i>	<i><b>Total</b></i>
\$ 492				\$34,964	\$ 36,271
615			\$ 252	5,284	6,455
			2		1,810
449	\$ 5,579		3,895		17,433
	26	\$ 2,681		192	2,941
1,556	5,605	2,681	4,149	40,440	64,910
	865		44,060		44,925
2,794		12,964			2,794
	13,345				12,964
				40,999	13,345
					92,043
	10,748	56			1,587
					10,934
					7
2,794	24,958	13,020	44,060	40,999	178,599
(1,238)	(19,353)	(10,339)	(39,911)	(559)	(113,689)
8,932	13,769			8,747	72,576
(1,000)	(800)				(26,980)
7,932	12,969			8,747	45,596
6,694	(6,384)	(10,339)	(39,911)	8,188	(68,093)
10,975	114,897	29,634	124,842	(5,412)	459,557
<b>\$17,669</b>	<b>\$108,513</b>	<b>\$ 19,295</b>	<b>\$ 84,931</b>	<b>\$ 2,776</b>	<b>\$ 391,464</b>

## PROPRIETARY FUNDS

### NONMAJOR ENTERPRISE FUNDS

**Solid Waste Fund** - To account for the closure of the County landfill, County recycling programs and other solid waste activities.

**Unincorporated Area Waste Collection Fund** - To account for solid waste services provided to the unincorporated areas of the County.

### INTERNAL SERVICE FUNDS

**Self-Insurance Fund** - To provide coverage against workers' compensation claims, public liability, medical malpractice and accidents involving County-owned motor vehicles.

**Fleet Services Fund** - To account for and consolidate vehicle management services to Governmental Fund Types and all Enterprise Funds.

**Print Shop Fund** - To account for printing services provided to other County offices.



# NONMAJOR ENTERPRISE FUNDS

## Combining Statement of Net Assets

September 30, 2008  
(In Thousands)

	<i>Solid Waste</i>	<i>Unincorporated Area Waste Collection</i>	<i>Total</i>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$4,674	\$6,341	\$11,015
Receivables (Net):			
Accounts	76	30	106
Total Current Assets	4,750	6,371	11,121
Noncurrent Assets:			
Restricted Assets			
Investments	2,338		2,338
Capital Assets:			
Land	1,620		1,620
Buildings (Net)	19		19
Improvements (Net)	443		443
Equipment (Net)	30	19	49
Total Noncurrent Assets	4,450	19	4,469
Total Assets	9,200	6,390	15,590
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	408	65	473
Accrued Liabilities	48	30	78
Total Current Liabilities	456	95	551
Noncurrent Liabilities:			
Liabilities Payable from Restricted Assets	305		305
Other Long-Term Liabilities	1,863	26	1,889
Total Noncurrent Liabilities	2,168	26	2,194
Total Liabilities	2,624	121	2,745
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	2,112	19	2,131
Restricted:			
Landfill Closure	2,338		2,338
Unrestricted	2,126	6,250	8,376
Total Net Assets	\$6,576	\$6,269	\$12,845

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**NONMAJOR ENTERPRISE FUNDS**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Solid Waste</i>	<i>Unincorporated Area Waste Collection</i>	<i>Total</i>
Operating Revenues:			
Recycling	\$ 97	\$ 42	\$ 139
Assessments		1,069	1,069
Miscellaneous	1,300	827	2,127
Total Operating Revenues	1,397	1,938	3,335
Operating Expenses:			
Personal Services	658	427	1,085
General Operating	1,447	1,529	2,976
Depreciation	66	11	77
Total Operating Expenses	2,171	1,967	4,138
Operating Loss	(774)	(29)	(803)
Non-Operating Revenues :			
Interest Income	250	309	559
Other	27		27
Total Non-Operating Revenues	277	309	586
Income (Loss) Before Transfers	(497)	280	(217)
Transfers In	933		933
Transfers Out	(252)		(252)
Change in Net Assets	184	280	464
Total Net Assets, October 1	6,392	5,989	12,381
<b>Total Net Assets, September 30</b>	<b>\$ 6,576</b>	<b>\$6,269</b>	<b>\$12,845</b>

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# NONMAJOR ENTERPRISE FUNDS

## Combining Statement of Cash Flows for the fiscal year ended September 30, 2008 (In Thousands)

	<i>Solid Waste</i>	<i>Unincorporated Area Waste Collection</i>	<i>Total</i>
Cash Flows from Operating Activities:			
Cash Received from Customers	\$1,383	\$2,047	\$3,430
Cash Payments to Suppliers for Goods and Services	(1,502)	(1,506)	(3,008)
Cash Payments to Employees for Services	(715)	(421)	(1,136)
Other Cash Received	27		27
Other Cash Paid		(849)	(849)
Net Cash Used for Operating Activities	(807)	(729)	(1,536)
Cash Flows from Noncapital Financing Activities:			
Transfers In	933		933
Transfers Out	(252)		(252)
Net Cash Provided by Noncapital Financing Activities	681		681
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(6)	(1)	(7)
Net Cash Used for Capital and Related Financing Activities	(6)	(1)	(7)
Cash Flows from Investing Activities:			
Purchase of Investment Securities	(13,133)		(13,133)
Proceeds from Sales and Maturities of Investment Securities	10,795		10,795
Interest and Dividends on Investments	250	309	559
Net Cash Provided by (Used for) Investing Activities	(2,088)	309	(1,779)
Net Decrease in Cash and Cash Equivalents	(2,220)	(421)	(2,641)
Cash and Cash Equivalents, October 1	6,894	6,762	13,656
Cash and Cash Equivalents, September 30	\$4,674	\$6,341	\$11,015
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</b>			
Operating Loss	\$(774)	\$(29)	\$(803)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Depreciation Expense	66	11	77
Miscellaneous Non-Operating Revenue	27		27
Decrease (Increase) in Assets:			
Accounts Receivable (Net)	(13)	109	96
Increase (Decrease) in Liabilities:			
Accounts Payable	191	23	214
Accrued Liabilities	(58)	6	(52)
Due to Other County Funds		(849)	(849)
Provision for Landfill Closure	(246)		(246)
Total Adjustments	(33)	(700)	(733)
Net Cash Used For Operating Activities	\$(807)	\$(729)	\$(1,536)
<b>Noncash Investing, Capital and Financing Activities:</b>			
Change in Fair Value of Investments	\$4		\$4

# INTERNAL SERVICE FUNDS

## Combining Statement of Net Assets

September 30, 2008

(In Thousands)

	<i>Self - Insurance</i>	<i>Fleet Services</i>	<i>Print Shop</i>	<i>Total</i>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 10,009	\$ 435	\$1,038	\$ 11,482
Investments	81,192			81,192
Receivables (Net):				
Accounts	10			10
Due from Other County Funds	2,809	107	5	2,921
Due from Other Governments	53	194	12	259
Inventory		664	28	692
Other Current Assets	9,134			9,134
Total Current Assets	103,207	1,400	1,083	105,690
Noncurrent Assets:				
Capital Assets:				
Equipment (Net)	100	2,802	257	3,159
Total Noncurrent Assets	100	2,802	257	3,159
Total Assets	103,307	4,202	1,340	108,849
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	781	532	10	1,323
Accrued Liabilities	333	374	28	735
Estimated Liability for Insurance Claims	28,945			28,945
Total Current Liabilities	30,059	906	38	31,003
Noncurrent Liabilities:				
Estimated Liability for Insurance Claims	55,559			55,559
Other Long-Term Liabilities	221	461	25	707
Total Noncurrent Liabilities	55,780	461	25	56,266
Total Liabilities	85,839	1,367	63	87,269
<b>NET ASSETS</b>				
Invested in Capital Assets,				
Net of Related Debt	100	2,802	257	3,159
Unrestricted	17,368	33	1,020	18,421
Total Net Assets	\$ 17,468	\$2,835	\$1,277	\$ 21,580

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**INTERNAL SERVICE FUNDS**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Self - Insurance</i>	<i>Fleet Services</i>	<i>Print Shop</i>	<i>Total</i>
Operating Revenues:				
Charges for Services	\$106,579	\$12,494	\$ 787	\$119,860
Operating Expenses:				
Personal Services	3,860	4,279	335	8,474
General Operating	103,595	7,724	308	111,627
Depreciation	33	1,301	32	1,366
Total Operating Expenses	107,488	13,304	675	121,467
Operating Income (Loss)	(909)	(810)	112	(1,607)
Non-Operating Revenues:				
Interest Income	3,388		46	3,434
Gain on Sale of Assets		67		67
Other	980	38		1,018
Total Non-Operating Revenues	4,368	105	46	4,519
Change in Net Assets	3,459	(705)	158	2,912
Total Net Assets, October 1	14,009	3,540	1,119	18,668
<b>Total Net Assets, September 30</b>	<b>\$ 17,468</b>	<b>\$ 2,835</b>	<b>\$1,277</b>	<b>\$ 21,580</b>

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# INTERNAL SERVICE FUNDS

## Combining Statement of Cash Flows

for the fiscal year ended September 30, 2008

(In Thousands)

	<i>Self-Insurance</i>	<i>Fleet Services</i>	<i>Print Shop</i>	<i>Total</i>
Cash Flows From Operating Activities:				
Cash Received from Customers		\$12,695	\$800	\$13,495
Cash Received for Premiums	\$104,980			104,980
Cash Payments to Suppliers for Goods and Services	(67,788)	(7,772)	(301)	(75,861)
Cash Payments to Employees for Services	(3,733)	(4,324)	(332)	(8,389)
Cash Payments for Claims	(26,114)			(26,114)
Other Cash Received	285	38		323
Net Cash Provided by Operating Activities	7,630	637	167	8,434
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(42)	(278)	(219)	(539)
Proceeds from Sale of Capital Assets		76		76
Net Cash Used for Capital and Related Financing Activities	(42)	(202)	(219)	(463)
Cash Flows from Investing Activities:				
Purchase of Investment Securities	(194,297)			(194,297)
Proceeds from Sale and Maturities of Investment Securities	174,239			174,239
Interest and Dividends on Investments	3,388		46	3,434
Net Cash Provided by (Used for) Investing Activities	(16,670)		46	(16,624)
Net Increase (Decrease) in Cash and Cash Equivalents	(9,082)	435	(6)	(8,653)
Cash and Cash Equivalents, October 1	19,091		1,044	20,135
<b>Cash and Cash Equivalents, September 30</b>	<b>\$10,009</b>	<b>\$435</b>	<b>\$1,038</b>	<b>\$11,482</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>				
Operating Income (Loss)	\$(909)	\$(810)	\$112	\$(1,607)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	33	1,301	32	1,366
Miscellaneous Non-Operating Revenue	698	38		736
Decrease (Increase) in Assets:				
Accounts Receivable	(1)	3		2
Due from Other County Funds	(2,309)	13	(4)	(2,300)
Due from Other Governments	(53)	185	16	148
Inventory		(31)	(2)	(33)
Other Currents Assets	1,803			1,803
Increase (Decrease) in Liabilities:				
Accounts Payable	(56)	196	10	150
Accrued Liabilities	(286)	(45)	3	(328)
Due to Other County Funds		(213)		(213)
Estimated Liability for Insurance Claims	8,710			8,710
Total Adjustments	8,539	1,447	55	10,041
<b>Net Cash Provided by Operating Activities</b>	<b>\$7,630</b>	<b>\$637</b>	<b>\$167</b>	<b>\$8,434</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>				
<b>Change in Fair Value of Investments</b>	<b>\$195</b>			<b>\$195</b>

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## FIDUCIARY FUNDS

### Agency Funds

**Revenue Collection Fund** - To account for the collection and distribution of taxes and licenses for the County and other taxing bodies.

**Other Agency Fund** - To account for funds received and disbursed by Court Trustees, Hunting and Fishing Licenses, School Impact, Recording, Tax Certificates, Tags and Other Licenses and Building Permit Surcharges.

**Sheriff Agency Fund** - To account for funds received and disbursed by the Sheriff's Office in a fiduciary capacity.

## FIDUCIARY FUNDS

### Combining Statement of Fiduciary Assets and Liabilities - Agency Funds

September 30, 2008

(In Thousands)

	<i>Revenue, Collection</i>	<i>Other Agency</i>	<i>Sheriff Agency</i>	<i>Total</i>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,949	\$8,985	\$ 275	\$ 14,209
Investments	22,691			22,691
Accounts Receivable (Net)	10		1,526	1,536
Delinquent Taxes Receivable (Net)	104,984			104,984
Due from Other Governments		38	5,410	5,448
<b>Total Assets</b>	<b>\$132,634</b>	<b>\$9,023</b>	<b>\$7,211</b>	<b>\$148,868</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 89	\$ 1		\$ 90
Due to Other Governments	7,255	1,720	\$ 758	9,733
Due to Individuals			6,346	6,346
Escrow Deposits	125,290	7,302	107	132,699
<b>Total Liabilities</b>	<b>\$132,634</b>	<b>\$9,023</b>	<b>\$7,211</b>	<b>\$148,868</b>



# FIDUCIARY FUNDS

## Combining Statement of Changes in Assets and Liabilities - Agency Funds

September 30, 2008

(In Thousands)

	<i>Balance October 1, 2007</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance September 30, 2008</i>
<b><u>REVENUE COLLECTION</u></b>				
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 4,264	\$ 4,411,648	\$4,410,963	\$ 4,949
Investments	15,238	7,453		22,691
Accounts Receivable (Net)	11	295	296	10
Delinquent Taxes Receivable (Net)	96,888	8,096		104,984
<b>Total Assets</b>	<b>\$116,401</b>	<b>\$ 4,427,492</b>	<b>4,411,259</b>	<b>\$132,634</b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 5	\$ 2,209,728	\$ 2,209,644	\$ 89
Due to Other Governments	2,154	4,877,283	4,872,182	7,255
Escrow Deposits	114,242	5,787,801	5,776,753	125,290
<b>Total Liabilities</b>	<b>\$116,401</b>	<b>\$12,874,812</b>	<b>\$12,858,579</b>	<b>\$132,634</b>
<b><u>OTHER AGENCY</u></b>				
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 13,586	\$ 754,855	\$ 759,456	\$ 8,985
Due from Other Governments	37	113	112	38
<b>Total Assets</b>	<b>\$ 13,623</b>	<b>\$ 754,968</b>	<b>\$ 759,568</b>	<b>\$ 9,023</b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 1	\$ 932	\$ 932	\$ 1
Due to Other Governments	5,476	216,784	220,540	1,720
Escrow Deposits	8,146	304,377	305,221	7,302
<b>Total Liabilities</b>	<b>\$ 13,623</b>	<b>\$ 522,093</b>	<b>\$ 526,693</b>	<b>\$ 9,023</b>
<b><u>SHERIFF AGENCY</u></b>				
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents		\$249,353	\$249,078	\$ 275
Accounts Receivable (Net)	\$ 2,240	11,590	12,304	1,526
Due from Other Governments	6,754	207,604	208,948	5,410
<b>Total Assets</b>	<b>\$ 8,994</b>	<b>\$468,547</b>	<b>\$470,330</b>	<b>\$ 7,211</b>
<b><u>LIABILITIES</u></b>				
Due to Other Governments	\$ 804	\$ 882	\$ 928	\$ 758
Due to Individuals	7,958	4,471	6,083	6,346
Escrow Deposits	232		125	107
<b>Total Liabilities</b>	<b>\$ 8,994</b>	<b>\$ 5,353</b>	<b>\$ 7,136</b>	<b>\$ 7,211</b>

*continued*

## FIDUCIARY FUNDS

### Combining Statement of Changes in Assets and Liabilities - Agency Funds, continued

September 30, 2008  
(In Thousands)

	<i>Balance October 1, 2007</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance September 30, 2008</i>
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 17,850	\$ 5,415,858	\$5,419,497	\$ 14,209
Investments	15,238	7,453		22,691
Accounts Receivable (Net)	2,251	11,885	12,600	1,536
Delinquent Taxes Receivable (Net)	96,888	8,096		104,984
Due from Other Governments	6,791	207,717	209,060	5,448
<b>Total Assets</b>	<b>\$139,018</b>	<b>\$ 5,651,007</b>	<b>\$5,641,157</b>	<b>\$148,868</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 6	\$ 2,210,660	\$ 2,210,576	\$ 90
Due to Other Governments	8,434	5,094,949	5,093,650	9,733
Due to Individuals	7,958	4,471	6,083	6,346
Escrow Deposits	122,620	6,092,178	6,082,099	132,699
<b>Total Liabilities</b>	<b>\$139,018</b>	<b>\$13,402,258</b>	<b>\$13,392,408</b>	<b>\$148,868</b>

## SUPPLEMENTAL FINANCIAL SCHEDULES

### **Water and Wastewater**

Schedule of Net Revenue and Debt Coverage Calculation.

### **Aviation**

Schedule of Deposits to and Withdrawals from Special Funds and Accounts Created by Bond Resolutions.

Schedule of Bonds Issued, Paid, Purchased, Redeemed, cancelled and Defeased.

Schedule of Revenues and Current Expenses and Calculation of Debt Coverage in Accordance with Bond Resolution 704(a).

Schedule of Lien Bond Sufficiency Test

### **Port Everglades**

Schedule of Revenues, Expenses and Debt Service Coverage

### **Professional Sports Facilities Bonds and First Florida Loan Agreements**

Annual Disclosure Information and Debt Service Capacity Calculation.

# WATER AND WASTEWATER FUND

## Schedule of Net Revenue and Debt Coverage Calculation

for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Net Revenue Calculation</i>
<b>Revenue:</b>	
Water	\$37,388
Wastewater	55,291
Other (1)	3,482
Interest Income	1,507
<b>Total Revenue</b>	<b>\$97,668</b>
<b>Current Expenses:</b>	
Water Transmission and Distribution	8,159
Water Source of Supply, Treatment and Pumping	9,196
Wastewater Collection and Transmission	11,317
Wastewater Treatment	14,822
Customer Service	3,774
Administrative and General	15,305
<b>Total Current Expenses (2)</b>	<b>\$62,573</b>

	<i>Actual Coverage</i>	<i>Coverage Required</i>
Net Revenue Available for Principal and Interest Requirements	\$35,095	
Principal and Interest Requirements on Series 1988 Bonds	\$2,380	
Principal and Interest Requirements on Series 2003 A Bonds	\$5,063	
Principal and Interest Requirements on Series 2003 B Bonds	\$8,393	
Principal and Interest Requirements on Series 2005 Bonds	\$3,837	
Coverage of Debt Service by Net Revenue	\$19,673	1.78
Balance Available for Renewal, Replacement and Capital Expenditures	\$15,422	1.20

- (1) Includes gross amounts of non-operating revenues allowable  
(2) Expenses which can be charged directly as part of the cost of the product or service

**AVIATION FUND**  
**Schedule of Deposits to and Withdrawals from**  
**Special Funds and Accounts Created by Bond Resolutions**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Balances October 1, 2007</i>	<i>Deposits</i>	<i>Withdrawals</i>	<i>Balances September 30, 2008</i>
Revenue-Operating	\$30,677	\$209,654	\$201,121	\$39,210
Renewal and Replacement	26,138	16,732	12,751	30,119
Improvements	3,101	563	705	2,959
Facilities Improvements	17,644	9,900	11,455	16,089
Discretionary	13,296	864	3,200	10,960
Airline Fees and Charges	20,320	22,140	20,320	22,140
Restricted Sub-Account	1,441	919	960	1,400
Passenger Facilities Charges	100,704	52,798	24,233	129,269
Bond Reserves	52,262	1,761	5,962	48,412
Series E & F Principal and Interest	3,231	4,941	5,108	3,064
Series G & H Principal and Interest	11,496	11,722	13,349	9,869
Series I & J Principal and Interest	16,798	23,986	24,879	15,905
Series K Principal and Interest	18,458	17,236	17,905	17,789
Series L Principal and Interest	7,822	10,177	10,468	7,531
Series M1/M2 Principal and Interest	450	6,547	5,068	1,929
Construction Funds	175,586	46,184	63,841	157,946

Note: All ending balances include accrued interest.

**AVIATION FUND**  
**Schedule of Bonds Issued, Paid, Purchased,**  
**Redeemed, Cancelled and Defeased**  
for the fiscal year ended September 30, 2008  
(In Thousands)

	<i>Total</i>
Balance Outstanding at September 30, 2007	\$833,725
Bonds Issued	103,975
Bonds Defeased	101,950
Bonds Paid	33,950
Balance Outstanding at September 30, 2008	\$801,800

## AVIATION FUND

### Schedule of Revenues and Current Expenses and Calculation of Debt Coverage in Accordance with Bond Resolution Section 704 (a)

for the fiscal year ended September 30, 2008  
(In Thousands)

Revenues	\$187,280
Current Expenses	123,265
Net Revenues	64,015
Carryover Amount Available from Airline Fees and Charges Sub-Account	20,320
<b>Amount Available for Debt Services</b>	<b>\$84,335</b>
Debt Service:	
Deposit to Principal Account	\$32,015
Deposit to Interest Account	35,218
Transfer from Passenger Facility Charge Capital Improvement Fund	(1,573)
<b>Total Debt Service</b>	<b>\$65,660</b>
<b>Debt Service Coverage by Account Available for Debt Service</b>	<b>128%</b>
<b>Required Debt Service Coverage</b>	<b>125%</b>

## AVIATION FUND

### Schedule of Lien Bond Sufficiency Test

for the fiscal year ended September 30, 2008  
(In Thousands)

Existing Passenger Facility Charge Authority	\$451,943
Amount Spent on Pay-As-You-Go Projects	10,572
Series 1998H Convertible Lien Bond Debt Service	9,124
Series 2001I Convertible Lien Bond Debt Service	2,969
Series 2004M Airport System Revenue Bonds	1,568
Total for the Current Year	24,233
Total for Previous Years	232,685
Total Spent and Committed to Date	256,918
<b>Total Available</b>	<b>\$195,025</b>
<b>Projected Aggregate Principal and Interest Requirement</b>	<b>\$ 48,373</b>
<b>Sufficiency Test</b>	<b>403%</b>
<b>Sufficiency Covenant Requirement</b>	<b>105%</b>

# PORT EVERGLADES FUND

## Schedule of Revenues, Expenses and Debt Service Coverage for the fiscal year ended September 30, 2008 (In Thousands)

Operating Revenues:	
Petroleum	\$ 23,620
Container	33,867
Cruise	31,489
Bulk	1,599
Breakbulk/Neobulk	1,670
Real Estate	11,878
Other	13,318
Subtotal	117,441
Non-Operating-Investment	6,891
<b>Total Revenues</b>	<b>\$124,332</b>
Operating Expenses	\$ 73,094
Non-Operating Expenses	4,028
<b>Total Expenses</b>	<b>\$ 77,122</b>
<b>Net Income Available for Debt Service-     Senior Lien Bonds and Subordinate Bonds</b>	<b>\$ 47,210</b>

		<i>Actual Coverage</i>	<i>Required Coverage</i>
Debt Service Requirements - Senior Lien Bonds	\$ 21,803	2.17	1.25
Debt Service Requirements - Senior Lien Bonds	\$ 21,803		
Principal and interest on Subordinate Bonds	3,347		
Debt Service Requirements - Senior Lien Bonds	\$ 25,150	1.88	1.10

## PROFESSIONAL SPORTS FACILITIES BONDS AND FIRST FLORIDA LOAN AGREEMENTS

### Annual Disclosure Information and Debt Service Capacity Calculation for Covenant to Budget and Appropriate Debt Associated with the Broward County Professional Sports Facilities Tax and Revenue Bonds, Series 2006 A&B and Loan Agreements between the County and the First Florida Governmental Financing Commission

for the fiscal year ended September 30, 2008  
(Dollars In Thousands)

#### Revenues Pledged for Repayment of the 2006 Professional Sports Facilities Bonds:

Professional Sports Franchise Facilities Tax Revenue	\$ 17,109
Professional Sports Franchise State Sales Tax Rebate Receipts	2,000
County Preferred Revenue Allocation Receipts	3,927
Total of Pledged Revenues	\$ 23,036
Fiscal Year 2008 Debt Service	13,927
Debt Service Coverage	1.65

#### Net Available Non-Ad Valorem Revenues for the Fiscal Year Ending September 30, 2008:

License and Permit Fees	\$ 18,483
State Revenue Sharing	38,134
Licenses (State Revenue)	612
Local Government Half Cent Sales Tax	50,827
Utility Services Taxes and Fire Rescue Tax	10,668
Fine and Forfeitures	4,249
Interest Earnings	20,988
Charges for Services	330,037
Miscellaneous Revenue	22,772
Non-Revenue Sources/Fund Balance	275,913
Federal/State Grants	90,525
Special Assessments	2,315
Total Gross Non-Ad Valorem Revenues	865,523
Less: Operations Costs to the extent not paid by Ad Valorem Taxes	(632,543)
<b>Total Net Available Non-Ad Valorem Revenues</b>	<b>\$ 232,980</b>

#### Total Outstanding Debt Secured by and Payable from Non-Ad Valorem Revenues for the Fiscal Year Ending September 30, 2008:

*2006 Professional Sports Facilities Bonds	\$ 170,060
2007 First Florida	6,680
2006 First Florida	5,100
2005 First Florida	7,225
2002 First Florida	9,495
2001 First Florida	1,200
2000 First Florida, Series B	290
1999 First Florida	13,410
Commercial Paper	2,624
<b>Total Non-Ad Valorem General Revenue Debt Outstanding</b>	<b>\$ 216,084</b>

(Continued)



## PROFESSIONAL SPORTS FACILITIES BONDS AND FIRST FLORIDA LOAN AGREEMENTS

*continued*

<b>Debt Service Capacity:</b>	<b>Maximum Annual Debt Service</b>	<b>Coverage Ratio</b>	<b>Coverage Required</b>
2007 First Florida	\$ 934	2.0	\$ 1,868
2006 First Florida	413	2.0	826
2005 First Florida	624	2.0	1,248
2002 First Florida	4,689	2.0	9,378
2001 First Florida	1,498	2.0	2,996
2000 First Florida, Series B	163	2.0	326
1999 First Florida	1,592	2.0	3,184
Commercial Paper	2,624	1.0	2,624
<b>Total Debt Service Capacity</b>			<b>\$22,450</b>
<hr/>			
Total Net Available Non-Ad Valorem Revenues	\$232,980		
Less Current Coverage Requirements	22,450		
Subtotal	210,530		
Less Coverage Factor (2.0 x Debt Service)	105,265		
<b>Total Remaining Debt Service Capacity</b>	<b>\$105,265</b>		

\* The 2006 Professional Sports Facilities Bonds are primarily secured by the three revenue sources listed at the beginning of this schedule. Because non-ad valorem revenues represent a secondary source of repayment for the 2006 Professional Sports Facilities Bonds, debt service for these bonds is not included in the debt service capacity calculations. Non-ad valorem revenues were not used as a source of repayment for those bonds in fiscal year 2008 and are not anticipated to be used as a source of repayment in fiscal year 2009.

# Statistical Section

The statistical section of Broward County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information say about the County's overall financial health.

Contents	Page
<b>Financial Trends .....</b>	<b>115</b>
These schedules contain trend information to help understand how the County's financial performance and well-being have changed over time.	
<b>Revenue Capacity.....</b>	<b>119</b>
These schedules contain information to help assess the County's most significant revenue source, property taxes.	
<b>Debt Capacity .....</b>	<b>122</b>
These schedules contain information to help assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
<b>Demographic and Economic Information.....</b>	<b>125</b>
These schedules offer demographic and economic indicators to help understand the environment in which the County's financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information.....</b>	<b>126</b>
These schedules contain information about the County's operations and resources to help understand how the County's financial information relates to the services the County provides and activities it performs.	
<b>Miscellaneous .....</b>	<b>129</b>
These schedules contain supplemental data and statistics to the financial statements.	

## NET ASSETS BY COMPONENT - Table I

Last Seven Fiscal Years  
(Accrual Basis of Accounting)  
(In Thousands)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Governmental Activities:							
Invested in Capital Assets, Net of Related Debt	\$714,804	\$844,166	\$975,173	\$1,257,376	\$1,348,507	\$1,469,543	\$1,626,074
Restricted	138,827	143,158	389,727	229,139	280,952	311,784	329,122
Unrestricted	570,618	575,987	381,009	441,207	539,077	629,714	600,326
Total Governmental Activities Net Assets	\$1,424,249	\$1,563,311	\$1,745,909	\$1,927,722	\$2,168,536	\$2,411,041	\$2,555,522
Business-Type Activities:							
Invested in Capital Assets, Net of Related Debt	\$1,097,841	\$1,093,035	\$1,089,160	\$1,082,703	\$1,137,650	\$1,196,335	\$1,257,411
Restricted	189,630	231,744	237,621	300,643	306,498	308,084	327,498
Unrestricted	193,370	237,169	237,784	253,933	262,351	279,078	293,937
Total Business-Type Activities Net Assets	\$1,480,841	\$1,561,948	\$1,564,565	\$1,637,279	\$1,706,499	\$1,783,497	\$1,878,846
Primary Government:							
Invested in Capital Assets, Net of Related Debt	\$1,812,645	\$1,937,201	\$2,064,333	\$2,340,079	\$2,486,157	\$2,665,878	\$2,883,485
Restricted	328,457	374,902	627,348	529,782	587,450	619,868	656,620
Unrestricted	763,988	813,156	618,793	695,140	801,428	908,792	894,263
Total Primary Government Net Assets	\$2,905,090	\$3,125,259	\$3,310,474	\$3,565,001	\$3,875,035	\$4,194,538	\$4,434,368

Note: Accrual basis financial information for the County as a whole is available only since fiscal year 2002, the year GASB Statement No. 34 was implemented.

## CHANGES IN NET ASSETS - Table 2

Last Seven Fiscal Years  
(Accrual Basis of Accounting)  
(In Thousands)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>Expenses</b>							
Governmental Activities:							
General Government	\$147,147	\$193,343	\$189,576	\$189,980	\$227,610	\$213,782	\$233,278
Public Safety	71,651	83,043	19,445	14,578	17,943	23,506	26,393
Transportation	41,275	43,141	159,561	155,348	175,184	193,522	202,038
Human Services	106,595	120,149	125,852	134,983	138,432	144,588	142,459
Culture and Recreation	128,532	137,466	167,556	169,841	185,339	205,504	194,975
Physical Environment	22,177	23,529	23,857	32,757	62,992	29,720	35,512
Economic Environment	21,899	21,749	15,703	18,992	23,705	37,612	26,947
Sheriff	424,500	425,696	569,364	615,598	654,661	694,110	723,688
Clerk of the Courts	32,680	35,221	41,134				
Property Appraiser	11,292	14,747	12,140	13,692	17,488	19,780	19,953
Supervisor of Elections	7,070	6,487	12,902	15,260	15,266	13,304	16,861
Interest on Long-Term Debt	44,224	41,679	38,683	45,560	42,735	45,911	36,921
Total Governmental Activities Expenses	1,059,042	1,146,250	1,375,773	1,406,589	1,561,355	1,621,339	1,659,025
Business-Type Activities:							
Aviation	106,532	116,567	126,251	163,298	185,703	203,982	200,156
Port Everglades	83,527	87,517	95,626	101,645	107,185	109,847	110,922
Water and Wastewater	65,487	83,981	83,082	91,785	100,752	101,953	107,256
Resource Recovery System	84,940	86,437	103,022	108,979	115,675	115,057	113,084
Mass Transit	94,336	106,412					
Other	11,423	9,835	8,636	7,849	5,387	3,974	4,111
Total Business-Type Activities Expenses	446,245	490,749	416,617	473,556	514,702	534,813	535,529
Total Primary Government Expenses	\$1,505,287	\$1,636,999	\$1,792,390	\$1,880,145	\$2,076,057	\$2,156,152	\$2,194,554

(continued)

## CHANGES IN NET ASSETS - Table 2, *Continued*

Last Seven Fiscal Years  
(Accrual Basis of Accounting)  
(In Thousands)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>Program Revenues</b>							
Governmental Activities:							
Charges for Services:							
Sheriff	\$117,763	\$124,103	\$180,448	\$211,316	\$231,986	\$249,778	\$256,344
General Government	64,831	72,134	67,056	76,378	74,553	71,552	59,432
Transportation	7,961	7,915	26,619	28,631	32,193	38,939	35,074
Culture and Recreation	21,559	22,223	21,988	23,788	19,115	27,306	24,719
Clerk of the Courts	20,067	21,263	31,671				
Other	68,511	68,865	30,117	36,138	34,486	38,621	32,452
Operating Grants and Contributions	81,364	85,293	97,032	102,035	148,503	119,114	121,975
Capital Grants and Contributions	12,733	29,652	25,472	28,081	28,760	15,960	42,845
Total Governmental Activities Program Revenues	394,789	431,448	480,403	506,367	569,596	561,270	572,841
Business-Type Activities:							
Charges for Services:							
Aviation	121,891	130,375	144,026	174,760	202,301	216,857	235,747
Port Everglades	88,916	89,386	112,477	105,858	107,578	112,500	117,441
Water and Wastewater	76,289	77,788	82,322	86,881	90,545	91,142	95,768
Resource Recovery System	96,606	101,583	111,882	113,551	124,201	119,324	114,470
Mass Transit	17,485	18,397					
Other	11,546	9,690	8,953	7,376	3,823	3,444	3,335
Operating Grants and Contributions	26,102	22,491	1,259	1,552	1,378	1,652	1,686
Capital Grants and Contributions	56,350	50,205	31,703	35,382	16,068	20,919	30,985
Total Business-Type Activities Program Revenues	495,185	499,915	492,622	525,360	545,894	565,838	599,432
Total Primary Government Program Revenues	\$889,974	\$931,363	\$973,025	\$1,031,727	\$1,115,490	\$1,127,108	\$1,172,273
<b>Net (Expense) Revenue</b>							
Governmental Activities	\$(664,253)	\$(714,802)	\$(895,370)	\$(900,222)	\$(991,759)	\$(1,060,069)	\$(1,086,184)
Business-Type Activities	48,940	9,166	76,005	51,804	31,192	31,025	63,903
Total Primary Government Net Expense	\$(615,313)	\$(705,636)	\$(819,365)	\$(848,418)	\$(960,567)	\$(1,029,044)	\$(1,022,281)
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental Activities:							
Taxes:							
Property Taxes	\$590,595	\$662,098	\$715,163	\$786,060	\$869,511	\$926,865	\$900,243
Gas Taxes	84,333	85,897	87,434	92,643	88,686	87,738	85,563
One-Half Cent Sales Tax	64,294	66,314	66,776	70,610	74,074	70,304	66,147
Other Taxes	73,494	76,873	81,266	85,809	85,488	88,264	91,575
Interest Income	25,709	17,222	15,541	30,690	67,048	90,929	65,085
Miscellaneous	15,033	7,115	29,051	23,773	47,854	38,562	22,140
Transfers	(48,093)	(61,655)	(88)	(88)	(88)	(88)	(88)
Total Governmental Activities	805,365	853,864	995,143	1,089,497	1,232,573	1,302,574	1,230,665
Business-Type Activities:							
Interest Income	17,162	10,286	9,349	20,822	37,940	45,885	31,358
Transfers	48,093	61,655	88	88	88	88	88
Special Item	(27,142)						
Total Business-Type Activities	38,113	71,941	9,437	20,910	38,028	45,973	31,446
Total Primary Government	\$843,478	\$925,805	\$1,004,580	\$1,110,407	\$1,270,601	\$1,348,547	\$1,262,111
<b>Change in Net Assets</b>							
Governmental Activities	\$141,112	\$139,062	\$99,773	\$189,275	\$240,814	\$242,505	\$144,481
Business-Type Activities	87,053	81,107	85,442	72,714	69,220	76,998	95,349
Total Primary Government	\$228,165	\$220,169	\$185,215	\$261,989	\$310,034	\$319,503	\$239,830

Note: Accrual basis financial information for the County as a whole is available only since fiscal year 2002, the year GASB Statement No. 34 was implemented.

## FUND BALANCES OF GOVERNMENTAL FUNDS - Table 3

Last Seven Fiscal Years  
(Modified Accrual Basis of Accounting)  
(In Thousands)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
General Fund							
Reserved	\$5,784	\$6,051	\$8,212	\$ 9,353	\$47,872	\$8,853	\$58,137
Unreserved	175,746	161,750	164,783	223,729	230,286	222,180	232,980
Total General Fund	\$181,530	\$167,801	\$172,995	\$233,082	\$278,158	\$281,033	\$291,117
All Other Governmental Funds							
Reserved	\$127,121	\$141,948	\$194,121	\$218,858	\$164,705	\$178,033	\$176,729
Unreserved, reported in:							
Special Revenue Funds	67,747	61,768	74,093	69,927	74,083	72,311	80,731
Capital Project Funds	381,767	428,025	431,044	562,197	684,090	729,164	683,315
Total All Other Governmental Funds	\$576,635	\$631,741	\$699,258	\$850,982	\$922,878	\$979,508	\$940,775

Note: Due to changes in the County's fund structure connected with the implementation of GASB Statement No. 34, information is only available since fiscal year 2002.

# CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS - Table 4

Last Seven Fiscal Years  
(Modified Accrual Basis of Accounting)  
(In Thousands)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>							
Taxes	\$674,122	\$746,551	\$799,124	\$865,004	\$949,095	\$1,002,800	\$972,589
Special Assessment/Impact Fees	18,314	13,955	14,273	11,886	10,593	15,069	8,887
Licenses and Permits	16,438	18,344	18,399	18,942	23,558	22,992	19,248
Federal Grants	40,791	48,987	81,785	64,046	135,766	77,083	122,466
State Revenues	189,893	209,689	194,017	230,122	210,094	226,938	212,502
Charges for Services	235,095	251,724	299,247	312,587	332,284	358,799	348,322
Fines and Forfeitures	15,966	17,529	14,379	12,108	12,905	10,703	15,814
Interest Income	22,966	16,283	14,943	29,794	64,875	87,196	61,651
Miscellaneous	31,919	23,120	21,637	40,077	59,987	56,143	38,514
Total Revenues	1,245,504	1,346,182	1,457,804	1,584,566	1,799,157	1,857,723	1,799,993
<b>Expenditures</b>							
General Government	178,964	194,754	217,652	179,292	214,602	228,657	237,310
Public Safety	464,254	498,082	555,312	601,030	652,329	691,119	707,476
Transportation	25,010	26,991	126,027	130,324	144,937	157,067	169,818
Human Services	105,752	119,901	123,800	132,222	136,641	144,426	140,623
Culture and Recreation	106,853	110,244	116,793	127,036	153,421	148,268	149,198
Physical Environment	20,965	19,585	20,952	24,391	55,073	23,586	19,216
Economic Environment	21,940	21,760	16,203	18,438	20,512	33,541	26,526
Capital Outlay	212,738	214,268	227,372	213,417	198,356	242,982	272,979
Debt Service:							
Principal	89,762	56,181	87,856	57,115	59,868	81,510	69,500
Interest and Fiscal Charges	41,491	43,080	39,735	46,578	45,271	43,397	40,144
Bond and Loan Issuance Costs	1,487	36	4,109	1,089	1,890	1,469	16
Total Expenditures	1,269,216	1,304,882	1,535,811	1,530,932	1,682,900	1,796,022	1,832,806
Excess of Revenues Over (Under) Expenditures	(23,712)	41,300	(78,007)	53,634	116,257	61,701	(32,813)
<b>Other Financing Sources (Uses)</b>							
Refunding Loans and Bonds Issued	170,898	2,175	175,991		184,235	171,835	
Payment to Refunded Loan and Bond Escrow Agent	(173,052)	(4,534)	(178,148)		(176,179)	(186,062)	
Loans and Bonds Issued	70,011	64,200	146,526	154,135	5,470		
Premium on Bonds Issued				9,401	2,439	13,037	
Discount on Bonds Issued					(136)		
Swaption Termination Payment					(15,645)	1,519	
Transfers In	666,974	712,583	936,176	897,047	1,002,629	1,126,595	1,066,182
Transfers Out	(715,343)	(774,324)	(936,382)	(897,590)	(1,002,959)	(1,126,779)	(1,066,270)
Total Other Financing Sources (Uses)	19,488	100	144,163	162,993	(146)	145	(88)
Net Change in Fund Balances	\$(4,224)	\$41,400	\$66,156	\$216,627	\$116,111	\$61,846	\$(32,901)
Debt Service as a Percentage of Noncapital Expenditures	12.01%	8.86%	9.40%	7.60%	6.94%	7.81%	6.85%

Note: Due to changes in the County's fund structure connected with the implementation of GASB Statement No. 34, information is only available since fiscal year 2002.

# ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY - Table 5

Last Ten Fiscal Years  
(Dollars In Thousands)

Fiscal Year Ended Sept. 30	Real Property				Total	Personal Property	Total Assessed Value	Exemptions		Net Assessed Value	Total Direct Tax Rate(1)	Estimated Actual Value	Net Assessed Value as a Percentage of Estimated Actual Value
	Residential Property	Commercial Property	Industrial Property	Other Property				Real Property	Personal Property				
1999	\$55,708,193	\$10,037,676	\$3,322,701	\$6,888,767	\$75,957,337	\$6,850,504	\$82,807,841	\$17,136,115	\$84,963	\$65,586,763	7.5710	\$75,957,337	86.35 %
2000	58,360,268	11,846,923	3,708,293	7,271,397	81,186,881	7,197,587	88,384,468	17,981,978	108,397	70,294,093	7.5710	81,186,881	86.58
2001	62,976,211	13,022,713	4,160,036	8,068,836	88,227,796	7,600,785	95,828,581	19,836,194	110,170	75,882,217	7.5250	88,227,796	86.01
2002	70,890,848	14,527,301	4,623,766	8,917,103	98,959,018	7,765,378	106,724,396	23,394,227	108,812	83,221,357	7.4005	98,959,018	84.10
2003	83,809,792	15,984,452	5,146,783	9,596,581	114,537,608	8,030,740	122,568,348	29,752,587	123,306	92,692,455	7.3650	114,537,608	80.93
2004	100,217,685	18,973,425	5,845,196	8,809,883	133,846,189	7,802,109	141,648,298	37,867,051	96,583	103,684,664	7.1880	133,846,189	77.47
2005	115,915,180	20,865,838	6,608,021	9,856,473	153,245,512	7,736,460	160,981,972	45,489,222	107,407	115,385,343	7.0230	153,245,512	75.29
2006	141,454,575	22,631,725	7,370,441	11,369,305	182,826,046	7,945,606	190,771,652	57,736,030	115,196	132,920,426	6.7830	182,826,046	72.70
2007	180,929,375	25,815,165	8,423,169	13,997,786	229,165,495	8,133,702	237,299,197	78,843,175	83,781	158,372,241	6.0661	229,165,495	69.11
2008	200,427,164	29,366,491	8,981,128	17,485,296	256,260,079	7,983,385	264,243,464	88,247,206	104,821	175,891,437	5.2868	256,260,079	68.64

Source: Broward County Property Appraiser Assessment Roll Recapitulation

Note: The basis of assessed value is approximately one hundred percent (100%) of actual value.

(1) Per \$1,000 of assessed value

# DIRECT AND OVERLAPPING PROPERTY TAX RATES - Table 6

Last Ten Fiscal Years  
(Rate Per \$1,000 of Assessed Value)

Function	Fiscal Year Ended September 30 That Taxes Are Payable									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
County Commission	7.5710	7.5710	7.5250	7.4005	7.3650	7.1880	7.0230	6.7830	6.0661	5.2868
School Board	9.7256	9.1283	8.9553	8.7541	8.8825	8.4176	8.2695	8.0623	7.8687	7.6484
Children's Services Council				0.3055	0.3316	0.3920	0.4231	0.4231	0.4073	0.3572
South Florida Water										
Management District	0.6970	0.6970	0.6970	0.6970	0.6970	0.6970	0.6970	0.6970	0.6970	0.6240
Florida Inland Navigation District	0.0470	0.0440	0.0410	0.0385	0.0385	0.0385	0.0385	0.0385	0.0385	0.0345
Municipal Service District	2.1340	2.3510	2.3510	2.5807	2.5807	2.5807	2.5807	2.5807	2.5807	2.3353
County Fire Rescue			2.0367	2.4500	2.4500	2.4500	2.7300	2.7300	2.7300	2.5224
North Broward Hospital District	2.5000	2.4895	2.4803	2.4803	2.4803	2.5000	2.4803	2.1746	1.8317	1.6255
South Broward Hospital District	2.1132	2.0831	1.9939	1.8694	1.7336	1.7336	1.5761	1.4500	1.3300	1.1643
Hillsboro Inlet	0.1021	0.0955	0.1036	0.0951	0.1170	0.2490	0.1845	0.1845	0.1170	0.0860
Fort Lauderdale DDA	1.7885	1.7316	1.6950	1.2400	1.2444	1.2279	1.2279	1.0950	1.0950	0.9733
Pompano Beach EMS	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.4449
Municipality Rate:										
Coconut Creek	5.1432	5.3901	5.3451	5.3177	5.3107	5.2879	5.3408	5.3408	5.3408	4.3796
Cooper City	4.9570	6.2690	6.2690	6.2690	6.5990	7.0020	5.9710	5.9150	5.6030	4.9530
Coral Springs	4.1590	4.0238	4.4949	4.4906	4.3943	4.2846	4.2639	4.1225	4.0849	3.5425
Dania Beach	6.1000	6.1000	5.8300	6.1000	6.3900	6.3900	6.3900	6.5664	6.2169	5.5360
Davie	5.7589	6.0089	6.0089	5.7911	5.7442	5.6184	5.6297	5.5502	5.7420	4.8160
Deerfield Beach	6.2278	6.2278	6.2278	6.8506	6.8369	6.8301	6.7618	6.5000	6.2500	5.3500
Fort Lauderdale	5.6733	5.5664	5.5664	5.3730	5.2685	5.1970	5.7698	5.4313	5.0826	4.2482
Hallandale Beach	6.9870	6.9870	6.9870	6.7480	6.7480	6.7480	6.5456	6.2838	5.9696	5.0486
Hillsboro Beach	3.9570	4.2140	3.9600	3.6500	4.0380	3.5650	3.2358	2.8159	2.2498	2.1938
Hollywood	6.2999	6.2999	6.2999	6.8500	6.9163	6.9163	6.9163	7.0663	7.0344	5.9545
Lauderdale-By-The-Sea	3.8500	3.8500	3.8500	4.7000	4.7000	4.7000	4.7000	4.7000	4.3500	4.1012
Lauderdale Lakes	4.9500	4.9500	4.9500	4.9500	5.7924	6.5237	6.7065	7.0607	7.0607	6.0362
Lauderhill	4.8000	5.6000	5.6000	5.6000	5.8200	5.8200	6.0200	6.6510	6.6510	5.4840
Lazy Lake	2.4500	3.1000	3.1000	7.0000	6.3312	5.4400	5.3994	4.4736	3.4736	4.4736
Lighthouse Point	3.7422	3.9113	4.0224	3.8984	4.1308	3.9669	3.8860	3.8387	3.7823	3.2934
Margate	7.1002	7.0881	7.0728	7.3426	7.1680	7.0603	6.9800	6.9503	6.7214	5.6997
Miramar	6.9226	6.9226	6.9226	6.9226	6.8700	6.8700	6.7700	6.6500	6.5500	5.2975
North Lauderdale	4.6846	5.0365	5.8409	5.8409	5.8409	5.7982	6.0893	6.0211	6.7141	6.4292
Oakland Park	4.9715	5.2059	5.2126	5.9715	5.9715	5.9715	5.8868	5.8868	5.5823	4.4662
Parkland	4.1000	4.1000	4.1000	4.1000	4.1000	4.1000	4.1000	4.1000	3.9500	3.4083
Pembroke Park	6.7500	8.2500	8.2500	8.5000	8.5000	8.5000	8.5000	8.5000	8.5000	8.5000
Pembroke Pines	3.9034	3.9034	3.9034	4.4597	4.5990	4.5990	4.5990	4.9265	4.8596	4.6397
Plantation	3.5580	3.7500	3.8350	4.0000	4.0000	4.2500	4.3500	4.5889	4.5889	3.9155
Pompano Beach	5.1179	4.7811	4.6000	4.4500	4.3800	4.3000	4.2430	4.1531	3.8197	3.3624
Sea Ranch Lakes	5.5500	5.8000	6.5000	6.5000	6.5000	6.5000	6.9500	6.9500	6.9500	6.9500
Southwest Ranches			3.8933	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
Sunrise	6.3500	6.3250	6.3000	6.2750	6.2500	6.2370	6.2240	6.2100	6.1100	5.1232
Tamarac	5.4855	5.4900	6.5767	6.5434	6.4927	6.4549	6.4096	6.6029	6.3529	5.1126
West Park								6.5239	6.5239	6.5239
Weston	1.5235	1.5235	1.5235	1.5235	1.5235	1.5235	1.5235	1.5235	1.5235	1.3215
Wilton Manors	6.0330	6.6363	6.9330	6.8009	6.5789	6.5140	6.7948	6.7935	6.5000	5.1340

Source: Broward County Revenue Collection Division



## PRINCIPAL PROPERTY TAX PAYERS - Table 7

Current Year and Nine Years Ago  
(Dollars In Thousands)

Taxpayer	2008			1999		
	Taxes Levied	Rank	Percent to Aggregate Taxes Levied	Taxes Levied	Rank	Percent to Aggregate Taxes Levied
Florida Power and Light Co.	\$31,092	1	0.84 %	\$29,357	1	1.65 %
Southern Bell Telephone Co.	17,376	2	0.47	19,656	2	1.11
Sunrise Mills, LTD	8,362	3	0.22	6,349	3	0.36
Diplomat Properties LTD	6,624	4	0.18			
Northwestern Mutual Life Insurance Co.	3,359	5	0.09	2,240	10	0.13
Publix Supermarkets, Inc.	3,413	6	0.09			
Cocowalk Development, Inc.	2,982	7	0.08			
Palm Vacation Group	2,776	8	0.07			
Marriott Ownership Resorts, Inc.	2,537	9	0.07			
Pembroke Lakes Mall, LTD	2,295	10	0.06			
Arvida Corporation				4,299	4	0.24
Wheelabrator South Broward, Inc.				3,788	5	0.21
Motorola, Inc.				3,627	6	0.20
Wheelabrator North Broward, Inc.				3,591	7	0.20
County Lakes, LP				2,883	8	0.16
Keystone-Florida Property Holding Co.				2,373	9	0.13
	<b>\$80,816</b>		<b>2.17 %</b>	<b>\$78,163</b>		<b>4.39%</b>

Source: Tax roll of the County

## PROPERTY TAX LEVIES AND COLLECTIONS - Table 8

Last Ten Fiscal Years  
(Dollars In Thousands)

Fiscal Year	Taxes Levied for the Fiscal Year		Total Adjusted Levy	Property Tax Discount	Net Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	(Original Levy)	Adjustments				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
1999	\$497,130	\$3,053	\$500,183	\$16,991	\$483,192	\$478,244	98.98%	\$864	\$479,108	99.15%
2000	532,857	(5,062)	527,795	18,018	509,777	503,998	98.87	1,391	505,389	99.14
2001	570,921	(6,055)	564,866	19,115	545,751	540,329	99.01	2,581	542,910	99.48
2002	616,494	(8,324)	608,170	20,671	587,499	582,475	99.14	1,480	583,955	99.40
2003	682,996	(10,689)	672,307	22,884	649,423	642,509	98.94	2,948	645,457	99.39
2004	742,677	(9,732)	732,945	25,227	707,718	703,924	99.46	957	704,881	99.60
2005	810,880	(10,076)	800,804	27,538	773,266	769,594	99.53	1,294	770,888	99.69
2006	901,441	(6,252)	895,189	30,176	865,013	860,792	99.51	1,850	862,642	99.73
2007	960,498	(5,517)	954,981	31,171	923,810	919,392	99.52	3,662	923,054	99.92
2008	930,844	(3,764)	927,080	29,542	897,538	892,074	99.39		892,074	99.39

Source: Broward County Revenue Collection Division

## OUTSTANDING DEBT BY TYPE - Table 9

Last Ten Years  
(Dollars In Thousands, Except Per Capita)

Fiscal Year Ended September 30	Governmental Activities			Business-type Activities		Total	Percentage of Personal Income(1)	Per Capita(1)
	General Obligation Bonds	Special Obligation Bonds	Loans Payable and Other Obligations	Revenue Bonds Payable	Loans Payable and Other Obligations			
1999	\$314,655	\$301,840	\$172,948	\$1,000,634		\$1,790,077	0.39 %	\$1,133
2000	292,880	292,130	176,702	978,237		1,739,949	0.35	1,072
2001	405,175	281,985	164,488	1,275,813	\$15,000	2,142,461	0.41	1,299
2002	368,200	271,375	187,363	1,239,117	25,500	2,091,555	0.39	1,253
2003	334,095	260,275	238,374	1,258,876	23,000	2,114,620	0.38	1,245
2004	492,140	244,915	120,902	1,217,613	48,066	2,123,636	0.36	1,232
2005	611,605	234,515	108,857	1,500,915	29,966	2,485,858	0.38	1,429
2006	577,775	235,290	101,714	1,452,877	34,966	2,402,622	0.35	1,374
2007	535,920	205,855	86,284	1,394,617	65,688	2,288,364	0.33	1,305
2008	493,615	193,890	71,054	1,340,405	80,744	2,179,308	0.31	1,241

(1) See Table 15 for personal income and population data.

Note: Fiscal years 2006, 2007, and 2008 percentages were calculated using fiscal year 2006 personal income data, which is the most recent available.

## RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING - Table 10

Last Ten Fiscal Years  
(Dollars in Thousands, Except Per Capita)

Fiscal Year Ended September 30	Net Assessed Property Value	Gross General Obligation Bonded Debt	Debt Service Monies Available	Net General Obligation Bonded Debt	Ratio of Net General Obligation Bonded Debt to Net Assessed Property Value	Net General Obligation Bonded Debt Per Capita(1)
1999	\$65,586,763	\$314,655	\$3,011	\$311,644	0.48	\$197.32
2000	70,294,093	292,880	2,510	290,370	0.41	178.91
2001	75,882,217	401,175	12,358	388,817	0.51	235.69
2002	83,221,357	368,200	6,995	361,205	0.43	216.42
2003	92,692,455	334,095	3,137	330,958	0.36	194.83
2004	103,684,664	492,140	3,785	488,355	0.47	283.38
2005	115,385,343	611,605	3,788	607,817	0.53	349.42
2006	132,920,426	577,775	2,391	575,384	0.43	329.14
2007	158,372,241	535,920	3,384	532,536	0.34	303.74
2008	175,891,437	493,615	3,955	489,660	0.28	278.84

(1) See table 15 for population data

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT - Table I I

September 30, 2008  
(Dollars in Thousands)

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Broward County	Amount Applicable to Broward County
Broward County	\$489,660	100.00%	\$489,660
Broward County School District (1)	-	-	-
<b>Total</b>			<b>\$489,660</b>

(1) Information provided by Broward County School District

Note: The computation of Legal Debt Margin is not included in the statistical section as no debt limit presently exists for governmental entities in the State of Florida.

## SCHEDULE OF REVENUE BOND COVERAGE - Table I 2

**Water and Wastewater**  
Last Ten Fiscal Years  
(Dollars in Thousands)

Fiscal Year Ended September 30	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1999	\$72,605	\$36,556	\$36,049	\$5,749	\$10,263	\$16,012	2.25
2000	74,920	37,132	37,788	5,853	10,164	16,017	2.36
2001	73,836	38,789	35,047	5,858	10,030	15,888	2.21
2002	80,731	42,293	38,438	6,003	9,892	15,895	2.42
2003	78,808	47,753	31,055	6,170	10,879	17,049	1.82
2004	84,250	50,241	34,009	4,688	10,518	15,206	2.24
2005	89,300	53,578	35,722	5,355	12,198	17,553	2.04
2006	93,695	58,276	35,419	5,439	14,234	19,673	1.80
2007	94,956	58,939	36,017	5,678	13,997	19,675	1.83
2008	97,668	62,573	35,095	5,776	13,897	19,673	1.78

Note: See supplemental financial schedules for more information concerning the Water and Wastewater Revenue Bonds, as well as the Aviation, Port Everglades and Professional Sports Facilities Bonds and First Florida Loan Agreements.

## SCHEDULE OF REVENUE BOND COVERAGE - Table 13

### Other Revenue Bonds

Last Ten Years

(Dollars in Thousands)

Fiscal Year Ended September 30	Gross Revenue Available for Debt Service	Debt Service Requirements			Coverage
		Principal	Interest(1)	Total	
1994 - Tourist Development Tax(2)					
1999	\$15,307	\$1,365	\$1,666	\$3,031	5.05
2000	16,450	1,420	1,604	3,024	5.44
2001	17,042	1,490	1,538	3,028	5.63
2002	15,835	1,560	1,465	3,025	5.23
2003	17,370	1,635	1,388	3,023	5.75
2004	19,682	1,715	1,305	3,020	6.52
1998 - Six Cent Gas Tax					
1999	\$27,575	\$3,380	\$2,231	\$5,611	4.91
2000	28,192	3,520	2,095	5,615	5.02
2001	28,080	3,660	1,955	5,615	5.00
2002	29,404	3,805	1,808	5,613	5.24
2003	29,874	3,955	1,656	5,611	5.32
2004	30,555	4,110	1,498	5,608	5.45
2005	32,444	4,280	1,329	5,609	5.78
2006	31,375	4,465	1,150	5,615	5.59
2007	30,613	4,655	960	5,615	5.45
2008	30,413	4,850	760	5,610	5.42
2004 - Tourist Development Tax					
2005	\$31,784	-	\$2,153	\$2,153	14.76
2006	32,285	\$1,855	562	2,417	13.36
2007	32,958	1,970	505	2,475	13.32
2008	35,641	2,030	455	2,485	14.34

(1) Amount does not include fiscal charges

(2) Tourist Development Tax, Series 2004 refunded Tourist Development Tax Series 1994

## COLLECTIONS OF DESIGNATED REVENUES AND DEBT SERVICE COVERAGE - Table 14

### Special Obligation Refunding Bonds, Series 1995

Last Ten Fiscal Years

(Dollars in Thousands)

Fiscal Year Ended September 30	Recording Fees	Auto Tag Tax Collection Commissions	Other Tax Collection Commissions	Building Permits	Total Revenues	Maximum Annual Debt Service Requirement	Debt Service Coverage
1999	\$7,310	\$5,076	\$6,027	\$4,199	\$22,612	\$4,156	5.44
2000	7,190	6,048	6,322	3,891	23,451	4,150	5.65
2001	9,611	6,433	6,627	3,727	26,398	4,148	6.36
2002	13,107	6,552	7,351	2,729	29,739	4,146	7.17
2003	17,847	6,676	7,911	3,586	36,020	4,129	8.72
2004	16,808	7,519	8,354	3,065	35,746	4,129	8.66
2005	18,406	8,079	8,313	4,069	38,867	4,118	9.44
2006	17,715	8,268	8,790	4,685	39,458	4,112	9.60
2007	13,771	7,774	9,293	4,312	35,150	-	-
2008	6,902	7,404	9,423	2,439	26,168	-	-

## DEMOGRAPHIC AND ECONOMIC STATISTICS - Table 15

Last Ten Fiscal Years  
(Dollars in Thousands)

Fiscal Year Ended September 30	Population(1)	Per Capita Personal Income(1)	School Enrollment(2)	Resident Births(3)	Unemployment Rate(1)
1999	1,579,359	\$ 29,158	239,960	19,535	3.9%
2000	1,623,018	30,716	249,923	21,600	3.7
2001	1,649,688	31,512	260,892	22,477	5.2
2002	1,668,970	32,232	266,272	21,439	6.0
2003	1,698,741	32,650	271,339	22,274	5.9
2004	1,723,339	34,560	272,691	22,596	4.5
2005	1,739,487	37,403	270,935	23,036	3.5
2006	1,748,153	39,743	262,616	23,141	3.1
2007	1,753,272	(4)	258,905	23,075	3.8
2008	1,756,087	(4)	255,738	22,523	6.1

Sources:

(1) Broward County Planning Services Division

(2) School Board of Broward County

(3) Florida Department of Health

(4) Information unavailable

## PRINCIPAL EMPLOYERS - Table 16

Current Year and Nine Years Ago

Employer	2008			1999		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Broward County School Board	38,000	1	3.76 %	23,235	1	2.98%
Broward County Government	13,114	2	1.30	11,367	2	1.46
Memorial Healthcare System	10,000	3	0.99	3,745	6	0.48
North Broward Hospital District	8,148	4	0.81	6,600	3	0.85
American Express	5,800	5	0.57	4,500	4	0.58
The Continental Group	3,900	6	0.39			
Nova Southeastern University	3,028	7	0.30	1,955	9	0.25
PRC	2,700	8	0.27			
City of Fort Lauderdale	2,681	9	0.27	2,339	8	0.30
Motorola	2,200	10	0.22			
Publix Supermarkets, Inc.				4,200	5	0.54
Winn Dixie Stores, Inc.				2,955	7	0.38
Eckerd Corporation				1,768	10	0.23
	<b>89,571</b>		<b>8.87%</b>	<b>62,664</b>		<b>8.03%</b>

1999 Source: Broward County Strategic Planning and Growth Management Department

2008 Source: Broward County Planning Services Division

# FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION - Table 17

Last Ten Fiscal Years

Function	<i>Full-Time Equivalent Employees as of September 30</i>									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Governmental Activities:										
General Government	2,001	1,957	2,149	2,210	1,830	2,238	1,829	1,464	1,359	1,273
Public Safety	830	916	910	926	950	293	295	253	251	248
Transportation	1,105	1,103	1,238	1,274	1,316	1,309	1,256	1,392	1,501	1,414
Human Services	616	594	632	673	685	754	761	731	722	731
Culture and Recreation	1,305	1,325	1,496	1,553	1,586	1,631	1,645	1,711	1,675	1,631
Physical Environment	222	201	202	201	200	206	196	198	197	153
Economic Environment	39	40	41	48	50	112	49	89	188	221
Sheriff	3,333	4,176	4,269	4,495	4,934	5,284	5,425	5,402	5,939	5,911
Clerk of the Courts	635	635	667	693	745	757	0	0	0	0
Property Appraiser	128	128	128	128	128	138	166	233	258	254
Supervisor of Elections	60	60	59	62	65	69	72	80	81	81
Business-type Activities:										
Aviation	333	369	389	400	408	403	403	413	424	484
Port Everglades	243	213	222	235	224	228	232	251	251	229
Water and Wastewater	445	426	415	409	409	412	410	410	405	405
Resource Recovery System	72	72	77	77	77	80	78	78	79	79
<b>Total</b>	<b>11,367</b>	<b>12,215</b>	<b>12,894</b>	<b>13,384</b>	<b>13,607</b>	<b>13,914</b>	<b>12,817</b>	<b>12,705</b>	<b>13,330</b>	<b>13,114</b>

Source: Broward County Office of Management and Budget

# OPERATING INDICATORS BY FUNCTION - Table 18

Last Ten Fiscal Years

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Governmental Activities:</b>										
General Government										
Tourist Visitors	6.6M	6.8M	7.3M	7.8M	8.5M	8.9M	8.9M	10.3M	10.5M	10.7M
Ad Valorem Tax Bills	721K	662K	739K	747K	767K	802K	812K	821K	829K	850K
Call Center Calls	NA/	N/A	167K	280K	265K	612K	496K	554K	534K	475K
Jobs Created or Retained	2,100	17,000	10,232	2,776	2,019	3,095	3,474	3,098	2,653	2,500
Transportation										
Bus Transit Trips	24.4M	26.1M	29.7M	32.2M	34.4M	36.3M	37.5M	39.5M	42.0M	41.5M
Paratransit Trips	0.9M	0.9M	0.9M	1.1M	1.3M	1.3M	1.1M	1.2M	1.2M	900M
Human Services										
Primary Care Medical Encounters	174K	237K	215K	256K	278K	257K	252K	248K	258K	269K
Homeless Clients Served	N/A	281	536	N/A	5,840	8,650	8,244	7,000	8,000	7,500
Families in Crisis Assisted	N/A	1,811	2,221	2,057	8,866	6,210	8,534	7,777	8,000	8,300
Culture and Recreation										
Library Materials Circulated	6.5M	6.9M	7.9M	8.4M	8.5M	8.7M	8.9M	8.8M	8.9M	8.9M
Library Customers	5.7M	6.0M	7.3M	8.6M	9.1M	9.6M	10.0M	10.1M	10.2M	10.3M
Park Attendance	3.8M	4.2M	4.6M	4.7M	4.7M	4.2M	4.2M	4.9M	5.1M	5.2M
Physical Environment										
Storage Tank Inspections	1,638	1,773	1,639	1,591	1,502	1,666	2,386	1,500	2,841	2,458
Public Safety										
911 Calls Received	848K	962K	1,852K	1,537K	2,030K	705K	1,236K	1,180K	1,345K	1,370K
Medical Alarm Responses	31K	28K	23K	35K	22K	22K	18K	29K	31K	20K
<b>Business-Type Activities:</b>										
Aviation										
Airline Passengers	15.6M	15.3M	17.0M	16.4M	17.4M	20.1M	22.8M	22.5M	23.2M	21.9M
Airport Parking Transactions	2.6M	3.0M	2.6M	2.5M	2.6M	2.8M	3.1M	3.3M	3.4M	2.3M
Port Everglades										
Vessel Calls	5,817	5,842	5,572	5,447	5,853	6,395	5,896	5,590	5,745	5,871
Cruise Passengers	2.4M	2.7M	3.1M	3.5M	3.4M	4.1M	3.8M	3.5M	3.6M	3.7M
Water and Wastewater										
Retail Gallons of Water Delivered	10,694M	11,253M	10,273M	11,256M	11,217M	11,615M	11,630M	11,600M	11,600M	11,600M
Retail Gallons of Wastewater Collected	6,142M	5,567M	5,447M	6,496M	5,115M	5,075M	5,830M	7,000M	7,000M	7,000M
Regional Gallons of Wastewater Treated	25,882M	26,241M	25,874M	27,001M	25,575M	25,547M	25,108M	26,060M	26,060M	26,060M
Resource Recovery System										
Landfill Tons of Waste Received	99,000	68,040	49,000	42,900	46,588	70,163	82,666	140,702	78,180	68,900
Incinerator Tons of Waste Received	1,107K	1,147K	1,077K	1,096K	1,139K	1,216K	1,209K	1,195K	1,245K	1,235K
Recyclable Tons Received	74,398	72,745	70,000	66,660	66,861	66,595	64,030	68,000	67,000	65,000

Legend: M = millions, K = thousands, N/A = not available

Note: Some measures vary significantly due to changes in the methodology of reporting the information from year to year.

Source: Annual budget documents from the Office of Management and Budget

# CAPITAL ASSET STATISTICS BY FUNCTION - Table 19

Last Ten Fiscal Years

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Governmental Activities:										
General Government										
Lane Miles of Road	1,100	1,100	1,100	1,100	1,100	1,100	1,200	1,200	1,252	1,252
Square Feet of Buildings	N/A	N/A	3,217K	3,594K	3,628K	3,663K	4,027K	4,160K	4,280K	6,100K
Public Safety										
Number of Fire Stations	11	11	11	13	13	13	13	11	11	11
Number of Jails	4	4	4	4	4	5	5	5	5	5
Transportation										
Number of Bus Routes	36	38	40	40	40	41	41	41	43	44
Number of Buses	202	232	250	255	263	275	275	284	290	295
Culture and Recreation										
Library Branches	35	36	36	37	38	37	37	37	38	38
Library Square Feet	729K	815K	876K	1.2M	1.3M	1.3M	1.3M	1.4M	1.2M	1.4M
Acres of Parks	6,635	6,635	6,526	6,526	6,683	6,670	6,611	6,554	6,398	6,399
Number of Parks	65	65	61	61	59	54	48	49	49	53
Business-Type Activities:										
Aviation										
Number of Airlines	53	42	51	43	47	50	50	43	44	43
Number of Gates	39	39	48	48	57	57	57	57	57	57
Number of parking Spaces	9,247	11,405	13,974	12,898	13,022	13,104	16,883	16,465	17,086	13,029
Port Everglades										
Number of Passenger Terminals	11	11	11	11	11	11	11	11	11	11
Acres Paved	248.81	248.81	248.81	265.81	310.81	310.81	310.81	310.81	310.81	310.81
Water and Wastewater										
Miles of Water Mains	634.10	634.97	634.15	660.00	660.00	682.00	681.00	681.00	683.17	683.17
Miles of Sewer Mains	294.60	293.29	295.15	308.63	324.60	349.51	351.73	351.73	352.18	372.24
Resource Recovery System										
Ash Landfill Cubic Yards Remaining	1916K	1,760K	1,597K	1,417K	1,260K	1,102K	938K	772K	544K	425K

Legend: M = millions, K = thousands, N/A = not available

Source: Various County Agencies



# CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUE - Table 20

Last Ten Fiscal Years

Fiscal Year Ended September 30	Residential Construction(1)		Bank Deposits(2) (In Thousands)	Property Value (In Thousands)(3)		
	Number of Units	Value (In Thousands)		Commercial	Residential	Nontaxable
1999	12,584	\$1,399,727	\$14,855,057	\$20,249,144	\$55,708,193	\$17,136,115
2000	11,166	1,390,997	15,314,442	22,826,613	58,360,268	17,981,978
2001	11,353	1,390,497	15,964,349	25,251,585	62,976,211	19,836,194
2002	11,906 (4)	1,449,822 (4)	16,580,749	28,068,170	70,890,848	23,394,227
2003	9,353 (4)	1,201,955 (4)	17,983,613	30,727,816	83,809,792	29,752,587
2004	8,271 (4)	1,015,733 (4)	19,876,896	33,628,504	100,217,685	37,867,051
2005	7,113 (4)	954,991 (4)	22,406,191	37,330,332	115,915,180	45,489,222
2006	6,871 (4)	1,030,954 (4)	23,628,566	41,371,471	141,454,575	57,736,030
2007	4,490 (4)	763,969 (4)	23,118,454	48,236,120	180,929,375	78,843,175
2008	2,131 (4)	293,978 (4)	19,126,797	55,832,915	200,427,164	88,247,206

Sources:

(1) Sun-Sentinel Research Services

(2) Florida Bankers Association

(3) Broward County Property Appraiser Assessment Roll

Recapitulation

(4) U.S. Census Bureau

## INSURANCE IN FORCE - Table 21

September 30, 2008

Type of Coverage	Insurer	Policy Number	Policy Period	Coverage Limits
Workers' Comp Excess**	National Union Fire Ins Co. of Pittsburgh, PA	XWC 4644194	06/30/07 - 09/30/08	Statutory
Govt. Crime Coverage - Primary	Fidelity & Deposit Co. Maryland	CCP006355101	04/18/08 - 04/18/09	\$ 500,000
Govt. Crime Coverage - Excess	Fidelity & Deposit Co. Maryland	CCP006174003	03/29/08 - 04/18/09	10,000,000
Aircraft Liab/PD Mosquito Control	Westchester Fire Insurance Co.	AAC N05618708 001	08/17/08 - 08/17/09	5,000,000
Pollution Liability	Liberty Surplus Insurance Corporation	TXE-NY-100583-017	06/28/08 - 06/28/09	1,000,000
Property/Wind&Flood Policy	FM Global Primary & Various Excess Carriers	JB368	02/01/08 - 02/01/09	1B(X/Wind/Flood) 250M(Wind/Flood)
GL- Aviation**	Ace American Insurance Co.	AAP N0009775004	06/04/07 - 09/04/08	50,000,000
GL- Aviation - Excess**	Lloyds of London	N9905202	06/04/07 - 09/04/08	100,000,000
Port Liability	Through Transport Mutual (TT Club)	HE230007	12/31/07 - 12/31/08	Primary - 1M; Excess - 49M
Air Port Security Bond	Western Surety Company	460496606-1	10/12/07 - 10/12/08	100,000
SFWMD Maintenance Bond	Fidelity & Deposit Co. of Maryland	30412278	03/17/08 - 03/17/09	5,000
GL Median Strip Hiatus Rd	Scottsdale Insurance Co.	CLS1200964	01/21/08 - 01/21/09	1,000,000
GL Virginia Office	Hartford Casualty Insurance Co.	21SBMFP8580	10/31/07 - 10/31/08	1,000,000
Port Foreign Trade Zone Bond	Navigators Insurance Co.	520600231	02/15/08 - 02/14/09	1,000,000
GL on FPL Equipment @ I University Dr.	Markel International Insurance Co.	MIR-070118	02/13/08 - 02/13/09	1,000,000
GL-SW Reg Lib & WYoung Ctr*	Mt. Hawley Insurance Co.	MGL0155078	06/25/08 - 06/25/09	1,000,000

\* City of Pembroke Pines is the named insured with Broward County Board of Commissioners and the School Board as additional insureds.

\*\* 12 months plus 3 months extension

# MISCELLANEOUS STATISTICAL DATA – Table 22

September 30, 2008

<b>Population Density, 2008(1)</b>	
Population	1,756,087
Land Area in Square Miles	1,197
Developable Square Miles	410
Persons per Developable Square Mile	4,283

<b>Population Projections, 2010-2030(1)</b>	
Natural Increase	183,737
Net Migration	258,567
Total Population Change	442,304

<b>Year Established</b>	<b>Number of Employees</b>
1915	13,114

<b>Type of Government</b>	<b>Civilian Labor Force(1)</b>
Charter, Elective 1975	1,010,017

<b>Governing Body</b>
Board of County Commissioners (9)

<b>Municipalities (31)</b>		
Coconut Creek	Lauderdale Lakes	Plantation
Cooper City	Lauderhill	Pompano Beach
Coral Springs	Lazy Lake	Sea Ranch Lakes
Dania Beach	Lighthouse Point	Southwest Ranches
Davie	Margate	Sunrise
Deerfield Beach	Miramar	Tamarac
Fort Lauderdale	North Lauderdale	West Park
Hallandale Beach	Oakland Park	Weston
Hillsboro Beach	Parkland	Wilton Manors
Hollywood	Pembroke Park	
Lauderdale-By-The-Sea	Pembroke Pines	

(1) Source: Broward County Planning Services Division

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## **APPENDIX C**

### **UPDATE TO THE 2006 PORT EVERGLADES MASTER PLAN EXECUTIVE SUMMARY**

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## UPDATE TO THE 2006 PORT EVERGLADES MASTER PLAN EXECUTIVE SUMMARY

Prepared April 2009

### Introduction

The Broward County Board of County Commissioners (Board) approved the *2006 Port Everglades Master Plan* in December 2007. The Executive Summary of the Master Plan prepared by AECOM USA, Inc. (f.k.a., DMJM Harris, Inc.) under contract to the Port is attached. The full Master Plan is available for download at [www.portevergladesmasterplan.com](http://www.portevergladesmasterplan.com). The Board also provided direction to the Port Everglades Department to prepare an Update to the 2006 Master Plan in two years. The *2006 Port Everglades Master Plan* was organized into six Elements. The Update will follow the same organizational format and will be prepared in two Phases. This Update will assess the changes that have occurred regionally, nationally, and internationally since 2007. The design 20-year planning horizon for the Update will be from 2009 to 2029.

Phase I of the Update is currently underway and it is anticipated that the entire Update will be complete by February 2010. Revised economic impact studies for potential projects will be included in the Update, but will not occur until Phase II.

Consensus-building and public outreach meetings were important aspects of the *2006 Port Everglades Master Plan*. The Update will follow this same approach.

### Progress on Projects

In December 2007, when the Board approved the *2006 Port Everglades Master Plan*, the approval also provided direction to Port Everglades on the implementation of projects identified in the Master Plan's 5-year Capital Improvement Plan (CIP) for Fiscal Years (FY) 2008-2012. The CIP was updated by the Port in September 2008 to cover the FY 2009-2013 period, and proposed revisions for FY 2010-2014 are under review.

The Port is implementing many of the projects that were identified in the Master Plan. The following summary prepared by Port staff of projects that are currently being implemented and their status follows.

#### **At Northport, the northern area of the Port:**

By-Pass Road: Concept engineering on the By-Pass Road is in progress; conceptual engineering has determined the Port's Public Works Facility will not be impacted and any potential impact to other Port Maintenance facilities is under study.

“Carve Out” of Convention Center: The study has resulted in the Convention Center and the Port reaching agreement on boundary revisions to the Development of Regional Impact (DRI) statement.

Cruise Terminal 2 Renovations: Conceptual approaches for renovations to Cruise Terminal 2 have been developed.

Molasses Tanks Reuse/Request for Letters of Interest (RLI): The County is nearing completion of a competitive process to lease the property, occupied by unused liquid bulk storage tanks, to a marine terminal operator to return to service by 2012.

Cruise Terminal 4 Expansion: Design work for the expansion of Cruise Terminal 4 is almost complete, but on hold pending discussions with cruise lines. The proposed intermodal area west of Cruise Terminal 4 is being coordinated with the By-Pass Road and the future Slip 2 expansion projects.

***At Midport, the central area of the Port:***

Demolition of Transit Shed 16: Demolition is complete in order to provide an increased container yard area.

Berths 16-17 Crane Upgrades: The upgrades are in progress; renovation of Crane P2 is underway; and the preparation of procurement specifications for a new mobile harbor crane is complete. Arrangements to sell or scrap Crane P1 is in progress.

Midport Parking Garage: The consultant design fee for a 1,200 parking space Midport Parking Garage is budgeted in FY 2009.

Cruise Terminal 19, 21 and 22 Expansion: Conceptual approaches for terminal renovations to Cruise Terminals 19, 21 and 22 have been developed, but on hold pending discussions with cruise lines.

Midport Roadway Expansion: The construction contract for the Midport Roadway Expansion has been awarded and work will begin June 2009 with completion expected in late 2009.

FPL Discharge Canal Intermodal Bridge: The contract has been awarded; construction will start May 2009 with completion expected in summer 2011.

Cruise Terminal 18 Expansion: This project is to expand the terminal to 220,000 sq. ft. Construction is underway. Construction cost of \$75 million being shared by preferential terminal user, Royal Caribbean Cruises Ltd. (89%) and Port (11%). Completion scheduled for October 2009.

The Berth 29 Extension: This project has been removed from the Plan due to environmental concerns.

**At Southport, the southern area of the Port:**

Southport Phase VIIA/VIII: Construction of a 41-acre container terminal yard is underway with completion expected in March 2010.

FTZ/Warehouse Request for Proposals (RFP): This RFP is on hold due to no need to relocate the Public Works Facility and current economic conditions.

Crushed Rock/Aggregate Terminal: Location of the berth for the crushed rock import vessels in the Turning Notch to serve the proposed Crushed Rock/Aggregate Terminal will be evaluated in the Update. Potential private company that would construct and operate the terminal remains interested.

Intermodal Container Transfer Facility (ICTF) Rail: The schedule for this project will be re-evaluated in Update. Timing is dependant on Florida Department of Transportation receiving funding for related Eller Drive Overpass project, originally expected in 2009, but now deferred until 2012/13.

McIntosh Loop Road: The concept site plan has been developed; preliminary engineering/programming study is being prepared.

Dry Stack Marina Request for Letters of Interest (RLI): The RLI for a dry stack marina is not scheduled until 2013; no present activity on this project.

Turning Notch Expansion: Expansion of the Turning Notch will be further evaluated in the Update, in coordination with environmental studies and the ACOE dredging and widening program. Port continues to work with the Florida Department of Environmental Protection to gain approval for 17 acre on-port environmental enhancement area to offset release of Conservation Easement on 8.7 acres of mangroves required to expand the Turning Notch to the west.

**Plan Development**

The *2006 Port Everglades Master Plan* indicated the following forecasts in the design horizon year 2026.

- |                           |                             |
|---------------------------|-----------------------------|
| ▪ Containerized Cargo     | 2.7 million TEUs            |
| ▪ Non-containerized Cargo | 8 million tons              |
| ▪ Cruise                  | 7 million cruise passengers |

Liquid Bulk was previously assessed in the *Petroleum Sector Strategy Study* prepared by Purvin & Gertz directly for Port Everglades in 2005. Total throughput volumes were forecasted to grow from over a projected 350,000 barrels per day in 2005 to over 435,000 barrels per day by the year 2020.

The Update is currently re-assessing the market for these four business lines which include Containerized Cargo, Non-containerized Cargo, Cruise, and Liquid Bulk.

Factors that will influence the development of the Updated Plan are:

Updated Market Assessments: From the updated market assessments in the Port's four business lines -- Containerized Cargo, Non-containerized Cargo, Cruise and Liquid Bulk -- infrastructure projects will be developed for the Port to meet estimated throughput at the 5-year, 10-year, and 20-year design horizons.

ACOE Dredging Study: The Army Corps of Engineers is currently preparing a Feasibility Study, analyzing optimal dredging and widening alternatives of the waterways at Port Everglades. The Plan will incorporate dredging and widening alternatives that are approved by the Board. Board expected to approve Locally Preferred Alternative in Fall 2009, with the earliest date for construction beginning in 2014.

Demand for Crushed Rock Import Facility: The Update will evaluate the need to import crushed rock to be used as aggregate in the production of concrete. The facility would also be capable of handling other bulk products needed for the production of concrete. This project would include a new berth, an underground transport conveyor system, storage building and a rail loading facility.

Implementation of the Intermodal Container Transfer Facility (ICTF): It is anticipated that Phase 1 of the ICTF will be the rail portion of the crushed rock facility implemented through a public/private partnership. The Florida Department of Transportation will be investing approximately \$80 million in an overpass on Eller Drive that will permit the rail to enter Southport through a grade-separated crossing.

Updated Bulkhead Conditions Assessment: The Port will be conducting a condition assessment of the existing bulkheads. The assessment is expected to identify and quantify specific bulkhead sections requiring repair, replacement and/or cathodic protection.

Increasing Cruise Activity: When completed, the expansion of Cruise Terminal 18 will result in the world's largest single-ship cruise terminal and will be the home for the world's two largest cruise ships that will operate from the Port year round. It is anticipated the two cruise ships at Cruise Terminal 18 will add one million revenue cruise passengers per year.



**EXECUTIVE SUMMARY TO THE  
PORT EVERGLADES MASTER PLAN**

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## LIST OF ACRONYMS

ACOE	U.S. ARMY CORPS OF ENGINEERS
BOARD	BROWARD COUNTY BOARD OF COUNTY COMMISSIONERS
CIP	CAPITAL IMPROVEMENT PLAN
	CENTRAL AMERICA FREE TRADE AGREEMENT WITH THE DOMINICAN REPUBLIC, BELIZE, EL SALVADOR, HONDURAS, NICARAGUA, GUATEMALA, AND COSTA RICA
DR-CAFTA	
DRI	DEVELOPMENT OF REGIONAL IMPACT STATEMENT
FDOT	FLORIDA DEPARTMENT OF TRANSPORTATION
FLL	FORT LAUDERDALE-HOLLYWOOD INTERNATIONAL
FPL	FLORIDA POWER AND LIGHT
G	GRANTS
I	INTERNAL REVENUE
ICTF	INTERMODAL CONTAINER TRANSFER FACILITY
IMC	BROWARD COUNTY INTERMODAL CENTER
ICW	INTRACOASTAL WATERWAY
LOA	LENGTH OVERALL
NPV	NET PRESENT VALUE
P	PRIVATE INVESTMENT
P&G	PURVIN AND GERTZ
PD&E	PROJECT DEVELOPMENT AND ENVIRONMENTAL
PLAN	PORT EVERGLADES MASTER PLAN
PANAMAX	VESSEL WHOSE DIMENSIONS (BEAM, LENGTH, AND/OR DRAFT) ALLOW IT TO TRAVERSE THE PANAMA CANAL
VESSEL	
POST-PANAMAX	VESSEL TOO LARGE TO TRAVERSE THE PRESENT CONFIGURATION OF THE PANAMA CANAL
VESSEL	
POV	PRIVATELY OWNED VEHICLE
RFP	REQUEST FOR PROPOSAL
RLI	REQUEST FOR LETTERS OF INTEREST
	ROLL-ON/ROLL-OFF (USED TO DESIGNATE CARGO THAT IS ROLLED ON AND OFF A VESSEL RATHER THAN BEING LIFTED ON AND OFF
RO/RO	
ROI	RETURN ON INCREMENTAL INVESTMENT
RTG	RUBBER TIRE GANTRY CRANES
TEUS	TWENTY-FOOT EQUIVALENT CONTAINER UNITS
U	POTENTIAL DEBT

## EXECUTIVE SUMMARY

### Introduction

THE BROWARD COUNTY BOARD OF COUNTY COMMISSIONERS (BOARD) RETAINED THE SERVICES OF THE DMJM HARRIS CONSULTANT TEAM TO PREPARE A NEW *PORT EVERGLADES MASTER PLAN* (PLAN) AND ISSUED A NOTICE TO PROCEED FOR PHASE I IN AUGUST 2006 AND FOR PHASE II IN APRIL 2007. IN PREPARING THE PLAN, THE CONSULTANT TEAM ASSESSED THE CHANGES THAT HAVE OCCURRED REGIONALLY, NATIONALLY, AND INTERNATIONALLY SINCE 2001, WHEN THE PORT PREPARED A 2020 VISION MASTER PLAN, WHOSE ADOPTION WAS INTERRUPTED BY THE EVENTS OF 9/11.

THE GOAL OF THIS PLAN, WHOSE PLANNING HORIZON IS 2026, IS TO

*CREATE A PLAN TO MAXIMIZE MARKET SHARE AND REVENUE THROUGH A REALISTIC 5-YEAR FACILITY DEVELOPMENT PROGRAM WITHIN A FRAMEWORK OF 10- AND 20- YEAR VISION PLANS.*

ONCE THE PLAN IS APPROVED BY THE BOARD, THE CONSULTANT TEAM WILL UPDATE THE DEEPWATER PORT COMPONENT OF THE COASTAL MANAGEMENT ELEMENT OF BROWARD COUNTY'S COMPREHENSIVE PLAN AS WELL AS PORT-RELATED GOALS, OBJECTIVES, AND POLICIES IN THE TRANSPORTATION ELEMENT, CONSISTENT WITH THE MANDATED REQUIREMENTS OF CHAPTER 163, FLORIDA STATUTES.

A guiding principle of this Plan is that it should consistently reflect the Port's mission statement: *The mission of Port Everglades is to manage the County's Port-related assets to maximize the economic benefits to the citizens and businesses of Broward County and of the State of Florida. The Port will manage the County's assets in a financially responsible, environmentally sound manner, consistent with local, state, and federal rules and regulations which govern international and domestic trade, transportation and the Port industry.*

This planning assignment comprises the following key work products:

- Existing Port facility assessment.
- Market assessment for containerized cargo, non-containerized cargo, liquid bulk (petroleum), and cruise operations.
- 10- and 20- year Vision Plans.
- 5-year Capital Improvement Plan.
- Business, financial, and asset utilization strategies.
- Updated Deepwater Port Component of the

*"We know that reaching a balance between financial stability, capital development, and security operations is achievable. Our goal is that the updated Port Everglades Master Plan will plot a course for how we can expand and enhance existing facilities in the most economical and efficient manner."*

Port Everglades Director  
Phillip C. Allen

Coastal Management Element in Broward County's Comprehensive Plan and Port-related goals, objectives, and policies in the Transportation Element.

These work products have been organized into three phases. The results of the Phase I and Phase II tasks are included in this document; Phase III, the Comprehensive Plan update, is scheduled for completion following Board approval of this Phase I and Phase II document.

### **Public Outreach Program**

The Public Outreach Program for this master planning initiative was developed to invite input into the planning process from all parties/stakeholders interested in the Port's growth and expansion. The program, comprising an aggressive schedule of participation, was designed to dispense information to the public, tenants, governmental entities, regulatory agencies, and other stakeholders and to encourage their participation and comments. Through workshops and one-on-one interviews conducted by the Consultant Team as an essential part of Plan preparation, the input and concerns of all interested stakeholders have been recorded and taken into account to the maximum extent possible.

**Public Meetings.** Three public meetings were held at the Broward County Main Library during the planning initiative; two of these meetings were held in Phase I and one in Phase II. The purpose of these meetings was to inform the public about the intended goals, planning process, and progress of Plan development, and receive input. To encourage awareness and participation, advertisements appeared in local newspapers, postcards were mailed to homeowners groups and community publications, and television and radio stations were contacted. Audio and video tapes have been made of these public meetings. The Power Point presentations made during the meetings are available on-line through the project website.

**Tenant, Stakeholder, Municipality, and Agency Meetings.** A kick-off meeting and subsequent update meetings and workshops/charrettes were also held with Port tenants and stakeholders, including public agencies. These included two Phase I meetings and a third workshop/meeting conducted in Phase II, all held at cruise terminals on the Port.

In addition to these meetings, the Port Director organized "Focus Group" workshops whose participants were individuals from each of the Port's business sectors; these participants were asked to advise the Director on the progress and content of the Plan.

Meetings were also held during Phase I with representatives of the municipalities within the Port Everglades Development District: the City of Fort Lauderdale, the City of Hollywood, and the City of Dania Beach.

Two 2-day System of Intensive Team Effort (SITE) meetings were held with the Port's key decision-makers, the first at the start of the planning process and the second once the series of market assessments had been completed.

**One-on-One Interviews with Port Tenants and Stakeholders.** In addition to the group workshops, one-on-one interviews were held with most of the Port's terminal operators, tenants, and other stakeholders to gather information regarding their current operations, future plans, and any concerns. Additional interviews were held during the Phase II Plan refinement process.

**Workshops with the Board and County Administration.** Two workshops were conducted with the Board; one was held in Cruise Terminal 18 at the completion of Phase I and one was held in Phase II at the Broward County Governmental Center. Comments and input received from Board members were incorporated into the Plan. Workshop meetings were also conducted with Broward County Administration to discuss project progress.

**Website.** To both present accurate information to those interested in this planning process and receive their comments, the Consultant Team created and continues to host a project website. The project website address is [www.portevergladesmasterplanupdate.com](http://www.portevergladesmasterplanupdate.com). The website has proved to be a valuable tool that gives stakeholders an opportunity to check current meeting schedules, and access meeting presentations they may have missed or wish to review. They may also communicate their questions, comments, and concerns via an email link. All questions submitted are answered, and general questions are posted on the FAQ page of the website. The website is also a vehicle by which Port Everglades can convey additional information concerning this project.

**Summary.** Through the Public Outreach Program, everyone who has a stake in Plan development has had an opportunity to participate in the planning process. Port Everglades recognizes the impact the Port has, not only on its tenants and users, but also on the surrounding communities. Addressing and resolving issues and concerns throughout the planning process have fostered an effective working relationship and consensus between the various stakeholders' interests and the recommendations contained in the ultimate Plan.

## **PHASE I SUMMARY**

The specific tasks completed in Phase I include the following:

**Assessment of Existing Facilities and Infrastructure Assets at the Port.** In conducting this assessment, the Consultant Team looked both at on-Port facilities and at the connecting intermodal network. Specifically, the Consultant Team evaluated the deepwater facilities as well as the cargo, cruise, and petroleum storage infrastructure; and reviewed the Port's Interstate highway, freight rail, and airport connections and synergies.

**Market Assessment for Containerized Cargo, Non-Containerized Cargo, Petroleum, and Cruise.** Specialized sub-consultants on the Consultant Team assessed the markets for the Port's core cargo and cruise businesses.

**Forecast of Unconstrained Infrastructure Needs Based on the 2026 "Goal Line" Established by the Market Assessments.** The Consultant Team integrated the results of the respective market assessments for cargo and cruise businesses with the results of one-on-one tenant and stakeholder interviews to identify the ideal number of berths and the terminal areas needed to achieve the forecasted throughputs by the 2026 planning horizon.

**Application of Site-Specific Physical Constraints, based on the Infrastructure Assessment, to Identify Potential Opportunities to Reach the 2026 "Goal Line."** Keeping in mind the Port's mission statement, with its emphasis on economic benefit and environmental stewardship, the Consultant Team looked at the physical opportunities and constraints within the Port area to develop realistic infrastructure improvement concepts.

**Identification of Cargo and Cruise Needs to Meet Market Forecasts.** The previous tasks, performed in an iterative process and facilitated by frequent workshops with the Port's senior staff, resulted in the Consultant Team's identifying the key parameters of Port development. These include:

- **Containerized Cargo**
  - Add longer/flexible berths to accommodate ships carrying up to 6,800 twenty-foot equivalent container units or TEUs.
  - Increase yard utilization; use higher density stacking equipment.
  - Add gantry cranes, including post-Panamax cranes, that is, cranes able to load and unload the ships that cannot traverse the Panama Canal in its current dimensions.
  - Deepen and widen the Port's approach channel and inner harbor.
- **Non-Containerized Cargo**
  - Add crushed rock aggregate as a potential major import commodity.
- **Petroleum**
  - Increase receiving-system efficiencies.
  - Add berth efficiencies and safety for larger vessels.
  - Deepen and widen Port's approach channel and inner harbor.
- **Cruise**
  - Increase berth lengths to handle 1,100-foot ships, the type of vessel used for planning purposes.
  - Address parking needs.
  - Increase the Port's cruise season and weekday use, as practical.
  - Continue the dual use of berths for cargo and cruise, as feasible.

**Interface with On-Going Programs of Sister County Agencies and Other Stakeholders.**

Planning for Port Everglades' future development and expansion cannot occur in a vacuum as several of the entities located in proximity to the Port are engaged in their own concurrent planning initiatives. Consequently, the Consultant Team, in conjunction with Port staff, maintained frequent contacts with these entities to address issues of mutual interest and coordinate planning efforts. In many cases, these planning efforts will not be concluded in the same timeframe as the Port's Plan, so outcomes may not be determined by the end of this planning process. The summary below notes the issues the Consultant Team identified during the interface with these entities:

- **Fort Lauderdale-Hollywood International (FLL) Airport Master Plan.** FLL is preparing a new Master Plan. In coordinating its efforts with the Broward County Aviation Department, the Consultant Team focused on issues of common interest, including:



- Consideration of a potential shared Airport/Seaport facility on the Dynegy property, located east of U.S. 1, north of Eller Drive.
- Evaluation of obstacle clearances associated with current and future air and sea operations
- Broward County Intermodal Center -- Sunport -- and People Mover Study. The Florida Department of Transportation (FDOT), Port Everglades, and FLL, with Broward County as the project sponsor, have been addressing opportunities to develop an Intermodal Center (IMC) and a People Mover system to provide a regional transportation hub that will, among other uses, provide a direct connection between the Airport and the Seaport. The outcome of the Project Development and Environmental Study (PD&E) for this initiative is not yet known; but the Consultant Team determined that the 20-Year Vision Plan for the Port has the flexibility to accommodate alternative corridors, alternative locations for the IMC, and potential seaport station locations. A seaport station for the new People Mover system would be located at each of the two cruise passenger intermodal centers: one would be at Northport and the other at Midport.
- Railway Initiatives. The Consultant Team assessed the market potential and physical requirements of implementing an Intermodal Container Transfer Facility (ICTF) in Southport to accommodate both international containerized cargo movements and the potential addition of imported crushed rock and other bulk products used in the cement and ready-mix concrete industry. In addition, to ensure that the design criteria of the Eller Drive Overpass, which FDOT is implementing, accommodate the potential rail operations if the ICTF is constructed, the Consultant Team facilitated discussions with Port staff, FDOT, and potential rail providers.
- U.S. Army Corps of Engineers (ACOE) Dredging and Widening Program. The ACOE is currently preparing a *Feasibility Study/Environmental Impact Statement* to evaluate a dredging and widening program for the Port. The Consultant Team took the parameters of this program into consideration in developing the 20-year Vision Plan, and coordinated the ACOE's channel and inner harbor deepening and widening findings with the Plan.
- Calypso Pipeline Proposal. Regulatory agencies have considered two proposals to develop natural gas pipelines off the South Florida coast. The potential location of the tunnel shaft for the Calypso pipeline, one of the proposals, was coordinated with the infrastructure improvement options identified in the Vision Plan. AES, the proposer for a second pipeline, abandoned the initiative during Phase II of this planning process.
- Broward County Convention Center Master Plan. The Convention Center is looking at future expansion and is committed to mitigating traffic on adjacent roadways. As part of its collaborative efforts during the planning process, the Consultant Team worked with Port staff and the Convention Center's planners to achieve mutual agreement on appropriate land use, traffic circulation, and security modifications. These efforts resulted in public access concepts for the Convention Center to facilitate its future

development opportunities while maintaining the Port's security perimeter, as required by federal and state law.

**Conducting a Business, Financial, and Asset Utilization Strategy Workshop.** The Consultant Team met with the Port's senior staff to discuss potential business, financial, and asset utilization strategies to achieve the optimum productivity and benefit from the Port's existing assets.

**Preparation of Conceptual 20-year Vision Plans.** As the culmination of the Phase I planning process with Port senior staff, a series of 20-year planning alternatives were developed and refined. The Consultant Team participated in a workshop with the Board on February 20, 2007, presented the conceptual 20-Year Vision Plan, and received input and direction prior to proceeding to Phase II.

### **Phase II Summary**

The following tasks were completed in Phase II:

**Meetings and Workshops with Tenants and Other Stakeholders to Gain Input on the Conceptual 20-Year Vision Plan.** After the February 2007 workshop with the Board, the Consultant team conducted a series of meetings and workshops with the Port's senior staff, tenants, and other stakeholders to obtain their thoughts and comments on the Conceptual 20-Year Vision Plan.

**Refinement of the 10- and 20-Year Vision Plans.** With the input from the above meetings, the Consultant Team engaged in an iterative process of Plan refinement to address the concerns of Port stakeholders.

**Identification of the Economic Impact of Port Operations.** The Consultant Team analyzed the impact of Port operations. This analysis identified the employment, employee earnings, business revenue, and state and local taxes attributable to those operations.

**Development of Financial Strategies for Plan Implementation.** To assist the Port in Plan implementation, the Consultant Team worked with staff to create mechanisms for identifying project benefits. From this collaboration, a Project-Decision Matrix was created which provides the Port with a tool to assess the environmental, economic, and other aspects of a given project.

**Preparation of a Cost-Feasible 5-Year Capital Improvement Plan.** The Consultant Team worked with Port and other County staff to identify the various types of funding available for the projects needed in the first five years of Plan implementation.

### **Phase III Summary**

Upon approval of the Plan presented in this document, the Consultant Team will update the Deepwater Port Component of the Coastal Element in the Broward County Comprehensive Plan and the relevant Transportation Element goals, objectives, and policies. This task will be conducted in cooperation with the Broward County Urban Planning and Redevelopment Department. The updated document will be transmitted for review and approval to the Florida

Department of Community Affairs and the other regulatory state and local agencies charged with commenting on the Plan.

## **Master Plan Elements**

This Phase I and Phase II Master Plan document contains six elements. The contents of each element are summarized below.

### **Element 1: Existing Conditions Assessment**

Element 1 of the Plan presents an overview of the Port, including land uses, planning opportunities and constraints, berthing and capacity analyses, on-port traffic circulation and parking, the intermodal transportation network, and environmental conditions.

Port Everglades, portions of which are located in the Cities of Fort Lauderdale, Hollywood, and Dania Beach, and in unincorporated Broward County, encompasses an area of approximately 2,190 acres adjacent to the Intracoastal Waterway (ICW). With its containerized cargo, liquid and dry/neo- bulk commodities, and cruise activities, the Port is one of the most diversified in Florida. The Port's cargo and cruise operations are expected to grow significantly over the next several decades.

Port Everglades ranks among the top 12 U.S. container ports, moving more than 864,000 TEUs in Fiscal Year (FY) 05/06.<sup>1</sup> This container throughput is expected to surpass 1 million TEUs in the next two to three years. The Port is pursuing aggressive strategies to deal with this projected growth, including the potential development of an intermodal complex to increase container capacity and the potential construction of a people mover to connect FLL with cruise ship facilities at the Port.

In FY 05/06, the Port handled 26.6 million tons of cargo (2.6 million tons of exports and 12.5 million tons of imports as well as 11.4 million tons of domestic cargo, predominantly petroleum<sup>2</sup>). The Port is the primary storage and distribution seaport for refined petroleum product in South Florida. Every day, about 12.5 million gallons of petroleum product are delivered on oceangoing tankers to Port Everglades for distribution to facilities in a 12-county area, including jet fuel to the area's three major airports as well as smaller regional airports.

A recent analysis of the economic impacts of the Port's diverse operations identified 27,528 direct, induced, and indirect jobs as well as an additional 160,576 related user jobs throughout the state, for a total of 188,203 jobs. The value of the Port's economic activities totals \$16.9 billion; these activities generate \$6.4 billion in total personal income and \$589 million in total state and local taxes.<sup>3</sup>

The Port's Foreign-Trade Zone No. 25 extends to several non-contiguous sites, including acreage

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<sup>1</sup> Unless otherwise indicated, the information in this section is based on FY 05/06 data.

<sup>2</sup> Total does not add because of rounding.

<sup>3</sup> Additional details about the economic analysis conducted in September 2007 are presented later in this Executive Summary.

in Davie, about six miles west of the Port, and farther west in the Miramar Park of Commerce. These off-port locations help diversify and spread the economic opportunities and jobs generated by Port operations. Broward County is considering other sites for Foreign-Trade Zone designation.

In addition to its substantial cargo operations, Port Everglades also serves more than 40 cruise ships, which made more than 1,700 ship calls and embarked and disembarked 3.2 million multi-day and one-day cruise passengers in FY 05/06. With its continuing capacity expansion to serve industry growth, the Port expects to accommodate approximately 4.7 million cruise passengers per year by FY 10/11. Based on a recent survey, approximately 65 percent of these passengers fly through South Florida airports to and from their cruises.

## **Element 2: Market Assessment**

Element 2 of the Plan presents the findings of the market assessments conducted for each of the four core businesses at the Port: containerized cargo, non-containerized cargo, liquid bulk, and cruise. In conjunction with the forecasts of containerized cargo and dry bulk cargo, the Consultant Team also considered the potential development and utilization of an ICTF.

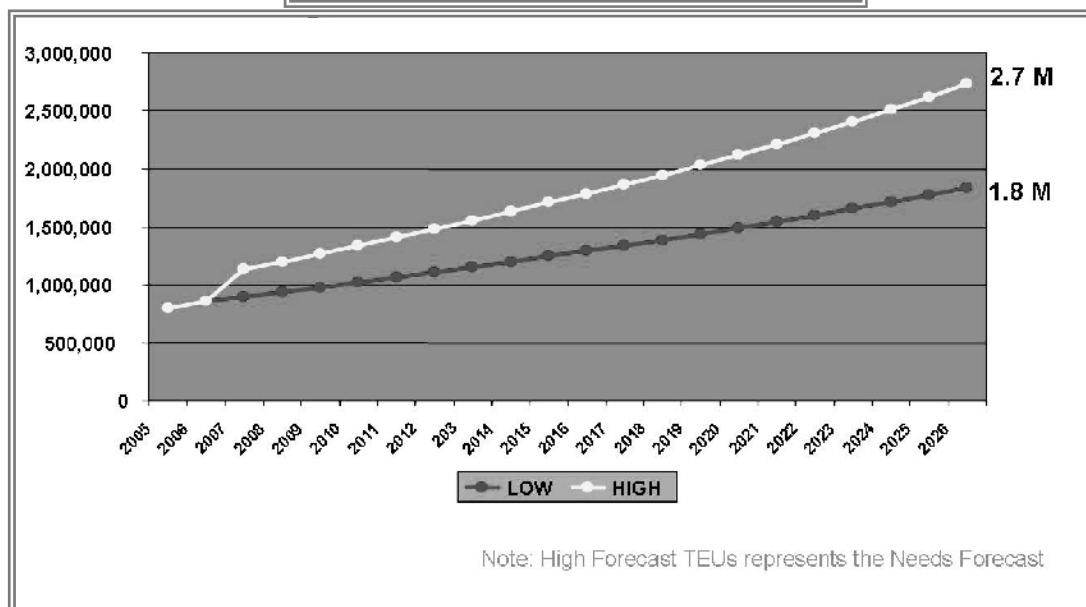
**Containerized Cargo Assessment.** Port Everglades, as part of the South Florida “Gateway to the Americas,” has significant trade with the countries in Latin America and the Caribbean. In 2006, approximately 85 percent of Port Everglades’ container activity was dedicated to this trade. With respect to containerized imports, the geographic position and resulting limited inland reach of the three South Florida ports -- Port Everglades, the Port of Miami, and the Port of Palm Beach -- have hindered their growth beyond a regional port status, serving the South and Central consumption markets. A summary of the containerized market analysis in which Port Everglades competes follows.

- **Growth in Asian Import Market** - The growth in the U.S. container trade – 10.5 percent annually since 1994 - has been fueled by import cargo from Asia. The West Coast ports have historically dominated this market. Events -- including the impact of 9/11 on the distribution supply chain, the 2002 West Coast port shutdown, and major congestion issues that arose in 2004 -- have, however, resulted in increased diversification of containerized cargo via various U.S. East Coast ports.
- Asian growth is likely to remain in double digits in the near-term, and growth in all-water service to the South Atlantic port range will continue. It is also likely that a significant share of Asian cargo consumed in Central and South Florida will be moved intermodally via the West Coast ports; this cargo represents an additional all-water service market to target. Furthermore, the Port of Savannah is penetrating into the Central and South Florida markets, primarily due to the growth of all-water services calling at Savannah. This penetration is also an area for Port Everglades to target. The Port should continue to market global carriers that participate in this trade and target the Central and South Florida accounts that are currently moving through the Port of Savannah, as well as using intermodal service via West Coast ports.

- Distribution Center Growth – The containerized import growth exhibited by the Virginia and the Georgia Port Authorities (Norfolk and Savannah, respectively) are closely related to the regional development of distribution centers in those areas. While interest has been shown in developing distribution centers in Broward County, the market is essentially land-constrained from an industrial development perspective due to scarce and relatively expensive land. The majority of the distribution center development that will serve Central and South Florida will most likely occur along the I-4 Corridor. The primary competition to Port Everglades in this market will be the Ports of Miami, Jacksonville, and potentially Tampa. An inland port or intermodal logistics center in the Palm Beach County area is currently under study; its implications for Port Everglades are as yet undetermined.
- Latin American and Caribbean Export Market – The South Florida ports have historically dominated the Latin American and Caribbean export markets. This has been facilitated by the concentration of Latin American- and Caribbean-related businesses located in South Florida. Furthermore, the vast export distribution and consolidation centers, along with the strong local truck market, continue to provide Port Everglades and the Port of Miami with the necessary support infrastructure to maintain market share in the Latin American and Caribbean export markets. It is likely that Port Everglades and the Port of Miami will remain strong and compete directly for these export cargos. Furthermore, free trade agreements with Chile and DR-CAFTA (the Dominican Republic, Belize, El Salvador, Honduras, Nicaragua, Guatemala, and -- most recently-- Costa Rica) strengthen and sustain the Latin American and Caribbean economies that rely on this U.S. export market. New agreements with Peru and Colombia, if approved, should continue this trend.
- Port Everglades' Competitive Position – A port's competitive position is defined by the total delivered cost per box, which includes ocean voyage costs, port charges, terminal charges, and inland freight rates. The base tariff rates and terminal charges are relatively competitive between Port Everglades, the Port of Miami, and the Port of Jacksonville. Because of these competitive rate structures, the inland freight rate becomes the deciding factor in port selection. The Port of Tampa holds a freight rate advantage to the Central Florida I-4 Corridor market which will emerge as the key competitive environment.

Port Everglades' Containerized Cargo Forecast – The Port will continue to exhibit growth in import and export markets, driven by the increase in population and demand for consumer goods as well as the strengthening Latin America and Caribbean economies. The base forecast is in the 3.9 percent range, reaching just over 1.8 million TEUs by 2026. The high-unconstrained forecast incorporates shifts in throughput resulting from new South American, Asian, and Northern European services likely to come on line in 2007. Any new tenants the Port signs would result in step-wise throughput increases. The annual growth rate over the planning horizon is expected to reach 5.9 percent or approximately 2.7 million TEUs by 2026, as shown by the high container forecast in Figure ES-1.

**Figure ES-1**  
**Low/High Container Forecast**

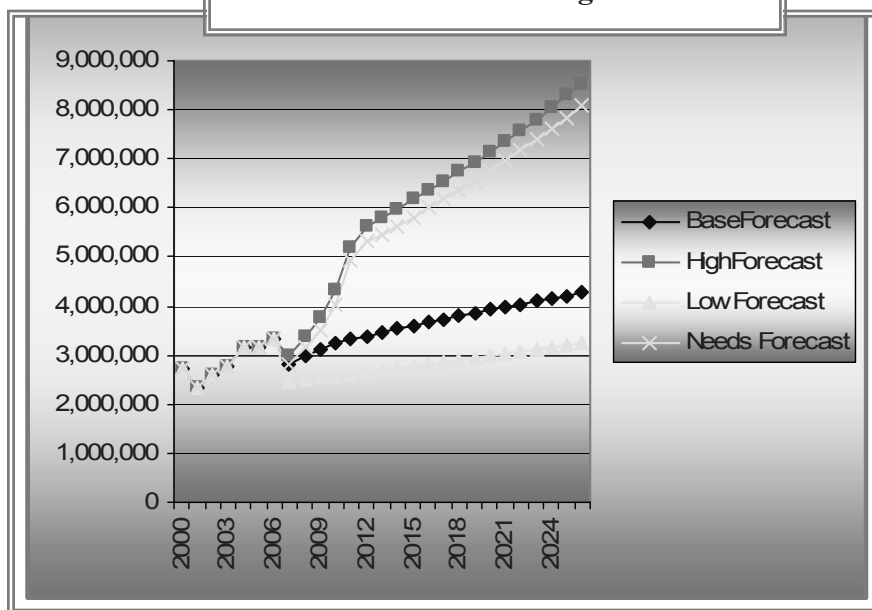


**Non-Containerized Cargo: Dry Bulk and Neo-Bulk Assessment.** Forecasts of dry bulk and neo-bulk (also called break-bulk) cargos included commodities such as cement, aggregates, steel and lumber. The low forecast for these commodities remains below the 2006 tonnage of 3,328,696 throughout the forecast period with a 2026 tonnage of 3,238,080. The baseline forecast increases to 4,276,566 tons by 2026, mostly due to the slow, but steady growth in cement. The high forecast reaches 8,541,482 tons in 2026, primarily due to the added growth of crushed rock aggregate combined with increases relative to the baseline forecast in selected other commodities such as slag and plywood/lumber.

**Port Everglades Non-Containerized Cargo Forecast.** Figure ES-2 shows the base, high, and low forecasts for the dry bulk and neo-bulk cargos at the Port, through the 2026 planning horizon. The needs assessment forecast, which is the one used in assessing the Port's future requirements to serve these commodities, is slightly below the high forecast at 8,078,035 tons in 2026. This reflects the combination of the baseline forecast and the contingency for a decision to handle a substantial increase in crushed rock aggregate.

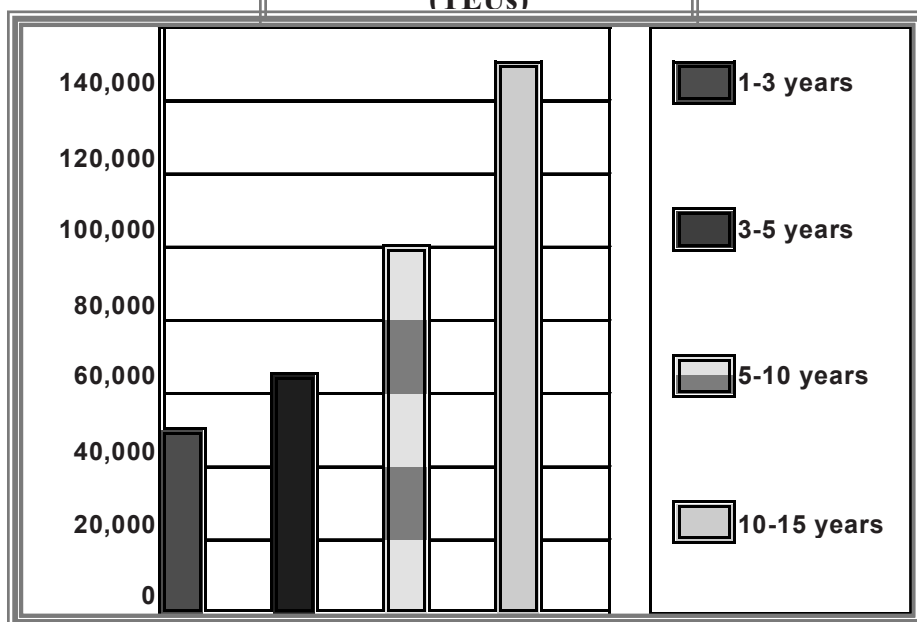


**Figure ES-2**  
**Base, High, Low, and Needs**  
**Non-Containerized Cargo Forecast**



**Intermodal Rail Market/ICTF Utilization.** The Port is considering implementation of a near-dock ICTF for the rail transport of international cargo. Potential rail providers assessed the market potential of such a facility and provided information as to the estimated cargo volumes they envision the ICTF would serve incrementally over a 10- to 15-year period from the onset of operations. Figure ES-3 shows these projections for combined northbound (imports) and southbound (exports) rail movements.

**Figure ES-3**  
**Potential ICTF Utilization**  
**(TEUs)**



Implementing a near-dock rail facility at the Port would have several potential advantages. These include

- Increased freight throughput beyond the local market.
- Further leverage of Latin American and Asian markets.
- Enhanced menu of services offered to shipping lines.
- Reduced truck congestion on the I-595 and I-95 corridors.
- Reduced drayage on Port moves associated with the Florida East Coast Railway, which serves the Port.
- Enhanced opportunities once the Panama Canal expansion is completed by 2016, or even before.
- Expanded exposure to rail land bridge routes.
- Reduced air emissions.

To make the near-dock ICTF a reality, the Port will need shipping line support. The ICTF could, however, be implemented through a combination of public and private funding.

As included in the assessment of the Port's dry bulk opportunities, development of a facility to import and handle crushed rock aggregate has been proposed.<sup>4</sup> The potential operators wish to use the near-dock rail to transport their crushed rock aggregate commodities to market. The anticipated mutual advantages of this bulk facility to the Port, potential rail providers, the aggregate importer, and the region would include:

- The proposed state-of-the-art facilities would provide a strong new Port revenue stream.
- The proposed imports would diversify the Port's cargo mix.
- The facility, with its underground enclosed conveyor system, would cause minimal impact to current Port users and maintain a dust-free environment.
- The facility would integrate into Florida's Strategic Intermodal System program.
- With Port Everglades as the starting point for northbound cargos, shipments would avoid over 100 at-grade rail crossings between the current rock quarries in south Miami-Dade County and the Port.
- The facility would take hundreds of trucks a day off local and regional highways, reducing congestion and air emissions.
- The proposed ICTF layout would accommodate unit trains for crushed rock aggregate.

"Rush hour" conditions, which continue the entire day on local roads, underscore the need to explore opportunities to divert movements from truck to rail and improve intermodal connectivity. Identifying and implementing these opportunities will help preserve and enhance

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<sup>4</sup> The domestic supplies of crushed rock aggregate, which is used in construction, have been dwindling and imported crushed rock is required to compensate for the loss of this important commodity.



the significant regional economic benefits generated by trade and tourism.

**Liquid Bulk Assessment (Petroleum Products).** For the most part, the information contained in this section has been derived from the *Petroleum Sector Strategy Study*, Purvin and Gertz (P&G), Inc., prepared for the Port in 2005. Additional specifics derived from the Consultant Team's interviews with several of the Port's petroleum operators and updates through FY 05/06 supplement the P&G information.

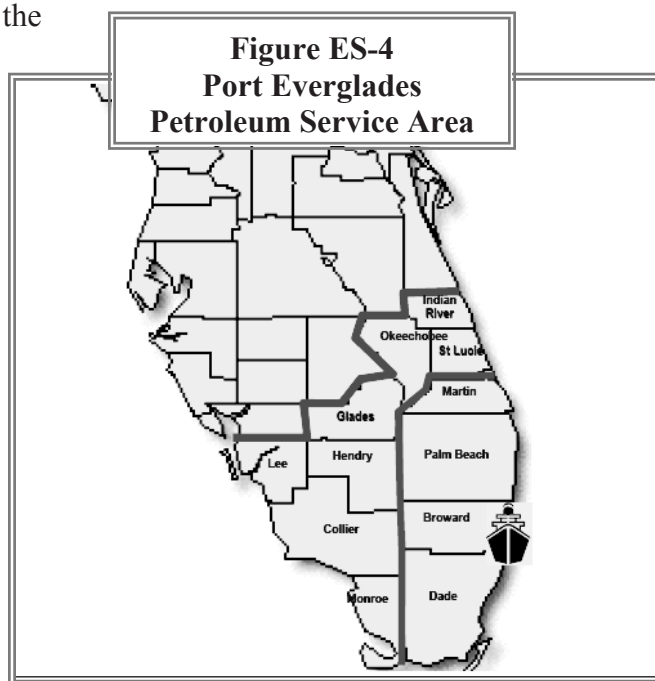
The P&G study provides insights about the facilities the Port needs to meet the petroleum industry's expected growth in South Florida through 2020 and beyond. It includes an analysis of market conditions and the physical capabilities of the Port's petroleum infrastructure as well as projections of likely volumes of product that will move through the Port.

The petroleum sector has been and will remain vital to the future success of Port Everglades and the region as a whole. The Port literally fuels the growth of the extended South Florida region, supplying 87 percent of the gasoline demand in the region and 37 percent of Florida's gasoline requirements. Petroleum products moving through the Port thus support the region's diverse transportation demands and facilitate its economic development.

The Port's petroleum sector has grown significantly over the years as South Florida's population and commerce have expanded. The Port receives and distributes a variety of fuels, including gasoline, diesel, and jet fuel to a 12-county market of 7 million people (outlined in blue in Figure ES-4), which represents close to 40 percent of Florida's 2006 population of 18 million. Over 30 percent of these residents live in the Port's immediate 4-county market alone (Miami-Dade, Broward, Palm Beach, and Martin Counties), as outlined in red in Figure ES-3. The 8-county secondary market includes Collier, Glades, Hendry, Indian River, Lee, Monroe, Okeechobee, and St. Lucie Counties.

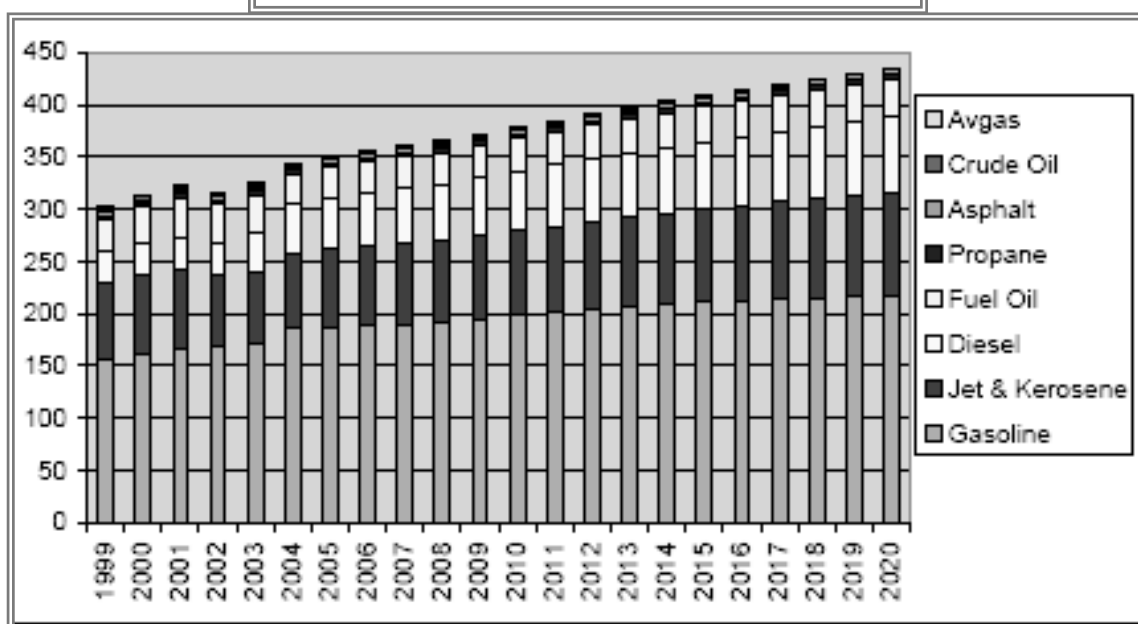
Industry services include

- Selling gasoline to retail gas stations in the region.
- Supplying the region's international airports.
- Fueling the Port's cargo and cruise ships.
- Serving the FPL electric power plant.
- Serving military needs.



**Port Everglades Petroleum Product Forecast.** Total throughput volumes at Port Everglades, as presented in the P&G study, are forecast to grow from over a projected 350,000 barrels per day in 2005 to over 435,000 barrels per day by 2020. As shown in the following Figure ES-5, gasoline continues to be the leading product; however, due to a more rapid diesel demand growth, the percentage of the throughput attributed to gasoline falls slightly over the forecast period from over 54 percent of the total in 2004 to 50 percent by 2020.

**Figure ES-5  
Petroleum Product Forecast**



**Cruise Assessment.** The attractiveness of Port Everglades as a cruise port is confirmed by feedback from cruise line stakeholders and an assessment of the overall properties that make up the cruise tourism infrastructure (both soft and hard) for Port Everglades. Figure ES-6 illustrates the strengths and challenges existing at the Port today and those that should be addressed to support cruise growth opportunities.

As shown, the primary strengths of Port Everglades are the short marine access for large cruise ships coupled with the terminal locations and length of berths overall. New gangway systems have been recently installed, providing greater flexibility to access vessel shell doors and move passengers to / from the terminal facilities. Provisioning for the lines based in South Florida is excellent due to the convenient locations of their warehouses and short drive distances for trucks. Additionally, the tourism infrastructure of the region as a whole is very supportive of cruise operations, including lodging, attractions and venues, access to consumers, convenient airport location and airlift, access to the major roadway network of I-595, I-95, Florida's Turnpike, and I-75, and a strong appeal for visitors.

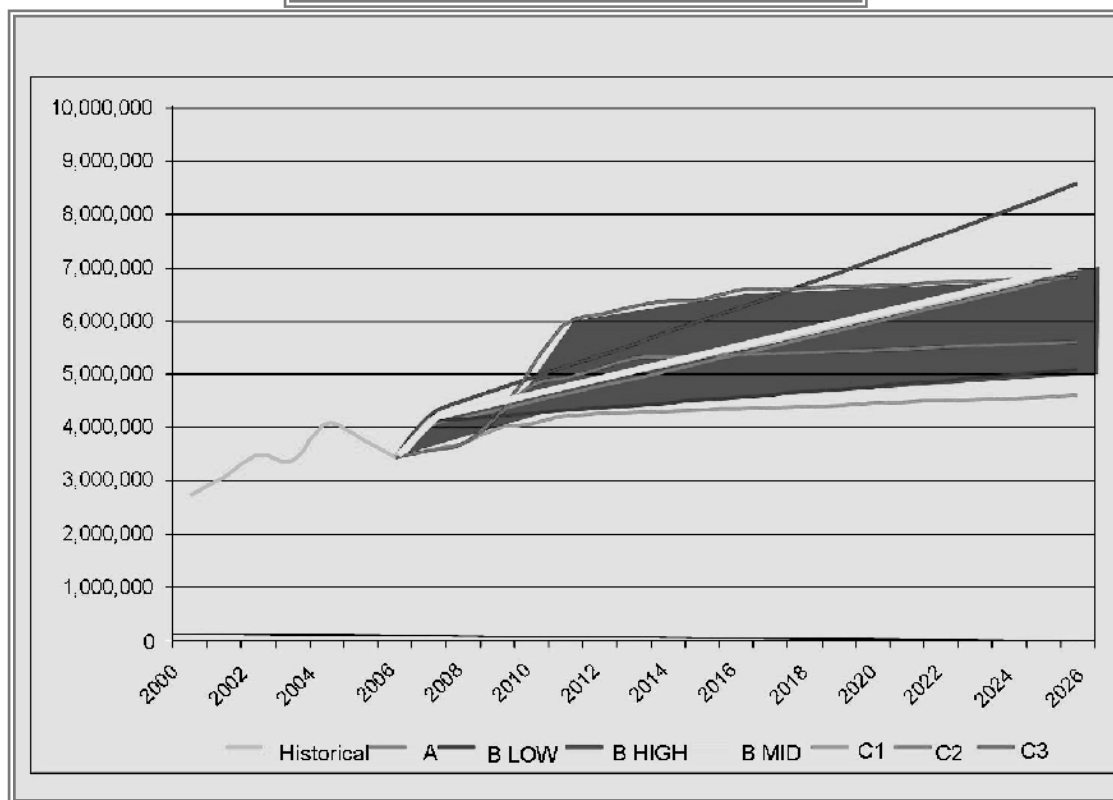
**Figure ES-6  
Cruise Infrastructure Assessment  
of Port Everglades**

<b>Criteria</b>	<b>Assessment</b>
<b>Marine Access</b>	(short channel for large ships) ■ / ▲
<b>Terminal Location(s)</b>	▲
<b>Pier / Berthing</b>	(length of berths) ■ / ▲
<b>Apron</b>	■
<b>Gangways</b>	(new systems installed) ■ / ▲
<b>Terminal Operations</b>	■
<b>Ground Transportation Areas (GTA)</b>	■ / ▲
<b>Parking</b>	(proximity to terminals) ■
<b>Provisioning</b>	▲
<b>Security</b>	■ / ▲
<b>Landside Access</b>	(gate and roadway access) ■ / ▲
<b>Airport and Airlift</b>	(proximity and capacity) ■ / ▲
<b>Lodging</b>	▲
<b>Attractions and Venues</b>	▲
<b>Access to Consumers</b>	▲
<b>General Appeal</b>	▲
<b>Marketing / Communications</b>	■ / ▲
<b>Key: Strong (▲), Fair (■), Weak (▼)</b>	

Port Everglades Cruise Passenger Forecast. Figure ES-7 shows the low, mid, and high cruise passenger forecasts for Port Everglades. In its assessment of the infrastructure needed to support the forecasts, the Consultant Team used the B MID scenario projection, resulting in approximately 7 million revenue cruise passengers by 2026.<sup>5</sup>

<sup>5</sup> Most cruise ports, including those in Florida, derive revenue when the cruise passenger embarks on the cruise and then again when he or she disembarks. The term “revenue passenger” refers to this dual movement of a single passenger.

**Figure ES-7**  
**Revenue Cruise Passenger Forecast**



### **Element 3: Plan Development**

Element 3 presents the results of the iterative process the Consultant Team conducted with continual input from the Port's senior staff, tenants, and other stakeholders as well as the County Administration, governmental agencies, and the Board. It presents the alternative development concepts evaluated during Phase I, which resulted in the Conceptual 20-year Vision Plan. The infrastructure improvements identified in Phase I were refined in Phase II and evaluated for their economic benefits, return on incremental investment, and environmental and transportation impacts as input into the final 20-year and 10-year Vision Plans and realistic, cost-feasible 5-year Capital Improvement Plan. The discussion of the projects proposed for these milestone years is presented in Element 5 below.

### **Element 4: Strategy Development**

Element 4 assesses the potential business, financial, and asset utilization strategies the Port can implement to achieve its planning goals. In addition, this element describes how the Port proposes to finance the capital improvements envisioned in this Master Plan for the 5-, 10-, and 20-year periods.

Port Everglades has had a proactive approach to defining Port success and identifying the ways to achieve it. The Port's definition of success is expressed in the following statement:

*Consistently maintain, develop, expand, and modify the Port to meet service area needs, strengthen Broward County's economy, and enhance the region's multi-modal transportation network.*

In its strategy development tasks and workshops with the Port's senior staff, the Consultant Team utilized this definition as well as measures of success the Board identified in the Industry/Economic Action Plan from the Port Business Plan for 2005-2010.

**Commission Goal:** Clearly identify industry/economic targets that are most promising to our stakeholders and in context with our goals.

- **Market Measure 1:** Amount of new capital investment made in Broward County.
- **Market Measure 2:** Number of jobs for Broward County.
- **Objective 1:** Increase the amount of new capital investment made in Broward County by 5 percent over 5 years.
- **Objective 2:** Increase the number of jobs in the Port sector by 5 percent over 5 years.

**Business and Asset Utilization Strategies.** To build on the considerable initiatives of the Port's ongoing strategic development program, in this task the Consultant Team looked at the diverse opportunities for Port-generated economic benefits and then referred to the success factors and objectives identified by the Port.

**Types of Port-Generated Economic Benefits.** The Port's economic benefit can be calculated in several ways. These include:

- Satisfying the needs of consumers and business for fuel, consumables, construction materials, and other commodities at a comparatively lower cost than if the goods were imported elsewhere.
- Capturing revenue and value-added opportunities from passenger traffic.
- Spending by cruise passengers in Broward County in hotels, restaurants and stores; and spending by the crew for electronics and other goods.
- Spending by the cruise industry for fuel, provisions, and administrative expenses.
- Cross benefits and synergies between the Port and FLL from cruise passengers who fly in and out of that airport.
- Reductions in highway congestion by using direct water service for foreign imports to reach South Florida consumers rather than trucking them from northern ports.
- Jobs and income-earning opportunities.
- Taxes.

Critical Success Factors The Port's 2005-2010 Business Plan identifies the following success factors:

- Revenue must be sufficient to maintain and cover bond requirements and fund capital projects.
- Tariff and lease rates must remain competitive in regional, state, and national markets.
- Security must be a priority.
- Port infrastructure must keep pace with global market changes to remain competitive.
- Leasable real estate in the Port must be renovated.
- Substantially larger cruise ships and passenger volumes must be accommodated.
- Harbor facilities must be expanded and deepened to meet the demands of larger vessels.
- Ancillary landside assets (e.g., drainage, road resurfacing) must be upgraded.
- Parking capacity must be increased.
- High customer service levels to the Port's varied tenant mix must be enhanced.
- Foreign-Trade Zone No. 25 non-contiguous sites must be expanded and facilitated.
- Environmental stewardship and principles must not be compromised.
- Responsible and responsive corporate citizenship must remain a focus.
- High vehicle traffic solutions must be designed and implemented.

Port-Supported Objectives. To achieve its vision of success, the Port supports the following objectives:

- Provide new container and other marine terminals, including planning for an ICTF.
- Improve intermodal connections (road and rail) to facilitate the transportation of cargo and provide competitive service.
- Expand cruise operations and construct new facilities.
- Expand roadway systems and parking facilities to support increased cruise growth.
- Expand Foreign-Trade Zone operations (including noncontiguous zone sites).
- Expand role as a transshipment center for worldwide markets.
- Improve petroleum-receiving facilities and operations.
- Pursue new trading opportunities and strengthen existing ties.

Financial Objectives. The following financial objectives influence the Port's business and asset management strategies.

- Increasing revenues and, more important, net revenues.
- Return on investment.

- Stability of income.
- Achieving growth targets.
- Protecting value for the County and bondholders.
- Self-sufficiency.
- Diversification of commodities handled.

These objectives will be incorporated into the Goals, Objectives, and Policies section of the Deepwater Port Component of the Coastal Management Element in Broward County's Comprehensive Plan in Phase III.

Summary of Business Strategy Considerations. In summary, the Port's business and asset utilization strategies must consider:

- The Port's most probable trade/cruise markets.
- The Port's 10- and 20-year Vision Plans.
- The Convention Center "carve-out" and impact on day and other cruises.
- Lease opportunities.
- The ACOE study findings.
- Potential air-draft and crane-height restrictions from aviation flight surfaces.
- Status and incorporation of on-going projects.
- Diversification to increase berth utilization.
- Higher density terminal operations.
- Greater operational efficiencies.
- Phasing of proposed infrastructure improvements to balance available funding with construction cost need.
- Design parameters to increase operational savings.
- A balance between commerce and security.

**Financial Strategies.** The 10- and 20-Year Vision Plans are the road maps to identify the infrastructure that is projected to meet market demand at those respective milestones. The Vision Plans answer the question: "If Port Everglades is to meet the expected market demand at a milestone year, what infrastructure will be needed?" The 5-year Plan has been further refined by establishing estimated design and construction costs and schedules for project construction, within the 5-year fiscal period.

The projects in the 5-Year Plan were incorporated with the Port's continuing general infrastructure, maintenance, and renewal programs to create the 5-Year Capital Improvement Plan (CIP). This CIP, which covers FY 2007/2008 to FY 2011/2012, (October 2007 to September 2012 per Broward County's fiscal period), needs to be a program that can be



implemented within identified project budgets and have the funding available at the time needed. The 5-Year CIP presented in this Plan has been developed with County staff and represents a program that is capable of being implemented within the established time frame. Projects in the 5-Year CIP were selected because of their added value to the Port in the near term.

Project-Decision Matrix. The 5-Year Plan has been differentiated from the 10- and 20-Year Vision Plans with further investigation and documentation to support the placement of those projects in the CIP. The Port's senior staff and the Consultant Team developed "tools for the toolbox" to assist and guide future Master Plan decision-making. A critical tool in the toolbox is the Project-Decision Matrix, which is a set of sensitivities to be utilized when market demand indicates that a project would be needed in the near term. At that time, accurate information can be entered into the Project-Decision Matrix.

The Project-Decision Matrix comprises six sensitivities:

- Project Cost.
- Return on Incremental Investment (ROI).
- Net Present Value (NPV).
- Economic Impact.
- Environmental Impact.
- Customer/Regulatory Need.

These six sensitivities, or indicators, are described below.

- Project Cost. The cost of a project includes professional design and inspection services during construction. It is recommended that, in appropriate projects, value-engineering services should be added to the design process; these services would depend on the nature of the project. Initial capital costs must be evaluated against long-term operating costs. Construction costs within the 5-Year CIP incorporate a three percent inflationary increase per year. Construction costs for projects in the 10- and 20-Year Vision Plans use present dollars in the order-of-magnitude cost estimates to avoid discrepancies in projected escalation factors.
- Return on Incremental Investment. The Port's investment may be the value of land or the cost of capital improvements made by the Port for the project. In addition to revenue received from wharfage charges, dockage fees, land lease, or passenger throughput, the Port may also be reimbursed for the cost of new cruise or cargo facilities in the form of a capital cost recovery charge.
- Net Present Value. NPV is the dollar amount by which the future net revenues, discounted at 8.50 percent per year, would exceed the initial investment by the Port on a project.
- Economic Impact. Economic impact is quantified in terms of income, jobs, and taxes, and can be an indicator of the sustainability of a project.



- Environmental Impact. Environmental impact is not only evaluated in terms of the additional cost to a project, but must acknowledge acceptance of the project by both the regulatory agencies and the public.
- Customer/Regulatory Need. Some infrastructure projects do not directly generate revenue, but need to be implemented. For example, without traffic and security improvements, the needs of the tenants/stakeholders, regulatory agencies, and the public cannot be met.

Project Cost, Return on Incremental Investment, Net Present Value, and Economic Impact can be quantified and evaluated analytically. Environmental Impact and Customer/Regulatory Need also have quantifiable impacts, but may have specific issues such as permits or other mandatory regulations that influence the Go-No-Go decision.

The financial strategy used in the development of the 5-Year CIP is to incorporate sustainable, high added-value projects. This strategy is recommended for future CIPs throughout the 20-year planning horizon. In other words, revenue from a project should not be the only indicator, but other indicators should be evaluated. The key terms are “sustainable” and “added value.”

The Project-Decision Matrix was utilized to make Go-No-Go decisions in placing Master Plan projects into the 5-Year CIP. Some projects in the 5-Year CIP do not produce revenue directly, but, as in the case of road improvement projects, are needed to mitigate existing traffic congestion. These projects are essential to maintain Port tenant and user satisfaction and meet regulatory requirements. Other projects, such as new cruise facilities, rank high using the Project-Decision Matrix tool and, therefore, several cruise facility projects have been included in the 5-Year CIP. Figure ES-8 shows how the Project-Decision Matrix was used in assessing two key projects in the 5-Year CIP: the crushed rock aggregate facility and the expansion of Cruise Terminal 18.

**Figure ES-8**  
**Examples of Project-Decision Matrix Use**

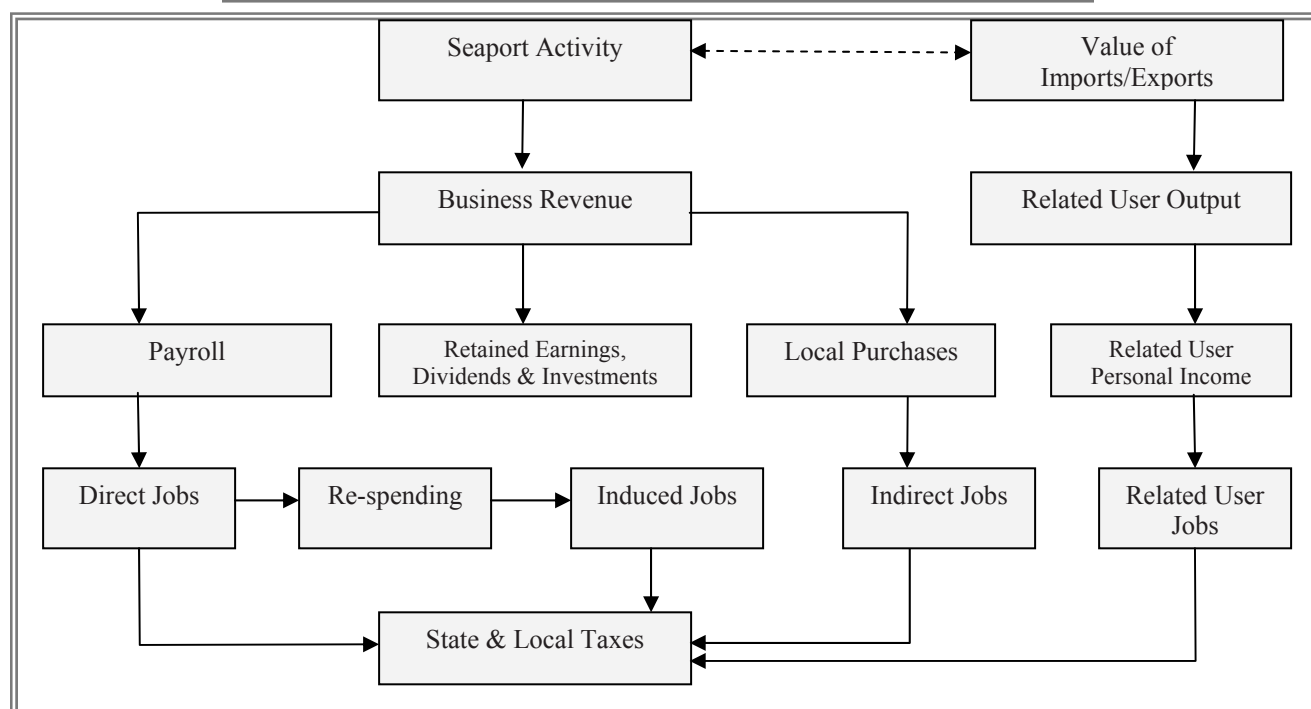
<b>CRUSHED ROCK FACILITY</b>												
Total Construction Cost	ROI	Net Present Value	Economic Impact			Environmental Impact				Customer / Regulatory Need		
			Total Income	Jobs	Taxes	High	Mid	Low	Permit Required	High	Mid	Low
			(\$1,000)									
\$63.4 M	13.7%	\$8.4 M	76,035	1,215	6,995	X			X	X		
<b>CRUISE TERMINAL 18 EXPANSION</b>												
Total Construction Cost	ROI	Net Present Value	Economic Impact			Environmental Impact				Customer / Regulatory Need		
			Total Income	Jobs	Taxes	High	Mid	Low	Permit Required	High	Mid	Low
			(\$1,000)		(\$1,000)							
\$37.4 M	26.6%	\$44.9 M	172,127	3,844	15,857			X		X		

**Economic Impact.** Economic impact -- consisting of income, jobs, and taxes -- is one of the six key indicators in the Project-Decision Matrix. The economic impact analysis model the Consultant Team prepared measures the local, regional, and state economic impacts generated by maritime activity at the container, dry and break-bulk, and liquid bulk cargo terminals as well as at the cruise terminals at Port Everglades.

**Economic Impact Components.** Figure ES-9 graphically demonstrates how seaport activity impacts the local and regional economies. As this figure indicates, the ocean cargo and vessel activity initially generates business revenue to the firms supplying maritime services. This revenue is used to purchase employment (direct jobs) to provide the services, to pay stockholders and generate retained earnings, and to purchase goods and services from local as well as national and international firms (creating indirect jobs with these firms). Businesses also pay taxes from the business revenue.

The employees hired by the firms receive wages and salaries (personal income), a portion of which is saved, while another portion is used to buy goods and services such as food, housing, clothing, health care, etc. These purchases create a re-spending impact throughout the economy, known as the personal income multiplier. Because of these local purchases, additional jobs (known as induced jobs) are created in the local economy. Finally, taxes are paid by individuals employed with the firms providing the services to the seaport terminals.

**Figure ES-9**  
**Flow of Seaport Activity Impacts through the Economy**



As Figure ES-9 illustrates, four impact categories are measured:

- Jobs.
- Employee earnings.
- Business revenue.
- State and local taxes.

Analytical Findings. The economic impact findings resulting from the analysis prepared during the master planning process are based on interviews with 235 firms providing services to the cargo, passengers, and vessels handled at the Port's cargo and cruise terminals. These 235 firms represent 99 percent of the firms in the Port Everglades seaport community, underscoring the accuracy of the findings. Furthermore, the impacts can be traced back to the individual firms. In addition to the overall economic impact findings, the data collected from the interviews were used to develop operational models of the terminals located at Port Everglades.

Table ES-1 summarizes the economic impacts generated by the cargo and cruise terminals.

**Table ES-1**  
**Summary of the Local and Regional Economic Impacts**  
**Generated by Port Everglades**

	CARGO	CRUISE	TOTAL
<b>JOBS</b>			
DIRECT	5,984	4,997	10,982
INDUCED	6,742	3,278	10,021
INDIRECT	3,362	3,163	6,525
RELATED USER JOBS	160,676	NA	160,676
<b>TOTAL JOBS</b>	<b>176,765</b>	<b>11,438</b>	<b>188,203</b>
<b>PERSONAL INCOME (1,000)</b>			
DIRECT	\$265,247	\$129,108	\$394,355
INDUCED	\$779,799	\$298,100	\$1,077,899
INDIRECT	\$149,811	\$99,697	\$249,507
RELATED USER INCOME	\$4,680,533	NA	\$4,680,533
<b>TOTAL PERSONAL INCOME</b>	<b>\$5,875,389</b>	<b>\$526,905</b>	<b>\$6,402,294</b>
<b>VALUE OF ECONOMIC ACTIVITY (1,000)</b>			
BUSINESS SERVICES REVENUE	\$740,498	\$1,264,665	\$2,005,163
RELATED USER OUTPUT	\$14,845,943	NA	\$14,845,943
<b>TOTAL VALUE OF ECONOMIC ACTIVITY</b>	<b>\$15,586,441</b>	<b>\$1,264,665</b>	<b>\$16,851,106</b>
<b>LOCAL PURCHASES (1,000)</b>	<b>\$281,252</b>	<b>\$139,282</b>	<b>\$420,534</b>
<b>STATE &amp; LOCAL TAXES (1,000)</b>			
DIRECT, INDUCED AND INDIRECT	\$109,927	\$48,541	\$158,468
RELATED USER TAXES	\$430,609	NA	\$430,609
<b>TOTAL STATE AND LOCAL TAXES</b>	<b>\$540,536</b>	<b>\$48,541</b>	<b>\$589,077</b>

The vessel, cargo, and passenger activities at the cargo and cruise facilities at Port Everglades generated the following impacts in the regional economy in FY 2006:

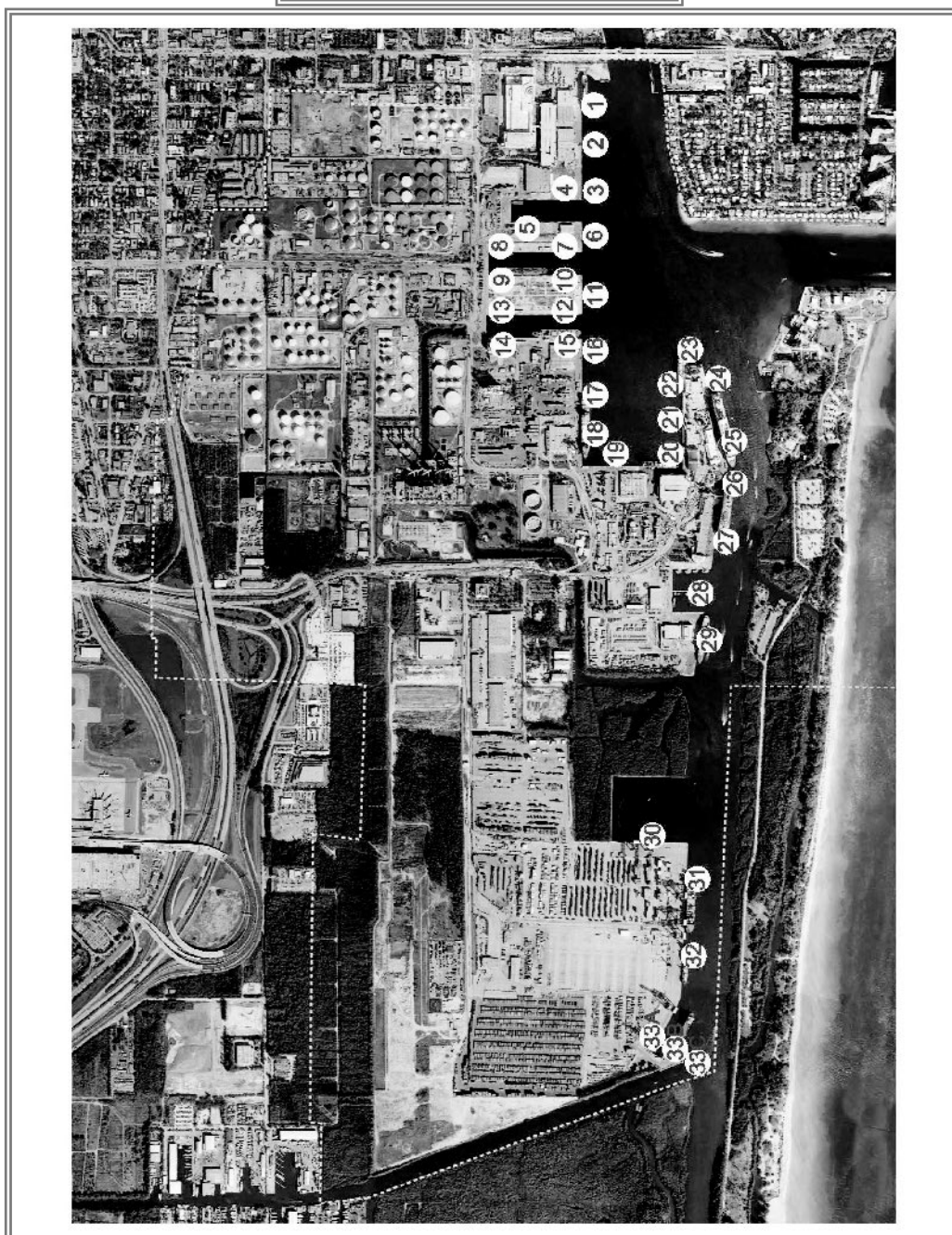
- **188,203 jobs in Florida are in some way related to the cargo and cruise activity at Port Everglades. Of the 188,203 total jobs:**
  - 10,982 direct jobs are generated by the ocean cargo and cruise activity.
  - Local and regional purchases by those 10,982 individuals holding the direct jobs support an additional **10,021 induced jobs** in the regional economy.
  - **6,525 indirect jobs** are supported by \$420.5 million of local purchases by businesses supplying services at the cargo and cruise terminals and by businesses dependent upon the Port for the shipment and receipt of cargo.
  - The cargo moving via Port Everglades supports **160,676 related user jobs** with exporters and importers located throughout the State of Florida. The majority of these jobs with exporters and importers are associated with the movement of containerized commodities.
- **Approximately \$6.4 billion of wages and salaries were generated by Port Everglades' cargo and cruise activity in FY 2006.**
  - **\$394.4 million of direct wages and salaries** were received by those 10,982 directly employed.
  - As the result of re-spending, this direct jobholder income, an **additional \$1.078 billion of income and consumption expenditures, was created** and supported the 10,021 induced jobs.
  - The 6,525 indirect jobholders received **\$249.5 million of indirect wages and salaries.**
  - The 160,676 related user jobholders generated **\$4.681 billion in personal income.**
- **The FY 2006 cargo and cruise activity at Port Everglades generated \$16.85 billion in economic value to the State of Florida.**
  - Businesses providing services to the cargo and cruise terminals received **\$2.0 billion of revenue.**
  - In addition, the cargo activity at the Port created an additional **\$14.8 billion of total economic output** in the state, the majority of which is created by the movement of containers and the in-state industries supporting these industries.
- Local businesses and suppliers to the cargo and cruise industries at Port Everglades made **\$420.5 million of local purchases.**
- **\$589.1 million of state and local taxes** were generated by activity at the cargo and cruise terminals, including **\$430.6 million generated by the related users** throughout the state.



## Element 5: The Final Plan

Element 5 presents the ultimate Master Plan, which was refined as a result of the iterative planning process conducted with the Port senior staff, Port tenants and users, the public, local municipalities, and varied agencies as well as workshops with the Board. It outlines the Master Plan projects proposed for implementation in the 5-, 10-, and 20-year periods and identifies their costs. For reference in the following project discussions, berth locations are shown in Figure ES-10.

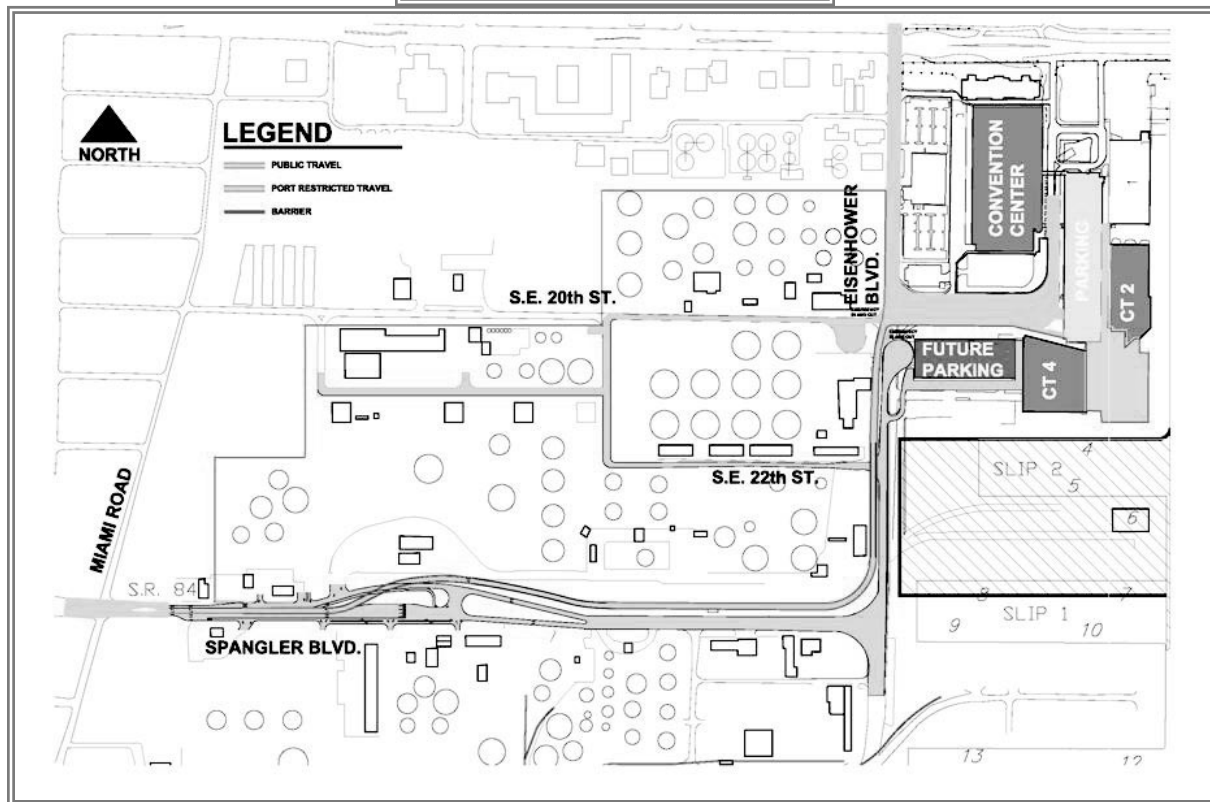
**Figure ES-10**  
**Berth Location Map**



**The 5-Year Plan.** The projects proposed for implementation in the 5-Year Plan are discussed below, starting with three key Plan initiatives.

**By-Pass Road.** Within the 5-year Plan, a roadway is proposed to be constructed parallel to Eisenhower Boulevard and Spangler Boulevard. This roadway will permit the public to travel between the intersection at Eisenhower Boulevard and 17<sup>th</sup> Street to Spangler Boulevard and U.S. 1 without passing through a Port security gate. The conceptual “By Pass Road,” discussed in Phase I of the Plan, has been modified to have less impact upon the Port’s users and other stakeholders. To maintain existing traffic movements for users to access their properties and move between their terminals and the docks, a second overpass has been added to the Phase I concept. This modified concept, illustrated in Figure ES-11, will allow most of the existing Port user traffic movements to remain unchanged.

**Figure ES-11  
Conceptual By-Pass Road**



“Carve out” of the Broward County Convention Center. The By-Pass Road and the removal of the Port’s security gate on Eisenhower Boulevard will allow the public to travel between 17<sup>th</sup> Street and Eisenhower Boulevard to U.S. 1 and Spangler Boulevard. The public will also be able to access the Convention Center and its future expansion, including a hotel, without passing through a Port security gate.

A new security perimeter, between Port-secured space and public space at the Convention Center and the existing parking structure at Northport, was established. This security perimeter would be a fence between Port-secured property and the public space and the security perimeter would be the exterior wall at Terminals 2 and 4 in the 5-Year Plan. In other words, passengers accessing Terminals 2 and 4 would pass through the Port’s security gate at the entrances to these two terminals. When the proposed parking structure is constructed west of Cruise Terminal 4, in the 10-Year Vision Plan, Cruise Terminal 4 and the new parking structure will be in the Port-secured area. Therefore, access to Cruise Terminal 4 will require screening at the Port’s roadway gates.

To meet its cruise infrastructure assessment, the Port needs to provide a mega cruise ship berth at Cruise Terminal 2. The length of berth needed to service the cruise ship is 1,321 feet, with a minimum of 75-foot dock apron width.

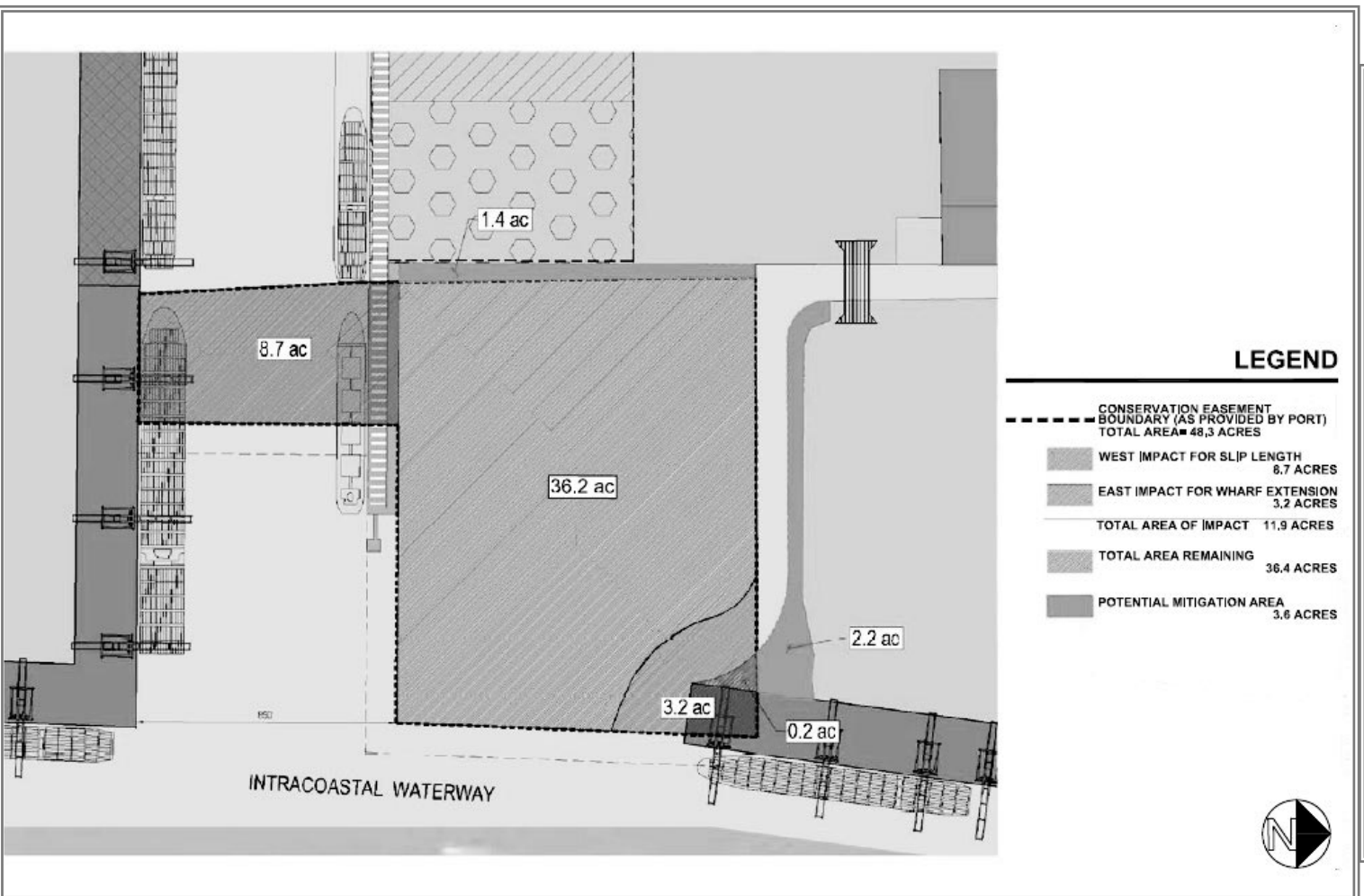
When the Broward County Convention Center was constructed, the project required a Development of Regional Impact Statement (DRI). The boundary of the DRI needs modification to allow the Port and the Convention Center to pursue their respective master plans.

Turning Notch Expansion. Expansion of the Turning Notch adds several vital assets to the Port’s infrastructure, which have the domino effect of allowing future projects of added value. To expand the Turning Notch, however, it is necessary to both secure a release for the 8.7 acres of the Conservation Easement (see Figure ES-12) and mitigate the mangroves in the 8.7 acres. The Port is investigating alternative sites on and off port for substituting suitable land and habitat area. Among the areas being considered for land substitution and mangrove mitigation are Deerfield Island in the ICW and land contiguous to the remaining Conservation Easement.

Additional Conservation Easement Impacts. Potential impacts to the Conservation Easement will occur when Berth 29 is extended southward in the 10-year planning horizon. This extension will require realignment of the FPL Discharge Canal at the junction of the Canal and the ICW (see Figure ES-12.). The realignment and widening of the Canal at its junction with the ICW will require relocation of existing mangroves and the entrance to the manatee habitat area. The wharf extension and the Canal realignment impact 3.2 acres of the Conservation Easement. An area for adjoining mangrove mitigation has been identified: 2.2 acres along the north side of the Canal and 1.4 acres along the western boundary of the Conservation Easement.



Figure ES-12  
Conservation Easement Impact Map



Other projects in the 5-Year Plan include the following:

Cruise Terminal 2 Renovations. These renovations are required due to changes in defining the Port-secured area from the public space at and around the Convention Center. Renovations include relocation of at-grade air-conditioning condensing units, relocation of fire-service water piping, security enhancements, and a new entrance lobby.

Cruise Terminal 4 Redevelopment/Expansion. These improvements are necessary to accommodate larger passenger ships and an increased baggage-handling area within the terminal. The project includes moving the entrance to the terminal from the east side to the west to be serviced by a new passenger intermodal zone, i.e., ground transportation area, on the west side of the terminal.

Molasses Tank Use Request for Letters of Interest (RLI). Abandoned molasses tanks exist on County-owned property to the west of Eisenhower Boulevard and south of SE 20<sup>th</sup> Street. This property is a valuable asset to the Port. To maximize its economic value, an RLI will be developed to receive proposals for use of this site from potential private interests.

Relocation of Public Works/Port Maintenance. The construction of the By-Pass Road will require partial removal of the existing public works building, which is located west of Eisenhower Boulevard and south of SE 20<sup>th</sup> Street. The existing site of the public works building adjoins the existing molasses tanks along with Port maintenance buildings to the south. In lieu of rebuilding the public works facility at this site, it is envisioned that the facility will be relocated and the current land area be added to the RLI for molasses tank use. This added land should increase the value of the RLI to the Port.

Midport Roadway Expansion. Expansion of East Eller Drive is to accommodate taxi staging and mitigation of traffic serving the Midport cruise terminals.

Berth 16-17 Crane Replacement. Berths 16-17 have two existing on-rail cranes in need of repair. One crane is to be removed from service and replaced with a mobile harbor crane. The remaining on-rail crane will be upgraded.

Demolition of Transit Shed 16. Demolition of this shed is required to increase terminal yard space for container operations.

Cruise Terminal 18 Redevelopment/Expansion. Expanding Cruise Terminal 18 will occur in two phases. Phase I will accommodate the Navigator-class cruise ship; Phase II will accommodate the Genesis-class cruise ship. Phase II is contingent on reaching agreement with the cruise line to host the new Genesis class vessel.

Midport Parking Garage. This facility will add 1,200 structured parking spaces above a passenger intermodal area to serve the Port's cruise facilities.

Cruise Terminal 19 Expansion. This project expands the baggage-handling area at an existing terminal to better accommodate larger cruise ships.

FPL Discharge Canal Intermodal Bridge. This intermodal bridge will connect the cargo areas at Midport to the cargo areas at Southport. The intermodal bridge will encourage operational

efficiencies, by not requiring traffic between these two cargo areas to go in and out of the security gates.

Cruise Terminal 21/22 Expansion. Combining the building footprints of these two terminals will enable the new facility to accommodate larger cruise ships. Currently, the berth that serves these terminals is adequately sized for the ships, but the landside facilities need to be expanded to serve the increased passenger volumes and baggage-handling requirements.

Southport Phase VIII. This phase of the Southport improvement program is currently on undeveloped land and represents an opportunity for expansion of the Port's container terminals. Improvements include pavement, drainage, and lighting.

McIntosh Loop Road. McIntosh Road is the entry road to the Southport container terminals. Currently, the road alignment requires trucks to make left-hand turns into the respective terminals without sufficient queuing space on the roadway. The proposed new alignment creates a loop road with ample turning radii for trucks, mandating all trucks to make right-hand turns into the terminals. The roadway section will have both de-acceleration and acceleration lanes in addition to the through lanes at terminal entrances. Appropriate signage will be provided for all truck routes.

Existing traffic is a critical concern to the users of McIntosh Road. This project will build through lanes in a looped configuration.

Foreign-Trade Zone/Warehouse RFP. The Master Plan allocates a 15-acre site west of McIntosh Road for the relocated on-port Foreign-Trade Zone buildings. The current buildings have costly annual maintenance charges and new structures are needed. In lieu of Port investment into new buildings, an RFP will be issued in hopes of receiving proposals from the development community for using this property as warehouses for Foreign-Trade Zone occupants. The Port would consider a land-lease arrangement with a potential developer. In this manner, the Port would receive revenue from the land lease and be able to have new buildings constructed for the Foreign-Trade Zone occupants with capital costs covered by private investment.

Dry Stack Boat Storage Request for Letters of Interest (RLI). The Master Plan recommends relocation of the dry stack boat storage facility from the FPL Discharge Canal site to the Dania Cut-Off Canal. The relocation of this facility will eliminate 400 boats from entering this manatee-protected area and permit the construction of the intermodal bridge needed to increase operational efficiencies for Port users. The RLI will establish a land area suitable for this type of facility to be constructed by a developer with revenue paid to the Port through a land-lease agreement.

Crushed Rock Aggregate Terminal. This facility is envisioned to meet a portion of Florida's needs for crushed rock aggregate with supplies imported from off-shore locations. Private investment will pay for the facility, consisting of mooring structures, enclosed conveyors, an enclosed storage building, and rail yard. To berth the crushed rock vessel in the turning notch, release of the 8.7 acres of the Conservation Easement is required, as discussed previously.

ICTF Rail, Phase I. The rail to serve the crushed rock aggregate terminal is Phase I of the future ICTF. It is envisioned that private investment will pay for this rail along with grants secured by

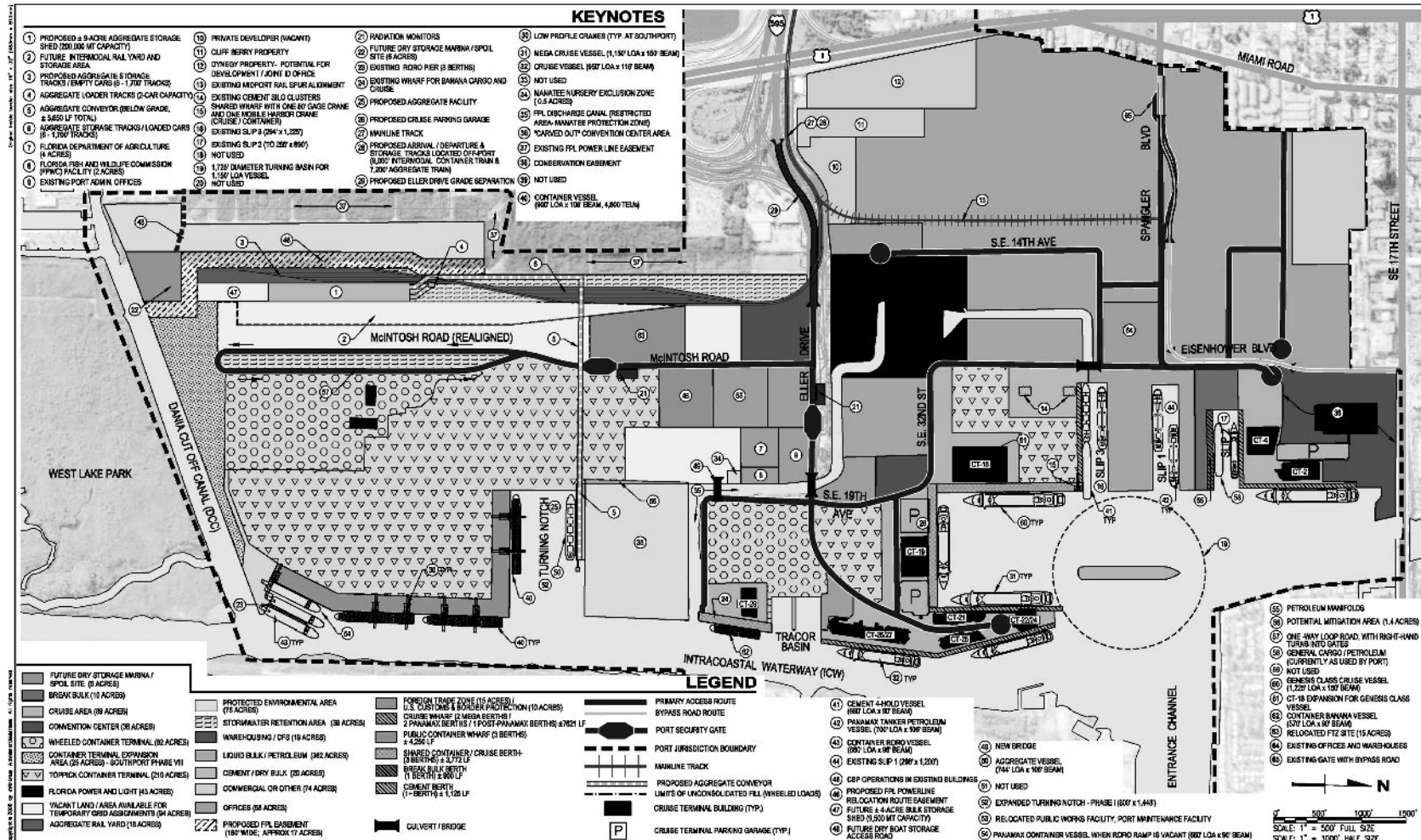
the Port.

The Master Plan projects in the 5-Year Plan are shown in Table ES-2; the 5-Year Plan is illustrated in Figure ES-13.

**Table ES-2**

<b>5-Year – Master Plan Projects Years 2008 to 2012</b>	
	<b>Project Cost (\$ million)</b>
<b>– Northport Improvements</b>	
• 5-1: CT 2 Renovations	1.650
• 5-2: CT 4 Redevelopment/ Expansion	13.000
• 5-3: Molasses Tank Reuse RLI	0.000
• 5-4: Bypass Road	19.000
• 5-5: Relocate Public Works/Port Maintenance	2.000
<b>– Midport Improvements</b>	
• 5-6: Midport Roadway Expansion	2.300
• 5-7: Berth 16-17 Crane Replacement	6.050
• 5-8: Demo Transit Shed 16 / Reconfigure Terminal	0.800
• 5-9: CT 18 Redevelopment / Expansion	38.900
• 5-10: Midport Parking Garage	27.700
• 5-11: CT 19 Expansion	6.700
• 5-12: Intermodal Bridge over FPL Discharge Canal	7.200
• 5-13: CT 21/22 Expansion	22.000
<b>– Southport Improvements</b>	
• 5-14: Phase 1 Turning Notch Expansion	47.030
• 5-15: Southport Phase VIII	15.500
• 5-16: McIntosh Loop Road	6.530
• 5-17: FTZ / Warehouse RFP	10.300
• 5-18: Dry Stack Marina RLI	0.000
• 5-19: Crushed Rock/Aggregate Terminal & Rail Yard Facility	55.000
• 5-20: ICTF Rail (Phase 1 for Import Crushed Rock Facility)	10.496
<b>TOTAL</b>	<b>\$292.156</b>





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**5-YEAR PLAN**  
YEARS 2008-2012

FIGURE ES-13

**The 10-Year Vision Plan.** The Master Plan projects in the 10-Year Vision Plan include the following infrastructure improvements for the Port's diverse cargo and cruise facilities:

**Cruise Terminal 4 Parking Garage.** A new 1,680-space structured parking facility will be constructed west of Cruise Terminal 4 and over a passenger intermodal zone to serve both Cruise Terminal 4 and Cruise Terminal 2.

**Slip 2 Expansion.** Slip 2 will be expanded in both width and length to accommodate a cruise vessel 1,100 feet in length overall (LOA) on the north bulkhead and a general cargo or petroleum vessel on the south bulkhead. The existing roll-on/roll-off (RO/RO) ramp on the north bulkhead of Slip 2 will be reconstructed further west in the slip.

**Petroleum Barge Slip.** A slip for a petroleum barge will be needed in this timeframe. The new slip will be constructed in a "niche" in Pier 1 without impacting the other petroleum slips. The north bulkhead will be positioned so the bulkhead can be retained when Slip 3 is expanded in the 20-Year Vision Plan.

**Midport Cruise Passenger Intermodal Center - Phase I.** This cruise passenger intermodal center will integrate an intermodal zone, or ground transportation area, at grade with a structured parking facility above to serve the cruise terminals at Midport. The intermodal center will provide a central location for the loading/unloading of buses, shuttles, and taxis.

**Container Terminal Area Expansion.** This project fills in the Tracor Basin to expand the container terminal area at Midport.

**Construction of Berth 28 and Extension of Berth 29.** This project constructs the bulkhead at Berth 28 and extends the existing bulkhead at Berth 29 southward.

**Crane Procurement for Berths 28 - 29 (four 100-gauge cranes).** Four 100-foot gauge ship-to-shore gantry cranes on a rail structure will be procured for Berths 28-29.

**FPL Discharge Canal Realignment.** Extending Berth 29 southward necessitates the realignment of the FPL Discharge Canal. This project realigns the Canal at its junction with the ICW.

**Cruise Terminal 27.** A new cruise terminal will be constructed at Midport with an elevated passenger concourse to serve cruise ships at Berth 28.

**Cruise Terminal 29 Demolition.** Cruise Terminal 29 is demolished to create additional cargo terminal area along the wharf.

**Phase II Turning Notch Expansion.** The Turning Notch that was expanded in Phase I will now be lengthened further to the west to create an overall length of the southern bulkhead of 2,455 feet.

**Relocation of Banana and Other General Cargos.** On the north bulkhead of the Phase II expanded Turning Notch, a marginal wharf will be constructed to serve general cargo, including banana vessels.

**ICTF Track and Storage Yard.** The ICTF will be constructed to transfer international containers between rail and ship. The project consists of expanding the existing rail spur, created in the 5-Year Plan, into rail storage tracks adjacent to a new container storage yard.

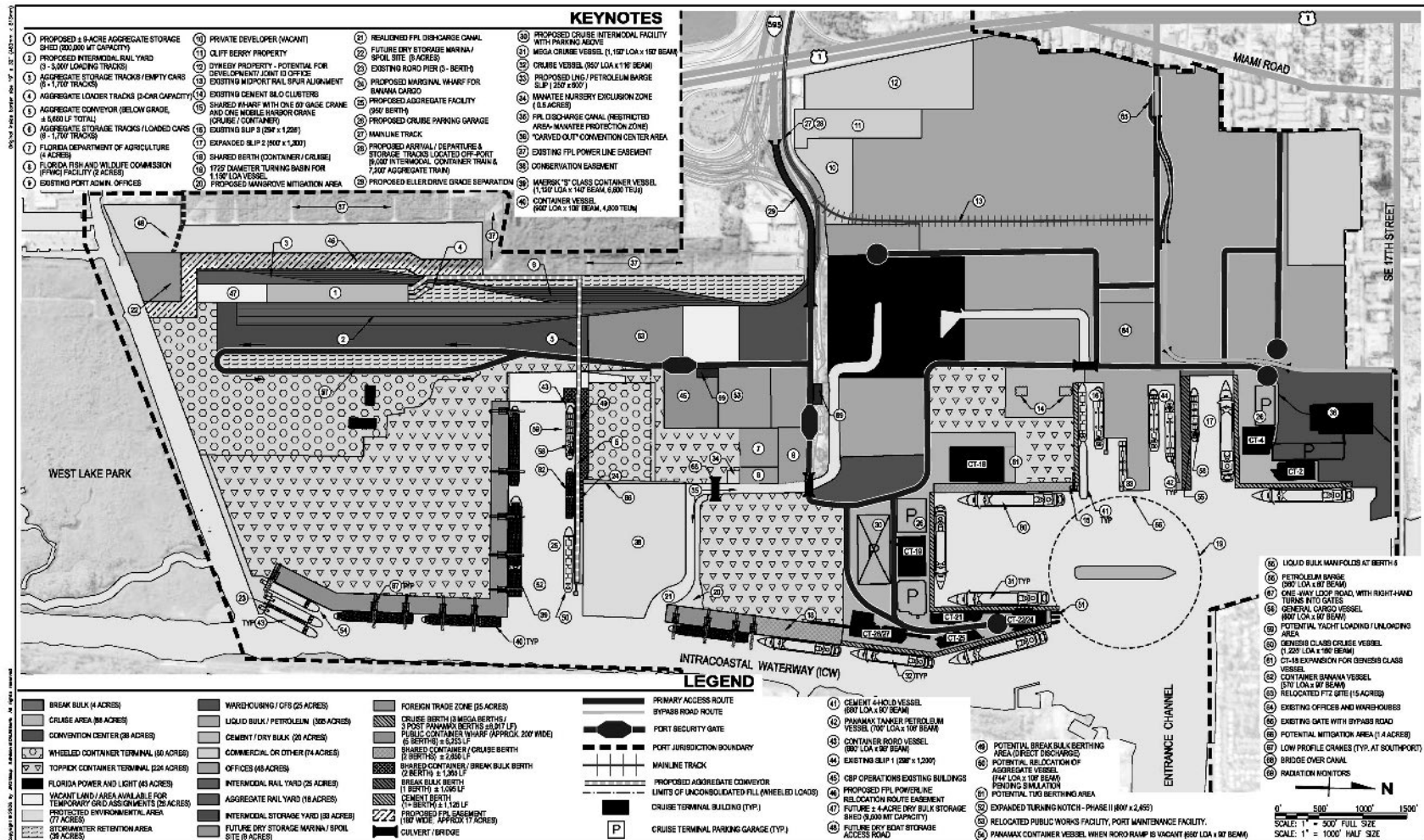
Crane Procurement for Southport (three 100-gauge cranes). Three ship-to-shore 100-foot gauge gantry cranes will be added to Southport in the 10-Year Vision Plan.

The Master Plan projects in the 10-Year Vision Plan are shown in Table ES-3; the 10-Year Vision Plan is illustrated in Figure ES-14.

**Table ES-3**

<b>10-Year Vision Plan – Master Plan Projects Years 2013 - 2016</b>		
<b>– Northport Terminal Improvements</b>	<b>Project Cost (\$ million)</b>	
• 10-1: CT 4 Parking Garage		37
• 10-2: Slip 2 Expansion		90
• 10-3: Petroleum Barge Slip		24
<b>– Midport Terminal Improvements</b>		
• 10-4: Construct Midport Cruise Intermodal Facility - Phase 1		80
• 10-5: Expand Container Terminal Area		15
• 10-6: Construct Berth 28, Extend Berth 29		25
• 10-7: Crane Procurement for Berths 28-29 (four 100-gauge cranes)		40
• 10-8: Realign FPL Discharge Canal		10
• 10-9: Construct CT-27		35
• 10-10: Demo CT-29		1
<b>– Southport Terminal Improvements</b>		
• 10-11: Phase 2 Turning Notch Expansion		60
• 10-12: Relocate Banana and Other General Cargos		10
• 10-13: Construct ICTF Track and Storage Yard		50
• 10-14: Crane Procurement for Southport (three 100-gauge cranes)		30
In present-day dollars	<b>TOTAL</b>	<b>\$ 507</b>





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**10-YEAR VISION PLAN  
YEARS 2013-2016**

FIGURE ES-14



**The 20-Year Vision Plan.** The Master Plan projects in the 20-Year Vision Plan include the following infrastructure improvements for the Port's diverse cargo and cruise facilities:

**Reconfiguration of Slips 1 and 3.** Slips 1 and 3 will be expanded in width and Slip 3 lengthened. These two slips serve both petroleum and cement vessels. Expanding Slip 3 will eliminate the need for the cement vessel using Berth 14 to wait for Berth 15 to be vacant before it can maneuver into and out of Berth 14. Expanding Slips 1 and 3 will accommodate the berthing of larger petroleum vessels.

**Midport Cruise Passenger Skyway.** This project represents Phase II of the cruise passenger intermodal center and includes the implementation of an elevated pedestrian moving walkway that connects the 4,000+-space parking structure with all the cruise terminals at Midport.

**Cruise Terminal 24/25 Expansion.** This project will integrate the footprint areas of Cruise Terminals 24 and 25 into a single terminal to service larger capacity cruise ships.

**Rubber Tire Gantry Crane Terminal Conversions.** This project installs the necessary site infrastructure to accommodate rubber tire gantry cranes (RTGs) to increase densification of container storage within the Southport terminal yards.

**Berth 33A Extension.** The existing RO/RO ramps and structured pier at Southport will be removed and Berth 33A expanded to approximately 1,100 feet to accommodate a 900-foot LOA container ship.

**Crane Procurement for Berth 33A.** One ship-to-shore 100-foot gauge gantry crane will be procured to serve Berth 33A.

**Dania Cut-Off Canal RO/RO Development.** The Dania Cut-Off Canal will be widened to the north to accommodate the berthing of three RO/RO vessels. RO/RO ramps, bulkheads, and embankment protection are included in this project.

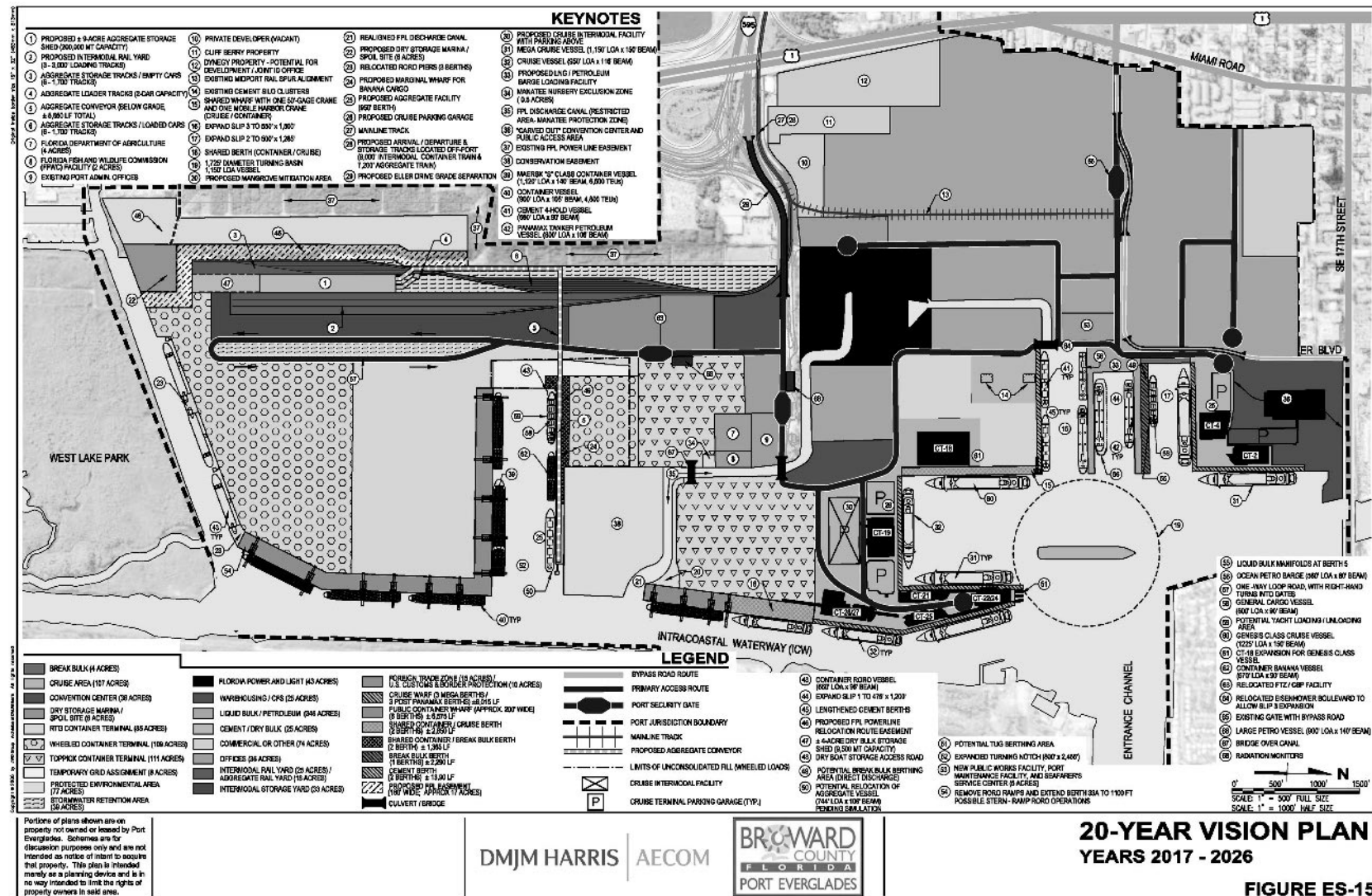
**Customs and Border Protection Facility.** A new facility to house the inspection services of Customs and Border Protection will be constructed west of McIntosh Road in the Port-secured area.

The Master Plan projects in the 20-Year Vision Plan are shown Table ES-4; the 20-Year Vision Plan is illustrated in Figure ES-15.

Table ES-4

**20-Year Vision Plan – Master Plan Projects  
Years 2017 to 2026**

<b>– Northport Improvements</b>		<b>Project Cost (\$ million)</b>
• 20-1: Reconfigure Slips 1 and 3		140
<b>– Midport Improvements</b>		
• 20-2: Construct Midport Cruise Passenger Skyway		80
• 20-3: CT 24/25 Expansion		40
<b>– Southport Improvements</b>		
• 20-4: Begin RTG Terminal Conversions		30
• 20-5: Extend Berth 33A		20
• 20-6: Crane Procurement for Berth 33A		10
• 20-7: DCC Ro/Ro Development		50
• 20-8: CBP Facility		16
In present-day dollars		<b>TOTAL \$386</b>



## **Element 6: Plan Implementation**

Element 6 first discusses several development issues, including bulkhead conditions, the ACOE studies, and traffic circulation considerations. It then presents a realistic and implementable 5-year CIP, which includes both the projects identified in the Master Plan and other elements of the Port's maintenance and renewal program, and shows the sources of CIP funding. This element concludes with estimated funding for the 10- and 20-Year Vision Plans.

**Bulkhead Conditions/ACOE Studies.** While this Plan was being developed, Port Everglades engaged an engineering firm to investigate the implementation of toe wall extensions to the existing bulkheads to provide the increased water depths envisioned at the various berths by the *ACOE Feasibility Study/Environmental Impact Statement*. A July 2007 memorandum to Port Everglades from the engineering firm recommended that “all bulkheads 40 years of age should be replaced within the 20-year planning horizon.” This recommendation, along with senior staff's review of the draft engineering report, concurred that the bulkheads from Berth 1 through Berth 29 are likely to need replacement by 2026, the 20-year planning horizon.

Bulkhead replacement scheduling is dependant on the results of future inspection programs and the bulkhead conditions at the time of the inspection. Where increased water depth is identified by the *ACOE Feasibility Study/Environmental Impact Statement*, the engineering report did, however, recommend replacing the bulkheads prior to dredging at the affected berths. Berths 30 through 33, constructed in 1992, will not be 40 years of age by 2026 and the Plan assumes these bulkheads are probably suitable for toe wall extensions.

**Master Plan Impacts.** The impacts of Plan implementation will be quantified in Phase III, when the existing Deepwater Port Component of the Coastal Management Element in Broward County's Comprehensive Plan is updated to incorporate the Port's new Master Plan. As required by Chapter 163, Florida Statutes, the Consultant Team will address the vehicular traffic, water, wastewater, power, and environmental impacts of the Port's 5- and 10-year maintenance and expansion program.

Summarized below in general terms are some of the traffic and environmental improvements that will mitigate potential impacts of the development program.

**Traffic Improvements Resulting from Plan Implementation.** The following traffic and circulation improvements will result from Plan implementation

- Carving out the Convention Center from the Port's secured area will eliminate the existing traffic that flows to and from the Broward County Convention Center.
- Removing the existing security gate on Eisenhower Drive will eliminate non-Port traffic from queuing at that gate.
- Constructing the By-Pass Road will mitigate traffic congestion on U.S. 1, between Spangler Boulevard and 17<sup>th</sup> Street and on 17<sup>th</sup> Street between U.S. 1 and Eisenhower Boulevard.

- Alleviation of peak cruise traffic congestion by routing buses, taxis, and privately owned vehicles (POVs) to/from Cruise Terminal 2 over the By-Pass Road rather than through the Port's security gates.
- Developing the crushed rock aggregate facility will be the Phase I for the implementation of the ICTF. Since the rock will leave the Port by rail, additional truck trips from the import of this commodity will not be generated. The facility will transport 4 million tons of crushed rock by rail, rather than using the 200,000 trucks that would otherwise be needed. The use of rail, therefore, will eliminate 400,000 truck trips to/from the Port and the regional roadway system.
- Further developing the ICTF for transferring containers to rail in lieu of truck will eliminate 171,500 annual truck trips at full operational use.
- Encouraging empty containers to be stored off site will reduce truck traffic and truck emissions. For every container stored off-site, two truck trips are eliminated. If 50,000 empties were stored off the Port, 100,000 truck trips to/from the Port would not be needed.
- Building an intermodal bridge over the FPL Discharge Canal to connect the Midport and Southport cargo areas will reduce traffic through the Eller Drive gate.
- Locating Customs and Border Protection inside the secured Port area will reduce traffic through the Eller Drive gate.
- Adding a new parallel road and cruise passenger intermodal center south of Cruise Terminal 19 will reduce taxi and POV traffic on East Eller Drive and eliminate bus traffic from that roadway segment.
- Entering buses into a centralized intermodal facility at 19<sup>th</sup> Avenue, west of East Eller Drive, will reduce traffic on that roadway segment.
- Reconfiguring the McIntosh Road alignment and road section with separate queue lanes with only right-hand turns into each container terminal will alleviate congestion on that critical road.

Environmental Improvements Resulting from Plan Implementation. In addition to mitigating potential environmental impacts, the Master Plan projects encourage environmental improvements due to the nature of the respective projects. Examples are:

- Importing crushed rock aggregate will reduce the existing environmental issues with the present quarries in Florida. The new facility at Port Everglades will be enclosed for dust containment and not generate any air pollutants from the rock.
- Relocating the dry stack boat storage facility from its existing site on the FPL Discharge Canal to the Dania Cut-Off Canal will eliminate the 400 boats that enter the warm waters of the Discharge Canal to access the facility. The elimination of this boat traffic will help safeguard the manatees and their young who frequent these waters and the manatee nursery in this portion of the Canal.



- Expanding the three slips at Northport and reducing the widths of the existing Piers 1 and 2, will remove the majority of the petroleum contamination currently contained within the Pier bulkheads. Any remaining product will be contained within new bulkheads with greater lifespan and durability.
- Widening the navigation channels with environmentally friendly bulkheads, that is, bulkheads that do not penetrate the water surface, wherever possible, will allow tidal flows to be maintained at the shoreline and critical habitat areas.
- Reducing traffic congestion and trip generation, as described in the preceding narrative, will reduce air emissions throughout the Port and the region.

In addition to the above environmental improvements resulting from Master Plan projects, the Port is developing a “Green Port” Program that addresses air quality, water quality, wildlife, soil protection, waste reduction and elimination, and recycling.

#### Estimated Economic Impacts Resulting from Plan Implementation

The Consultant Team prepared an analysis of the projected economic impacts resulting from implementation of the 5-Year Plan and the 10- and 20-Year Vision Plans. The full 20-Year Vision Plan when implemented by the year 2026 will add:

- **Total jobs of 346,461** to the 188, 203 jobs in the 2006 base year.
- **Total personal income of \$10.9 billion** to the \$6.4 billion in the 2006 base year.
- **Total economic activity of \$31.5 billion** to the \$16.9 billion in the 2006 base year.
- **Total state and local taxes of \$1.0 billion** to the \$589.1 million in the 2006 base year.

(Refer to Table ES-1 for 2006 base year economic impacts)

In the analysis, total jobs include direct, induced, indirect, and related user jobs. The incremental increases in economic impact shown above are heavily driven by the projected containerized cargo throughput impact on induced jobs.

## Plan Costs and Funding

### 5-Year Capital Improvement Plan

The 5-Year Plan identified the infrastructure needed at Port Everglades to meet the 5-year projected market demand and the locations of the respective infrastructure components. This infrastructure has been further defined into specific construction projects with project costs and the year each project is needed. The project costs for design/inspection services and construction have then been scheduled for one of the five fiscal years -- 2008 through 2012 -- in the CIP.

The 5-Year CIP groups the project costs into four sections; namely:

- 01 General Infrastructure.
- 02 Master Plan Projects.
- 03 ACOE Dredging Project.
- 04 Other Port Capital Improvements (Maintenance, Renewal, and Replacement).

The 01 General Infrastructure and 04 Other Port Capital Improvements (Maintenance, Renewal, and Replacement) sections consist of limited scope projects that are of a maintenance and infrastructure renewal nature. The 02 Master Plan Projects are the previously described projects that have been identified by this master planning program and are needed to meet the projected market demands. The 03 ACOE Dredging Project consists of projects that will result from the ACOE *Feasibility Study/Environmental Impact Statement*, currently in progress, and will consist of both the federal and non-federal share costs.

Over the five-year period, the project costs in each of the four sections are:

01 General Infrastructure	\$23,855,000
02 Master Plan Projects	\$292,156,000
03 ACOE Dredging Project	\$46,726,000
04 Other Port Capital Improvements	\$55,813,000

The total CIP cost over the five fiscal years is \$418,550,000, as summarized in Table ES-5.

**Table ES-5**  
**5-Year Capital Improvement Plan**

	Years 2008 to 2012					Cost (\$ million)
	2008	2009	2010	2011	2012	TOTAL
General Infrastructure Improvements _____	11.535	4.800	2.500	2.500	2.500	23.855
Master Plan Projects _____	71.243	78.876	35.266	19.471	87.300	292.156
ACOE Dredging Program _____		6.794		20.000	19.932	46.726
Other Port Capital Improvements _____ (Maintenance, Renewal and Replacement)	17.371	12.685	9.797	8.680	7.280	55.813
<b>TOTAL</b>	<b>100.169</b>	<b>103.155</b>	<b>47.563</b>	<b>50.651</b>	<b>117.012</b>	<b>418.550</b>

The CIP also identifies the funding sources of the projects. The four funding sources are:

- Internal Revenue; identified by (I).
- Grants; identified by (G).
- Private Investment; identified by (P).
- Potential Debt; identified by (U).

Internal Revenue (I) consists of net revenue from existing Port operations, plus net revenue from Port operations as a result of new projects constructed in the five-year period, plus cost recovery charges paid to the Port, plus reallocated funds from previous projects, less debt service charges.

Grants (G) consist of those grants that have not been expended from past years and grants that have been secured for expenditure within the five-year period.



Private Investment (P) consists of the estimated participation in the cost of infrastructure improvements that will be paid to the Port from tenants /stakeholders. This cost has been added to the CIP since these private investment projects add value to the Port's infrastructure base and become a base for the Port to derive net revenue and cost recovery charges.

Potential Debt (U) is the amount of the CIP that is currently unfunded and may be available through potential debt service.

The projected amounts, over the five-year period, for each of the four funding sources are:

Internal Revenue (I)	\$182,392,000
Grants (G)	\$50,350,000
Private Investment (P)	\$72,912,000
Potential Debt (U)	\$112,896,000
The total amount, over the five fiscal years, is:	\$418,550,000

Table ES-6 illustrates these potential five-year CIP funding sources.

Table ES-6 Funding the 5-Year Capital Improvement Plan		
Years 2008 - 2012		
▼ \$418.550		
▼ \$305.654	U	Debt Funding: \$112.896
▼ \$232.742	P	Private Investment: \$72.912
▼ \$182.392	G	Grants: \$50.350
	I	Internal Revenue: \$182.392
(In \$ Millions)		

Table ES-7 shows the proposed 5-Year CIP for FY 2008 through FY 2012 and Table ES-8 shows the funding source for each project over the five years.

**Table ES-7**  
**5-Year CIP**

FIVE YEAR CAPITAL PLAN FISCAL YEARS 2008-2012								
PROJ ID	UNIT NO.	PROJECT DESCRIPTION	FY 08	FY 09	FY 10	FY 11	FY 12	TOTAL 5-YEAR COST
		<b>GENERAL INFRASTRUCTURE FACILITIES 01</b>						
1001	6510	<b>Port Infrastructure Improvements</b>						
		Annual Miscellaneous Infrastructure Improvements	0.500	0.500	0.500	0.500	0.500	2.500
		Annual Utility Infrastructure Improvements	0.600	0.500	0.500	0.600	0.500	2.600
		Cathodic Protection for Berths 16-18 & Berth 29		1.300				1.300
		High-Wind Buildings (10)	7.150					7.150
		Metal Building for Spreader Repair Shop (50 x 100)	0.180					0.180
		Portwide Informational Signage - Phase II	1.000					1.000
		Portwide Sanitary Sewer Analysis & Upgrades/Repairs & Telemetry	0.125					0.125
		Replace Water Mains at Berths 5-16		1.000				1.000
		Resurface Berths 16, 17, 18, 21 & 15 (less oil immunity)	0.600					0.600
1002		<b>Fender &amp; Mooring Improvements</b>						
	6550	Annual Fender & Mooring Improvements	0.500	0.500	0.500	0.500	0.500	2.500
1003		<b>Port Capital Maintenance</b>						
	6530	Annual Capital Maintenance	1.000	1.000	1.000	1.000	1.000	5.000
		<b>MASTER PLAN PROJECTS 02</b>						
		<b>Midport Improvements</b>						
2001	6549	Cruise Terminal No. 18 Redevelopment/Finer Expansion						
		Phase I	4.900					4.900
		Phase II						
		Design	1.500					1.500
		Construction		32.500				32.500
2002	6549	Cruise Terminal No. 19 Expansion	6.700					6.700
2003	6549	Cruise Terminal Nos. 21/22 Expansion						
		Design			2.000			2.000
		Construction				5.000	15.000	20.000
2004	6649	Demolition of Transit Shed 16/Reconfiguration of Building No. 16	0.800					0.800
2005	6516	FPL Discharge Canal Bridge	5.825	1.375				7.200
2006	6735	Midport Crane Replacement/Upgrades	6.050					6.050
2007	6354	Midport Parking Garage						
		Design		1.400				1.400
		Construction			25.200			26.300
2008	6610	Midport Roadway Expansion	2.085	0.701				2.300
		<b>Northport Improvements</b>						
2006	6830**	Spangler Boulevard Bypass Road						
		Design	1.800					1.800
		Construction		17.100				17.100
2010	6549	Cruise Terminal No. 2 Renovations						
		Design	0.150					0.150
		Construction			1.500			1.500
2011	6549	Cruise Terminal No. 4 Redevelopment/Expansion			13.000			13.000
2012	6616	Relocation of Public Works/Port Maintenance to FTZ		2.000				2.000
		<b>Southport Improvements</b>						
2013	New Unit	Aggregate Terminal & Rail Yard Facility					55.000	55.000
2014	New Unit	Southport Turning Basin Expansion - Phase I						
		Design				0.730		0.730
		Construction					17.300	17.300
		Mitigation or Conservation Easement	20.000					20.000
		Mitigation for Wetlands Improvements				8.000		8.000
2015	6517	Foreign Trade Zone/Warehouse (F-12) K-P		10.300				10.300
2016	8100	ICTF Facility - Phase I				4.604		4.604
		Initial Southport Rail Spur						
		Design	0.428					0.428
		Construction			5.466			5.466
2017	6883	McIntosh Loop Road	5.390	1.000		0.130		6.530
2018	8106	Southport Phase VIII	13.600					13.600
3001	6790	<b>ACOE DREDGING PROJECT 03</b>		6.794		30.000	15.032	46.726

**Table ES-7 Continued**  
**5-Year CIP**

FIVE YEAR CAPITAL PLAN FISCAL YEARS 2008-2012								
PROJ ID	UNIT NO.	PROJECT DESCRIPTION	FY 08	FY 09	FY 10	FY 11	FY 12	TOTAL 5-YEAR COST
		OTHER PORT CAPITAL IMPROVEMENTS (Maintenance, Renewal & Replacement) 04						
4001	6563	CAPITALIZED INTEREST	0.300	0.300	0.300	0.300	0.300	1.500
4002	6565	Consulting Architectural/Engineering Services General Architectural/Engineering Services	0.500	0.500	0.300	0.500	0.500	1.500
4003	6526	Furniture, Fixtures and Equipment Annual Furniture, Fixtures & Equipment	1.485	1.500	1.500	1.500	1.500	7.485
4004	6735	Cranes Improvements/Replacement Annual Crane Painting	1.300	1.000	1.000	1.300	1.300	5.000
		Dromma 20/40/45' Twin-Lift Spreader	0.150					0.150
		Dromma 20/40/45' Twin-Lift Spreaders for New: Midport Cranes (2)		0.500				0.500
4005	6821	Crane Parts and Support Annual Crane Parts & Support	0.300	0.300	0.300	0.300	0.300	1.500
4006	6832	Passenger Loading Bridges Improvements/Replacement Annual Spare Parts for FLT Loading Bridges	0.140	0.140	0.140	0.140	0.140	0.700
		New PLC for SC 30/30 Loading Bridges 2, 18, 21 & 29	0.350					0.350
		Terminal 2 Loading Bridges (New)		1.400				1.400
		Terminal 4 Security Loading Bridge			1.400			1.400
		Terminal 21 Loading Bridge (Replacement)				1.400		1.400
4007	6584	Port Information Technology Systems Hardware		0.500	0.300	0.500	0.500	1.200
		PC & Laptop Replacements	0.390					0.390
		Wireless Expansion to Remote Sites	0.045					0.045
		Software						
		Payroll Timekeeping System		0.150				0.150
4008	6583	IN-HOUSE LABOR & OVERHEAD	0.540	0.540	0.840	0.540	0.540	4.200
4009	6822	Port Security Improvements Annual Replacement of Electronic Security Equipment at Security Operations Center	0.200	0.200	0.200	0.200	0.200	1.000
		Anti-jamming Device	0.040					0.040
		Install Cyberlock Access Control System in All Cruise Terminals	0.050					0.050
		Misting Cooling Units for 17 Checkpoint Booths	0.020					0.020
		Portable Standby Power for Security Checkpoints (4)	0.350					0.350
		Replace Computers in Security Checkpoint Booths (5)	0.010					0.010
		Replace Gate Arm Units at All Checkpoints	0.065					0.065
		Terminals & Port Buildings Improvements						
4010	6517	Foreign Trade Zone (FTZ) Building Improvements	0.250					0.250
4011	6549	General Terminal Improvements Annual Miscellaneous Terminal Improvements	1.800	1.600	1.600	1.800	1.800	8.000
		A/C Condensing Units, 30-ton, for Terminal 25 (2)	0.084					0.084
		Demountable Wall Partitions for Cruise Terminal Standardization	0.210					0.210
		Installation of Escalator at Terminal 2b	0.175					0.175
		Replace Fire Alarm in Terminal 2	0.125					0.125
		Replace Fire Alarms in Terminals 1, 4, 25, 26, & Foreign Trade Zone		0.375				0.375
		Terminal 2 Additional Loading Bridge Building Modifications	0.310					0.310
4012	6515	Port Building Improvements (Including Leasehold Improvements) Annual Miscellaneous Port Building Improvements	0.500	0.500	0.800	0.500	0.500	4.000
		ADA Compliance	0.750					0.750
		Building No. 6 Renovation		0.180	0.617			0.797
		Custom's House Repairs			0.500			0.500
		Emergency Generator for Public Safety Building	0.250					0.250
		ID Credentialing Office						
		Study & Design	0.817					0.817
		Construction		3.000				3.000
		Port Buildings Roofing System Repairs & Improvements	5.500					5.500
		Renovation of Linehandlers' Building, Including Restroom	0.250					0.250
		Renovations to Port Administration Building Reception Area	0.065					0.065
		Exterior Improvements to Public Safety Building	0.050					0.050
		Replace Defective Condensers & Compressors at the Port Administration Building	0.300					0.300
		Replace Fire Sprinkler Pipes at the Midport Parking Garage	0.060					0.060

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**Table ES-8**  
**5-Year CIP Project Funding Sources**

FIVE YEAR CAPITAL PLAN - TOTAL PROJECT COSTS FISCAL YEARS 2008-2012								
PROJ ID	UNIT NO.	PROJECT DESCRIPTION	INTERNAL FUNDS (I)	GRANTS (G)	PRIVATE INVESTMENT/ OTHER (P)	POTENTIAL DEBT (U)	TOTAL 5-YEAR PROJECT COST	TOTAL 5-YEAR COST PER SECTION
		<b>GENERAL INFRASTRUCTURE FACILITIES 01</b>						
1001	6510	Port Infrastructure Improvements						23.855
		Annual Miscellaneous Infrastructure Improvements	2.500				2.500	
		Annual Utility Infrastructure Improvements	2.500				2.500	
		Cathodic Protection for Berths 16-18 & Berth 29	1.300				1.300	
		High-Wind Bollards (19)	3.800	3.350			7.150	
		Metal Building for Spreader Repair Shop (50' x 100')	0.180				0.180	
		Portwide Informational Signage - Phase II	1.000				1.000	
		Portwide Sanitary Sewer Analysis & Upgrades/Repairs & Telemetry	0.125				0.125	
		Replace Water Mains at Berths 5-16	1.000				1.000	
		Resurface Berths 16, 17, 18, 21, & 19 (east of terminal)	0.600				0.600	
1002		<b>Fender &amp; Mooring Improvements</b>						
	6550	Annual Fender & Mooring Improvements	2.500				2.500	
1003		<b>Port Capital Maintenance</b>						
	6530	Annual Capital Maintenance	5.000				5.000	
		<b>MASTER PLAN PROJECTS 02</b>						292.156
		<b>Midport Improvements</b>						
2001	6549	Cruise Terminal No. 18 Redevelopment/Final Expansion						
		Phase I	2.450	2.450			4.900	
		Phase II						
		Design	1.500				1.500	
		Construction				32.500	32.500	
2002	6549	Cruise Terminal No. 19 Expansion	6.700				6.700	
2003	6549	Cruise Terminal Nos. 21/22 Expansion						
		Design	2.000				2.000	
		Construction	20.000				20.000	
2004	6549	Demolition of Transit Shed 16/Reconfiguration of Building No. 16	0.800				0.800	
2005	6516	FPL Discharge Canal Bridge	4.397	2.803			7.200	
2006	6735	Midport Crane Replacement/Upgrades	5.000	1.050			6.050	
2007	6354	Midport Parking Garage						
		Design	1.400				1.400	
		Construction				26.300	26.300	
2008	6510	Midport Roadway Expansion	1.150	1.150			2.300	
		<b>Northport Improvements</b>						
2009	6830**	Spangler Boulevard Bypass Road						
		Design	0.950		0.950		1.900	
		Construction				17.100	17.100	
2010	6549	Cruise Terminal No. 2 Renovations						
		Design	0.150				0.150	
		Construction	1.500				1.500	
2011	6549	Cruise Terminal No. 4 Redevelopment/Expansion	13.000				13.000	
2012	6515	Relocation of Public Works/Port Maintenance to FTZ	2.000				2.000	
		<b>Southport Improvements</b>						
2013	New Unit	Aggregate Terminal & Rail Yard Facility			55.000		55.000	
2014	New Unit	Southport Turning Natch Expansion - Phase I						
		Design				1.730	1.730	
		Construction				17.300	17.300	
		Mitigation for Conservation Easement	20.000				20.000	
		Mitigation for Wetlake Improvements				8.000	8.000	
2015	6517	Foreign Trade Zone/Warehouse (FTZ) RFP			10.300		10.300	
2016	8100	ICTF Facility - Phase I	0.675		3.929		4.604	
		Initial Southport Rail Spur						
		Design	0.213	0.213			0.426	
		Construction		2.733	2.733		5.466	
2017	6883	Maintash Loop Road	3.265	3.265			6.530	
2018	8105	Southport Phase VIII	7.750	7.750			15.500	
3001	6790	<b>ACOE DREDGING PROJECT 03</b>	11.774	24.986		9.966	46.726	46.726

**Table ES-8 Continued**  
**5-Year CIP Project Funding Sources**

FIVE YEAR CAPITAL PLAN - TOTAL PROJECT COSTS FISCAL YEARS 2008-2012								
PROJ ID	UNIT NO.	PROJECT DESCRIPTION	INTERNAL FUNDS (I)	GRANTS (G)	PRIVATE INVESTMENT/ OTHER (P)	POTENTIAL DEBT (U)	TOTAL 5-YEAR PROJECT COST	TOTAL 5-YEAR COST PER SECTION
		<b>OTHER PORT CAPITAL IMPROVEMENTS (Maintenance, Renewal &amp; Replacement) 04</b>						<b>55,813</b>
4001	6563	<b>CAPITALIZED INTEREST</b>	1,500				1,500	
4002	6565	<b>Consulting Architectural/Engineering Services</b>						
		General Architectural/Engineering Services	1,500				1,500	
4003	6526	<b>Furniture, Fixtures and Equipment</b>						
		Annual Furniture, Fixtures & Equipment	7,485				7,485	
4004	6735	<b>Cranes Improvements/Replacement</b>						
		Annual Crane Painting	5,000				5,000	
		Bromma 20/40/45' Twin-Lift Spreader	0.150				0.150	
		Bromma 20/40/45' Twin-Lift Spreaders for New Midport Cranes (2)	0.300				0.300	
4005	6821	<b>Crane Parts and Support</b>						
		Annual Crane Parts & Support	1,500				1,500	
4006	6832	<b>Passenger Loading Bridges Improvements/Replacement</b>						
		Annual Spare Parts for FMT Loading Bridges	0.700				0.700	
		New PLC for GE 90/30 Loading Bridges 2, 18, 21 & 29	0.050				0.050	
		Terminal 2 Loading Bridges (New)	1,400				1,400	
		Terminal 4 Second Loading Bridge	1,400				1,400	
		Terminal 21 Loading Bridge (Replacement)	1,400				1,400	
4007	6564	<b>Port Information Technology Systems</b>						
		Hardware	1,200				1,200	
		PC & Laptop Replacements	0.090				0.090	
		Wireless Expansion to Remote Sites	0.045				0.045	
		Software						
		Payroll Timekeeping System	0.150				0.150	
4008	6563	<b>IN-HOUSE LABOR &amp; OVERHEAD</b>	4,200				4,200	
4009	6822	<b>Port Security Improvements</b>						
		Annual Replacement of Electronic Security Equipment at Security Operations Center	1,000				1,000	
		Anti-jamming Device	0.040				0.040	
		Install Cyberlock Access Control System in All Cruise Terminals	0.050				0.050	
		Misting Cooling Units for 17 Checkpoint Booths	0.020				0.020	
		Portable Standby Power for Security Checkpoints (4)		0.350			0.350	
		Replace Computers in Security Checkpoint Booths (5)	0.010				0.010	
		Replace Gate Arm Units at All Checkpoints	0.085				0.085	
		<b>Terminals &amp; Port Buildings Improvements</b>						
4010	6517	<b>Foreign Trade Zone (FTZ) Building Improvements</b>	0.250				0.250	
4011	6549	<b>General Terminal Improvements</b>						
		Annual Miscellaneous Terminal Improvements	8,000				8,000	
		A/C Condensing Units, 30-ton, for Terminal 25 (2)	0.084				0.084	
		Demountable Wall Partitions for Cruise Terminal Standardization	0.210				0.210	
		Installation of Escalator at Terminal 25	0.175				0.175	
		Replace Fire Alarm in Terminal 2	0.125				0.125	
		Replace Fire Alarms in Terminals 1, 4, 25, 26, & Foreign Trade Zone	0.375				0.375	
		Terminal 2 Additional Loading Bridge Building Modifications	0.310				0.310	
4012	6515	<b>Port Building Improvements (Including Leasehold Improvements)</b>						
		Annual Miscellaneous Port Building Improvements	4,000				4,000	
		ADA Compliance	0.750				0.750	
		Building No. 6 Renovation	0.797				0.797	
		Custom's House Repairs	0.500				0.500	
		Emergency Generator for Public Safety Building		0.250			0.250	
		ID Credentialing Office						
		Study & Design	0.817				0.817	
		Construction	3,000				3,000	
		Port Buildings Roofing System Repairs & Improvements	5,800				5,800	
		Renovation of Linehandlers' Building, Including Restroom	0.250				0.250	
		Renovations to Port Administration Building Reception Area	0.085				0.085	
		Exterior Improvements to Public Safety Building	0.050				0.050	
		Replace Defective Condensers & Dampers at the Port Administration Building	0.300				0.300	
		Replace Fire Sprinkler Pipes at the Midport Parking Garage	0.060				0.060	
		<b>TOTAL CAPITAL BUDGET</b>	<b>182,392</b>	<b>50,350</b>	<b>72,912</b>	<b>112,896</b>	<b>418,550</b>	<b>418,550</b>
					Less Grants (G)		(50,350)	
					Less Private Investment (P)		(72,912)	
					Less Debt (U)		(112,896)	
					<b>Total Internal Funding (I)</b>		<b>182,392</b>	

1. The 5-Year Capital Plan includes all projects identified in the 2008-2012 Capital Plan.

## **10-Year Vision Development Program**

Table ES-9 shows order-of-magnitude project costs in the 10-Year Vision Development Program.

**Table ES-9**

<b>10-Year Vision Development Program</b>		
Years 2013 to 2016		
	<b>Cost (\$ million)</b>	
– General Infrastructure Improvements		20
– Master Plan Projects		507
– ACOE Dredging Program		160
– Other Port Capital Improvements		70
(Maintenance, Renewal and Replacement)		
In present-day dollars	<b>TOTAL</b>	<b>\$757</b>

## **20-Year Vision Development Program**

Table ES-10 shows order-of-magnitude project costs in the 20-Year Vision Development Program.

**Table ES-10**

<b>20-Year Vision Development Program</b>	
<b>Years 2017 to 2026</b>	
	<b>Cost (\$ million)</b>
– <b>General Infrastructure Improvements</b>	20
– <b>Master Plan Projects</b>	386
– <b>ACOE Dredging Program</b>	160
– <b>Other Port Capital Improvements</b>	264
(Maintenance, Renewal and Replacement)	
In present-day dollars	<b>TOTAL \$830</b>

It is anticipated that the 20-Year Vision Development Program, at full build-out over the 20-year planning horizon, if warranted by market demand, will have an order-of-magnitude cost of approximately \$2 billion. The Vision Plans are, however, the road maps laid out to achieve the market demand projected at the time this Master Plan was prepared. The global marketplace and the maritime community's competitive response to that marketplace are constantly evolving. Thus, this Plan is presented as a flexible document, requiring periodic re-examination and re-evaluation of the parameters that affect the development of Port Everglades. Future projects need to provide the infrastructure necessary to serve the re-evaluated market assessment and Go-No-Go decisions should be made through a strategic decision-making process to achieve the economic goals of Broward County and its dynamic Port.

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**APPENDIX D**  
**THE BOND RESOLUTION**

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earnings received from the investment thereof, will be sufficient to pay the principal of, premium, if any, and interest on the Prior Bonds as the same become due and payable, all as more fully provided in an Escrow Deposit Agreement relating to same; which irrevocable deposit will be sufficient, in accordance with the terms of the Prior Resolution, to legally defease the covenants and lien of the Prior Resolution in favor of the Prior Bonds.

C. It is necessary, desirable and in the best interests of the Port Authority to issue the Senior Bonds, pursuant to the provisions hereof, to obtain funds to pay for certain needed improvements to the Port Facilities.

D. The Net Revenue derived from the operation of the Port Facilities is not pledged or encumbered in any manner except to the payment of the Prior Bonds. The Net Revenue may be, and hereby is, pledged to the payment of principal of, premium, if any, and interest on Bonds herein authorized, which lien, upon defeasance of the lien and covenants of the Prior Resolution as provided herein, shall be prior and superior to all other liens thereon except as otherwise provided herein or in a Series Resolution.

E. The principal of, premium, if any, and interest on the Bonds to be issued pursuant to this Resolution, and all sinking fund, reserve and other payments provided for in this Resolution, together with all costs of operation and maintenance of the Port Facilities, shall be payable solely from the Net Revenue and, to the extent provided herein, from the monies on deposit from time to time in the Funds and Accounts and it will not be necessary nor has there been authorized the levy of taxes on any property in the Port District to pay for same and the Bonds shall not constitute a lien upon any of the properties of the Port Authority or upon any other properties whatsoever in the Port District, except the Net Revenue and the Funds and Accounts, nor shall the Bonds be secured by the credit or taxing power of the Port Authority or the general funds of the Port Authority not expressly pledged hereunder.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bonds authorized to be issued hereunder or as permitted hereby by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Port Authority and such Bondholders, and the covenants and agreements herein set forth to be performed by the Port Authority shall be for the equal benefit, protection and security of the Bondholders, all of which shall be of equal rank and without preference, priority or distinction as to lien or otherwise of any of the Bonds over any other, except as expressly provided therein or herein.

SECTION 1.04. DEFINITIONS. In addition to words and terms elsewhere defined in this Resolution, the following words and terms as used in this Resolution shall have the following meanings, unless some other meaning is plainly intended:

"Account" shall mean any account, and "Accounts" shall mean the accounts, held by the Port Authority and created and designated by this Resolution except any accounts created under the Operation and Maintenance Fund or Rebate Fund.

RESOLUTION  
NO. 24-1989

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$150,000,000 PORT FACILITIES REFUNDING REVENUE BONDS, SERIES 1989-A FOR THE PURPOSE OF REFUNDING PORT FACILITIES REVENUE BONDS, SERIES 1986 OF THE PORT EVERGLADES AUTHORITY ISSUED UNDER RESOLUTION NO. 12-1986, AS AMENDED; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$55,000,000 PORT FACILITIES SENIOR REVENUE BONDS, SERIES 1989-B FOR THE PURPOSE OF PAYING THE COST OF IMPROVEMENTS TO THE PORT FACILITIES OF THE PORT EVERGLADES AUTHORITY; PROVIDING FOR THE ISSUANCE OF ADDITIONAL PORT FACILITIES REVENUE BONDS TO PAY THE COST OF IMPROVEMENTS TO THE PORT FACILITIES OF THE PORT EVERGLADES AUTHORITY AND TO REFUND BONDS ISSUED HEREUNDER AND CERTAIN OTHER INDEBTEDNESS; PROVIDING FOR THE PAYMENT OF SUCH BONDS AND THE INTEREST THEREON FROM REVENUE DERIVED FROM THE PORT FACILITIES AND PLEDGED THEREFOR; SETTING FORTH THE RIGHTS AND REMEDIES OF THE HOLDERS OF SUCH BONDS; PROVIDING SEVERABILITY AND AN EFFECTIVE DATE.

BE IT RESOLVED BY THE PORT EVERGLADES AUTHORITY:

## ARTICLE I

## STATUTORY AUTHORITY; FINDINGS AND DEFINITIONS

SECTION 1.01. AUTHORITY FOR THIS RESOLUTION. The Port Everglades Authority is authorized to adopt this Resolution under the authority granted by the provisions of Chapter 59-1157, Laws of Florida, Special Acts of 1959, as amended and supplemented, Chapter 315, Florida Statutes, as amended, and other applicable provisions of law.

SECTION 1.02. FINDINGS. It is hereby found and determined that:

A. Pursuant to the Prior Resolution (such term and all other capitalized terms used herein having the meaning set forth or referred to in Section 1.04 of this Resolution), the Prior Bonds were issued for the purpose of financing the cost of construction and acquisition of extensions, additions and improvements to the Port Facilities. Subsequent expansion of the Port Authority's capital improvement program requires additional financing to be obtained, and accordingly, a new bond resolution is needed to better facilitate the Port Authority's financing requirements.

B. It is therefore necessary to defease the lien and covenants of the Prior Resolution by irrevocably depositing in trust with an Escrow Agent, in accordance with the terms of an Escrow Deposit Agreement, cash and Escrow Securities acquired with proceeds derived from the sale of the Series 1989-A Bonds and such other funds of the Port Authority as may legally be available therefor, which cash and Escrow Securities, together with the income and

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"Accountant" shall mean the independent certified public accountants or firm of independent certified public accountants retained by the Port Authority under the provisions of Section 7.05 of this Resolution to perform and carry out the duties imposed on the Accountant by this Resolution.

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond at its initial offering plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Compounding Date next preceding the date of computation or the date of computation if a Compounding Date plus, with respect to matters related to the payment upon redemption or acceleration of the Capital Appreciation Bond, if such date of computation shall not be a Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Compounding Date (or the date of original issuance if the date of computation is prior to the first Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Compounding Date, calculated based on the assumption that Accreted Value accrues during any period in equal daily amounts on the basis of a year of 360 days consisting of twelve months of thirty days each. Interest shall accrue on any Capital Appreciation Bond and be compounded periodically at such rate and at such times as provided for in any Series Resolution relating to said Capital Appreciation Bond.

"Act" shall mean Chapter 59-1157, Laws of Florida, Special Acts of 1959, as heretofore and hereafter amended and supplemented.

"Additional Bonds" shall mean the Bonds issued pursuant to the provisions of Section 2.07 of this Resolution on a parity with the Series 1989-A Bonds.

"Amortization Requirements" shall mean the money required to be deposited in the Redemption Account for the purpose of the mandatory redemption of any Term Bonds issued pursuant to this Resolution, the specific amounts and times of such deposits to be determined in any Series Resolution relating to such Term Bonds.

"Annual Budget" shall mean the annual budget, as amended or supplemented, adopted or in effect for a particular Fiscal Year as provided in Section 5.03 of this Resolution.

"Appreciated Value" shall mean, with respect to any Capital Appreciation and Income Bond (i) as of any date of computation prior to the interest Commencement Date, an amount equal to the principal amount thereof on the date of original issuance plus the interest accrued on such Bond from the date of original issuance of such Bond to the Compounding Date next preceding the date of computation or the date of computation if a Compounding Date, such interest to compound periodically at the times and at the rate provided in any Series Resolution relating to said Bond, plus, if such date of computation shall not be a Compounding Date, a portion of the difference between the Appreciated Value as of the immediately preceding Compounding Date (or the date of original issuance if the date of computation is prior to the first Compounding Date succeeding the date of original issuance) and the Appreciated Value as of

the immediately succeeding Compounding Date calculated based upon an assumption that Appreciated Value accrues during any period in equal daily amounts on the basis of a year of 360 days consisting of twelve months of thirty days each and (ii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

"Authorized Officer" shall mean, when used with respect to the Port Authority, any of the Chair, Port Director or Deputy Port Director of the Port Authority, and any other officer of the Port Authority designated from time to time by resolution of the Port Authority.

"Average Annual Debt Service Requirement" shall mean, as of any date, the arithmetic average of the Principal and Interest Requirements in the then current and each succeeding Bond Year.

"Bond" or "Bonds" shall mean the Bonds issued under the provisions of Sections 2.06, 2.07 and 2.08 of this Resolution.

"Bond Registrar" shall mean a bank or trust company, either within or without the State of Florida, designated as such by resolution of the Port Authority, which shall perform such functions as Bond Registrar as are required by this Resolution.

"Bond Year" shall mean the period commencing the first day of October in each year and ending the last day of September of the following year.

"Bondholder" (or "owner" or "holder") shall mean the registered owners of the Bonds as shown on the registration books of the Bond Registrar maintained pursuant to Section 2.04 of this Resolution.

"Capital Appreciation Bonds" shall mean any Bonds as to which interest is compounded periodically on each Compounding Date and which are payable in an amount equal to the then current Accreted Value only at maturity, earlier redemption or other payment date therefor, all as designated by any Series Resolution relating to such Bonds and which may be either Serial Bonds or Term Bonds.

"Capital Appreciation and Income Bonds" shall mean any Bonds as to which accruing interest is not paid prior to the Interest Commencement Date specified in any Series Resolution relating to such Bonds and with respect to which, until said Interest Commencement Date, the Appreciated Value is compounded periodically on each Compounding Date.

"Capitalized Interest" shall mean the amount of Bond proceeds set aside to pay the interest costs on said Bonds that will accrue during the construction of a Project or other specified period in an amount set forth in any Series Resolution relating to such Bonds.

"Chair" shall mean the Chair of the Port Authority or his designee or the person succeeding to his principal functions.

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"Escrow Agent" shall mean a bank or trust company, either within or without the State of Florida, having fiduciary powers and designated as Escrow Agent in an Escrow Deposit Agreement and performing such functions as are required by such Escrow Deposit Agreement.

"Escrow Deposit Agreement" shall mean an Escrow Deposit Agreement, by and between the Port Authority and an Escrow Agent, pursuant to which cash and Escrow Securities will be held by the Escrow Agent to provide for payment, in whole or in part, of one or more specified Series of Bonds.

"Escrow Securities" shall mean: (i) Government Obligations; (ii) evidences of ownership of proportionate interests in Government Obligations or in future interest or principal payments thereon held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the underlying Government Obligations and which Government Obligations are not available to satisfy any claims of the custodian or any person claiming through the custodian or to whom the custodian may be obligated; and (iii) municipal obligations, the payment of the principal of, interest and redemption premium, if any, on which is irrevocably secured by cash or obligations described in clause (i) or (ii) of this definition; provided that the obligations described in clause (iii) are not subject to redemption prior to their maturity, other than at the option of the holder thereof, or, to the extent subject to redemption prior to maturity, irrevocable notice of redemption on a specified redemption date has been given and no other redemption may occur prior to maturity other than at the option of the holder thereof.

"Finance Director" shall mean the person appointed to serve as the Finance Director of the Port Authority and charged with the obligation to carry out the duties of the Finance Director as set forth herein or his designee or the person succeeding to his principal functions.

"Fiscal Year" shall mean the period established by the Act as the Port Authority's fiscal year, as the same may be amended from time to time.

"Fund" shall mean any fund, and "Funds" shall mean the funds, held by the Port Authority and created and designated by this Resolution except for the Operation and Maintenance Fund and the Rebate Fund.

"General Fund" shall mean the Fund of that name created and designated by Section 5.06 of this Resolution.

"Government Obligations" shall mean direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America.

"Gross Revenue" or "Revenue" shall mean all fees, rentals, charges and other income, including any investment income from monies held on deposit in any of the Funds or Accounts created hereunder, received by or accrued to the Port Authority in connection with or as a result of its ownership or operation

"Code" shall mean the Internal Revenue Code of 1936, as amended from time to time, and the regulations promulgated thereunder.

"Commissioners" shall mean the Commissioners composing the Port Everglades Authority or such other board or body in which the general powers of the Port Authority shall be, from time to time, vested in accordance with the Act.

"Compounding Date" shall mean, with respect to any Capital Appreciation Bond and Capital Appreciation and Income Bond, the dates on which interest shall compound, as specified in any Series Resolution relating to such Bonds.

"Construction Fund" shall mean the Fund of that name created and designated by Section 4.01 of this Resolution.

"Consulting Engineers" shall mean the engineer or engineering firm at the time retained by the Port Authority pursuant to Section 7.05 of this Resolution to carry out and perform the duties imposed on the Consulting Engineers by this Resolution.

"Convertible Bonds" shall mean Bonds issued under this Resolution which are convertible, at the option of the Port Authority, into a form of Bonds which are permitted by this Resolution other than the form of such Bonds at the time they were issued.

"Cost" shall mean, as applied to a Project, the aggregate cost of construction of the Project and all obligations and expenses relating thereto, including all items of cost which are set forth in Section 4.03 of this Resolution.

"Credit Facility" shall mean an irrevocable letter of credit, policy of municipal bond insurance, surety bond, guaranty, purchase agreement, credit agreement or similar facility in which the entity providing such facility irrevocably agrees to provide funds to make payment of the principal of and interest on Bonds when due and, if applicable to a Series of Put Bonds, pay the purchase price of Put Bonds upon their tender by the holders thereof.

"Credit Provider" shall mean the provider of a Credit Facility or Liquidity Facility, if any, with respect to any Series of Bonds.

"Current Expenses" shall mean Operating Expenses for the applicable period, less that portion of such Operating Expenses actually paid, or to be paid as required herein, from funds in the Non-Revenue Operation and Maintenance Account.

"Debt Service Account" shall mean the Account of that name created and designated by Section 5.06 of this Resolution.

"Depository" shall mean any bank, savings association or trust company duly authorized by law to engage in its business and to receive Port Authority funds and designated by an Authorized Officer as a depository of monies under the provisions of this Resolution.

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of the Port Facilities, all as calculated in accordance with the method of accounting used in the official annual financial statement of the Port Authority; provided, however, Gross Revenue shall not include: (i) receipts and revenue derived from the imposition of an ad valorem tax or any other tax the Port Authority is authorized, from time to time, to levy pursuant to applicable law, including any investment income earned thereon or on funds held in the Rebate Fund or Operation and Maintenance Fund; (ii) revenue derived from the operation of any Special Purpose Facilities or from investment income derived from money on deposit in any funds or accounts pledged to the payment of Special Purpose Bonds, except as may expressly be provided otherwise in any resolution authorizing the issuance of said Special Purpose Bonds; and (iii) any grants, contributions or donations, including investment interest thereon.

"Gross Revenue Fund" shall mean the Fund of that name created and designated by Section 5.05 of this Resolution.

"Improvements" shall mean any extension, enlargement, improvement, equipping, construction, renovation, repair, replacement, rehabilitation or acquisition of Port Facilities.

"Interest Commencement Date" shall mean, with respect to any particular Capital Appreciation and Income Bonds, the date specified in any Series Resolution relating to such Bonds (which date must be prior to the maturity date for such Bonds) after which interest accruing on such Bonds shall be payable on a periodic basis, with the first such payment date being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

"Interest Payment Date" shall mean, with respect to each Bond, such dates on which interest on such Bond is payable as specified in any Series Resolution relating to such Bond.

"Investment Securities" shall mean any of the following, to the extent the same are at the time legal for investment by the Port Authority pursuant to applicable law: (i) Government Obligations; (ii) obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States of America: Export-Import Bank, Farmers Home Administration, General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, U.S. Department of Housing and Urban Development, Federal Housing Administration, Federal National Mortgage Association and any other agency or person controlled or supervised by, and acting as an instrumentality of, the government of the United States pursuant to authority granted by the Congress, which obligations are unconditionally guaranteed as to principal and interest by such agency or persons; (iii) general obligations of any state of the United States or of any political subdivision of any state, which obligations are not rated lower than the three highest rating categories (without regard to numerical or other modifiers) applied by two nationally recognized rating agencies; (iv) written repurchase contracts, reverse repurchase contracts or securities lending agreements (collateralized by cash or securities) with any securities dealer that is registered as a dealer under the Securities Exchange

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Act of 1934, as amended, and is monitored by, reports to, and is recognized as a primary dealer by the Federal Reserve Bank of New York, having a net capital of at least \$200,000,000, for obligations of, or unconditionally guaranteed as to the payment of principal and interest by, the United States of America or obligations of, or unconditionally guaranteed as to the payment of principal and interest by, any Bank for Cooperatives, any Federal Intermediate Credit Bank, any Federal Home Loan Bank, the Export-Import Bank of the United States, any Federal Land Bank, the Farmers Home Administration, the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Financing Bank, or any other agency or instrumentality of, or corporation wholly owned by the United States of America, provided (a) that at the time of entering into any such contract or agreement (1) the market value as determined by such primary dealer (the "market value") of the obligations subject to any such repurchase contract is at least equal to the purchase price specified in such contract, (2) the purchase price specified in any such reverse repurchase contract is at least equal to the market value of the collateral obligations subject to such contract or (3) the market value of the collateral for any such securities lending agreement is at least equal to the market value of the securities lent, and (b) such obligations or collateral are held by a Depository in such manner as may be required to provide a perfected security interest in such obligations or collateral for the benefit of the Port Authority; (v) deposit accounts, certificates of deposit or similar arrangements with any bank or trust company which is a member of the Federal Deposit Insurance Corporation and any federal or State of Florida savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation and which are secured in the manner provided by presently applicable State of Florida or federal laws or regulations regarding security for deposit of public funds; (vi) evidences of ownership of proportionate interests in Government Obligations or in future interest or principal payments thereon held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the underlying Government Obligations and which Government Obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated; (vii) corporate debt obligations that are not rated lower than the two highest rating categories (without regard to numerical or other modifiers) by two nationally recognized rating agencies, (viii) any agreement for an investment of money with a Qualified Institution (an "Investment Agreement"), which investments (or the debt of the Qualified Institution with respect to any Investment Agreement) by two must be rated (without regard to numerical or other modifiers) by two nationally recognized rating agencies in the two highest rating categories of such rating agencies for such investments. For purposes of this clause (viii), the term "Qualified Institution" means a bank, trust company, national banking association or a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, a federal or state branch of a foreign bank pursuant to the International Banking Act of 1978, a savings and loan association, an insurance company or association or any other entity, the unsecured or uncollateralized long-term debt obligations of which, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by such institution, are rated not lower than the two highest rating

categories (without regard to numerical or other modifiers) by two nationally recognized rating agencies; and (ix) such other investment obligations as the Port Authority may approve from time to time, which are permitted investments of public funds under Florida law.

"Liquidity Facility" shall mean a letter of credit, policy of insurance, surety bond, guaranty, purchase agreement, credit agreement or similar facility in which the entity providing such facility agrees to provide funds to pay the purchase price of Put Bonds upon their tender by the holders thereof.

"Net Revenue" shall mean for any period, the Gross Revenue for such period less the Operating Expenses for such period.

"Non-Revenue Operation and Maintenance Account" shall mean the account of that name created and designated by Section 5.06 of this Resolution.

"Operating Expenses" shall mean the reasonable and necessary expenses of administration, maintenance, repair and operation of the Port Authority and Port Facilities, including, without limitation, all ordinary and usual expenses of maintenance and repair, Bond Registrar, Paying Agent, Trustee or Escrow Agent fees and other expenses associated with the issuance of Bonds, all administrative expenses of the Port Authority, insurance premiums, engineering expenses, legal expenses, any taxes which may be lawfully imposed on the Port Facilities or its income or operations and reserves therefor, and any other expenses required to be paid by the Port Authority under the provisions of this Resolution or by law, as such expenses are determined to have been incurred in accordance with the method of accounting used in the official annual financial statement of the Port Authority including, to the extent so determined, expenses not annually recurring, but excluding (i) any reserves for extraordinary maintenance or repair, (ii) any allowance for depreciation, (iii) any deposits or transfers to the credit of the Funds and Accounts, the Rebate Fund and the Operation and Maintenance Fund and (iv) any expenses of Special Purpose Facilities financed by Special Purpose Bonds; provided, however, that to the extent such Operating Expenses relate, all or in part, to a future period of time they shall be prospectively determined by reference to the Annual Budget.

"Operation and Maintenance Fund" shall mean the fund of that name created and designated by Section 5.06 of this Resolution.

"Operation and Maintenance Account" shall mean the account of that name created and designated by Section 5.06 of this Resolution.

"Outstanding" shall mean all Bonds theretofore delivered except: (i) Bonds deemed to have been paid in accordance with Section 3.05 or Section 11.01 of this Resolution; (ii) Bonds in lieu of which other Bonds have been issued pursuant to the provisions hereof relating to Bonds destroyed, mutilated, stolen or lost; (iii) Bonds paid, redeemed or delivered to or acquired by the Port Authority for cancellation; and (iv) for purposes of any consent or other action to be taken hereunder by the holders of a specified

percentage of principal amount of Bonds, the Bonds held by or for the account of the Port Authority.

"Paying Agent" shall mean with respect to any Series of Bonds, the bank or trust company at which principal, premium, if any, and interest on the Bonds is payable, as designated by the applicable Series Resolution.

"Person" shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof, unless the context shall otherwise indicate.

"Port Attorney" shall mean the Port Attorney of the Port Authority or his designee or the person succeeding to his principal functions.

"Port Authority" shall mean the Port Everglades Authority, a body politic and corporate created by Chapter 59-1157, Laws of Florida, Special Acts of 1959, as amended.

"Port Director" shall mean the Director of the Port Authority or his designee or the officer succeeding to his principal functions.

"Port District" shall mean the Port Everglades District as established in Chapter 59-1157, Laws of Florida, Special Acts of 1959, as amended.

"Port Facilities" shall mean all structures, terminals, warehouses, docks, approaches, channels, berths, slips, railroads, roadways, quay walls, jetties, lifts, turning basins, all lands or interests therein, buildings, machinery, franchises, pipes, fixtures, equipment and other property, real or personal, tangible or intangible, and including all port facilities as defined in Chapter 315, Florida Statutes, now or hereafter owned or operated by the Port Authority, together with any and all improvements thereto or to any part thereof.

"Port Secretary" shall mean the person appointed to serve as the Secretary of the Port Authority and charged with the obligation to carry out the duties of the Port Secretary as set forth herein or his designee or the officer succeeding to his principal functions.

"Principal and Interest Requirements" shall mean the respective amounts which are required in each Bond Year to provide:

- (i) for paying the interest on all Bonds then Outstanding which is payable on each Interest Payment Date in such Bond Year;
- (ii) for paying the principal of all Serial Bonds then Outstanding which is payable upon the maturity of Serial Bonds in such Bond Year; and
- (iii) for paying the Amortization Requirements, if any, for all Term Bonds then Outstanding for such Bond Year.

For purpose of computing (i), (ii) and (iii) above, any principal, interest or Amortization Requirements due on the first day of a Bond Year shall be deemed due in the preceding Bond Year.

The following rules shall apply in determining the amount of the maximum Principal and Interest Requirements for any Bond Year:

(a) the interest rate on Variable Rate Bonds shall be assumed to be (1) the "average rate" of interest on all Variable Rate Bonds during the twelve months ending with the month preceding the date of calculation or such shorter period of time as such Variable Rate Bonds may have been Outstanding or (2) in the event there were no Variable Rate Bonds Outstanding during such twelve month period, then the initial rate of interest. "Average rate" shall mean the rate determined by dividing the total amount of interest paid on all Variable Rate Bonds during the period used in clause (1) hereof by the average principal amount of all Variable Rate Bonds Outstanding during that period;

(b) in the case of Put Bonds, the date or dates on which the holder of such Put Bonds may elect or be required to tender such Bonds for payment or purchase shall be ignored if the source for said payment or purchase is a Credit Facility or a Liquidity Facility and the stated dates for Amortization Requirements and principal payments thereof shall be used for purposes of this calculation; provided, however, that during any period of time after the Credit Provider has advanced funds under a Credit Facility or Liquidity Facility and before such amount is repaid, Principal and Interest Requirements shall include the principal amount so advanced and interest thereon, in accordance with the principal repayment schedule and interest rate or rates specified in the Credit Facility or Liquidity Facility;

(c) in the case of Capital Appreciation Bonds, the principal and interest portions of the Accreted Value becoming due at maturity or by virtue of an Amortization Requirement in that Bond Year's calculation shall be included;

(d) in the case of Capital Appreciation and Income Bonds, the principal and interest portions of the Appreciated Value becoming due at maturity or by virtue of an Amortization Requirement in that Bond Year's calculation shall be included;

(e) in the case of Convertible Bonds, the calculations shall be based on the form of the Bonds as of the time of the calculation without regard to any unexercised conversion feature; and

(f) if interest on a Series of Bonds is payable from Capitalized Interest or from other amounts set aside irrevocably for such purpose at the time such Bonds are issued, interest on such Series of Bonds shall be included in Principal and Interest Requirements only to the extent of the amount of interest payable in a Bond Year from amounts other than amounts so funded to pay such interest.

"Prior Bonds" shall mean the Port Facilities Revenue Bonds, Series 1985 issued under Port Authority Resolution No. 12-1986, as amended.

"Prior Resolution" shall mean Port Authority Resolution No. 12-1986, as amended.

"Project" shall mean Improvements to the Port Facilities described in a Series Resolution, as same may be modified or amended as provided in Section 4.04 of this Resolution.

"Put Bonds" shall mean all Bonds which, in accordance with any Series Resolution, may be tendered for payment or purchase by or on behalf of the Port Authority prior to the stated maturities thereof.

"Rebate Fund" shall mean the fund of that name created and designated by to Section 5.06 of this Resolution.

"Record Date" shall mean, with respect to any Bond, the date fifteen days next preceding an Interest Payment Date, whether or not a business day, or the date otherwise designated as such in any Series Resolution relating to said Bond.

"Redemption Account" shall mean the Account of that name created and designated by Section 5.06 of this Resolution.

"Refunding Bonds" shall mean the Bonds issued at any time under the provisions of Section 2.08 of this Resolution.

"Renewal and Replacement Fund" shall mean the Fund of that name created and designated by Section 5.06 of this Resolution.

"Reserve Account" shall mean the Account of that name created and designated by Section 5.06 of this Resolution.

"Reserve Account Requirement" shall mean, as of any date of calculation, an amount equal to the lesser of: (i) the maximum Principal and Interest Requirements in the current or any future Bond Year; (ii) 125% of the Average Annual Debt Service Requirement; (iii) 10% of the original proceeds of all Outstanding Bonds, provided, however, upon retirement of the Senior Bonds, an amount equal to 10% of the original proceeds of said Senior Bonds shall be included in this calculation for so long as the Series 1989-A Bonds remain Outstanding; or (iv) the maximum amount allowed under the Code, which Reserve Account Requirement may consist of cash, a Reserve Account Credit Facility, or any combination of the foregoing.

"Reserve Account Credit Facility" shall mean an insurance policy, surety bond, irrevocable letter of credit or other credit agreement or similar facility maintained by the Port Authority in lieu of or in partial substitution for cash or securities on deposit in the Reserve Account.

"Reserve Account Deposit Requirement" shall mean, (i) the amount, if any, as determined in a Series Resolution, required to be deposited monthly to the

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holder thereof for federal income tax purposes or that such interest is subject to federal income tax.

"Term Bonds" shall mean Bonds which shall be stated to mature on one date and for amortization of which mandatory payments are required to be made into the Redemption Account and any other Bonds of a Series so designated in a Series Resolution relating to such Bonds.

"Time Deposits" shall mean time deposits, certificates of deposit or similar arrangements with any bank or trust company which is a member of the Federal Deposit Insurance Corporation and any Federal or State of Florida savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation and which are secured in the manner provided in Section 5.01 of this Resolution.

"Trustee" shall mean a bank or trust company, either within or without the State of Florida, having fiduciary powers and designated as Trustee by resolution of the Port Authority, which shall perform such functions as Trustee with respect to any Series of Bonds as are required by this Resolution or any Series Resolution.

"Variable Rate Bonds" shall mean Bonds issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage for the entire term thereof at the date of issue, and which may be convertible to a fixed interest rate.

SECTION 1.05. RULES OF CONSTRUCTION. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words defined in Section 1.04 hereof that appear in this Resolution in lower case form shall have the meanings ascribed to them in the definitions in Section 1.04 unless the context shall otherwise indicate. The words "Bond," "owner," "holder" and "person" shall include the plural as well as the singular number.

#### ARTICLE II

##### AUTHORIZATION, DETAILS, EXECUTION, DELIVERY AND REGISTRATION OF BONDS

SECTION 2.01. AUTHORIZATION OF BONDS. Subject to compliance with this Resolution, the Port Authority is hereby authorized to issue Bonds for one or more of the purposes of paying all or part of the Cost of a Project, refunding existing indebtedness, making deposits to the Funds and Accounts, paying the costs of issuance and paying such other expenses related to the issuance, sale and payment of the Bonds, including payments to Credit Providers, as contemplated by this Resolution. The total principal amount of Bonds that may be issued hereunder is unlimited. Bonds may not be issued under the provisions of this Resolution except in accordance with this Article. One or more Series Resolutions shall be adopted with respect to each Series of Bonds issued hereunder. The principal of, redemption premium, if any, and interest on all Bonds shall be payable solely from Net Revenue and the monies on deposit from time to time in the Funds and Accounts.

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credit of the Reserve Account on account of the Bonds of that Series; plus (ii) an amount in each of the twelve successive months beginning with the month following any month in which any amount shall have been withdrawn from the Reserve Account or a deficiency is determined to exist upon valuation of the Reserve Account pursuant to Section 6.02 of this Resolution, equal to one-twelfth of the deficiency created by such withdrawal or resulting from such valuation until such deficiency is made up.

"Resolution" shall mean this Resolution as same may be amended or supplemented from time to time in accordance with Article X of this Resolution.

"Senior Bonds" shall mean the Port Facilities Senior Revenue Bonds, Series 1985-B of the Port Authority issued pursuant to Section 2.06 of this Resolution.

"Serial Bonds" shall mean the Bonds of a Series which are stated to mature in annual installments.

"Series" shall mean the Bonds delivered at any one time under the provisions of Article II of this Resolution.

"Series 1989-A Bonds" shall mean the Port Facilities Refunding Revenue Bonds, Series 1989-A of the Port Authority issued pursuant to Section 2.06 of this Resolution.

"Series Resolution" shall mean one or more of the resolutions adopted by the Port Authority prior to delivery of a particular Series of Bonds relating to the issuance, sale and payment of such Bonds and which shall provide for the matters required or permitted by this Resolution to be contained therein including, but not limited to, the details set forth in Section 2.02 hereof.

"Sinking Fund" shall mean the Fund of that name created and designated by Section 5.06 of this Resolution.

"Special Purpose Bonds" shall mean the bonds, notes or other evidences of indebtedness issued by the Port Authority pursuant to Section 7.10 of this Resolution.

"Special Purpose Facilities" shall mean the Port Facilities financed by Special Purpose Bonds and shall have the meaning set forth in Section 7.10 of this Resolution.

"Special Record Date" shall mean, with respect to any Bond, the date established by the Port Authority in connection with the payment of overdue interest on the Bonds pursuant to Section 2.02 of this Resolution.

"Subordinated Obligation" shall mean an obligation or other evidence of indebtedness described in, and complying with the provisions of, Section 7.11 of this Resolution.

"Taxable Bonds" shall mean any Bond which states, in the body thereof, that the interest income thereon is includible in the gross income of the

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Upon the issuance of any Series of Bonds, under the terms, limitations and conditions herein provided, the Port Authority shall provide for the funding of the Reserve Account in an amount equal to the Reserve Account Requirement. Such required amount may be paid in full or in part from the proceeds of such Series of Bonds or may be accumulated in equal monthly payments to the Reserve Account over a period of months from the date of issuance of such Series of Bonds, which shall not exceed sixty months, as determined by any Series Resolution relating to the Bonds. The Port Authority may establish a separate subaccount in the Reserve Account for any Series of Bonds, including those secured by a Reserve Account Credit Facility, and provide a pledge of such subaccount to the payment of such Series of Bonds apart from the pledge provided herein. To the extent a Series of Bonds is secured separately by a subaccount of the Reserve Account, the holders of such Bonds shall not be secured by any other monies or Reserve Account Credit Facilities in the Reserve Account.

Notwithstanding anything to the contrary contained herein, the Port Authority may, in a Series Resolution, elect to appoint a Trustee to take custody of one or more of the Funds, Accounts or subaccounts created hereunder and to exercise such other functions as the Port Authority may determine appropriate for the protection of the Bondholders. The powers and obligations of any such Trustee shall be as set forth in the applicable Series Resolution and in such other agreements as may be entered into between the Port Authority and the Trustee. The powers and obligations delegated to the Trustee in the Series Resolution shall supersede any grant of such powers and obligations to any Person set forth in this Resolution with respect to the applicable Series. In the event a Trustee is appointed with respect to either of the Series 1989-A Bonds or the Senior Bonds, said Trustee shall be appointed for both such Series and shall have identical powers and responsibilities with respect thereto.

SECTION 2.02. DETAILS OF BONDS. The Bonds of each Series issued under the provisions of this Resolution shall be designated "Port Facilities [Refunding] Revenue Bonds, Series \_\_\_\_\_" in each case inserting the year of issuance and any identifying series letter, subject to such variations or changes as may be deemed necessary or appropriate by bond counsel and specified by a Series Resolution. The Bonds shall be in such amounts, if any, of Serial Bonds and/or Term Bonds and in the form of Capital Appreciation Bonds, Capital Appreciation and Income Bonds, Convertible Bonds, Put Bonds, Variable Rate Bonds or such other form of Bonds which may be marketable from time to time, or any combination thereof, as the Port Authority may determine. Except as otherwise provided in a Series Resolution, the Bonds of each Series issued under the provisions of this Resolution shall be in fully registered form as to principal and interest, without coupons. Except as otherwise provided in a Series Resolution, both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America, or by check or wire payment in such currency, as, at the respective times of payment, is legal tender for the payment of public and private debts.

Payment of interest on any Interest Payment Date with respect to the Bonds, other than Capital Appreciation Bonds and interest on Capital

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Appreciation and Income Bonds that accrues prior to the Interest Commencement Date, shall be made to the person appearing on the registration books of the Port Authority maintained pursuant to Section 2.04 hereof, as of the close of business on the Record Date. Such interest shall be payable by check or draft on a Paying Agent and shall be mailed to each owner as of the Record Date, at his address as it appears on said registration books, or in the case of an owner of \$1,000,000 or more of Bonds, by wire transfer to a domestic bank account specified by such owner to the Paying Agent.

If and to the extent that the Port Authority shall fail to make a required payment or provision for payment of interest on any Bond on any Interest Payment Date, that interest shall cease to be payable to the person who was the owner of that Bond as of the applicable Record Date. When monies become available for payment of interest on such Bond, the Port Authority shall establish a Special Record Date for the payment of that interest which shall not be more than twenty, nor fewer than ten, days prior to the date of the proposed payment. Notice of the proposed payment and of the Special Record Date therefor shall be mailed to each owner of record on the fifth day prior to such mailing at his address as it appears on the registration books of the Port Authority maintained pursuant to Section 2.04 hereof, not fewer than ten days prior to the Special Record Date. Thereafter, such interest shall be payable to the owners of such Bonds at the close of business on the Special Record Date.

The principal of, and redemption premium, if any, on the Bonds, the Accreted Value of Capital Appreciation Bonds and the Appreciated Value of Capital Appreciation and Income Bonds shall be payable to or upon the order of the owner or his duly authorized attorney or legal representative, as the same falls due, upon the presentation and surrender of such Bonds at the principal corporate trust office of the Paying Agent.

One or more Series Resolutions relating to a particular Series of Bonds shall establish the following:

(i) the purpose for which the Bonds are to be issued, including a description of any Project to be financed, all or in part, by such Bonds;

(ii) the manner in which the proceeds of the sale of the Bonds are to be applied, including any required deposits to the Funds and Accounts;

(iii) whether the Bonds shall be issued as Serial Bonds, Term Bonds, or a combination of the foregoing and whether such Bonds shall be in the form of Capital Appreciation Bonds, Capital Appreciation and Income Bonds, Convertible Bonds, Put Bonds, Variable Rate Bonds or any other form of Bond which may become marketable from time to time, or any combination of such forms as determined by the Port Authority;

(iv) the denomination in which each form of Bond included in the Series may be issued;

(v) the form or forms in which the Bonds shall be issued, which forms may include, without limitation, forms for Capital Appreciation

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the actual time of the execution of the Bond shall be the proper officers to execute such Bond although at the date of the Bond such persons may not have been such officers.

Only such Bonds as have endorsed thereon a certificate of authentication as set forth in the form of Bond authorized by the Series Resolution relating to same, duly executed by the Bond Registrar, shall be entitled to any benefit or security under this Resolution. No Bonds shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Bond has been duly executed by the Bond Registrar, and such certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time.

**SECTION 2.04. BOND REGISTRAR; REGISTRATION, TRANSFER AND EXCHANGE.** The Port Authority shall cause books for the registration and transfer of Bonds to be kept by the Bond Registrar. Unless otherwise provided in a Series Resolution, all Bonds shall be registered in such books upon presentation thereof to the Bond Registrar, who shall make notation of such registration thereon and shall not be registered to bearer. Bonds shall thereafter be transferred only by the owner of such Bonds, in person or by his duly authorized attorney or legal representative, upon the surrender thereof together with a written assignment duly executed by the owner or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. The registration of such transfer shall be made on such registration books and endorsed on the Bond by the Bond Registrar. Upon the transfer of any Bond, the Bond Registrar shall cause to be issued in the name of the transferee a new Bond or Bonds.

Upon surrender at the principal corporate trust office of the Bond Registrar with a written instrument of transfer duly executed by the owner or his duly authorized attorney or legal representative, in such form as shall be satisfactory to the Bond Registrar, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same Series, interest rate and maturity. The Port Authority shall execute, and the Bond Registrar shall authenticate and deliver such Bonds as the owner making the exchange is entitled to receive.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Port Authority shall execute and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Bond Registrar and cancelled by the Bond Registrar in the manner provided in Section 2.05 of this Resolution.

No charge shall be made to any Bondholder for the privilege of registration, transfer or exchange hereinabove granted, but any Bondholder requesting any such registration, transfer or exchange shall pay any tax or

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Bonds, Capital Appreciation and Income Bonds, Convertible Bonds, Variable Rate Bonds, Put Bonds and other form of Bonds authorized to be issued as part of the Series;

(vi) the amounts, date, maturity dates (not exceeding the maximum number of years after the date of original issuance as is permitted by law), and interest rate (not exceeding the maximum legal rate) with respect to the Bonds of a Series;

(vii) the Interest Payment Dates;

(viii) the redemption provisions and Amortization Requirements, if any;

(ix) the appointment of Escrow Agents, Paying Agents, Bond Registrars, Trustees, remarketing agents, Credit Providers and the authority to execute agreements relating to the functions to be performed by any such persons, to the extent applicable to any of the Bonds of a Series;

(x) the identity of the purchasers of the Bonds and the authority to execute an agreement with the purchasers pursuant to which the Bonds shall be delivered in return for payment of the purchase price therein set forth;

(xi) the approval of any documents to be used in connection with marketing the Bonds;

(xii) the creation, within the Funds and Accounts, of subaccounts applicable to the Bonds of a Series and whether any such subaccounts will be held by the Port Authority, the Trustee or otherwise;

(xiii) the Reserve Account Deposit Requirement with respect to the Series; and

(xiv) such other matters as required by this Resolution to be established in a Series Resolution or otherwise deemed appropriate by the Port Authority to be included therein and not inconsistent with the provisions of this Resolution.

**SECTION 2.03. EXECUTION, AUTHENTICATION; BOND FORM.** Except as otherwise permitted or required by the Act or applicable law, the Bonds shall be signed by, or bear the facsimile signature of, the Chair and countersigned by, or bear the facsimile signature of, the Port Director or in his absence, the Deputy Port Director; provided, however, that if required by law, each Bond shall be manually signed by at least one of such officers. A facsimile of the official seal of the Port Authority shall be imprinted on the Bonds. In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds shall cease to be such officer before such Bonds have been authenticated and transferred by the Bond Registrar or delivered by the Port Authority, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such authentication and transfer or delivery occurred. In addition, any Bond may bear the facsimile signature of, or may be signed by, such persons as at

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other governmental charge required to be paid with respect thereto. The Port Authority and Bond Registrar shall not be required to execute, transfer or exchange any Bond during the period beginning at the close of business on a Record Date (or Special Record Date) and ending at the close of business on the next Interest Payment Date (or date set for payment of interest for which the Special Record Date was set). The Port Authority and Bond Registrar shall not be required to transfer or exchange any Bond: (i) during the fifteen days immediately preceding the date of mailing of notice of the redemption of such Bond; or (ii) after such Bond has been selected for redemption or has matured.

Each Bond delivered pursuant to any provision of this Resolution in exchange or substitution for, or upon the transfer of the whole or any part of, one or more other Bonds, shall carry all of the right to interest which is accrued and unpaid, and which is to accrue, on the whole or part of the Bonds previously carried, and notwithstanding anything contained in this Resolution, such newly delivered Bond shall be dated or bear such notation so that neither gain nor loss in interest the payment of which is not in default shall result from any exchange, substitution or transfer.

The Port Authority, the Paying Agent and the Bond Registrar may deem and treat the person in whose name any Bond is registered on the books maintained pursuant to this Section 2.04 of this Resolution as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving the payment thereof and for all other purposes whatsoever, and none of the Port Authority, the Paying Agent or the Bond Registrar shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. Notwithstanding anything to the contrary in this Resolution, the Port Authority may authorize the use of a book entry only system of beneficial ownership with respect to any Series of Bonds.

**SECTION 2.05. CANCELLATION OF BONDS.** All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Paying Agent when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Port Authority and delivered to the Paying Agent for cancellation, shall thereupon be promptly cancelled. Bonds so cancelled may at any time be destroyed by the Paying Agent, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers, describing the Bonds so destroyed, and one executed certificate shall be filed with the Bond Registrar and the other executed certificate shall be kept by the Paying Agent.

**SECTION 2.06. AUTHORIZATION OF SERIES 1989-A BONDS AND SENIOR BONDS.** There shall first be issued pursuant to this Section 2.06 and secured by this Resolution a Series of Bonds designated as "Port Facilities Refunding Revenue Bonds, Series 1989-A." The Series 1989-A Bonds shall be issued in the aggregate principal amount of not exceeding \$150,000,000 for the purpose of providing funds, together with other legally available funds, to pay the Prior Bonds in the manner hereinafter provided, and, as shall be specified in any Series Resolution relating to the Series 1989-A Bonds, to make deposits to the Funds and Accounts and pay other costs of issuance and expenses relating thereto. The Series 1989-A Bonds shall have principal payment dates on

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October 1 of any Bond Year in which principal payments become due and payable and Interest Payment Dates on April 1 and October 1. Until the issuance of the Senior Bonds, the Series 1989-A Bonds shall have the sole lien on Net Revenue and the monies on deposit in the Funds and Accounts, except for any Subordinated Obligations. Upon the issuance of the Senior Bonds, the lien of the Series 1989-A Bonds shall automatically become junior and fully subordinated to the lien of the Senior Bonds on Net Revenue and monies on deposit in the Funds and Accounts.

The proceeds (including accrued interest and any premium) of the Series 1989-A Bonds shall be applied by an Authorized Officer as follows:

(a) The amount received as accrued interest and premium, if any, shall be deposited to the credit of the Debt Service Subaccount established within the Debt Service Account pursuant to Section 5.06 of this Resolution;

(b) The amount estimated by the Finance Director (which shall not exceed the amount permitted by law) to be sufficient for that purpose shall be deposited to the credit of a special account and applied to the payment of the expenses of issuing the Series 1989-A Bonds, including, but not limited to, financial advisory, accounting and legal fees, rating agency fees, printing costs, initial Escrow Agent fees, initial Bond Registrar fees, initial Paying Agent fees, initial Trustee fees, Credit Facility or Liquidity Facility fees and expenses, if any, and any other miscellaneous expenses relating to the issuance of the Series 1989-A Bonds;

(c) The amount, if any, designated by any Series Resolution relating to the Series 1989-A Bonds shall be deposited to the credit of the Reserve Account or any subaccount therein as may be provided in an applicable Series Resolution;

(d) The amount, if any, designated by any Series Resolution relating to the Series 1989-A Bonds shall be deposited to the credit of the Renewal and Replacement Fund; and

(e) The balance of the proceeds of the Series 1989-A Bonds remaining after the deposits made pursuant to clauses (a) through (d) above have been made shall be deposited with the Escrow Agent, in cash, or in the form of Escrow Securities, the principal of and the interest on which when due will enable the Escrow Agent, together with any cash deposited with the Escrow Agent, to pay and redeem the Prior Bonds to be paid and redeemed together with interest to become due on such Prior Bonds until their dates of maturity or redemption and any associated redemption premiums, costs and expenses, all in accordance with the Escrow Deposit Agreement relating to the Prior Bonds. The Escrow Securities so purchased, and any cash so deposited with the Escrow Agent, shall be held in trust, and the principal of and interest on the same shall be applied in accordance with the Escrow Deposit Agreement relating to the Prior Bonds as payments on the Prior Bonds are required to be made.

The Series 1989-A Bonds shall be deposited with an Authorized Officer for delivery but, as a condition precedent thereto, prior to or simultaneously

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expenses, if any, and any other miscellaneous expenses relating to the issuance of the Senior Bonds;

(c) The amount, if any, designated by any Series Resolution relating to the Senior Bonds shall be deposited to the credit of the Reserve Account or any subaccount therein as may be provided in an applicable Series Resolution;

(d) The amount, if any, designated by any Series Resolution relating to the Senior Bonds shall be deposited to the credit of the Renewal and Replacement Fund; and

(e) The balance of the proceeds of the Senior Bonds remaining after the deposits made pursuant to clauses (a) through (d) above have been made shall be deposited to the credit of a special account in the Construction Fund appropriately designated for application to the payment of the Cost of a Project.

The Senior Bonds shall be deposited with an Authorized Officer for delivery but, as a condition precedent thereto, prior to or simultaneously with such delivery there shall be obtained and filed with the Authorized Officer, the following:

(i) A copy, certified by the Port Secretary, of this Resolution;

(ii) A copy, certified by the Port Secretary, of any Series Resolution relating to the Senior Bonds;

(iii) A written opinion of the Port Attorney stating that he is of the opinion that the issuance of the Senior Bonds has been duly authorized, that all conditions precedent to the delivery of such Senior Bonds have been fulfilled and that the Resolution creates a valid and enforceable pledge of the Net Revenue and a lien for the benefit of the Senior Bonds and Bondholders thereof on the monies on deposit in the Funds and Accounts and on the Net Revenue, prior to any other lien thereon, including the lien of the Series 1989-A Bonds.

When the documents mentioned above in this Section 2.06 shall have been filed with the Authorized Officer and when said Bonds shall have been executed as required by this Resolution, the Bond Registrar shall authenticate, and the Authorized Officer shall deliver, said Bonds to or upon the order of the purchasers named in a Series Resolution, but only upon payment to the Authorized Officer of the purchase price for said Series of Bonds. The Authorized Officer shall be entitled to rely upon any Series Resolution as to all matters stated therein.

**SECTION 2.07. ADDITIONAL BONDS.** In addition to the Bonds authorized under the provisions of Section 2.06 of this Resolution, Additional Bonds may be issued pursuant to this Section 2.07 and secured by this Resolution from time to time on a parity with the Series 1989-A Bonds and any other Additional Bonds or Refunding Bonds theretofore issued under and secured by this

with such delivery there shall be obtained and filed with the Authorized Officer, the following:

(i) A copy, certified by the Port Secretary, of this Resolution;

(ii) A copy, certified by the Port Secretary, of any Series Resolution relating to the Series 1989-A Bonds;

(iii) An executed counterpart of the Escrow Deposit Agreement relating to the Prior Bonds; and

(iv) A written opinion of the Port Attorney stating that he is of the opinion that the issuance of the Series 1989-A Bonds has been duly authorized, that all conditions precedent to the delivery of such Series 1989-A Bonds, including defeasance of the Prior Bonds, have been irrevocably provided for or fulfilled, and that the Resolution creates a valid and enforceable pledge of the Net Revenue and a lien for the benefit of the Series 1989-A Bonds and the Bondholders thereof on the monies on deposit in the Funds and Accounts and on the Net Revenue, prior to any other lien thereon except the anticipated senior lien of the Senior Bonds expected to be issued by the Port Authority.

There shall next be issued pursuant to this Section 2.06 and secured by this Resolution a Series of Bonds designated as "Port Facilities Senior Lien Revenue Bonds, Series 1989-B." The Senior Bonds shall be issued in the aggregate principal amount of not exceeding \$55,000,000 for the purpose of providing funds, together with other legally available funds, to pay all or part of the Cost of a Project and, as shall be specified in any Series Resolution relating to the Senior Bonds, to make deposits to the Funds and Accounts and pay other costs of issuance and expenses relating thereto. The Senior Bonds shall have principal payment dates on October 1 of any Bond Year in which principal payments become due and payable and Interest Payment Dates on April 1 and October 1. Upon their issuance and at all times while Outstanding, the Senior Bonds shall have a lien on the Net Revenue and the monies on deposit in the Funds and Accounts, senior to the lien thereon of the Series 1989-A Bonds and any Outstanding Additional Bonds and Refunding Bonds.

The proceeds (including accrued interest and any premium) of the Senior Bonds shall be applied by an Authorized Officer as follows:

(a) The amount, if any, received as Capitalized Interest, accrued interest and premium shall be deposited to the credit of the Senior Debt Service Subaccount established within the Debt Service Account pursuant to Section 5.06 of this Resolution;

(b) The amount estimated by the Finance Director (which shall not exceed the amount permitted by law) to be sufficient for that purpose shall be deposited to the credit of a special account and applied to the payment of the expenses of issuing the Senior Bonds, including, but not limited to, financial advisory, accounting and legal fees, rating agency fees, printing costs, initial Bond Registrar fees, initial Paying Agent fees, initial Trustee fees, Credit Facility or Liquidity Facility fees and

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Resolution and then Outstanding, subject to the conditions hereinafter provided in this Section 2.07, for the purpose of providing funds, together with other legally available funds, to pay all or any part of the Cost of a Project, and, as shall be specified in any Series Resolution relating to the Additional Bonds, to make deposits to the Funds and Accounts and pay other costs of issuance and expenses relating thereto. As long as the Senior Bonds remain Outstanding, any Additional Bonds shall have principal payment dates on October 1 of any Bond Year in which principal payments become due and payable and, other than Variable Rate Bonds, Interest Payment Dates on April 1 and October 1.

The Additional Bonds shall be deposited with an Authorized Officer for delivery, but, as a condition precedent thereto, prior to or simultaneously with such delivery, there shall be obtained and filed with the Authorized Officer the following:

(a) A copy, certified by the Port Secretary, of any Series Resolution relating to such Additional Bonds;

(b) A copy, certified by the Port Secretary, of a certificate signed by the Finance Director, stating the amount of "Adjusted Net Revenue" (as hereinafter defined) for the immediately preceding Fiscal Year or for any twelve consecutive months in the eighteen months immediately preceding the date of issuance of the Additional Bonds with respect to which the certificate is made ("Test Period"). Adjusted Net Revenue shall mean, for the purposes hereof, the Net Revenue during the Test Period, as determined by the Accountant (excluding investment income on funds on deposit in the Construction Fund), adjusted by the Finance Director to reflect (i) 100% of the additional Net Revenue which, in the opinion of the Consulting Engineers, would have been received by the Port Authority from increases in tariffs, rates, fees, rentals and other charges for the use of Port Facilities or the services furnished by the Port Authority if such increases had been implemented and in effect during such Test Period, provided that such increases must be adopted as of the date the certification required by this Section 2.07 is made and such increase must be effective on, or scheduled to become effective no later than six months from, the date on which such certificate is made; and (ii) 100% of the additional Net Revenue which, in the opinion of the Consulting Engineers, would have been realized during such Test Period but for the inclusion, in Operating Expenses during such Test Period, of specified sums of extraordinary, non-recurring, expenditures which materially and adversely distort Net Revenue during the Test Period as a fair basis upon which to project future Net Revenue;

(c) A written opinion of the Consulting Engineers stating:

(i) that the Adjusted Net Revenue is sufficient to enable the Port Authority to meet all Principal and Interest Requirements on all Bonds then Outstanding, including the Additional Bonds through the date on which it is anticipated the Project to be financed with proceeds of the Additional Bonds is to be completed; and

(ii) that the Net Revenue (excluding investment income on funds on deposit in the Construction Fund) projected by the Consulting Engineers for each Bond Year from issuance of the Additional Bonds through the Bond Year having the maximum Principal and Interest Requirements applicable to all Bonds then Outstanding, including the Additional Bonds with respect to which such certificate is made, is equal to not less than 125% of the annual Principal and Interest Requirements in each of such years for all Bonds then Outstanding, including the Additional Bonds. The foregoing opinion of the Consulting Engineers shall not satisfy the condition of this clause if it is based upon a projection for more than a period of ten years; and

(iii) that the Net Revenue (excluding all investment income) projected by the Consulting Engineers for each Bond Year from issuance of the Additional Bonds through the Bond Year having the maximum Principal and Interest Requirements applicable to all Bonds then Outstanding, including the Additional Bonds with respect to which such certificate is made, is equal to not less than 110% of the annual Principal and Interest Requirements in each of such years for all Bonds then Outstanding, including the Additional Bonds. The foregoing opinion of the Consulting Engineers shall not satisfy the condition of this clause if it is based upon a projection for more than a period of ten years;

(d) A written opinion of the Port Attorney stating that he is of the opinion that the issuance of such Additional Bonds has been duly authorized, that all conditions precedent to the delivery of such Additional Bonds have been fulfilled, and that the Resolution and any Series Resolution relating to such Additional Bonds creates a valid and enforceable pledge of the Net Revenue and a lien for the benefit of the Bonds and Bondholders thereof on the monies on deposit in the Funds and Accounts and on the Net Revenue, prior to any other lien thereon, but on a parity with the Series 1989-A Bonds and any Outstanding Additional Bonds and Refunding Bonds; provided, however, if the Senior Bonds remain Outstanding, such pledge and lien shall be junior and fully subordinated to the lien of the Senior Bonds;

(e) A certificate of an Authorized Officer stating that provision has been made in an applicable Series Resolution to fund the Reserve Account Requirement as same will exist following issuance of such Additional Bonds; and

(f) A certificate of the Finance Director to the effect that no event of default as defined in Section 8.02 of this Resolution has occurred and is continuing as of the date of said certificate, which shall be dated within fifteen days prior to the date of issuance of the Additional Bonds.

Notwithstanding anything to the contrary contained herein, Variable Rate Bonds may not be issued under this Section 2.07 if such issuance would result in there being Variable Rate Bonds Outstanding in an amount which, in the aggregate, exceeds 20% of all Bonds Outstanding.

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(c) a copy, certified by the Port Secretary, of a certificate signed by the Finance Director, confirming any one of the following:

(i) that the maximum Principal and Interest Requirements for all Outstanding Bonds after issuance of the Refunding Bonds (excluding any Bonds being defeased by proceeds of the Refunding Bonds) is not greater than the maximum Principal and Interest Requirements for all Outstanding Bonds prior to issuance of the Refunding Bonds; or

(ii) that the Average Annual Debt Service Requirement for all Outstanding Bonds after issuance of the Refunding Bonds (excluding any Bonds being defeased by proceeds of the Refunding Bonds) is not greater than the Average Annual Debt Service Requirement for all Outstanding Bonds prior to issuance of the Refunding Bonds; or

(iii) that the sum of the present values of the Principal and Interest Requirements for each year for all Outstanding Bonds after issuance of the Refunding Bonds (excluding any Bonds being defeased by proceeds of the Refunding Bonds) is not greater than the sum of the present values of the Principal and Interest Requirements for each year for all Outstanding Bonds prior to issuance of the Refunding Bonds, using as a discount factor for computation of same the yield on the Bonds being defeased; or

(iv) that the Net Revenue (excluding investment income on funds on deposit in the Construction Fund) projected by the Consulting Engineers, in writing, for each Bond Year from issuance of the Refunding Bonds through the Bond Year having the maximum Principal and Interest Requirements applicable to all Bonds then Outstanding (excluding any Bonds being defeased by proceeds of the Refunding Bonds), including the Refunding Bonds with respect to which such certificate is made, is equal to not less than 125% of the annual Principal and Interest Requirements in each of such years for all Bonds then Outstanding, including the Refunding Bonds and that the Net Revenue (excluding all investment income) projected by the Consulting Engineers, in writing, for each Bond Year from issuance of the Refunding Bonds through the Bond Year having the maximum Principal and Interest Requirements applicable to all Bonds then Outstanding (excluding any Bonds being defeased by proceeds of the Refunding Bonds), including the Refunding Bonds with respect to which such certificate is made, is equal to not less than 110% of the annual Principal and Interest Requirements in each of such years for all Bonds then Outstanding, including the Refunding Bonds. The foregoing opinion of the Consulting Engineers shall not satisfy the condition of this clause if it is based upon a projection for more than a period of ten years.

(d) The certificates required by Section 2.07(e) and (f), except that all references to Additional Bonds in said Section 2.07(a) and (f)

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When the documents mentioned above in this Section 2.07 shall have been filed with the Authorized Officer and when the Additional Bonds described in any Series Resolution relating to the same shall have been executed as required by this Resolution, the Bond Registrar shall authenticate, and the Authorized Officer shall deliver, such Additional Bonds to or upon the order of the purchasers named in a Series Resolution, but only upon payment to the Authorized Officer of the purchase price of such Additional Bonds. The Authorized Officer shall be entitled to rely upon any Series Resolution as to all matters stated therein.

SECTION 2.08. REFUNDING BONDS. In addition to the Bonds authorized under the provisions of Sections 2.05 and 2.07 of this Resolution, Refunding Bonds may be issued pursuant to this Section 2.08 and secured by this Resolution from time to time on a parity with the Series 1989-A Bonds and any Additional Bonds or Refunding Bonds theretofore issued under and secured by this Resolution and then Outstanding, subject to the conditions hereinafter provided in this Section 2.08, for the purpose of providing funds, together with other legally available funds, for refunding all or any portion of the Bonds of any one or more Series issued under the provisions of this Resolution, and/or refunding any Subordinated Obligation and/or refunding any other outstanding bonds or indebtedness of the Port Authority which were not issued under the provisions of this Resolution (hereinafter "Unrelated Debt"), including in each case the payment of all amounts necessary to defease the refunded obligations in accordance with the provisions thereof, and, as shall be specified in any Series Resolution relating to the Refunding Bonds, to make deposits to the Funds and Accounts and pay other costs of issuance and expenses relating thereto. As long as the Senior Bonds remain Outstanding, any Refunding Bonds shall have principal payment dates on October 1 of any Bond Year in which principal payments become due and payable and, other than Variable Rate Bonds, Interest Payment Dates on April 1 and October 1.

The Refunding Bonds shall be deposited with an Authorized Officer for delivery, but, as a condition precedent thereto, prior to or simultaneously with such delivery, there shall be obtained and filed with the Authorized Officer the following:

(a) A copy, certified by the Port Secretary, of any Series Resolution relating to the Refunding Bonds;

(b) A written opinion of the Port Attorney stating that he is of the opinion that the issuance of such Refunding Bonds has been duly authorized, that all conditions precedent to the delivery of such Refunding Bonds, including defeasance of the Bonds, Subordinated Obligation or Unrelated Debt to be refunded, have been irrevocably provided for or fulfilled, and that the Resolution and any Series Resolution relating to such Refunding Bonds creates a valid and enforceable pledge of the Net Revenue and a lien for the benefit of the Refunding Bonds and Bondholders thereof on the monies on deposit in the Funds and Accounts and on the Net Revenue, prior to any other lien thereon, but on a parity with the Series 1989-A Bonds and any Outstanding Additional Bonds and Refunding Bonds; provided, however, if the Senior Bonds remain Outstanding, such pledge and lien shall be junior and fully subordinated to the lien of the Senior Bonds;

shall be deemed to relate to the Refunding Bonds for the purpose of preparing the certificates required hereby.

When the documents mentioned above in this Section 2.08 shall have been filed with the Authorized Officer and when the Refunding Bonds described in any Series Resolution relating to the same shall have been executed as required by this Resolution, the Bond Registrar shall authenticate, and the Authorized Officer shall deliver, such Refunding Bonds to or upon the order of the purchasers named in a Series Resolution, but only upon payment of the purchase price of such Refunding Bonds. The Authorized Officer shall be entitled to rely upon any Series Resolution as to all matters stated therein.

SECTION 2.09. PREPARATION OF DEFINITIVE BONDS; TEMPORARY BONDS. The definitive Bonds of each Series shall be lithographed or printed with or without steel engraved borders. Until the definitive Bonds of any Series are ready for delivery, there may be executed, and an Authorized Officer may deliver, or cause the Bond Registrar to deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, except as to identifying numbers, temporary printed, engraved, lithographed or typewritten Bonds in the denomination authorized by a Series Resolution or in any multiple thereof substantially of the tenor hereinabove set forth, and with appropriate omissions, insertions and variations as may be required. The Port Authority shall cause the definitive Bonds to be prepared and to be executed, endorsed and delivered to the Bond Registrar, on behalf of the Authorized Officer, and the Bond Registrar, upon presentation to it of any temporary Bond, shall cancel the same and authenticate and deliver, in exchange therefor, at the place designated by the owner, without expense to the owner, a definitive Bond or Bonds of the same Series and in the same aggregate principal amount, maturing on the same date and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects, including the privilege of registration if so provided, be entitled to the same benefit of this Resolution as the definitive Bonds to be issued and authenticated hereunder. The Bond Registrar shall promptly destroy all temporary Bonds that have been cancelled and shall submit a certificate to the Finance Director certifying that such temporary Bonds have been cancelled and destroyed. Notwithstanding the foregoing, a Series Resolution may provide for the definitive Bonds of a Series to be in typewritten form or in such other form as provided therein.

SECTION 2.10. MUTILATED, DESTROYED, STOLEN OR LOST BONDS. In case any Bonds secured hereby shall become mutilated or be destroyed, stolen or lost, the Port Authority may cause to be executed, and the Bond Registrar shall authenticate and deliver, a new Bond of like series, date, maturity, denomination and interest rate in exchange and substitution for and upon the cancellation of, such mutilated Bond or in lieu of and in substitution for such Bond destroyed, stolen, or lost, upon the owner's paying the reasonable expenses and charges of the Port Authority in connection therewith and, in the case of a Bond destroyed, stolen or lost, his filing with the Port Authority and Bond Registrar evidence satisfactory to them that such Bond was destroyed, stolen or lost, and of his ownership thereof, and furnishing the Port Authority and Bond Registrar with indemnity satisfactory to them. In the event any such Bond shall be about to mature or has matured or been called for

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redemption, instead of issuing a duplicate Bond, the Port Authority may direct the Paying Agent to pay the same without surrender thereof. Any Bond surrendered for replacement shall be cancelled in the same manner as provided in Section 2.05 hereof.

Any such duplicate Bonds issued pursuant to this Section 2.10 shall constitute additional contractual obligations on the part of the Port Authority, whether or not the lost, stolen or destroyed Bonds are at any time found, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the Net Revenue and monies on deposit in the Funds and Accounts with all other Bonds issued hereunder.

#### ARTICLE III

##### REDEMPTION OF BONDS

SECTION 3.01. REDEMPTION GENERALLY. The Bonds of each Series issued under the provisions of this Resolution shall be subject to redemption, either in whole or in part and at such times and prices, as may be provided in any Series Resolution relating to such Bonds.

If less than all of the Bonds of a Series or of any one maturity of a Series shall be called for redemption, the particular Bonds to be redeemed shall be selected by an Authorized Officer in such manner as the Authorized Officer in his discretion deems fair and appropriate.

SECTION 3.02. NOTICE OF REDEMPTION. Except as otherwise provided in a Series Resolution, at least thirty days before the redemption date of any Bonds, an Authorized Officer shall cause a notice of such redemption to be (a) filed with any Paying Agent, (b) sent by registered or certified mail or overnight delivery service to registered securities depositories and to national information services that disseminate redemption notices and (c) mailed, postage prepaid, to all holders of Bonds to be redeemed in whole or in part at their addresses as they appear on the registration books herein provided for. Failure to file any such notice with any Paying Agent or to mail any such notice to any Bondholder or to any securities depository or national information service or any defect therein shall not affect the validity of the proceedings for redemption, except to the extent a Bondholder is prejudiced thereby, and then, only with respect to such Bondholder. Except as otherwise provided in a Series Resolution, each such notice shall set forth (i) the date fixed for redemption, (ii) the redemption price to be paid, (iii) the CUSIP numbers and the certificate numbers of the Bonds to be redeemed, (iv) the name and address of the Paying Agent for the Bonds, (v) the dated date, interest rate and maturity date of the Bonds, and (vi) if less than all of the Bonds of a Series then Outstanding shall be called for redemption, the amounts of each of the Bonds to be redeemed.

SECTION 3.03. EFFECT OF CALLING FOR REDEMPTION. On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided, and monies for payment of the redemption price being held in separate accounts by an Authorized Officer or by the

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#### ARTICLE IV

##### CONSTRUCTION FUND

SECTION 4.01. CONSTRUCTION FUND. A special fund is hereby created and designated "Port Authority Construction Fund" (herein sometimes called the "Construction Fund") which shall be held by the Port Authority and to the credit of which there shall be deposited the amounts described in Sections 2.06 and 2.07 of this Resolution. At the option of the Port Authority, there may also be paid into the Construction Fund, for such purposes as described in a resolution of the Port Authority authorizing such deposit, any monies received by the Port Authority from any source, unless such monies are required by this Resolution to be otherwise applied.

The monies in the Construction Fund derived from the proceeds of Bonds shall be held in trust and applied to the payment of the Cost of a Project in accordance with Sections 2.06 and 2.07 of this Resolution and any Series Resolution relating to such Bonds, or to payment of such other improvements or for such other purpose as specified in the resolution authorizing the deposit. Pending such application, such monies shall be subject to a lien and charge in favor of the holders of the Outstanding Bonds in the manner provided herein until paid out as herein provided.

If the Port Authority shall issue Additional Bonds pursuant to Section 2.07 of this Resolution, the Port Authority shall create and designate a special account within the Construction Fund to which shall be deposited an amount of proceeds of such Additional Bonds as is specified by any Series Resolution relating thereto. Additional special accounts may be created by the Port Authority for deposit of funds, if any, from the Prior Bonds or other sources, as provided in the resolution directing such deposit.

SECTION 4.02. PAYMENTS FROM CONSTRUCTION FUND. Payment of the Cost of a Project shall be made from a special account appropriately designated in the Construction Fund as herein provided. All such payments shall be subject to the provisions and restrictions set forth in this Article and the Port Authority covenants that it will not cause or permit to be paid from the Construction Fund any sums except in accordance with such provisions and restrictions. Monies in the Construction Fund shall be disbursed subject to such controls and procedures as the Port Authority may from time to time institute in connection with the disbursement of Port Authority funds for paying the cost of capital projects.

SECTION 4.03. COST OF A PROJECT. For the purposes of this Article, the Cost of a Project identified in a Series Resolution shall include, without intending to limit or to restrict or to extend any proper definition of such Cost under the provisions of this Resolution, the following:

(a) obligations incurred for labor, materials, machinery and equipment in connection with the construction of enlargements, improvements, modifications and extensions, and for the restoration or relocation of property damaged or destroyed in connection with same and for the demolition and disposal of structures and all other obligations

Paying Agent in trust for the holders of the Bonds to be redeemed, all as provided pursuant to this Resolution, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date, interest on the Bonds so called for redemption shall cease to accrue, such Bonds shall not be deemed to be Outstanding under this Resolution and shall cease to be entitled to any lien, benefit or security under this Resolution, and the holders of such Bonds shall have no rights in respect thereof, except to receive payment of the redemption price thereof, including accrued interest to the date of redemption.

SECTION 3.04. REDEMPTION OF PORTIONS OF BONDS. Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Bond Registrar duly executed by the owner thereof or his duly authorized attorney or legal representative in writing) and the Port Authority shall execute and the Bond Registrar shall authenticate and deliver to the owner of such Bond, without charge, other than any applicable tax or other governmental charge, a new Bond or Bonds, of any authorized denomination, as requested by such owner in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

SECTION 3.05. BONDS CALLED FOR REDEMPTION OR PAYMENT PROVIDED THEREFOR NOT OUTSTANDING. Bonds which have been duly called for redemption under the provisions of this Article, or with respect to which "irrevocable instructions to redeem or pay" have been made, as hereinafter provided, shall not be deemed to be Outstanding under this Resolution and shall cease to be entitled to any lien, benefit or security under this Resolution. Irrevocable instructions to redeem or pay shall have been made if (i) the Port Authority has directed the Escrow Agent or the Paying Agent for the Bonds to (a) call the Bonds for redemption pursuant to this Article; or (b) pay the Bonds at their respective maturities and mandatory redemption dates; or (c) any combination of such redemption and payment, and (ii) "Sufficient Monies and/or Sufficient Escrow Securities" shall be held in separate accounts by such Escrow Agent or Paying Agent in trust for the holders of the Bonds to be redeemed and paid, all as provided in this Resolution. Sufficient Monies and/or Sufficient Escrow Securities shall mean cash, and Escrow Securities in such amounts, bearing interest at such rates and maturing on such dates that the proceeds thereof, and the interest thereon, will provide sufficient monies for the payment of the redemption price and maturing principal amounts of the Bonds and the interest to accrue thereon to the date fixed for redemption or the dates of their respective maturities and mandatory redemption dates.

SECTION 3.06. EXPENSES OF REDEMPTION. The expenses of any redemption of Bonds pursuant to this Article shall be paid by the Port Authority from the Gross Revenue Fund.

incurred to contractors, suppliers, materialmen, and laborers that are necessary or desirable in connection with a Project;

(b) interest accruing upon any Bonds prior to the commencement of and during construction or for any additional period if so provided, subject to any limitation, in any Series Resolution relating to such Bonds;

(c) the cost of acquiring by purchase, if such purchase shall be deemed expedient, and the amount of any award or final judgment in, or any settlement or compromise of, any proceeding to acquire by condemnation, such property, lands, rights of way, franchises, easements and other interests in lands constituting a part of, or as may be deemed necessary or convenient for the acquisition or construction of, any Project; the cost of options and partial payments thereon, the cost of filling, draining, or improving any lands so acquired, and the amount of any damages incident to or consequent upon the acquisition or construction of such Project;

(d) expenses of administration properly chargeable to any Project including legal expenses of consultants, financing charges, Trustee fees, bond counsel fees and expenses, the cost of preparing and issuing the Bonds, the cost and charges of Credit Facilities and Liquidity Facilities, taxes or other municipal or governmental charges lawfully levied or assessed during construction upon the Project or any property acquired thereafter, and premiums on insurance (if any) in connection with any Project during construction;

(e) fees and expenses of architects, engineers, surveyors, construction supervisors and similar professionals for making studies, surveys and estimates of cost and of revenue and for preparing plans and supervising construction, as well as for the performance of all other duties set forth herein in relation to the construction of any Project or the issuance of Bonds therefor;

(f) all other items of expense not elsewhere in this Section specified, incident to the acquisition or construction and equipment of any Project and the placing of any improvements in operation and to the acquisition of real estate, franchises and rights-of-way therefor, including abstracts of title and title insurance;

(g) any amounts hereafter advanced by any agency of the state or federal government for any of the foregoing purposes and any obligation or expenses heretofore or hereafter incurred by the Port Authority for any of the foregoing purposes, including the cost of materials, supplies or equipment furnished by the Port Authority in connection with the construction of any Project and paid for by the Port Authority out of funds other than monies in the Construction Fund and further including any bond anticipation notes issued by the Port Authority in the future to pay all or any part of the cost of any Project together with interest on any such bond anticipation notes;

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(h) the cost of any other Improvements to a Project as may be approved by subsequent Series Resolution.

SECTION 4.04. MODIFICATIONS AND AMENDMENTS TO PROJECT. The Port Authority may, in its sole discretion, modify or amend any Project to include such Improvements as it deems appropriate.

SECTION 4.05. DISPOSITION OF CONSTRUCTION FUND BALANCE. When the construction of any Project shall have been completed, which fact shall be evidenced to the Finance Director by a certificate stating the date of such completion, signed and approved by the Consulting Engineers, the balance in the Construction Fund relating to that Project not reserved for the payment of any remaining part of the Cost of such Project, or not otherwise required to be applied in any specified manner by any Series Resolution relating to Bonds issued to finance that Project, shall be transferred, at the discretion of the Port Authority, to the credit of the Renewal and Replacement Fund, the Sinking Fund (for the payment of principal of the Bonds or to the credit of the Redemption Account for the purchase of Bonds) or the General Fund (such transfer to the General Fund being subject to the Port Authority having first obtained an opinion of Counsel with expertise in the field of tax-exempt municipal finance to the effect that such transfer shall not cause interest on any of the Bonds to be subject to federal income taxation) or retained in the Construction Fund to pay the Cost of a different Project.

#### ARTICLE V

##### REVENUE AND FUNDS

SECTION 5.01. PLEDGE OF NET REVENUE. The Port Authority hereby pledges and imposes a lien upon the Net Revenue and any and all other monies on deposit in the Funds and Accounts, including, without limitation, the investment earnings thereon, to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds and the performance by the Port Authority of its other obligations under this Resolution; such lien, in the case of the Series 1989-A Bonds and any Additional Bonds and Refunding Bonds, being junior and subordinate to any Outstanding Senior Bonds.

SECTION 5.02. RATE COVENANTS. The Port Authority covenants:

(a) that it will continue in effect the present tariff of rates and fees for, and the present rentals and other charges for the use of, the Port Facilities and the services furnished by the Port Authority until the same shall be revised as hereinafter provided.

(b) that it will not change, revise or reduce any such rates, fees, rentals and other charges if, in the opinion of the Consulting Engineers, such change, revision or reduction will result in producing less Gross Revenue unless, in the opinion of the Consulting Engineers, such rates, fees, rentals and other charges as so changed, revised or reduced will produce sufficient Gross Revenue to comply with subsection (c) of this Section, and

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Notwithstanding any of the foregoing provisions of this Section 5.02, leases and other agreements and contracts for the use of Port Facilities or any services of the Port Authority in effect on the date of the enactment of this Resolution shall not be subject to revisions except in accordance with their terms, and the Port Authority may enter into new leases or other agreements or contracts for the use of such services or facilities on such terms and for such periods of time as it shall determine to be proper.

This rate covenant shall not be applicable to any principal and interest requirement attributable to any notes issued in anticipation of Bonds to be issued under this Resolution unless such notes are issued as Additional Bonds hereunder.

SECTION 5.03. ANNUAL BUDGET. The Port Authority covenants that on or before the first day of each Fiscal Year it will adopt a budget for such Fiscal Year. Copies of the Annual Budget shall be filed with the Finance Director.

If for any reason the Port Authority shall not have adopted the Annual Budget before the first day of any Fiscal Year, the Annual Budget for the preceding Fiscal Year shall, until the adoption of the Annual Budget, be deemed to be in force and shall be treated as the Annual Budget under the provisions of this Article.

The Port Authority may at any time adopt an amended or supplemental Annual Budget for the remainder of the then current Fiscal Year, and the Annual Budget so amended or supplemented shall be treated as the Annual Budget under the provisions of this Article. Copies of any such amended or supplemental Annual Budget shall be filed with the Finance Director.

The Port Authority further covenants that the amount expended for Operating Expenses in any Fiscal Year will not exceed the reasonable and necessary amount thereof, except that in the event of an emergency such amounts may be expended in excess of the Annual Budget as are subsequently ratified by the Port Authority. Nothing contained herein shall limit the amount which the Port Authority may expend for Operating Expenses in any Fiscal Year provided any amounts expended therefor in excess of the total amount provided in the Annual Budget shall be received by the Port Authority from a source other than Gross Revenue in such Fiscal Year.

SECTION 5.04. PROVISIONS APPLICABLE SUBSEQUENT TO DEFEASANCE OF PRIOR RESOLUTION. Upon defeasance of the Prior Bonds by means of the Series 1989-A Bonds, monies in the funds and accounts established under the Prior Resolution shall be applied as provided in one or more Series Resolutions relating to the Series 1989-A Bonds.

SECTION 5.05. GROSS REVENUE FUND. A special Fund is hereby created and designated the "Port Authority Gross Revenue Fund" (herein called the "Gross Revenue Fund"). The Port Authority covenants that, after defeasance of the Prior Resolution, except as herein provided, all Gross Revenue collected by the Port Authority will be deposited when initially received to the credit of the Gross Revenue Fund.

(c) that, subject to the foregoing provisions of this Section 5.02, from time to time and as often as it shall appear necessary it will request the Consulting Engineers to make recommendations as to a revision of the rates, fees, rentals and other charges for the use of the Port Facilities and for the services furnished by the Port Authority and will file a copy of such request with the Finance Director, and upon receiving such recommendations it will make such revisions as may be necessary or proper in order that the Gross Revenue (excluding investment income on funds on deposit in the Construction Fund) will at all times be sufficient in each Fiscal Year to provide an amount at least equal to the sum of:

(i) 100% of the Current Expenses for the current Fiscal Year,

(ii) 125% of the Principal and Interest Requirements for the current Fiscal Year.

(iii) 100% of the Reserve Account Deposit Requirement for the current Fiscal Year, and

(iv) 100% of the amount required by any Series Resolution to be deposited to the Renewal and Replacement Fund in the current Fiscal Year.

In computing the amount of Gross Revenue necessary to comply with Section 5.02 (c)(ii) above, Gross Revenue excluding all investment income therefrom shall equal not less than 110% of the current Fiscal Year's Principal and Interest Requirements. The deposit to the credit of the Sinking Fund in any Fiscal Year of an amount in excess of the amounts required under this Resolution for such Fiscal Year shall be taken into account in adjusting the rates, fees, rentals and other charges for any subsequent Fiscal Years. Any deficiency in the amounts deposited to the credit of the Sinking Fund or the Renewal and Replacement Fund in any Fiscal Year shall, as promptly as may be practicable, be added to the amounts referred to above for the remaining Fiscal Years in adjusting such rates, fees, rentals and other charges, the amount so to be added in each of such subsequent Fiscal Years to be approved by the Consulting Engineers.

The Port Authority covenants that if at any time the total amount of Gross Revenue realized in any Fiscal Year shall be less than the amounts referred to above for such Fiscal Year, it will, before the 45th day of the following Fiscal Year, request the Consulting Engineers to make their recommendations as to a revision of the rates, fees, rentals and other charges and any changes in methods of operation. The copies of such request and of the recommendations of the Consulting Engineers shall be filed with the Finance Director.

Anything in this Resolution to the contrary notwithstanding, if the Port Authority shall comply with all recommendations of the Consulting Engineers in respect of rates, fees, rentals and other charges, the failure to meet the requirements of clause (c) above in any Fiscal Year will not constitute an event of default under the provisions of Section 5.02(b) of this Resolution if Net Revenue is sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds payable in such Fiscal Year.

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SECTION 5.06. SINKING AND OTHER FUNDS. A special Fund is hereby created and designated "Port Authority Revenue Bonds Sinking Fund" (herein called the "Sinking Fund"). There are hereby created in the Sinking Fund three separate Accounts designated the "Debt Service Account," "Redemption Account," and "Reserve Account," respectively. There are hereby established in the Debt Service Account two subaccounts designated the "Debt Service Subaccount" and the "Senior Debt Service Subaccount." There are hereby established in the Redemption Account two subaccounts designated the "Redemption Subaccount" and the "Senior Redemption Subaccount." Two additional special Funds are hereby created and designated the "Port Authority Renewal and Replacement Fund" (herein called the "Renewal and Replacement Fund") and the "Port Authority General Fund" (herein called the "General Fund"). Two additional non-pledged funds are hereby created and designated the "Port Authority Rebate Fund" (herein called the "Rebate Fund") and the "Port Authority Operation and Maintenance Fund" (herein called the "Operation and Maintenance Fund"). There are hereby created within the Operation and Maintenance Fund two subaccounts designated the "Operation and Maintenance Account" and the "Non-Revenue Operation and Maintenance Account."

If required by the terms of any Series Resolution, the Port Authority shall create and designate a separate sinking fund in connection with such Series of Bonds or provide within the Accounts in the Sinking Fund separate subaccounts in connection therewith and shall further provide for the funding thereof in the manner specified in such Series Resolution.

The monies in the Funds and Accounts (which excludes the monies in the Operation and Maintenance Fund and Rebate Fund) shall be held in trust and applied as hereinafter provided with regard to each such Fund and Account and, pending such application, shall be subject to a lien and charge in favor of the Bondholders until paid out or transferred as herein provided.

SECTION 5.07. FLOW OF FUNDS. The Finance Director shall transfer from the Gross Revenue Fund to the Rebate Fund the amounts required to be transferred in order to comply with the rebate covenants set forth in Section 7.14 hereof, when such amounts are required to be transferred.

Thereafter, the Finance Director shall, not later than the 25th day of the month next succeeding the month in which Bonds are issued under the provisions of this Resolution and in each month thereafter, withdraw and transfer an amount from the Gross Revenue Fund to the Operation and Maintenance Account so that thereafter the amount on deposit in the Operation and Maintenance Fund equals the amount necessary for Operating Expenses during the next two months; provided, however, that such transfer shall not be required to be made to the extent that sufficient money is on deposit in the Operation and Maintenance Fund.

The Finance Director shall promptly thereafter withdraw and transfer from the Gross Revenue Fund amounts sufficient to make deposits to the credit of the Funds or Accounts described below, in the following order of priority:

(a) Concurrently to (i), (ii) and (iii) without distinction, priority or preference of one Account over any other Account, such Accounts being on a parity with each other:

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(i) to the credit of the Senior Debt Service Subaccount of the Debt Service Account, such sums as shall be required to pay one-sixth of the interest which will become due on the next semi-annual interest payment date on all Senior Bonds then Outstanding (except as to Capital Appreciation Bonds and Capital Appreciation and Income Bonds prior to their applicable interest commencement date); provided, however, that such monthly deposits for interest shall not be required to be made to the extent that money on deposit therein is sufficient for such purpose;

(ii) to the credit of the Senior Debt Service Subaccount of the Debt Service Account, such sums as shall be required to pay one-twelfth of the amount of principal which will become payable on the next principal payment date on all Senior Bonds then Outstanding (including the Accreted Value and Appreciated Value of any Serial Capital Appreciation Bonds and Capital Appreciation and Income Bonds, respectively, coming due on such maturity dates); provided, however, that such monthly deposits for principal shall not be required to be made to the extent that money on deposit therein is sufficient for such purpose;

(iii) to the credit of the Senior Redemption Subaccount of the Redemption Account, an amount equal to one-twelfth of the principal amount of Term Senior Bonds then Outstanding required to be retired in satisfaction of the Amortization Requirements, if any, for such Bond Year (including the Accreted Value and Appreciated Value of any Term Capital Appreciation Bonds and Capital Appreciation and Income Bonds, respectively, which are required to be redeemed during such Bond Year).

In the event that, with respect to the Senior Bonds, the periods to elapse between interest payment dates for the purposes of subsection (i) above or between the date of delivery of the Bonds and the next principal payment date for the purposes of subsection (ii) above will be other than six months or twelve months, respectively, then such monthly payments shall be increased or decreased accordingly, in sufficient amounts to provide, as to such Series, the required interest or principal amount maturing on the next interest payment date or principal payment date, as applicable.

(b) To the credit of the Reserve Account, such amount, if any, of any balance remaining after making the transfers under clause (a) above as may be required to make the amount transferred in such month to the credit of the Reserve Account equal to the Reserve Account Deposit Requirement for such month for the Senior Bonds then Outstanding; provided, however, that no such transfer shall be required in any month if the amount then to the credit of the Reserve Account shall not be less than an amount equal to the Reserve Account Requirement applicable to the Outstanding Senior Bonds.

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than an amount equal to the Reserve Account Requirement applicable to the Outstanding Bonds.

(e) To the credit of the Renewal and Replacement Fund, such amount, if any, of any balance remaining after making the transfers under clauses (a), (b), (c) and (d) above as may be required to make the amount transferred under the provisions of this Section 5.07 in the then current Fiscal Year to the credit of the Renewal and Replacement Fund equal to the amount, if any, as the Port Authority shall, in its discretion, determine in one or more Series Resolutions as such amount may, from time to time, be modified by recommendations of the Consulting Engineers under the provisions of Section 5.12 of this Resolution.

(f) The balance, if any, remaining in the Gross Revenue Fund after making the deposits under clauses (a), (b), (c), (d) and (e) above shall be deposited to the credit of the General Fund and expended as permitted by Section 5.13 of this Resolution.

In the case of Variable Rate Bonds, the calculation of deposits for the funding of interest payable on the next interest payment date shall be made as provided in the applicable Series Resolution for said Variable Rate Bonds.

The Port Authority retains the right to prepay amounts which would become due in any Bond Year. If the amount transferred in any month to the credit of any of the Funds or Accounts shall be less than the amount required to be transferred under the foregoing provisions of this Section, the requirement therefor shall nevertheless be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be transferred in each month thereafter until such time as all such deficiencies have been made up.

Notwithstanding the foregoing provisions, in lieu of the required deposits into the Reserve Account, the Port Authority may cause to be deposited a Reserve Account Credit Facility in an amount equal to the difference between the Reserve Account Requirement applicable thereto and the sums then on deposit in the Reserve Account, if any. Such Reserve Account Credit Facility shall be payable to the Paying Agent for such Series (upon the giving of notice as required thereunder) on any interest payment date or redemption date on which a deficiency exists which cannot be cured by funds in any other Fund or Account available for such purpose. The issuer providing such Reserve Account Credit Facility shall be either (a) an insurer (i) whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in one of the two highest rating categories (without regard to numerical or other modifiers) by either Standard & Poor's Corporation or Moody's Investors Service, or their successors, or (ii) who holds one of the two highest policyholder ratings accorded insurers by A. M. Best & Company, or any comparable service, or (b) a commercial bank, insurance company or other financial institution the bonds payable or guaranteed by which have been, or whose obligation to pay is guaranteed by a commercial bank, insurance company or other financial institution which has been, assigned a rating by either Standard & Poor's Corporation or Moody's Investors Service, or their

(c) Concurrently to (i), (ii) and (iii) without distinction priority or preference of one Account over any other Account, such Accounts being on a parity with each other:

(i) to the credit of the Debt Service Subaccount of the Debt Service Account, such sums as shall be required to pay one-sixth of the interest which will become due on the next semi-annual interest payment date on all Bonds, other than Senior Bonds, then Outstanding (except as to Capital Appreciation Bonds and Capital Appreciation and Income Bonds prior to their applicable interest payment date); provided, however, that such monthly deposits for interest shall not be required to be made to the extent that money on deposit therein is sufficient for such purpose;

(ii) to the credit of the Debt Service Subaccount of the Debt Service Account, such sums as shall be required to pay one-twelfth of the amount of principal which will become payable on the next principal payment date on all Bonds, other than Senior Bonds, then Outstanding (including the Accreted Value and Appreciated Value of any Serial Capital Appreciation Bonds and Capital Appreciation and Income Bonds, respectively, coming due on such maturity dates); provided, however, that such monthly deposits for principal shall not be required to be made to the extent that money on deposit therein is sufficient for such purpose;

(iii) to the credit of the Redemption Subaccount of the Redemption Account, an amount equal to one-twelfth of the principal amount of Term Bonds, other than Term Senior Bonds, then Outstanding required to be retired in satisfaction of the Amortization Requirements, if any, for such Bond Year (including the Accreted Value and Appreciated Value of any Term Capital Appreciation Bonds and Capital Appreciation and Income Bonds, respectively, which are required to be redeemed during such Bond Year).

In the event that with respect to any Series of Bonds, other than Senior Bonds, the periods to elapse between interest payment dates for the purposes of subsection (i) above or between the date of delivery of the Bonds and the next principal payment date for the purposes of subsection (ii) above will be other than six months or twelve months, respectively, then such monthly payments shall be increased or decreased accordingly, in sufficient amounts to provide, as to such Series, the required interest or principal amount maturing on the next interest payment date or principal payment date, as applicable.

(d) To the credit of the Reserve Account, such amount, if any, of any balance remaining after making the transfers under clauses (a), (b) and (c) above as may be required to make the amount transferred in such month to the credit of the Reserve Account equal to the Reserve Account Deposit Requirement for such month for the Bonds then Outstanding; provided, however, that no such transfer shall be required in any month if the amount then to the credit of the Reserve Account shall not be less

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successors, in one of the two highest rating categories (without regard to numerical or other modifiers).

SECTION 5.08. APPLICATION OF MONIES IN OPERATION AND MAINTENANCE FUND. Money held in the Operation and Maintenance Fund shall be applied toward payment of Operating Expenses in accordance with procedures established by the Port Authority from time to time and the covenants in Sections 5.03 and 7.03 of this Resolution. Any deposits to the Non-Revenue Operation and Maintenance Account shall be from funds available to the Port Authority other than Gross Revenue. The Finance Director may, from time to time as instructed by the Port Authority, deposit funds into the Non-Revenue Operation and Maintenance Account. The Port Authority shall have no obligation to Bondholders, Credit Providers or any other person to deposit any funds into the Non-Revenue Operation and Maintenance Account. The Port Authority covenants to apply all sums available in the Non-Revenue Operation and Maintenance Account to the payment of Operating Expenses in accordance with this Resolution, prior to applying any money in the Operation and Maintenance Account toward payment of same.

SECTION 5.09. APPLICATION OF MONIES IN DEBT SERVICE ACCOUNT. Except as otherwise provided in a Series Resolution with respect to a Series of Bonds, the Finance Director shall, prior to each interest payment date, withdraw from the respective subaccount of the Debt Service Account, and (a) remit by mail the respective Paying Agent to remit by mail to each owner of Bonds to which such subaccount relates the amounts required for paying the interest on such Bonds as such interest becomes due and payable and (b) deposit in trust with the Paying Agent the amounts required for paying the principal of all Bonds to which such subaccount relates as such principal becomes due and payable.

SECTION 5.10. APPLICATION OF MONIES IN REDEMPTION ACCOUNT. Money held for the credit of the respective subaccount of the Redemption Account shall be applied to the retirement of the respective Bonds to which such subaccount relates as follows (references in this Section 5.10 to the Debt Service Account and Redemption Account shall be deemed to refer to the respective subaccount of the Debt Service Account and Redemption Account and references to Bonds shall be deemed to refer to the respective Bonds to which such subaccount relates):

(a) Subject to the provisions of paragraph (c) of this Section, the Finance Director may endeavor to purchase any Bonds secured hereby and then Outstanding, whether or not such Bonds shall then be subject to redemption, on the most advantageous terms obtainable with reasonable diligence, such price not to exceed the principal of such Bonds plus the amount of the redemption premium, if any, which might on the next redemption date be paid to the holders of such Bonds under the provisions of Article III of this Resolution if such Bonds should be called for redemption on such date from monies in the Sinking Fund. The Finance Director shall pay the interest accrued on such Bonds to date of settlement therefor from the Debt Service Account and the purchase price from the Redemption Account, but no such purchase shall be made by the Finance Director within the period of forty-five days next preceding any interest payment date on which such Bonds are subject to call for

redemption under the provisions of this Resolution, except from monies other than monies set aside or deposited for the redemption of Bonds.

(b) Subject to the provisions of Article III of this Resolution and paragraph (c) of this Section 5.10, the Finance Director may call for redemption on each Interest Payment Date on which Term Bonds are subject to redemption, such amount of such Term Bonds as, with the redemption premium, if any, will exhaust the monies which will be held for the credit of the Redemption Account on said Interest Payment Date as nearly as may be; provided, however, that no less than fifty thousand dollars principal amount of Term Bonds or such other principal amount as may be provided in a Series Resolution relating to the Term Bonds shall be called for redemption at any one time unless a lesser amount shall be required to satisfy the Amortization Requirement for any Fiscal Year. Such redemption shall be made pursuant to the provisions of Article III of this Resolution. The Finance Director shall, prior to the redemption date withdraw from the Debt Service Account and the Redemption Account and set aside in separate accounts or deposit with the Paying Agent the respective amounts required for paying the interest on, and the principal and redemption premium of, the Term Bonds so called for redemption.

(c) Monies held by the Finance Director in the Redemption Account shall be applied by the Finance Director in each Bond Year to the retirement of the Term Bonds of each Series to the extent of the Amortization Requirement, if any, for such Bond Year for such Term Bonds and any deficiency in any preceding Bond Years in the redemption of such Term Bonds under the provisions of this subdivision and, if the amount available in such Bond Year shall not be sufficient therefor, then in proportion to the Amortization Requirement, if any, for such Bond Year and any such deficiency.

The expenses in connection with the purchase or redemption of any Bonds shall be paid by the Port Authority from the Gross Revenue Fund.

**SECTION 5.11. APPLICATION OF MONIES IN RESERVE ACCOUNT.** Monies held for the credit of the Reserve Account shall first be used for the purpose of paying the interest on and the principal of the Bonds whenever and to the extent that the monies held for the credit of the corresponding subaccount of the Debt Service Account and for the credit of the General Fund shall be insufficient for such purpose and thereafter for the purpose of making deposits to the credit of the respective subaccount of the Redemption Account pursuant to the requirements of Section 5.07 of this Resolution whenever and to the extent that monies held for the credit of the Gross Revenue Fund and General Fund are insufficient for such purposes.

If at any time the monies held for the credit of the Reserve Account shall exceed the Reserve Account Requirement, such excess shall be withdrawn by the Finance Director and deposited to the credit of the Gross Revenue Fund.

In the event the Port Authority establishes separate subaccounts in the Reserve Account pursuant to Section 2.01 hereof for each Series of Bonds Outstanding or provides for a Reserve Account Credit Facility in lieu of the required deposits to the Reserve Account as provided in Section 5.07, then in

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If any Reserve Account Credit Facility shall terminate prior to the stated expiration date thereof, the Port Authority agrees that it shall fund the Reserve Account over a period not to exceed sixty months during which it shall make consecutive equal monthly payments in order that the amount on deposit in such account at the end of such period shall be equal to the Reserve Account Requirement; provided the Port Authority may, with the prior written consent of the Credit Provider, if any, obtain a new Reserve Account Credit Facility in lieu of making the payments required by this paragraph.

**SECTION 5.12. APPLICATION OF MONIES IN RENEWAL AND REPLACEMENT FUND.** Money held for the credit of the Renewal and Replacement Fund shall be disbursed only for the purpose of paying the cost of unusual or extraordinary maintenance or repairs, the cost of renewals and replacements and the cost of acquiring, installing or replacing equipment and engineering, legal and administrative expenses relating to the foregoing and the cost of providing a local share of monies required to entitle the Port Authority to receive federal or state grants or participate in federal or state assistance programs related to the Port Facilities; provided, however, money in the Renewal and Replacement Fund, unless needed for the purposes set forth in the following paragraph, may be used in the event of an emergency occurrence certified as such by the Consulting Engineers, if there is insufficient money in the General Fund and Gross Revenue Fund to rectify said emergency. Payments from the Renewal and Replacement Fund, except the withdrawal which the Finance Director is authorized to make as hereinafter provided in this Section, shall be made in accordance with the provisions of Section 4.02 of this Resolution for payments from the Construction Fund to the extent that such provisions may be applicable.

If at any time the monies held for the credit of the Debt Service Account, General Fund and Reserve Account shall be insufficient for the purpose of paying the interest on and the principal of the Bonds as such interest and principal become due and payable, then the Finance Director shall withdraw from any monies held for the credit of the Renewal and Replacement Fund and deposit to the credit of the Debt Service Account an amount sufficient to make up any such deficiency. If at any time the Net Revenue and the monies held for the credit of the General Fund and the Reserve Account shall be insufficient for making the deposits to the credit of the Redemption Account required by clause (a)(iii) and (a)(iv) of Section 5.07 of this Resolution, then the Finance Director shall withdraw from any monies held for the credit of the Renewal and Replacement Fund an amount sufficient to make up any such deficiency. Any monies so withdrawn from the Renewal and Replacement Fund and deposited to the credit of the Debt Service Account or the Redemption Account shall be restored from available monies in the Gross Revenue Fund, subject to the same conditions as are prescribed for deposits to the credit of the Renewal and Replacement Fund under the provisions of Section 5.07(e) of this Resolution.

The Consulting Engineers may, from time to time, recommend to the Port Authority that it increase or decrease the minimum amount to be maintained on deposit in the Renewal and Replacement Fund. The Port Authority may, in the event of a recommended decrease, transfer any excess from the Renewal and Replacement Fund to the Gross Revenue Fund for application as provided

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every such case, withdrawals from the Reserve Account shall be from the subaccount established for the respective Bonds for which the withdrawal is required, or if no priority is specified between Bonds, then on a pro rata basis; provided that all money in the applicable subaccount shall be depleted prior to drawing on a Reserve Account Credit Facility relating to that subaccount.

Whenever a withdrawal therefrom results in a deficiency in the Reserve Account, or a deficiency in the Reserve Account is determined to exist upon valuation of same pursuant to Section 5.02 hereof, the Port Authority may make up such deficiency by making twelve successive monthly cash deposits to the Reserve Account, each equal to one-twelfth of such deficiency, commencing on the month following the event that caused the deficiency.

Whenever monies on deposit in the Reserve Account, together with the other available amounts in the Sinking Fund, are sufficient to fully pay in accordance with their terms, all Outstanding Bonds (including principal, premium, if any, and interest thereon) the funds on deposit in the Reserve Account shall be applied to the payment of Bonds as and when same become due and fully payable, at their maturities or the earlier redemption thereof.

If fifteen days prior to an Interest Payment Date or principal payment date, the Port Authority shall determine that a deficiency exists in the amount of monies available to pay in accordance with the terms hereof interest and/or principal due on Bonds on such date, the Port Authority shall immediately notify the issuer of the applicable Reserve Account Credit Facility, and the Credit Provider, if any, of the amount of such deficiency and the date on which such payment is due, and shall take all action to cause such issuer or Credit Provider to provide monies sufficient to pay all amounts due on such Interest Payment Date or principal payment date.

If a disbursement is made from a Reserve Account Credit Facility provided pursuant to Section 5.07, the Port Authority shall reinstate the maximum limits of such Reserve Account Credit Facility as soon as it is able following such disbursement, from monies available hereunder, and prior to funding any cash requirement of the Reserve Account (other than subaccounts therein having priority over the subaccount relating to the Reserve Account Credit Facility) by depositing funds in the amount of the disbursement made under such instrument, with the issuer thereof, together with interest thereon to the date of reimbursement at the rate set forth in such Reserve Account Credit Facility, but in no case greater than the maximum rate of interest permitted by law. In addition, the Port Authority shall reimburse the issuer of the Reserve Account Credit Facility for all reasonable expenses incurred by such issuer and required to be reimbursed by the terms of the Reserve Account Credit Facility.

The Port Authority may evidence its obligation to reimburse the issuer of any Reserve Account Credit Facility by executing and delivering to such issuer a promissory note therefor, provided, however, that any such note shall not be a general obligation of the Port Authority the payment of which is secured by its full faith and credit or taxing power, and shall be payable solely from the Net Revenue in the manner provided herein.

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herein. If the recommendation is to increase the minimum amount required to be maintained on deposit in the Renewal and Replacement Fund, the same shall be accomplished according to a schedule of monthly deposits to be made to the Renewal and Replacement Fund recommended by the Consulting Engineers.

**SECTION 5.13. APPLICATION OF MONIES IN THE GENERAL FUND.** Provided that the full amounts required to be paid for the next ensuing twelve months under clauses (a) and (c) of Section 5.07 hereof have been transferred as provided therein, money held for the credit of the General Fund may be applied by the Port Authority in the following order of priority:

- (a) to make up deficiencies in any of the Funds and Accounts created by this Resolution, and, by transfer to the Operation and Maintenance Account, any deficiencies in the Operation and Maintenance Fund required for the payment of Operating Expenses; and
- (b) to pay the principal of, redemption premium, if any, or Amortization Requirements, and the interest on, any Special Purpose Bonds and Subordinated Obligation.

Subject to prior application as provided above, any monies in the General Fund may be applied by the Port Authority to:

- (a) pay the Cost of a Project;
- (b) purchase or redeem Bonds or any notes issued in anticipation of the Bonds;
- (c) pay the Cost of any item qualifying as an authorized expenditure from the Renewal and Replacement Fund; or
- (d) for any lawful purpose of the Port Authority.

Notwithstanding the foregoing, in the event of any deficiencies in the Operation and Maintenance Account or any Funds or Accounts created by this Resolution, the money in the General Fund shall be applied to make up all such deficiencies prior to applying any money in the Reserve Account or Renewal and Replacement Fund for such purpose.

**SECTION 5.14. MONIES HELD IN TRUST.** All monies which the Finance Director shall have withdrawn from the Sinking Fund or shall have received from any other source and deposited with the Paying Agent, for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or upon call for redemption, shall be held in trust for the respective owners of such Bonds. Any monies which shall be so set aside or deposited by the Finance Director and which shall remain unclaimed by the owners of such Bonds for the period of six years after the date on which such Bonds shall have become due and payable shall upon request in writing by the Finance Director be paid to the Port Authority or to such officer, board or body as may then be entitled by law to receive the same, and thereafter the owners of such Bonds shall look only to the Port Authority (to the extent permitted by law) or to such officer, board or body, as the case may be, for the payment and then only to

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the extent of the amounts so received without any interest thereon, and the Paying Agent shall have no responsibility with respect to such monies.

SECTION 5.15. SEPARATE ACCOUNTS. The monies required to be accounted for in each of the Funds and Accounts established herein may be deposited in a single bank account, and funds allocated to the various Funds and Accounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the monies on deposit therein and such investments for the various purposes of such Funds and Accounts as herein provided.

The designation and establishment of the various Funds and Accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

SECTION 5.16. PAYMENTS TO CREDIT PROVIDERS. Notwithstanding any other provision herein to the contrary, if any amount applied to the payment of principal of, premium, if any, and interest on the Bonds that would have been paid from the applicable subaccount of the Debt Service Account or the Redemption Account is paid instead by a Credit Facility or a Liquidity Facility, amounts deposited in the applicable subaccount of the Debt Service Account or the Redemption Account, as applicable, and allocable to such payment for such Bonds shall be paid, to the extent required in any agreement with the Credit Provider, to the Credit Provider having theretofore made said corresponding payment. A Series Resolution may establish one or more subaccounts within the Debt Service Account and the Redemption Account to segregate amounts to be paid to a Credit Provider and amounts paid from a Credit Facility or a Liquidity Facility.

#### ARTICLE VI

##### DEPOSITARIES OF MONIES, SECURITY FOR DEPOSITS AND INVESTMENTS OF FUNDS

SECTION 6.01. SECURITY FOR DEPOSITS. All monies received by the Port Authority subject to the provisions of this Resolution shall be held either by an Authorized Officer in accordance herewith and shall be deposited with a Depository or Depositories, shall be held in trust, shall be applied only in accordance with the provisions of this Resolution and shall not be subject to lien or attachment by any creditor of the Port Authority except as otherwise provided in this Resolution.

All monies held by an Authorized Officer and deposited with any Depository hereunder in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other Federal agency shall be continuously secured for the benefit of the Port Authority and the owners of the Bonds in such manner as may then be provided by applicable State of Florida or Federal laws or regulations regarding the security for, or granting a preference in the case

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Account until same is valued annually as heretofore provided and, to the extent such income results in there being deposited to the credit of the Reserve Account an amount in excess of the Reserve Account Requirement, such excess shall be transferred to the Gross Revenue Fund.

Any income received from the investment of monies in the Construction Fund shall remain therein until completion of the Project for which such monies were deposited in the Construction Fund and, to the extent any excess income remains at the end of the Project, same shall be applied in the manner set forth in Section 4.05 of this Resolution.

#### ARTICLE VII

##### PARTICULAR COVENANTS

SECTION 7.01. PAYMENT OF PRINCIPAL, INTEREST AND PREMIUM; LIMITED OBLIGATIONS. The Port Authority covenants that it will promptly pay the principal of and the interest on the Bonds, and any premium required for the retirement of said Bonds by purchase or redemption, at the places, on the dates and in the manner specified herein and in said Bonds.

Except as otherwise provided in this Resolution, the principal, interest and premium on the Bonds are payable solely from the Net Revenue which is hereby pledged to the payment thereof and the monies on deposit from time to time in the Funds and Accounts, in the manner and to the extent hereinabove particularly specified, and nothing in the Bonds or in this Resolution shall be construed as obligating the Port Authority to pay the principal, the interest and premium, if any, thereon except from the Net Revenue and the monies on deposit from time to time in the Funds and Accounts or as pledging the full faith and credit of the Port Authority or as obligating the Port Authority, directly or indirectly or contingently, to levy or to pledge any form of taxation whatever therefor.

SECTION 7.02. CONSTRUCTION OF PROJECT. The Port Authority covenants that it will construct or otherwise carry out each Project for which Bonds shall be issued in accordance with any applicable Series Resolution and in conformity with law and the requirements of governmental authorities having jurisdiction thereover, and that it will complete, or cause the completion of, such Projects with all expedience practicable.

The Port Authority further covenants that it will require each person, firm or corporation with whom it may contract for labor or materials in connection with a Project to furnish a performance bond, in such amount, if any, as may be required under Florida law or as may otherwise be required by the Authorized Officer charged with responsibility for establishing the amount of such performance bond, to insure completion and performance of such contract or, in lieu thereof, to deposit with the Finance Director marketable securities having a market value equal to the amount of such payment and performance bond and eligible as security for the deposit of trust funds under regulations of the Board of Governors of the Federal Reserve System, and to carry such workmen's compensation or employers' liability insurance and such builders' risk insurance, if any, as may be required by law. The Port

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of, the deposit of public funds; provided, however, that it shall not be necessary for the Paying Agent to give security for the deposits of any monies with them for the payment of the principal of or the redemption premium or the interest on any Bonds issued hereunder or for the Port Authority to give security for any monies which shall be represented by obligations purchased under the provisions of this Article as an investment of such money.

All monies held by an Authorized Officer and deposited with each Depository shall be credited to the particular Fund or Account to which such monies belong.

SECTION 6.02. INVESTMENT OF MONIES. Monies held for the credit of the Construction Fund, the Gross Revenue Fund, the Sinking Fund, the Renewal and Replacement Fund and the General Fund shall, as nearly as may be practicable, be continuously invested and reinvested by the Finance Director in Investment Securities which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when monies held for the credit of said Funds and Accounts will be due, estimated by the Finance Director to be required for the purposes intended (which, in the case of the Reserve Account, may be as late as the final maturity date of the Bonds), or in Time Deposits; provided, however, that each such Time Deposit shall permit the monies so placed to be available for use at the time provided above. Any and all such investments shall comply with any requirements set forth in any certificate or other instrument of the Port Authority with respect to preventing any Series of Bonds from being characterized as "arbitrage bonds" within the meaning of Section 148 of the Code or any successor provision thereto.

Investment Securities and Time Deposits so purchased as an investment of monies in any such Fund or Account shall be deemed at all times to be part of such Fund or Account. The interest accruing thereon and any profit realized from such investment shall be credited to, and any loss resulting from such investment shall be charged to, the respective Fund or Account. The Finance Director shall sell or present for payment or redemption any Investment Securities so acquired whenever it shall be necessary to do so in order to provide monies to meet any payment from such Fund or Account. Neither the Finance Director nor any agent thereof shall be liable, or responsible, for any loss resulting from any such investment. In computing the amount in any Fund or Account, obligations purchased as an investment of monies therein shall be valued at the market price thereof.

For the purpose of determining the amount on deposit to the credit of the Reserve Account, all obligations in which monies in such Account have been invested shall be valued annually on July 1. Valuation on any particular date shall include the amount of interest then earned or accrued to such date on any monies or investments in the Reserve Account.

Any and all income received from the investment of monies in the Gross Revenue Fund, the Sinking Fund (excluding the Reserve Account), the Renewal and Replacement Fund and the General Fund shall be deposited upon receipt thereof in the Gross Revenue Fund. Any and all income received from the investment of monies in the Reserve Account shall be retained in the Reserve

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Authority further covenants and agrees that in the event of any default under any such contract and the failure of the surety to complete the contract, it will proceed to collect under any such performance bond or securities and the proceeds of any such performance bond or securities shall forthwith, upon receipt of such proceeds, be applied toward the completion of the contract in connection with which such performance bond or securities shall have been furnished. The Port Authority further covenants and agrees that each such contract will also provide that payments thereunder shall not be made by the Port Authority in excess of such retainages as required by the laws of Florida or as are established by the Port Authority upon the recommendation of the Consulting Engineer.

SECTION 7.03. OPERATION OF THE PORT FACILITIES. The Port Authority covenants that it will establish and enforce reasonable rules and regulations governing the use of the Port Facilities and the operation thereof, that all compensation, salaries, fees and wages paid by it in connection with the maintenance, repair and operation of the Port Facilities will be reasonable, that no more persons will be employed by it than are necessary, that it will maintain and operate the Port Facilities in an efficient and economical manner and that, from the Gross Revenue thereof, it will at all times maintain the same in good repair and in sound operating condition and will make all necessary repairs, renewals and replacements.

SECTION 7.04. COVENANT AGAINST ENCUMBRANCES. The Port Authority covenants that, from the Gross Revenue, it will pay, as part of Operating Expenses, all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon or in respect of the Port Facilities or upon any part thereof or upon any Gross Revenue therefrom when the same shall become due and payable by the Port Authority. Except to the extent permitted in this Resolution, the Port Authority will not create or suffer to be created any lien or charge upon its Port Facilities or any part thereof or upon the Net Revenue ranking equally with or prior to the Bonds except, to the extent provided in a Series Resolution, the lien for the benefit of any Credit Provider securing payment of the Bonds, and that, from the Gross Revenue, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty days after the same shall accrue, all lawful claims and demands against the Port Authority for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Port Facilities or any part thereof or upon the Gross Revenue; provided, however, that nothing contained in this Section 7.04 shall require the Port Authority to pay or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

SECTION 7.05. RETENTION OF CONSULTING ENGINEERS AND ACCOUNTANTS; APPOINTMENT OF OFFICERS. The Port Authority covenants that it will, for the purpose of performing and carrying out the duties imposed on the Consulting Engineers by this Resolution, retain an independent engineer or engineering Engineers by this Resolution, retain an independent ability and standing and that it will, for the purpose of performing and carrying out the duties imposed on the Accountants by this Resolution, retain an independent certified public accountant or firm of certified public accountants of nationally recognized

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ability and standing. Except for any fees and expenses incurred under the provisions of Section 4.03 of this Resolution, the cost of retaining Consulting Engineers and Accountants shall be treated as part of Operating Expenses. The Port Authority covenants that it will appoint and maintain a Finance Director, a Port Secretary and such other Authorized Officers as it deems appropriate, and delegate to such persons the duties imposed or permitted to be imposed upon them by this Resolution.

**SECTION 7.06. INSURANCE.** The Port Authority covenants that it will maintain a practical insurance program, including property and comprehensive liability insurance, with reasonable terms, conditions, provisions and costs, which the Finance Director determines, with the recommendations of the Consulting Engineers, will afford adequate protection against loss, including loss of Gross Revenue, caused by damage to or destruction of the Port Facilities or any part thereof and for bodily injury and property damage. All such insurance policies shall be carried with a responsible insurance company or companies satisfactory to the Finance Director and authorized and qualified under the laws of the State of Florida to assume the risks thereof.

The proceeds of all such insurance covering damage to or destruction of the Port Facilities shall be deposited with the Finance Director and shall be available for and shall, to the extent necessary, be applied to the repair, replacement or reconstruction of the damaged or destroyed property, and shall be paid out in the manner hereinabove provided for payments from the Construction Fund. If such proceeds are more than sufficient for such purpose, the balance remaining shall be deposited to the credit of the Gross Revenue Fund. If such proceeds shall be insufficient for such purpose, the deficiency may be supplied out of any monies in the Renewal and Replacement Fund and then from the Gross Revenue Fund. The proceeds of all insurance covering loss of Gross Revenue shall be deposited to the credit of the Gross Revenue Fund.

Notwithstanding the foregoing provisions of this Section, the Port Authority may institute and maintain self-insurance programs with regard to such risks as shall be consistent with the recommendations of the Consulting Engineers.

**SECTION 7.07. USE OF GROSS REVENUE.** The Port Authority covenants and agrees that none of the Gross Revenue will be used for any purpose other than as provided in this Resolution. The Port Authority further covenants that it will adopt such resolutions and such rules and regulations as may be necessary or appropriate to carry out the obligations of the Port Authority under the provisions of this Resolution.

**SECTION 7.08. RECORDS, ACCOUNTS AND AUDITS.** The Port Authority covenants that it will keep accurate records and accounts of all items of cost and all expenditures relating to the Port Authority and of the Gross Revenue earned and the application of such Gross Revenue. All expenditures must be accounted for by proper invoices or approved charge documents prior to any such expenditure.

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(a) that the Port Authority is not then in default in the performance of any of the material covenants, conditions, agreements or provisions contained in this Resolution; and

(b) that the Gross Revenue for the next succeeding twelve months, after giving effect to such abandonment, sale or trade and any replacement, and after adjustment to reflect changes in the rate schedule in effect on the date of such certificate, are anticipated to be sufficient in all respects to comply with Section 5.02 of this Resolution; and

(c) that such abandonment, sale or trade considering the use the Port Authority has stated it intends to make with any proceeds derived therefrom, and after consideration of all other benefits and detriments anticipated to result therefrom, will not have a material adverse impact on future Net Revenue and is consistent with the Port Authority's business and purpose.

The proceeds of any disposition authorized by the Consulting Engineer's certificate as aforescribed shall be applied as stated therein or, if not so stated, the proceeds of the sale of any property shall either be deposited by the Port Authority to the credit of the Gross Revenue Fund, the Redemption Account or the Renewal and Replacement Fund, at the option of the Port Authority, or shall be applied to the replacement of the property so sold, and any property acquired as such replacement shall become a part of the Port Facilities subject to the provisions of this Resolution.

**SECTION 7.10. SPECIAL PURPOSE BONDS.** Notwithstanding any other provision of this Resolution, the Port Authority may issue obligations from time to time, other than under this Resolution, ("Special Purpose Bonds") for purposes of financing "Special Purpose Facilities" (hereinafter defined), and, in connection therewith, funding any required sinking funds, reserve and other payments, paying costs of issuance, and paying the cost of any credit enhancement devices, all as more fully set forth in one or more resolutions adopted by the Port Authority authorizing ("Special Purpose Bond Resolution") adopted by the Port Authority authorizing the issuance of the Special Purpose Bonds. "Special Purpose Facilities" means the improvements to the Port Facilities that can be financed on a self-liquidating basis, as hereinafter determined, and which are not part of any Project for which Outstanding Bonds have been issued, or included within any revenue projections used to assist in the sale of any Outstanding Bonds. Special Purpose Bonds shall be secured solely by the rentals, loan payments, other charges and revenue derived by the Port Authority pursuant to, or resulting from, a lease, loan agreement, installment sales agreement or other agreement or financing arrangement relating to the Special Purpose Facilities to be financed thereby and/or from the operations thereof.

Special Purpose Bonds shall not be issued unless the Consulting Engineers shall have filed with an Authorized Officer a certificate to the effect that the Special Purpose Facilities can be financed on a self-liquidating basis in that the estimated rentals, loan payments or other charges to be derived by the Port Authority under the applicable agreements relating to the Special Purpose Facilities, or revenue otherwise resulting therefrom, will be at least

The Port Authority further covenants that at least quarterly it will cause to be filed with the Finance Director a report signed by the Finance Director setting forth financial statements prepared in accordance with generally accepted accounting principles applicable to the operations of the Port Authority (i) for all months of the current Fiscal Year including the month in which said report is given, and (ii) for the same months of the preceding Fiscal Year.

The Port Authority further covenants that it will, at the end of each Fiscal Year, prepare financial statements in accordance with generally accepted accounting principles applicable to operations of the Port Authority and that it will cause an audit of the financial statements to be made by the Accountant. Such audit will be conducted in accordance with generally accepted auditing standards applicable to operations of the Port Authority. The audit will be completed within one hundred eighty days after the end of the Fiscal Year. Within a reasonable time thereafter reports of such audit and copies of each report shall be filed with the Finance Director and copies of such reports shall be mailed by the Finance Director to the Consulting Engineers. The scope of the Accountant's audit will be sufficient to enable it to report as to compliance by the Port Authority with the rate covenant of this Resolution and any material non-compliance by the Port Authority of the conditions and covenants under this Resolution.

The Port Authority further covenants that it will cause any additional reports relating to the Port Authority to be made as required by law. The cost of such audits and reports shall be treated as a part of the Operating Expenses.

All of the reports described in this Section 7.08 shall be made available to any Bondholder that requests same.

**SECTION 7.09. SALE OR DISPOSAL OF PORT FACILITIES.** The Port Authority covenants that, except as permitted by this Section 7.09 and as in this Resolution otherwise permitted, it will not sell or otherwise dispose of or encumber the Port Facilities or any part thereof. The foregoing shall not prohibit the Port Authority from entering into any lease of Port Facilities permitted by the Act. The Port Director may, from time to time, sell any machinery, fixtures, apparatus, tools, instruments or other property acquired by the Port Authority in connection with the Port Facilities and materials used in connection therewith, if the Port Director shall determine that such property is no longer needed or is no longer useful in connection with the construction or operation or maintenance of the Port Facilities. The proceeds of any such sale shall be applied to the replacement of the property so sold or disposed of and any property so acquired as such replacement shall become a part of the Port Facilities subject to this Resolution or such proceeds shall be deposited to the credit of the Gross Revenue Fund, the Renewal and Replacement Fund or the Redemption Account, at the option of the Port Authority. Notwithstanding the foregoing, the Port Authority may from time to time permanently abandon the use of, sell or trade any property forming a part of the Port Facilities, but only if there shall be filed with the Finance Director prior to such abandonment, sale or trade, a certificate of the Consulting Engineers, stating:

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sufficient to pay the direct operating expenses related thereto and the principal of, redemption premium, if any, and interest on the Special Purpose Bonds that finance same, as the same mature and become due and all sinking fund, reserve or other payments required by the Special Purpose Bonds Resolution, as the same become due. In addition to the foregoing, Special Purpose Bonds may not be issued until a lease, loan agreement, installment sales agreement or other agreement or financing arrangement has been entered into by and between the Port Authority and such person or entity (including an entity controlled by the Port Authority) who shall lease or use the Special Purpose Facilities, which lease, loan agreement, installment sales agreement or other agreement or financing arrangement shall be for a term as long as the period during which such Special Purpose Bonds are outstanding and unpaid. Special Purpose Bonds shall be secured solely by a lien on the revenues generated by the Special Purpose Facilities in connection with which they were issued and by other legally available funds, and shall not be secured by a lien on Net Revenue other than as Subordinated Obligation.

The Port Authority is hereby authorized to issue, without requirement of the certificate described in the preceding paragraph, an initial series of Special Purpose Bonds (the "Northport Parking Facility Special Purpose Bonds") in the aggregate principal amount of not exceeding Twenty-Two Million Dollars (\$22,000,000) for the purpose of providing funds, together with other legally available funds, to finance construction of a parking garage containing approximately 2,500 spaces and ancillary facilities to serve demand anticipated from the cruise passengers and new Broward County Convention Center (the "Northport Parking Facility"). The Northport Parking Facility will be operated by a subsidiary of the Port Authority pursuant to agreements with the Port Authority and the proceeds of the Northport Parking Facility Special Purpose Bonds may also be used to fund any required sinking funds, reserve and other payments, pay the costs associated with any credit enhancement and pay costs of issuance, all as shall be more specifically set forth in a Special Purpose Resolution relating to the Northport Parking Facility Special Purpose Bonds ("Northport Parking Facility Resolution"). The Northport Parking Facility Resolution shall pledge all gross revenue derived from the operation of the Northport Parking Facility to the payment of the Northport Parking Facility Special Purpose Bonds and some of such gross revenue shall be included in Gross Revenue under this Resolution, except to the extent expressly provided in the Northport Parking Facility Resolution. All obligations of the Port Authority relating to the Northport Parking Facility shall be paid from the gross revenue generated from the Northport Parking Facility and not from Gross Revenue except as a Subordinated Obligation. The foregoing shall not, however, preclude the Port Authority from incurring obligations with respect to the Northport Parking Facility as Additional Bonds secured by Net Revenue, provided it complies in full with the provisions of Section 2.07 of this Resolution as a condition precedent thereto.

Any covenants applicable to Special Purpose Facilities shall be set forth in the Special Purpose Bond Resolution relating to such Special Purpose Facilities and the covenants herein applicable to the Port Facilities shall not apply to the Special Purpose Facilities.



SECTION 7.11. SUBORDINATED OBLIGATIONS. Notwithstanding any other provision of this Resolution, the Port Authority may issue obligations other than the Bonds from time to time other than under this Resolution which are payable in whole or in part from the Net Revenue but only if such obligations are, by their terms, subordinated to the lien on Net Revenue in favor of all Bonds theretofore or thereafter issued under the provisions of this Resolution.

SECTION 7.12. OTHER INDEBTEDNESS. Nothing in this Resolution shall be construed as in any way prohibiting or limiting the power of the Port Authority to enter into agreements, including interest rate swaps, incur obligations, undertake indebtedness or otherwise enter into any financing transactions to the extent such agreements, obligations, indebtedness or financing transactions do not impose any lien upon the Net Revenue and are payable from sources other than Gross Revenue. The foregoing shall include bond or revenue anticipation notes, including notes anticipated to be paid from proceeds of Bonds issued hereunder, and any other obligation of the Port Authority payable from funds, and subject to appropriation thereof, other than Gross Revenue.

SECTION 7.13. INVESTMENTS AND USE OF PROCEEDS TO COMPLY WITH CODE; TAXABLE BONDS.

(a) The Port Authority covenants with the holders of each Series of Bonds (other than Taxable Bonds), that it shall comply with the requirements of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, including the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code, and, in particular, that it shall not make or direct the making of any investment or other use of proceeds of such Series of Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the interest on such Series of Bonds to be or become subject to federal income taxation, nor shall it fail to do any act which would cause such interest to become subject to federal income taxation.

(b) The Port Authority covenants with the holders of each Series of Bonds (other than Taxable Bonds) that neither the Port Authority nor any other person under its control or direction will make any investment or other use of the proceeds of such Series of Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Series of Bonds to be "private activity bonds" as that term is defined in Section 141 of the Code (or any successor provision thereto), except as to any Series so categorized at the time of issuance, or "arbitrage bonds" as that term is defined in Section 148 of the Code (or any successor provision thereto) and that it will comply with such sections of the Code throughout the term of the Bonds.

(c) The Port Authority may, if it so elects, issue one or more Series of Taxable Bonds, the interest on which is (or may be) includable in the gross income of the holder thereof for federal income taxation purposes, so long as each Bond of such Series states in the body thereof that interest payable thereon is (or may be) subject to federal income

taxation and provided that the issuance thereof will not cause the interest on any other Bonds theretofore issued hereunder to be or become subject to federal income taxation.

(d) Notwithstanding anything to the contrary contained in subparagraphs (a) through (c) hereof, the Port Authority may, if it so elects, issue one or more Series of Bonds as "private activity bonds," as that term is defined in Section 141 (or any successor provision thereto) of the Code and which are "qualified bonds," as that term is defined in Section 141 (or any successor provision thereto) of the Code and, in the event it does so, the Port Authority covenants that it will not make or direct the making of any investment nor will it use the proceeds of any such Series in a manner which would make such Bonds not "qualified bonds."

SECTION 7.14. ARBITRAGE REBATE COVENANTS. The Port Authority covenants and agrees to establish the Rebate Fund with a Depositary. Prior to the issuance of each Series of Bonds, the Port Authority shall execute and deliver a certificate containing arbitrage rebate covenants (the "Rebate Covenants") as to said Series of Bonds. The Port Authority shall make or cause to be made payments from the Rebate Fund of amounts required to be deposited therein to the United States of America in the amounts and at the times required by the Rebate Covenants. The Port Authority covenants for the benefit of the Bondholders that it will comply with the requirements of the Rebate Covenants. Three shall be excluded from the pledge and lien of this Resolution the Rebate Fund, together with all monies and securities from time to time held therein and all investment earnings derived therefrom. The Port Authority shall not be required to comply with the requirements of this Section 7.14, or with the Rebate Covenants, in the event that the Port Authority obtains an opinion of counsel with expertise in the field of tax-exempt municipal finance that (i) such compliance is not required in order to maintain the federal income tax exemption of interest on the Bonds and/or (ii) compliance with some other requirement is necessary to maintain the federal income tax exemption of interest on the Bonds or is a permissible substitute for any deleted requirement. The Port Authority shall adopt an amendment to this Resolution, or to the Rebate Covenants, as may be applicable, to reflect the deletion or substitution of any such requirement. In addition, the Port Authority shall not be required to comply with this Section 7.14 to the extent that any Bonds issued under this Resolution shall be intended by the Port Authority, on the date of issuance of the Bonds, to be Taxable Bonds.

SECTION 7.15. COVENANTS WITH CREDIT PROVIDERS. The Port Authority may make such covenants as it may, in its sole discretion, determine to be appropriate with any Credit Provider or other financial institution that shall agree to insure or to provide for Bonds of any one or more Series credit or liquidity support that shall enhance the security or the value of such Bonds. Such covenants may be set forth in the applicable Series Resolution and shall be binding on the Port Authority, the Bond Registrar, the Paying Agent and all the holders of Bonds the same as if such covenants were set forth in this Resolution; provided, however, such covenants may not impair the rights of any existing Bondholders in any manner that, pursuant to Section 10.02 hereof, would require such Bondholder's consent.

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#### ARTICLE VIII

##### EVENTS OF DEFAULT; REMEDIES

SECTION 8.01. EXTENSION OF INTEREST PAYMENT. In case the time for the payment of interest on any Bond shall be extended by operation of law, whether or not such extension be by or with the consent of the Port Authority, such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Resolution except subject to the prior payment in full of the principal of all Bonds then Outstanding and of all interest the time for the payment of which shall not have been extended.

SECTION 8.02. EVENTS OF DEFAULT. Each of the following events is hereby declared an "event of default":

(a) payment of the principal of and the redemption premium, if any, on any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable; or

(c) redemption of Term Bonds in accordance with an Amortization Requirement shall not be made as required; or

(d) the Port Authority admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for all or a substantial part of the Port Facilities; or

(e) the Port Authority is adjudged insolvent by a court of competent jurisdiction, or is adjudged a bankrupt or a petition in bankruptcy filed against the Port Authority, or an order, judgment or decree is entered by a court of competent jurisdiction appointing, without the consent of the Port Authority, a receiver or trustee of the Port Authority or of the Port Facilities, or any part of its property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety days from the date of entry thereof; or

(f) the Port Authority shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any state applicable law or statute of the United States of America or any state thereof; or

(g) under the provisions of any other law for the relief of aid of debtors, any court of competent jurisdiction shall assume custody or control of the Port Authority or of the whole or any substantial part of its property, and such custody or control shall not be terminated within ninety days from the date of assumption of such custody or control; or

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(h) the Port Authority shall default in its obligation to duly and punctually perform any other of the material covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution and such default shall continue for thirty days after written notice specifying such default and requiring same to be remedied shall have been given to the Port Authority by the registered owners of not less than ten percent in aggregate principal amount of the Bonds then Outstanding; or

(i) written notice shall have been received by the Port Authority from a Credit Provider that an event of default has occurred under the agreement underlying a Credit Facility or Liquidity Facility, to the extent said notice is established as an event of default under the terms of any Series Resolution relating to said Series of Bonds.

SECTION 8.03. ACCELERATION OF MATURITIES OF BONDS. Upon the happening and continuance of any event of default specified in clauses (a) through (i) of Section 8.02 of this Article, then and in every such case the holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding may, by a notice in writing to the Port Authority, declare the principal of all of the Bonds then Outstanding to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or in this Resolution to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Resolution, monies shall have accumulated in the Sinking Fund sufficient to pay the principal of all matured Bonds then Outstanding, other than the principal of any Bonds not then due except by virtue of such declaration, and the interest accrued on such Bonds since the last Interest Payment Date, and all amounts then payable by the Port Authority hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited by the Finance Director with the Paying Agent, and every other default in the observance or performance of any covenant, condition, agreement or provision contained in the Bonds or in this Resolution (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this Section) shall have been remedied, then and in every such case the holders of not less than a majority in aggregate principal amount of the Bonds not then due except by virtue of such declaration and then Outstanding may, by written notice to the Port Authority, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 8.04. ENFORCEMENT OF REMEDIES. Upon the happening and continuance of any event of default specified in Section 8.02 of this Article, the holders of not less than ten percent in aggregate principal amount of the Bonds then Outstanding hereunder may proceed to protect and enforce the rights of the Bondholders, under Florida law or under this Resolution, by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper

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legal or equitable remedy, as such Bondholders shall deem most effectual to protect and enforce such rights.

SECTION 8.05. PRO RATA APPLICATION OF FUNDS. Anything in this Resolution to the contrary notwithstanding, if at any time the monies in the Sinking Fund shall not be sufficient to pay the principal of, the premium, if any, or the interest on the Bonds as the same become due and payable (either by their terms or by the acceleration of maturities under the provisions of Section 8.03 of this Article), such monies together with any monies then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become due and payable or shall have been declared due and payable, all such monies shall be applied:

First: to the payment of the persons entitled thereto of all installments of interest then due and payable on the Senior Bonds, in the order in which such installments become due and payable on the Senior Bonds, and, if the amount available shall not be sufficient to pay in full any particular installment on the Senior Bonds, then the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Senior Bonds;

Second: to the payment of the persons entitled thereto of the unpaid principal of any of the Senior Bonds which shall have become due (other than Senior Bonds called for redemption for the payment of which sufficient monies are held pursuant to the provisions of this Resolution), in the order of their due dates, with interest upon such Senior Bonds at the respective rates specified therein from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full the principal of Senior Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Senior Bonds;

Third: to the payment of the persons entitled thereto of all installments of interest then due and payable on Bonds other than Senior Bonds, in the order in which such installments become due and payable on the Bonds other than

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or of interest over principal or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amount due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds;

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of Section 8.03 of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the monies remaining in and thereafter accruing to the Sinking Fund shall be applied in accordance with the provisions of paragraph (a) of this Section.

The provisions of this Section are in all respects subject to the provisions of Section 8.01 of this Resolution.

Whenever monies are to be applied by the Port Authority pursuant to the provisions of this Section, such monies shall be applied by the Port Authority at such times, and from time to time, as the Finance Director in his sole discretion shall determine, having due regard to the amount of such monies available for application and the likelihood of additional monies becoming available for such application in the future; the deposit of such monies with the Paying Agent or otherwise setting aside such monies in trust for the proper purpose, shall constitute proper application by the Port Authority; and the Port Authority shall incur no liability whatsoever to any Bondholder, Credit Provider, or to any other person for any delay in applying any such funds, so long as the Port Authority acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application. Whenever the Finance Director shall exercise such discretion in applying such funds he shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Finance Director shall give such notice as he may deem appropriate of the fixing of any such date, and shall not be required to make payment to the owner of any Bond until such Bond shall be surrendered to him for appropriate endorsement.

SECTION 8.06. EFFECT OF DISCONTINUANCE OF PROCEEDINGS. In case any proceeding taken by any Bondholder on account of any default shall have been discontinued or abandoned for any reason, then and in every such case, the Port Authority and the Bondholder shall be restored to their former positions and rights hereunder, respectively, and all rights and remedies of the Bondholders shall continue as though no such proceeding had been taken.

SECTION 8.07. RESTRICTION ON INDIVIDUAL BONDHOLDER ACTIONS. No holder of any of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Resolution, or to enforce any right hereunder except in the manner herein

Senior Bonds, and, if the amount available shall not be sufficient to pay in full any particular installment on the Bonds other than Senior Bonds, then the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds;

Fourth: to the payment of the persons entitled thereto of the unpaid principal of any of the Bonds other than Senior Bonds which shall have become due (other than Bonds called for redemption for the payment of which sufficient monies are held pursuant to the provisions of this Resolution), in the order of their due dates, with interest upon such Bonds at the respective rates specified therein from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full the principal of Bonds other than Senior Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds; and

Fifth: to the payment of the interest on and principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of Article V of this Resolution.

(b) If the principal of all the Bonds shall have become due and payable or shall have been declared due and payable, all such monies shall be applied:

First: to the payment of the principal and interest then due and unpaid upon the Senior Bonds, without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, or of any Senior Bond over any other Senior Bond, ratably, according to the amount due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Senior Bonds; and

Second: to the payment of the principal and interest then due and unpaid upon the Bonds other than Senior Bonds, without preference or priority of principal over interest

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provided, and all proceedings at law or in equity shall be instituted, had and maintained for the benefit of all holders of such Bonds.

SECTION 8.08. NO REMEDY EXCLUSIVE. No remedy herein conferred upon the Bondholders is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder.

SECTION 8.09. DELAY NOT A WAIVER. No delay or omission of a Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Resolution to the Bondholders may be exercised from time to time and as often as may be deemed expedient.

SECTION 8.10. RIGHT TO ENFORCE PAYMENT OF BONDS. Nothing in this Resolution shall affect or impair the right of any Bondholder to enforce the payment of the principal of, premium, if any, and interest on his Bond, or the obligation of the Port Authority to pay the principal of, premium, if any, and interest on each Bond to the owners thereof at the time and place in said Bond expressed.

SECTION 8.11. RIGHTS OF CREDIT PROVIDER. In the event that, following an event of default under Section 8.02, a Credit Provider honors its obligation to make payments on a Series of Bonds, said Credit Provider shall be entitled to exercise the rights of the owners of the said Bonds for the purposes of this Article.

Anything in this Resolution to the contrary notwithstanding, while an event of default has occurred and is continuing hereunder, any Credit Provider or owners of a majority in principal amount of the Bonds then Outstanding hereunder shall have the right, by an instrument in writing executed and delivered to the Port Authority, to direct the time and method of conducting all proceedings available to the Port Authority under this Resolution or exercising any trust or power conferred on the Port Authority by this Resolution; provided, however, that the Credit Provider shall have no such rights if it has defaulted under its obligations. In the event of a conflict between the directions of any Credit Provider and those of the owners of the Bonds, with respect to an event of default described in clause (i) of Section 8.02 hereof, the directions of any Credit Provider shall prevail, and with respect to any other event of default the directions of the owners of the Bonds shall prevail.

#### ARTICLE IX

##### EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS

SECTION 9.01. EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS. Any request, direction, consent or other instrument in writing required or permitted by this Resolution to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor

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and may be signed or executed by such Bondholders or their duly authorized attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the Port Authority with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual, such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

(b) Ownership of Bonds should be proved by registration books of the Port Authority, or the Bond Registrar on behalf of the Port Authority, maintained as provided in this Resolution.

Nothing contained in this Resolution shall be construed as limiting the Finance Director to such proof, it being intended that the Finance Director may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the holder of any Bond shall bind every future holder of the same Bond in respect of anything done by the Port Authority pursuant to such request or consent.

#### ARTICLE X

##### SUPPLEMENTS AND AMENDMENTS

SECTION 10.01. SUPPLEMENTAL RESOLUTION WITHOUT BONDHOLDERS' CONSENT. The Port Authority, from time to time and at any time, without obtaining consent from Bondholders, may adopt such resolutions supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental resolutions shall thereafter form a part hereof):

(a) to cure any ambiguity or defect or omission or to correct any inconsistent provisions in this Resolution or in any supplemental Resolution; or

(b) to grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders; or

(c) to add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed; or

(d) to add to the covenants and agreements of the Port Authority in this Resolution other covenants and agreements thereafter to be observed

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At least thirty days prior to the adoption of any supplemental resolution for any of the purposes of this Section, the Port Authority shall cause a copy of the proposed adoption of such supplemental resolution to be mailed, postage prepaid, to all owners of Bonds at their addresses as they appear on the registration books of the Port Authority maintained by the Bond Registrar and to all rating agencies then rating the Bonds. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that copies thereof are on file at the offices of the Port Authority for inspection by all Bondholders. A failure on the part of the Port Authority to mail the notice required by this Section shall not affect the validity of the supplemental resolution.

SECTION 10.02. SUPPLEMENTAL RESOLUTION WITH BONDHOLDERS' CONSENT. Subject to the terms and provisions contained in this Section and Section 10.01 and 10.04 hereof, and not otherwise, the holders of not less than fifty-one percent in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the enactment of such resolution or resolutions supplemental hereto as shall be deemed necessary or desirable by the Port Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any supplemental resolution; provided, however, that nothing herein contained shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of or the interest on any Bond issued hereunder, or (b) a reduction in the principal amount of any Bond or a pledge of Net Revenue other than the lien and pledge created by this Resolution or permitted to be created by this Resolution, or (c) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any supplemental resolution as authorized in Section 10.01 or Section 10.04 of this Article.

If at any time the Port Authority shall determine that it is necessary or desirable to enact any supplemental resolution for any of the purposes of this Section, an Authorized Officer shall cause notice of the proposed enactment of such supplemental resolution to be mailed, postage prepaid, to all owners of Bonds at their addresses as they appear on the registration books and to all rating agencies then rating the Bonds. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that copies thereof are on file at the office of the Finance Director for inspection by all Bondholders. The Port Authority shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section to be mailed and any such failure shall not affect the validity of such supplemental resolution when consented to and approved as provided in this Section. A subsequent resolution of the Port Authority may provide that the form and manner of providing notice to Bondholders be in some different form if so determined by the Port Authority.

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by the Port Authority or to surrender any right or power herein reserved to or conferred upon the Port Authority; or

(e) to permit the issuance of Bonds, the interest on which is intended to be exempt from federal income taxation, in coupon form, if as a condition precedent to the enactment of such supplemental resolution, there shall be delivered to the Port Authority an opinion of counsel with expertise in the field of tax exempt municipal finance to the effect that the issuance of Bonds in coupon form is then permitted by law and that issuance of such Bonds in coupon form would not cause interest on such Bonds to be included in gross income for federal income tax purposes; or

(f) to qualify the Bonds or any of the Bonds for registration under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended; or

(g) to qualify this Resolution as an "indenture" under the Trust Indenture Act of 1939, as amended; or

(h) to make such changes as may be necessary to adjust the terms hereof so as to facilitate the issuance of Variable Rate Bonds, Capital Appreciation Bonds, Capital Appreciation and Income Bonds, Convertible Bonds, Put Bonds and such other form of Bonds as may be marketable from time to time; or

(i) to make such changes as may be necessary to maintain the tax exemption applicable to any Series as said exemption was intended to exist, if at all, at the time of issuance of such Series; or

(j) to make such changes as may evidence the right and interest herein of a Credit Provider; or

(k) to make such changes as may be necessary in order to obtain rating or ratings on any Series of Bonds from one or more nationally recognized rating agencies; or

(l) to specify and determine the matters and things referred to in Sections 2.06, 2.07 or 2.08 hereof, and any other matters and things relative to such Bonds which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any provision in this Resolution at any time prior to the first delivery of such Bonds; or

(m) to make any other change, except those set forth in clauses (a) through (e) of Section 10.02 hereof, which is necessary to be made to permit the Port Authority to proceed with a transaction or activity that in the written opinion of the Consulting Engineers as filed with the Finance Director, will not adversely affect Net Revenue and is in the best interests of the Port Authority to pursue and that, in the written opinion of counsel with expertise in the field of tax-exempt municipal finance, will not otherwise adversely affect the security for the Bonds or interests of the Bondholders.

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Whenever the Port Authority shall deliver to the Finance Director an instrument or instruments in writing purporting to be executed by the holders of not less than fifty-one percent in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed supplemental resolution and shall specifically consent to and approve the enactment thereof in substantially the form thereof referred to in such instrument, thereupon, but not otherwise, the Port Authority may enact such supplemental resolution in substantially such form, without liability or responsibility to any owner of any Bond, whether or not such registered owner shall have consented thereto. Notwithstanding the foregoing, the Port Authority may enact the proposed supplemental resolution prior to receiving the requisite consents provided the effective date of said resolution, by its terms, is delayed until, and conditioned upon, receipt of the required consents.

If the owners of not less than fifty-one percent in aggregate principal amount of the Bonds outstanding at the time of the enactment (or effective date) of such supplemental resolution shall have consented to and approved the enactment thereof as herein provided, no owner of any Bond shall have any right to object to the enactment of such supplemental resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Port Authority from adopting the same or from taking any action pursuant to the provisions thereof.

Any consent given by a Bondholder shall be binding with respect to all Bonds owned by said Bondholder on the date consent is given, and shall bind all future owners of said Bonds, so that said future owners shall have been deemed to consent to the proposed supplemental resolution to the same force and effect as if they had executed a consent as of the date of enactment thereof.

The consent of the owners of any Series of Additional Bonds or Refunding Bonds to be issued hereunder shall be deemed given if the underwriters or initial marketing group consent in writing to such supplemental resolution and the substance of such supplemental resolution is disclosed in the official statement or other offering document pursuant to which such Series of Additional Bonds or Refunding Bonds are offered and sold to the public.

Upon the enactment of any supplemental resolution pursuant to the provisions of this Section, this Resolution shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Port Authority and all holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

SECTION 10.03. SUPPLEMENTAL RESOLUTIONS PART OF RESOLUTION. Any supplemental resolution enacted in accordance with the provisions of this Resolution and approved as to legality by the Port Attorney shall thereafter form a part of this Resolution, and all of the terms and conditions contained in any such supplemental resolution as to any provisions authorized to be

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contained therein shall be and shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes. In case of the enactment and approval of any supplemental resolution, express reference may be made thereof in the text of any Bonds issued thereafter, if deemed necessary or desirable by the Port Authority.

**SECTION 10.04. SERIES RESOLUTION NOT A SUPPLEMENTAL RESOLUTION.** For purposes of this Article X, a resolution, such as a Series Resolution, that relates only to the issuance of a particular Series of Bonds hereunder and that does not purport to alter or amend the rights or security of any holders of any Bonds of any other Series issued hereunder shall not be deemed or considered to be a supplemental resolution.

#### ARTICLE XII

##### DEFEASANCE

**SECTION 11.01. DEFEASANCE.** If all the Outstanding Bonds shall have been paid as provided below, and the Port Authority shall pay or cause to be paid to the Paying Agent and Bond Registrar and any other agents and other parties designated by a Series Resolution, all sums of money due or to become due according to the provisions hereof and such other instruments as may be entered into with such agents and parties, then and in that case the right, title and interest of the Bondholders hereunder shall cease, terminate and become void, and such Bonds shall cease to be entitled to any lien, benefit or security under this Resolution. In such event, this Resolution shall be discharged and released and amounts held in the Funds and Accounts created hereunder shall be released to the Port Authority for its own purposes.

Any Bond shall be deemed to have been paid within the meaning and with the effect expressed in this Section 11.01 when the whole amount of the principal of and interest on such Bond shall have been paid or when (a) there shall have been deposited with the Paying Agent or other appropriate Escrow Agent solely for the owner of such Bond and other Bonds being defeased and specifically designated for the purpose of defeasance either monies, Escrow Securities, or any combination thereof, in an amount which shall be sufficient, with interest and earnings thereon, to pay when due the principal of and premium, if any, and interest due and to become due on such Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and (b) in the event such Bond does not mature and is not to be redeemed within the next succeeding sixty days, the Port Authority shall have notified, as soon as practicable, the owner of such Bond, in the manner set forth in Article III hereof, stating that the deposit of monies and/or Escrow Securities required by clause (a) of this paragraph has been made with the Paying Agent or other Escrow Agent solely for the owner of such Bond and other Bonds being defeased, and that such Bond is deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which monies are to be available for the payment of the principal of and premium, if any, and interest on such Bond.

Except as hereinafter provided, neither the monies nor Escrow Securities deposited with the Paying Agent or other Escrow Agent pursuant to this Section

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stipulations, obligations and agreements shall bind or inure to the benefit of the successor or successors thereof from time to time and any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Port Authority by the provisions of this Resolution shall be exercised or performed by the Commissioners of the Port Authority or by such other officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

No covenants, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the Port Authority in his individual capacity, and neither the Commissioners of the Port Authority nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

**SECTION 12.02. MANNER OF GIVING NOTICE.** Any notice, demand, direction, request or other instrument authorized or required by this Resolution to be given to or filed with the Port Authority shall be deemed to have been sufficiently given or filed for all purposes of this Resolution if and when sent by registered mail, return receipt requested to the Port Director at 1850 Eller Drive, Fort Lauderdale, Florida 33315.

All documents received by the Port Director under the provisions of this Resolution shall be retained in his possession, subject at all reasonable times to the inspection of any Bondholder, and the agents and representatives thereof.

**SECTION 12.03. SUCCESSIONSHIP OF PAYING AGENT.** Any bank or trust company with or into which a Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Resolution. If the position of a Paying Agent shall become vacant for any reason the Port Authority shall, within thirty days thereafter, appoint a bank or trust company as Paying Agent to fill such capacity.

**SECTION 12.04. SUCCESSIONSHIP OF PORT AUTHORITY.** In the event that the offices of any officer of the Port Authority mentioned in this Resolution shall be abolished or any two or more of such offices shall be merged or consolidated, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer shall become incapable of performing the duties of his office by reason of sickness, absence from the Port Authority or otherwise, all powers conferred and all obligations and duties imposed upon such officer shall be performed by the officer succeeding to the principal functions thereof or by the officer upon whom such powers, obligations and duties shall be imposed by law.

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nor principal or interest payments on any such obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest on said Bonds. Monies and Escrow Securities held by an Escrow Agent may be substituted for other monies and Escrow Securities to the extent permitted by an Escrow Deposit Agreement.

As to Variable Rate Bonds, the amount required for the interest thereon shall be calculated at the maximum rate permitted by the terms of the provisions which authorized the issuance of such Variable Rate Bonds; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of monies and Escrow Securities on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order fully to discharge and satisfy such Bonds pursuant to the provisions of this Section, the Port Authority may use the amount of such excess, free and clear of any trust, lien, security interest, pledge or assignment securing said Variable Rate Bonds or otherwise existing under this Resolution; subject however, to the Port Authority's obtaining an opinion from a law firm with expertise in the field of tax-exempt municipal bonds that such use will not cause such Bonds to lose their federal tax exemption if interest on such Bonds was intended to be excluded from gross income for federal income tax purposes when originally issued.

Notwithstanding any of the provisions of this Resolution to the contrary, Put Bonds may only be fully discharged and satisfied either by paying the principal of and interest on said Bonds as they become due and payable or by depositing monies or Escrow Securities which shall be sufficient at the time of such deposit to pay when due the maximum amount of principal of and redemption premium, if any, and interest on such Put Bonds which could become payable to the owners of such Bonds upon the exercise of any options provided to the owners of such Bonds and the Port Authority; provided, however, that if, at the time a deposit is made pursuant to this paragraph, the options originally exercisable on the Put Bonds are no longer exercisable, such Bonds shall not be considered Put Bonds for these purposes.

If any portion of the monies described for the payment of the principal of and redemption premium, if any, and interest on any portion of Bonds is not required for such purpose, the Port Authority may use the amount of such excess, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Resolution.

#### ARTICLE XIII

##### MISCELLANEOUS PROVISIONS

**SECTION 12.01. EFFECT OF COVENANTS.** All covenants, stipulations, obligations and agreements of the Port Authority contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the Port Authority and of each department and agency of the Port Authority to the full extent authorized or permitted by law, and all such covenants,

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**SECTION 12.05. INCONSISTENT RESOLUTIONS.** All resolutions and parts thereof which are inconsistent with any of the provisions of this Resolution are hereby declared to be inapplicable to the provisions of this Resolution. Notwithstanding the foregoing, the provisions of the Prior Resolution shall remain in full force and effect until the Prior Bonds have been defeased, which defeasance shall be considered to have been accomplished upon issuance of the Series 1989-A Bonds.

**SECTION 12.06. FURTHER ACTS.** The officers and agents of the Port Authority are hereby authorized and directed to do all the acts and things required of them by the Bonds and this Resolution, for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Bonds and this Resolution.

**SECTION 12.07. HEADINGS NOT PART OF RESOLUTION.** Any headings preceding the texts of the several Articles and Sections hereof and any table of contents, marginal notes or footnotes appended to copies hereof shall be solely for convenience of reference, and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

**SECTION 12.08. PORT AUTHORITY AND BONDHOLDERS ALONE HAVE RIGHTS UNDER RESOLUTION.** Except as herein otherwise expressly provided, nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Port Authority and the owners of the Bonds, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Port Authority and the owners from time to time of the Bonds.

**SECTION 12.09. EFFECT OF PARTIAL INVALIDITY.** In case any one or more of the provisions of this Resolution or of any Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of the Bonds, but this Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The Bonds are issued and this Resolution is adopted with the intent that the laws of the State of Florida shall govern their construction.

**SECTION 12.10. SALE OF BONDS.** The Bonds shall be issued and sold at one time or from time to time and at such price or prices consistent with law and the requirements of this Resolution as the Port Authority shall hereafter determine by one or more Series Resolutions.

**SECTION 12.11. AUTHORITY TO PURCHASE OR DEAL IN BONDS.** Any bank or trust company acting as Bond Registrar or Paying Agent under this Resolution, and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Bond Registrar or Paying Agent under this Resolution.

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SECTION 12.12. CAPITAL APPRECIATION BONDS AND CAPITAL APPRECIATION AND INCOME BONDS. For the purposes of (i) receiving payment of the redemption price if a Capital Appreciation Bond is redeemed prior to maturity, or (ii) receiving payment of a Capital Appreciation Bond if the principal of all Bonds becomes due and payable under the provisions of this Resolution, or (iii) computing the amount of Bonds held by the holder of a Capital Appreciation Bond in giving to the Port Authority or any trustee or receiver appointed to represent the Bondholders any notice, consent, request or demand pursuant to this Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value. For all of the foregoing purposes as they relate to Capital Appreciation and Income Bonds, the principal amount of a Capital Appreciation and Income Bond, on or prior to its Interest Commencement Date, shall be its Appreciated Value.

SECTION 12.13. PAYMENTS DUE ON SATURDAYS, SUNDAYS OR HOLIDAYS. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of Bonds shall be a Saturday, Sunday or a day on which the Paying Agent is required, or authorized and not prohibited, by law (including executive orders) to close and is closed, then payment of such interest or principal and any redemption premium need not be mailed by the Paying Agent on such date but may be mailed on the next succeeding business day on which the Paying Agent is open for business with the same force and effect as if mailed on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date of maturity.

SECTION 12.14. SUSPENSION OF PUBLICATION OR MAIL. If, because of the temporary or permanent suspension of publication of any newspaper or financial journal, the suspension of delivery of registered mail or, for any other reason, the Port Authority shall be unable to publish in a newspaper or financial journal or mail by registered mail any notice required to be published or mailed by the provisions of this Resolution, the Port Authority shall give such notice in such other manner as in the judgment of the Port Authority shall most effectively approximate such publication or mailing thereof, and the giving of such notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirement for the publication or mailing thereof.

Except as otherwise provided herein, for all purposes of this Resolution, anything required to be mailed shall be deemed mailed upon the deposit of the item with the U.S. Postal Service, by registered mail, return receipt requested and addressed to the addressee as set forth in Section 12.02 hereof or otherwise provided in this Resolution.

SECTION 12.15. RESOLUTION EFFECTIVE. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Port Authority on the 20 day of July, 1989.

PORT EVERGLADES AUTHORITY

*Walter J. Browne*  
Chair, Walter J. Browne

(SEAL)

ATTEST:

*Rosalie Duque*  
Port Secretary, Rosalie Duque

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#### RESOLUTION NO. 25-1989

A RESOLUTION SUPPLEMENTING AND AMENDING RESOLUTION NO. 24-1989 OF THE PORT EVERGLADES AUTHORITY ADOPTED ON JULY 20, 1989 ENTITLED "A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$150,000,000 PORT FACILITIES REFUNDING REVENUE BONDS, SERIES 1989-A FOR THE PURPOSE OF REFUNDING PORT FACILITIES REVENUE BONDS, SERIES 1986 OF THE PORT EVERGLADES AUTHORITY ISSUED UNDER RESOLUTION NO. 12-1986, AS AMENDED; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$35,000,000 PORT FACILITIES SENIOR REVENUE BONDS, SERIES 1989-B FOR THE PURPOSE OF PAYING THE COST OF IMPROVEMENTS TO THE PORT FACILITIES OF THE PORT EVERGLADES AUTHORITY; PROVIDING FOR THE ISSUANCE OF ADDITIONAL PORT FACILITIES REVENUE BONDS TO PAY THE COST OF IMPROVEMENTS TO THE PORT FACILITIES OF THE PORT EVERGLADES AUTHORITY AND TO REFUND BONDS ISSUED HEREUNDER AND CERTAIN OTHER INDEBTEDNESS; PROVIDING FOR THE PAYMENT OF SUCH BONDS AND THE INTEREST THEREON FROM REVENUE DERIVED FROM THE PORT FACILITIES AND PLEDGED THEREFOR; SETTING FORTH THE RIGHTS AND REMEDIES OF THE HOLDERS OF SUCH BONDS; PROVIDING SEVERABILITY AND AN EFFECTIVE DATE"; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE PORT EVERGLADES AUTHORITY:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. The Port Everglades Authority (the "Port Authority") is authorized to adopt this resolution under the authority granted by the provisions of Chapter 98-1157, Laws of Florida, Special Acts of 1989, as amended and supplemented, Chapter 315, Florida Statutes, as amended and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby found and determined that:

A. On July 20, 1989 the Port Authority adopted Resolution No. 24-1989, the title of which is quoted in the title of this resolution, (the "Bond Resolution") authorizing, among other matters, the issuance of the Port Authority's Port Facilities Revenue Bonds.

B. The Port Authority now desires to supplement and amend the Bond Resolution hereby to cure certain defects, inconsistencies and ambiguities therein, as permitted by Section 10.01 of the Bond Resolution. This resolution shall be deemed to be a resolution supplemental to the Bond Resolution within the meaning of Sections 10.01 and 10.03 of the Bond Resolution. The Port Authority hereby determines that no Bonds have been issued under the Bond Resolution and, accordingly, the notice provisions of Section 10.01 of the Bond Resolution are inapplicable to this resolution.

C. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Bond Resolution, unless otherwise provided or unless the context otherwise clearly requires. To the extent necessary to effectuate the terms and conditions hereof, the Bond Resolution is hereby incorporated by this reference.

SECTION 3. SUPPLEMENTS AND AMENDMENTS TO BOND RESOLUTION. The Bond Resolution is hereby supplemented and amended as follows:

A. The definition of "Bond Year" in Section 1.04 of the Bond Resolution is hereby deleted in its entirety and replaced with the following:

"Bond Year shall mean the period commencing the first day of September in each year and ending the last day of August of the following year."

B. The paragraph of Section 2.02 that is the first grammatical paragraph on page 16 of the Bond Resolution is hereby modified to delete therefrom the third sentence (which begins "Notice of the proposed payment..."), in its entirety, and same is hereby replaced with the following:

"Notice of the proposed payment and of the Special Record Date therefor shall be mailed, on or before the fifth day prior to the proposed payment date, to each owner of record as of the Special Record Date at his address as it appears on the registration books of the Port Authority maintained pursuant to Section 2.04 hereof."

C. Section 2.06 of the Bond Resolution is hereby supplemented to provide that no additional Port Facilities Refunding Revenue Bonds, Series 1989-A shall be issued pursuant to Section 2.06 of the Bond Resolution other than the Bonds to be issued pursuant to Resolution No. 27-1989 adopted by the Port Authority on the date hereof.

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(a) The Finance Director may endeavor to purchase any Term Bonds secured hereby and then Outstanding, whether or not such Term Bonds shall then be subject to redemption, on the most advantageous terms obtainable with reasonable diligence, such price not to exceed the principal of such Term Bonds plus the amount of the redemption premium, if any, which might on the next redemption date be paid to the holders of such Term Bonds under the provisions of Article III of this Resolution if such Term Bonds should be called for redemption on such date from monies in the Redemption Account, plus accrued interest to the date of settlement therefor. The Finance Director shall pay the interest accrued on such Term Bonds to date of settlement therefor from the Debt Service Account and the purchase price from the Redemption Account, but no such purchase shall be made by the Finance Director within the period of forty-five days next preceding any Interest Payment Date on which such Term Bonds are subject to call for redemption under the provisions of this Resolution, except from monies other than monies set aside or deposited for the redemption of Term Bonds.

I. Section 5.10(b) of the Bond Resolution is hereby deleted in its entirety and same is hereby replaced with the following:

(b) Subject to the provisions of Article III of this Resolution, the Finance Director may call Term Bonds for redemption on any date which Term Bonds are subject to redemption, at a price not to exceed the principal amount of such Term Bonds plus the redemption premium, if any, which might on the next redemption date be paid to the holders of such Term Bonds under the provisions of Article III of this Resolution if such Term Bonds should be called for redemption on such date from monies in the Redemption Account, plus accrued interest to the date of settlement therefor; provided, however, that no less than Fifty Thousand Dollars principal amount of Term Bonds or such other principal amount as may be provided in a Series Resolution relating to the Term Bonds shall be called for redemption at any one time unless a lesser amount shall be required to satisfy the Amortization Requirement for any Fiscal Year. Such redemption shall be made pursuant to the provisions of Article III of this Resolution. The Finance Director shall, prior to the redemption date withdraw from the Debt Service Account and the Redemption Account and set aside in separate accounts or deposit with the Paying Agent the respective

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D. Section 2.06 of the Bond Resolution is hereby modified to delete therefrom the third sentence thereof (which begins "The Series 1989-A Bonds shall have principal payment dates..."), in its entirety, and same is hereby replaced with the following:

"The Series 1989-A Bonds shall have principal payment dates on September 1 of any Bond Year in which principal payments become due and payable and Interest Payment Dates on March 1 and September 1."

E. The paragraph of Section 2.05 of the Bond Resolution that is the first grammatical paragraph on page 21 of the Bond Resolution is hereby modified to delete therefrom the third sentence thereof (which begins "The Senior Bonds shall have principal payment dates..."), in its entirety, and same is hereby replaced with the following:

"The Senior Bonds shall have principal payment dates on September 1 of any Bond Year in which principal payments become due and payable and Interest Payment Dates on March 1 and September 1."

F. Section 2.07 of the Bond Resolution is hereby modified to delete therefrom the second sentence thereof (which begins "As long as the Senior Bonds remain Outstanding..."), in its entirety, and same is hereby replaced with the following:

"As long as the Senior Bonds remain Outstanding, any Additional Bonds shall have principal payment dates on September 1 of any Bond Year in which principal payments become due and payable and, other than Variable Rate Bonds, Interest Payment Dates on March 1 and September 1."

G. Section 2.08 of the Bond Resolution is hereby modified to delete therefrom the second sentence thereof (which begins "As long as the Senior Bonds remain Outstanding..."), in its entirety, and same is hereby replaced with the following:

"As long as the Senior Bonds remain Outstanding, any Refunding Bonds shall have principal payment dates on September 1 of any Bond Year in which principal payments become due and payable and, other than Variable Rate Bonds, Interest Payment Dates on March 1 and September 1."

H. Section 5.10(a) of the Bond Resolution is hereby deleted in its entirety and same is hereby replaced with the following:

amounts required for paying the interest on, and the principal and redemption premium of, the Term Bonds so called for redemption.

J. Section 5.10(c) of the Bond Resolution is hereby amended by inserting a period at the end of the fourth line thereof and deleting the remainder of said paragraph.

K. Section 5.10 of the Bond Resolution is hereby modified to add the following sentences immediately preceding the final sentence of said Section 5.10 (which begins "The expenses in connection with . . ."):

"In the event the Port Authority acquires Term Bonds pursuant to Section 5.10(a) or redeems Term Bonds pursuant to Section 5.10(b) or otherwise acquires Term Bonds, and delivers such Term Bonds to the Paying Agent for cancellation, the Amortization Requirements first coming due as to the Term Bonds of those maturities so acquired or redeemed will be reduced by an amount equal to the principal amount of the Term Bonds so acquired or redeemed. Notwithstanding the foregoing provisions of Section 5.10(a) and 5.10(b), no purchase or optional redemption of Term Bonds shall be made from monies on deposit in the Redemption Account if same would result in the Port Authority not being in compliance with its Amortization Requirements."

L. The word "Three" at the commencement of the tenth line of Section 7.14 of the Bond Resolution is a typographical error and is hereby deleted and replaced with the word "There".

SECTION 4. BOND RESOLUTION TO CONTINUE IN FORCE. Except as herein expressly provided, the Bond Resolution and all the terms and provisions thereof, are and shall remain in full force and effect.

SECTION 5. RESOLUTION EFFECTIVE. This resolution shall take effect immediately upon its adoption.

PORT EVERGLADES AUTHORITY

*Walter Brown*  
Chair

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Passed and adopted at a meeting of the Port Everglades Authority on the 10 day of August, 1989.

(SEAL)

ATTEST:

Rosalie Dugue  
Port Secretary

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RESOLUTION NO. 21-1990

A RESOLUTION AMENDING RESOLUTION NO. 24-1989 OF THE PORT EVERGLADES AUTHORITY ADOPTED ON JULY 20, 1989 ENTITLED "A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$150,000,000 PORT FACILITIES REFUNDING REVENUE BONDS, SERIES 1989-A FOR THE PURPOSE OF REFUNDING PORT FACILITIES REVENUE BONDS, SERIES 1986 OF THE PORT EVERGLADES AUTHORITY ISSUED UNDER RESOLUTION NO. 12-1986, AS AMENDED; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$55,000,000 PORT FACILITIES SENIOR REVENUE BONDS, SERIES 1989-B FOR THE PURPOSE OF MAKING THE COST OF IMPROVEMENTS TO THE PORT FACILITIES OF THE PORT EVERGLADES AUTHORITY; PROVIDING FOR THE ISSUANCE OF ADDITIONAL PORT FACILITIES REVENUE BONDS TO PAY THE COST OF IMPROVEMENTS TO THE PORT FACILITIES OF THE PORT EVERGLADES AUTHORITY AND TO REFUND BONDS ISSUED HEREUNDER AND CERTAIN OTHER INDEBTEDNESS; PROVIDING FOR THE PAYMENT OF SUCH BONDS AND THE INTEREST THEREON FROM REVENUE DERIVED FROM THE PORT FACILITIES AND PLEDGED THEREFOR; SETTING FORTH THE RIGHTS AND REMEDIES OF THE HOLDERS OF SUCH BONDS; PROVIDING SEVERABILITY AND AN EFFECTIVE DATE", AS SAME HAS HERETOFORE BEEN SUPPLEMENTED AND AMENDED AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE PORT EVERGLADES AUTHORITY:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. The Port Everglades Authority is authorized to adopt this resolution under the authority granted by the provisions of Chapter 59-1157, Laws of Florida, Special Acts of 1989, as amended and supplemented, Chapter 315, Florida Statutes, as amended and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby found and determined that:

A. On July 20, 1989, the Port Authority adopted Resolution No. 24-1989, the title of which is quoted in the title of this resolution. Authorizing, among other matters, the issuance of the Port Authority's Port Facilities Revenue Bonds, which resolution was supplemented and amended by Resolution No. 26-1989 adopted by the Port Authority on August 10, 1989 (such resolutions being hereafter referred to collectively as the "Bond Resolution").

B. It has previously come to the attention of the Port Authority that Section 5.13 of the Bond Resolution contains certain provisions that, in the context of said Section 5.13 and the other terms and provisions of the Bond Resolution, are ambiguous and inconsistent. Accordingly, the Port Authority now desires to amend the Bond Resolution pursuant to Section 10.01(a) hereof to cure such ambiguities and inconsistencies by adopting this resolution, which is hereby deemed to be a resolution supplemental to the Bond Resolution within the meaning of Sections 10.01 and 10.03 of the Bond Resolution. The Port Authority hereby determines that it has notified the appropriate parties in accordance with the provisions of Section 10.01 of the Bond Resolution of the proposed adoption of this resolution and has obtained written consent thereto from the Financial Guaranty Insurance Company, a New York stock insurance company ("FGIC"), the insurer of the Senior Bonds, as required by Section 15M of Resolution No. 34-1989 adopted by the Port Authority on October 5, 1989, and that all requirements of the Bond Resolution and Resolution No. 34-1989 that would constitute a condition precedent to the adoption of this resolution have been satisfied.

C. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Bond Resolution, unless otherwise provided or unless the context otherwise clearly requires. To the extent necessary to effectuate the terms and conditions hereof, the Bond Resolution is hereby incorporated by this reference.

SECTION 3. AMENDMENT TO BOND RESOLUTION. The Bond Resolution is hereby amended to delete the following words, in their entirety, from the first four lines of Section 5.13 of the Bond Resolution:

"Provided that the full amounts required to be paid for the next ensuing twelve months under clauses (a) and (c) of Section 5.07 hereof have been transferred as provided therein..."

so that hereafter said Section 5.13 shall read as follows:

"SECTION 5.13. APPLICATION OF MONIES IN THE GENERAL FUND. Money held for the credit of the General Fund may be applied by the Port Authority in the following order of priority:

(a) to make up deficiencies in any of the Funds and Accounts created by this Resolution, and, by transfer to the Operation and Maintenance Account, any deficiencies in the Operation and Maintenance Fund required for the payment of Operating Expenses; and

(b) to pay the principal of, redemption premium, if any, amortization requirements, and the interest on, any Special Purpose Bonds and Subordinated Obligations.



Subject to prior application as provided above, any monies in the General Fund may be applied by the Port Authority to:

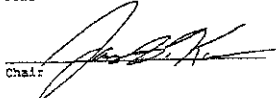
- (i) pay the Cost of a Project;
- (ii) purchase or redeem Bonds or any notes issued in anticipation of the Bonds;
- (iii) pay the Cost of any item qualifying as an authorized expenditure from the Renewal and Replacement Fund; or
- (iv) for any lawful purpose of the Port Authority; provided that monies of the Port Authority may only be applied for the purpose of this subsection (iv) on the first day of each Bond Year.

Notwithstanding the foregoing, in the event of any deficiencies in the Operation and Maintenance Account or any Funds or Accounts created by this Resolution, the money in the General Fund shall be applied to make up all such deficiencies prior to applying any money in the Reserve Account or Renewal and Replacement Fund for such purpose."

SECTION 4. BOND RESOLUTION TO CONTINUE IN FORCE. Except as herein provided, the Bond Resolution and all Series Resolutions relating to the Series 1989-A Bonds and the Senior Bonds and all the terms and provisions thereof are, and shall remain, in full force and effect.

SECTION 5. RESOLUTION EFFECTIVE. This resolution shall take effect immediately upon its adoption.

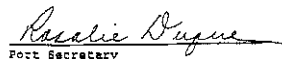
PORT EVERGLADES AUTHORITY

Chair: 

Passed and adopted at a meeting of the Port Everglades Authority on the 6 day of Dec, 1990.

(SEAL)

ATTEST:

  
Port Secretary

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#### RESOLUTION NO. 26-1989

A RESOLUTION SUPPLEMENTING AND AMENDING RESOLUTION NO. 24-1989 OF THE PORT EVERGLADES AUTHORITY ADOPTED ON JULY 20, 1989 ENTITLED "A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$150,000,000 PORT FACILITIES REFUNDING REVENUE BONDS, SERIES 1989-A FOR THE PURPOSE OF REFUNDING PORT FACILITIES REVENUE BONDS, SERIES 1986 OF THE PORT EVERGLADES AUTHORITY ISSUED UNDER RESOLUTION NO. 12-1986, AS AMENDED; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$55,000,000 PORT FACILITIES SENIOR REVENUE BONDS, SERIES 1989-B FOR THE PURPOSE OF PAYING THE COST OF IMPROVEMENTS TO THE PORT FACILITIES OF THE PORT EVERGLADES AUTHORITY; PROVIDING FOR THE ISSUANCE OF ADDITIONAL PORT FACILITIES REVENUE BONDS TO PAY THE COST OF IMPROVEMENTS TO THE PORT FACILITIES OF THE PORT EVERGLADES AUTHORITY AND TO REFUND BONDS ISSUED HEREUNDER AND CERTAIN OTHER INDEBTEDNESS; PROVIDING FOR THE PAYMENT OF SUCH BONDS AND THE INTEREST THEREON FROM REVENUE DERIVED FROM THE PORT FACILITIES AND PLEDGED THEREFOR; SETTING FORTH THE RIGHTS AND REMEDIES OF THE HOLDERS OF SUCH BONDS; PROVIDING SEVERABILITY AND AN EFFECTIVE DATE; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE PORT EVERGLADES AUTHORITY:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. The Port Everglades Authority (the "Port Authority") is authorized to adopt this resolution under the authority granted by the provisions of Chapter 59-1157, Laws of Florida, Special Acts of 1959, as amended and supplemented, Chapter 315, Florida Statutes, as amended and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby found and determined that:

A. On July 20, 1989 the Port Authority adopted Resolution No. 24-1989, the title of which is quoted in the title of this resolution, (the "Bond Resolution") authorizing, among other matters, the issuance of the Port Authority's Port Facilities Revenue Bonds.

B. The Port Authority now desires to supplement and amend the Bond Resolution hereby to cure certain defects, inconsistencies and ambiguities therein, as permitted by Section 10.01 of the Bond Resolution. This resolution shall be deemed to be a resolution supplemental to the Bond Resolution within the meaning of Sections 10.01 and 10.03 of the Bond Resolution. The Port Authority hereby determines that no Bonds have been issued under the Bond Resolution and, accordingly, the notice provisions of Section 10.01 of the Bond Resolution are inapplicable to this resolution.

C. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Bond Resolution, unless otherwise provided or unless the context otherwise clearly requires. To the extent necessary to effectuate the terms and conditions hereof, the Bond Resolution is hereby incorporated by this reference.

SECTION 3. SUPPLEMENTS AND AMENDMENTS TO BOND RESOLUTION. The Bond Resolution is hereby supplemented and amended as follows:

A. The definition of "Bond Year" in Section 1.04 of the Bond Resolution is hereby deleted in its entirety and replaced with the following:

"Bond Year shall mean the period commencing the first day of September in each year and ending the last day of August of the following year."

B. The paragraph of Section 2.02 that is the first grammatical paragraph on page 16 of the Bond Resolution is hereby modified to delete therefrom the third sentence (which begins "Notice of the proposed payment..."), in its entirety, and same is hereby replaced with the following:

"Notice of the proposed payment and of the Special Record Data therefor shall be mailed, on or before the fifth day prior to the proposed payment date, to each owner of record as of the Special Record Date at his address as it appears on the registration books of the Port Authority maintained pursuant to Section 2.04 hereof."

C. Section 2.06 of the Bond Resolution is hereby supplemented to provide that no additional Port Facilities Refunding Revenue Bonds, Series 1989-A shall be issued pursuant to Section 2.06 of the Bond Resolution other than the Bonds to be issued pursuant to Resolution No. 27-1989 adopted by the Port Authority on the date hereof.



D. Section 2.06 of the Bond Resolution is hereby modified to delete therefrom the third sentence thereof (which begins "The Series 1989-A Bonds shall have principal payment dates..."), in its entirety, and same is hereby replaced with the following:

"The Series 1989-A Bonds shall have principal payment dates on September 1 of any Bond Year in which principal payments become due and payable and Interest Payment Dates on March 1 and September 1."

E. The paragraph of Section 2.05 of the Bond Resolution that is the first grammatical paragraph on page 21 of the Bond Resolution is hereby modified to delete therefrom the third sentence thereof (which begins "The Senior Bonds shall have principal payment dates..."), in its entirety, and same is hereby replaced with the following:

"The Senior Bonds shall have principal payment dates on September 1 of any Bond Year in which principal payments become due and payable and Interest Payment Dates on March 1 and September 1."

F. Section 2.07 of the Bond Resolution is hereby modified to delete therefrom the second sentence thereof (which begins "As long as the Senior Bonds remain Outstanding..."), in its entirety, and same is hereby replaced with the following:

"As long as the Senior Bonds remain Outstanding, any Additional Bonds shall have principal payment dates on September 1 of any Bond Year in which principal payments become due and payable and, other than Variable Rate Bonds, Interest Payment Dates on March 1 and September 1."

G. Section 2.08 of the Bond Resolution is hereby modified to delete therefrom the second sentence thereof (which begins "As long as the Senior Bonds remain Outstanding..."), in its entirety, and same is hereby replaced with the following:

"As long as the Senior Bonds remain Outstanding, any Refunding Bonds shall have principal payment dates on September 1 of any Bond Year in which principal payments become due and payable and, other than Variable Rate Bonds, Interest Payment Dates on March 1 and September 1."

H. Section 5.10(a) of the Bond Resolution is hereby deleted in its entirety and same is hereby replaced with the following:

amounts required for paying the interest on, and the principal and redemption premium of, the Term Bonds so called for redemption.

J. Section 5.10(c) of the Bond Resolution is hereby amended by inserting a period at the end of the fourth line thereof and deleting the remainder of said paragraph.

K. Section 5.10 of the Bond Resolution is hereby modified to add the following sentences immediately preceding the final sentence of said Section 5.10 (which begins "The expenses in connection with . . ."):

"In the event the Port Authority acquires Term Bonds pursuant to Section 5.10(a) or redeems Term Bonds pursuant to Section 5.10(b) or otherwise acquires Term Bonds, and delivers such Term Bonds to the Paying Agent for cancellation, the Amortization Requirements first coming due as to the Term Bonds of those maturities so acquired or redeemed will be reduced by an amount equal to the principal amount of the Term Bonds so acquired or redeemed. Notwithstanding the foregoing provisions of Section 5.10(a) and 5.10(b), no purchase or optional redemption of Term Bonds shall be made from monies on deposit in the Redemption Account if same would result in the Port Authority not being in compliance with its Amortization Requirements.

L. The word "Three" at the commencement of the tenth line of Section 7.14 of the Bond Resolution is a typographical error and is hereby deleted and replaced with the word "There".

SECTION 4. BOND RESOLUTION TO CONTINUE IN FORCE. Except as herein expressly provided, the Bond Resolution and all the terms and provisions thereof, are and shall remain in full force and effect.

SECTION 5. RESOLUTION EFFECTIVE. This resolution shall take effect immediately upon its adoption.

PORT EVERGLADES AUTHORITY

*Victor J. Brown*  
Chair

(a) The Finance Director may endeavor to purchase any Term Bonds secured hereby and then Outstanding, whether or not such Term Bonds shall then be subject to redemption, on the most advantageous terms obtainable with reasonable diligence, such price not to exceed the principal of such Term Bonds plus the amount of the redemption premium, if any, which might on the next redemption date be paid to the holders of such Term Bonds under the provisions of Article III of this Resolution if such Term Bonds should be called for redemption on such date from monies in the Redemption Account, plus accrued interest to the date of settlement therefor. The Finance Director shall pay the interest accrued on such Term Bonds to date of settlement therefor from the Debt Service Account and the purchase price from the Redemption Account, but no such purchase shall be made by the Finance Director within the period of forty-five days next preceding any Interest Payment Date on which such Term Bonds are subject to call for redemption under the provisions of this Resolution, except from monies other than monies set aside or deposited for the redemption of Term Bonds.

I. Section 5.10(b) of the Bond Resolution is hereby deleted in its entirety and same is hereby replaced with the following:

(b) Subject to the provisions of Article III of this Resolution, the Finance Director may call Term Bonds for redemption on any date which Term Bonds are subject to redemption, at a price not to exceed the principal amount of such Term Bonds plus the redemption premium, if any, which might on the next redemption date be paid to the holders of such Term Bonds under the provisions of Article III of this Resolution if such Term Bonds should be called for redemption on such date from monies in the Redemption Account, plus accrued interest to the date of settlement therefor; provided, however, that no less than Fifty Thousand Dollars principal amount of Term Bonds or such other principal amount as may be provided in a Series Resolution relating to the Term Bonds shall be called for redemption at any one time unless a lesser amount shall be required to satisfy the Amortization Requirement for any Fiscal Year. Such redemption shall be made pursuant to the provisions of Article III of this Resolution. The Finance Director shall, prior to the redemption date withdraw from the Debt Service Account and the Redemption Account and set aside in separate accounts or deposit with the Paying Agent the respective

Passed and adopted at a meeting of the Port Everglades Authority on the 10 day of August, 1989.

(SEAL)

ATTEST:

*Rosalie Dugue*  
Port Secretary

A RESOLUTION AMENDING RESOLUTION NO. 24-1989 OF THE PORT EVERGLADES AUTHORITY ADOPTED ON JULY 20, 1989 ENTITLED "A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$150,000,000 PORT FACILITIES REFUNDING REVENUE BONDS, SERIES 1989-A FOR THE PURPOSE OF REFUNDING PORT FACILITIES REVENUE BONDS, SERIES 1986 OF THE PORT EVERGLADES AUTHORITY ISSUED UNDER RESOLUTION NO. 12-1986, AS AMENDED; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$55,000,000 PORT FACILITIES SENIOR REVENUE BONDS, SERIES 1989-B FOR THE PURPOSE OF PAYING THE COST OF IMPROVEMENTS TO THE PORT FACILITIES OF THE PORT EVERGLADES AUTHORITY; PROVIDING FOR THE ISSUANCE OF ADDITIONAL PORT FACILITIES REVENUE BONDS TO PAY THE COST OF IMPROVEMENTS TO THE PORT FACILITIES OF THE PORT EVERGLADES AUTHORITY AND TO REFUND BONDS ISSUED HEREUNDER AND CERTAIN OTHER INDEBTEDNESS; PROVIDING FOR THE PAYMENT OF SUCH BONDS AND THE INTEREST THEREON FROM REVENUE DERIVED FROM THE PORT FACILITIES AND PLEDGED THEREFOR; SETTING FORTH THE RIGHTS AND REMEDIES OF THE HOLDERS OF SUCH BONDS; PROVIDING SEVERABILITY AND AN EFFECTIVE DATE", AS SAME HAS HERETOFORE BEEN SUPPLEMENTED AND AMENDED AND PROVIDING AN EFFECTIVE DATE.

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BE IT RESOLVED BY THE PORT EVERGLADES AUTHORITY:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. The Port Everglades Authority is authorized to adopt this resolution under the authority granted by the provisions of Chapter 59-1157, Laws of Florida, Special Acts of 1959, as amended and supplemented, Chapter 315, Florida Statutes, as amended and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby found and determined that:

A. On July 20, 1989, the Port Authority adopted Resolution No. 24-1989, the title of which is quoted in the title of this resolution. Authorizing, among other matters, the issuance of the Port Authority's Port Facilities Revenue Bonds, which resolution was supplemented and amended by Resolution No. 26-1989 adopted by the Port Authority on August 10, 1989 (such resolutions being hereafter referred to collectively as the "Bond Resolution").

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B. It has previously come to the attention of the Port Authority that Section 5.13 of the Bond Resolution contains certain provisions that, in the context of said Section 5.13 and the other terms and provisions of the Bond Resolution, are ambiguous and inconsistent. Accordingly, the Port Authority now desires to amend the Bond Resolution pursuant to Section 10.01(a) hereof to cure such ambiguities and inconsistencies by adopting this resolution, which is hereby deemed to be a resolution supplemental to the Bond Resolution within the meaning of Sections 10.01 and 10.03 of the Bond Resolution. The Port Authority hereby determines that it has notified the appropriate parties in accordance with the provisions of Section 10.01 of the Bond Resolution of the proposed adoption of this resolution and has obtained written consent thereto from the Financial Guaranty Insurance Company, a New York stock insurance company ("FGIC"), the insurer of the Senior Bonds, as required by Section 15M of Resolution No. 34-1989 adopted by the Port Authority on October 5, 1989, and that all requirements of the Bond Resolution and Resolution No. 34-1989 that would constitute a condition precedent to the adoption of this resolution have been satisfied.

C. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Bond Resolution, unless otherwise provided or unless the context otherwise clearly requires. To the extent necessary to effectuate the terms and conditions hereof, the Bond Resolution is hereby incorporated by this reference.

SECTION 3. AMENDMENT TO BOND RESOLUTION. The Bond Resolution is hereby amended to delete the following words, in their entirety, from the first four lines of Section 5.13 of the Bond Resolution:

"Provided that the full amounts required to be paid for the next ensuing twelve months under clauses (a) and (c) of Section 5.07 hereof have been transferred as provided therein..."

so that hereafter said Section 5.13 shall read as follows:

"SECTION 5.13. APPLICATION OF MONIES IN THE GENERAL FUND. Money held for the credit of the General Fund may be applied by the Port Authority in the following order of priority:

(a) to make up deficiencies in any of the Funds and Accounts created by this Resolution, and, by transfer to the Operation and Maintenance Account, any deficiencies in the Operation and Maintenance Fund required for the payment of Operating Expenses; and

(b) to pay the principal of, redemption premium, if any, amortization requirements, and the interest on, any Special Purpose Bonds and Subordinated Obligations.

Subject to prior application as provided above, any monies in the General Fund may be applied by the Port Authority to:

- (i) pay the Cost of a Project;
- (ii) purchase or redeem Bonds or any notes issued in anticipation of the Bonds;
- (iii) pay the Cost of any item qualifying as an authorized expenditure from the Renewal and Replacement Fund; or
- (iv) for any lawful purpose of the Port Authority; provided that monies of the Port Authority may only be applied for the purpose of this subsection (iv) on the first day of each Bond Year.

Notwithstanding the foregoing, in the event of any deficiencies in the Operation and Maintenance Account or any Funds or Accounts created by this Resolution, the money in the General Fund shall be applied to make up all such deficiencies prior to applying any money in the Reserve Account or Renewal and Replacement Fund for such purpose."

SECTION 4. BOND RESOLUTION TO CONTINUE IN FORCE. Except as herein provided, the Bond Resolution and all Series Resolutions relating to the Series 1989-A Bonds and the Senior Bonds and all the terms and provisions thereof are, and shall remain, in full force and effect.

SECTION 5. RESOLUTION EFFECTIVE. This resolution shall take effect immediately upon its adoption.

PORT EVERGLADES AUTHORITY

Chair:

Passed and adopted at a meeting of the Port Everglades Authority on the 6 day of June, 1990.

(SEAL)

ATTEST:

*Rosalie Dugue*  
Port Secretary

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A RESOLUTION SUPPLEMENTING AND AMENDING RESOLUTION NO. 24-1989 OF THE PORT EVERGLADES AUTHORITY ADOPTED ON JULY 20, 1989 ENTITLED "A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$150,000,000 PORT FACILITIES REFUNDING REVENUE BONDS, SERIES 1989-A FOR THE PURPOSE OF REFUNDING PORT FACILITIES REVENUE BONDS, SERIES 1986 OF THE PORT EVERGLADES AUTHORITY ISSUED UNDER RESOLUTION NO. 12-1986, AS AMENDED; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$55,000,000 PORT FACILITIES SENIOR REVENUE BONDS, SERIES 1989-B FOR THE PURPOSE OF PAYING THE COST OF IMPROVEMENTS TO THE PORT FACILITIES OF THE PORT EVERGLADES AUTHORITY; PROVIDING FOR THE ISSUANCE OF ADDITIONAL PORT FACILITIES REVENUE BONDS TO PAY THE COST OF IMPROVEMENTS TO THE PORT FACILITIES OF THE PORT EVERGLADES AUTHORITY AND TO REFUND BONDS ISSUED HEREUNDER AND CERTAIN OTHER INDEBTEDNESS; PROVIDING FOR THE PAYMENT OF SUCH BONDS AND THE INTEREST THEREON FROM REVENUE DERIVED FROM THE PORT FACILITIES AND PLEDGED THEREFOR; SETTING FORTH THE RIGHTS AND REMEDIES OF THE HOLDERS OF SUCH BONDS; PROVIDING SEVERABILITY AND AN EFFECTIVE DATE", AS PREVIOUSLY SUPPLEMENTED AND AMENDED; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Resolution No. 24-1989, adopted by the Port Everglades Authority (the "Authority") on July 20, 1989, as supplemented and amended by Resolution No. 26-1989, adopted by the Authority on August 10, 1989, and Resolution No. 21-1990, adopted by the Authority on December 6, 1990 (collectively, the "Original Resolution"), and with respect to the Series 1989-A Bonds (defined below) Resolution No. 27-1989, adopted by the Authority on August 10, 1989, and with respect to the Series 1989-B Bonds (defined below) Resolution No. 34-1989, adopted by the Authority on October 5, 1989 (together with the Original Resolution, as further supplemented and amended from time to time, the "Bond Resolution"), the Authority issued (i) on August 30, 1989, its \$117,454,948 Port Facilities Refunding Revenue Bonds, Series 1989-A (the "Series 1989-A Bonds"), of which \$112,990,202.67 (including Accrued Value, as defined in the Original Resolution) are Outstanding (as defined in the Original Resolution) as of May 1, 1998, and (ii) on October 25, 1989, its \$50,815,000 Port Facilities Senior Revenue Bonds, Series 1989-B (the "Series 1989-B Bonds" and together with the "Series 1989-A Bonds, the "1989 Bonds"), of which \$18,305,000 are currently Outstanding; and

WHEREAS, pursuant to Chapter 91-346, Laws of Florida, Chapter 94-429, Laws of Florida, and the approval by the voters of Broward County, Florida, in a referendum held on March 10, 1992, the Port Everglades District (the "District") and the Authority were dissolved and all powers, duties, responsibilities, obligations and functions of the District and the Authority were transferred to be performed by Broward County, Florida (the "County") and the

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County assumed, subject to their terms, all indebtedness of the District and the Authority, including all obligations and rights under the Bond Resolution; and

WHEREAS, the County now operates the Port Facilities (as defined in the Original Resolution) through the County's Port Everglades Department; and

WHEREAS, Section 10.02 of the Original Resolution provides that subject to the terms thereof, and not otherwise, the County may adopt a supplemental resolution for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, certain of the terms or provisions contained in the Original Resolution or in any supplemental resolution upon obtaining the consent and approval to the adoption of such supplemental resolution from the holders (as defined in the Original Resolution) of not less than fifty-one percent in aggregate principal amount of the Bonds (as defined in the Original Resolution) then Outstanding; and

WHEREAS, the County has determined that it is desirable to amend the Bond Resolution as described below and has caused notice of said proposed adoption to be mailed to all owners (as defined in the Original Resolution) of the Outstanding 1989 Bonds, being the only Bonds currently Outstanding under the Bond Resolution, in accordance with the provisions of the Bond Resolution; and

WHEREAS, this resolution shall not become effective until the County shall have delivered to the Director of the Department of Finance and Administrative Services (the "Finance Director"), as successor to the Port Authority Finance Director, (i) an instrument or instruments in writing purported to be executed by the holders of not less than fifty-one percent in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to this supplemental resolution and shall specifically consent to and approve the adoption thereof in substantially the form referred to in such instrument or instruments; provided, however, that in accordance with Section 10.02 of the Original Resolution, the consent of the owners of any Series of Additional Bonds or Refunding Bonds (as said terms are defined in the Original Resolution) hereinafter issued shall be deemed given if the underwriters or initial marketing group deliver to the Finance Director their consent in writing to this supplemental resolution and the substance of this supplemental resolution is disclosed in the official statement or other offering document pursuant to which such Series of Additional Bonds or Refunding Bonds are offered and sold to the public; and (ii) the written consent of each Credit Provider (as said term is defined in the Original Resolution) then having consent rights with respect to this supplemental resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA:

#### SECTION 1. Supplemental Resolution, Recitals and Definitions.

(a) Supplemental Resolution. This resolution shall constitute a supplemental resolution for all purposes under the Bond Resolution.

(b) Recitals. The recitals contained in the foregoing "WHEREAS" clauses are incorporated in this supplemental resolution by this reference.

(c) Definitions. All capitalized terms used in this resolution, which are not defined, shall have the meanings specified in the Bond Resolution unless the context otherwise clearly requires.

SECTION 2. Supplements and Amendments to Bond Resolution. The Bond Resolution is hereby supplemented and amended as follows:

(a) The definition of "Bond Registrar" in Section 1.04 of the Original Resolution is amended to read as follows:

"'Bond Registrar' shall mean the County or a bank or trust company, either within or without the State of Florida, designated as such by resolution of the County, which shall perform such functions as Bond Registrar as are required by this Resolution."

(b) A definition of "County" is inserted in Section 1.04 of the Original Resolution immediately following the definition of "Cost" to read as follows:

"'County' shall mean Broward County, Florida."

(c) A definition of "Hedge Agreement" is inserted in Section 1.04 of the Original Resolution immediately following the definition of "Gross Revenue Fund" to read as follows:

"'Hedge Agreement' shall mean an interest rate exchange agreement, an interest rate swap agreement, a forward purchase contract, a put option contract, a call option contract or any other financial product which is used by the County as a hedging device with respect to its obligation to pay debt service on any of the Bonds, entered into between the County and a Person as counterparty; provided that such arrangement shall be specifically designated in a certificate of the Finance Director as a 'Hedge Agreement' for purposes of this Resolution."

(d) The definition of "Paying Agent" in Section 1.04 of the Original Resolution is amended to read as follows:

"'Paying Agent' shall mean with respect as to any Series of Bonds, the County or bank or trust company at which principal, premium, if any, and interest on the Bonds is payable, as designated by the applicable Series Resolution."

(e) The definition of "Principal and Interest Requirements" in Section 1.04 of the Original Resolution is amended by deleting the word "and" at the end of clause (c), deleting the "and" at the end of clause (f) and replacing it with "; and" and inserting a new clause (g) immediately following clause (f) to read as follows:

"(g) To the extent that the County has entered into a Hedge Agreement with respect to any Bonds and notwithstanding the provisions of clauses (a) through (f) above, while the Hedge Agreement is in effect and the counterparty thereunder has not defaulted in its obligations thereunder, the interest rate with respect to the principal amount of such Bonds equal to the 'notional' amount specified in the Hedge Agreement shall be assumed to be (i) if the County's payment obligations under the Hedge Agreement are computed based upon a fixed rate of interest, the actual rate of interest upon which the County's payment obligations are computed under such Hedge Agreement and (ii) if the County's payment obligations under the Hedge Agreement are computed based upon a variable rate of interest, the 'average rate' of interest for the County's payment obligations under the Hedge Agreement during the twelve months ending with the month preceding the date of calculation or such shorter period of time as the Hedge Agreement has been in effect or if the Hedge Agreement was not in effect during such period, then the initial rate of interest for the County's payment obligations under the Hedge Agreement; 'average rate' shall mean the rate determined by dividing the total amount paid by the County under the Hedge Agreement during the period used in clause (ii) hereof (without taking into account any payments received by the County from the counterparty during such period) by the 'notional' amount specified in the Hedge Agreement for such period."

(f) A definition of "Rate Consultant" is inserted in Section 1.04 of the Original Resolution immediately following the definition of "Put Bonds" to read as follows:

"Rate Consultant" shall mean a consultant or consulting firm or corporation at the time retained by the County pursuant to Section 7.05 of this Resolution to perform and carry out the duties imposed on the Rate Consultant by this Resolution, and which may be the Consulting Engineers."

(g) The definition of "Reserve Account Credit Facility" in Section 1.04 of the Original Resolution is amended to read as follows:

"Reserve Account Credit Facility" shall mean an insurance policy, surety bond, irrevocable letter of credit or other credit agreement or similar facility maintained by the County in lieu of or in substitution for all or a portion of the cash and/or securities on deposit in the Reserve Account."

(h) Clause (b) of Section 2.07 of the Original Resolution is amended to read as follows:

"(b) either

(i) a certificate signed by the Finance Director demonstrating that the Adjusted Net Revenue (as hereafter defined) for the immediately preceding Fiscal Year or for any twelve consecutive months in the eighteen

months immediately preceding the date of issuance of the Additional Bonds with respect to which the certificate is made ("Test Period"), as selected by the Finance Director, is equal to not less than 125% of the maximum Principal and Interest Requirements for all Bonds then Outstanding, including the Additional Bonds with respect to which the certificate is made. Adjusted Net Revenue shall mean, for the purposes hereof, the Net Revenue during the Test Period, as determined by the Accountant (excluding investment income on funds on deposit in the Construction Fund), adjusted by the Finance Director to reflect (A) 100% of the additional Net Revenue which, in the opinion of the Rate Consultant, would have been received by the County from increases in tariffs, rates, fees, rentals and other charges for the use of Port Facilities or the services furnished by the County if such increases had been implemented and in effect during such Test Period, provided that such increases must be adopted as of the date the certification required by this Section 2.07 is made and such increase must be effective on, or scheduled to become effective no later than six months from, the date on which such certificate is made; and (B) 100% of the additional Net Revenue which, in the opinion of the Rate Consultant, would have been realized during such Test Period but for the inclusion, in Operating Expenses during such Test Period, of specified sums of extraordinary, non-recurring, expenditures which materially and adversely distort Net Revenue during the Test Period as a fair basis upon which to project future Net Revenue; or

(ii) a certificate of the Rate Consultant demonstrating that the Net Revenue (excluding investment income on funds on deposit in the Construction Fund) projected by the Rate Consultant for each Bond Year from issuance of the Additional Bonds through the fifth Bond Year after the Bond Year in which the Project financed with the proceeds of such Additional Bonds is scheduled to be completed is equal to not less than 125% of the annual Principal and Interest Requirements in each of such years for all Bonds then Outstanding, including the Additional Bonds with respect to which the certificate is made."

(i) Clause (c) of the Section 2.07 of the Original Resolution is deleted in its entirety and clauses (d), (e) and (f) are renumbered (c), (d) and (e), respectively.

(j) Clause (c)(iv) of Section 2.08 of the Original Resolution is amended to read as follows:

"(iv) that the Net Revenue (excluding investment income on funds on deposit in the Construction Fund) projected by the Rate Consultant, in writing, for each Bond Year from issuance of the Refunding Bonds through the fifth Bond Year after the Bond Year in which the Refunding Bonds are issued is equal to not less than 125% of the annual Principal and Interest Requirements in each of such years for all Bonds then Outstanding, excluding any Bonds being defeased by proceeds of the Refunding Bonds and including the Refunding Bonds with respect to which the certificate is made."

charges for any subsequent Fiscal Years. Any deficiency in the amounts deposited to the credit of the Sinking Fund or the Renewal and Replacement Fund in any Fiscal Year shall, as promptly as may be practicable, be added to the amounts referred to above for the remaining Fiscal Years in adjusting such rates, fees, rentals and other charges.

The County covenants that if at any time the total amount of Gross Revenue realized in any Fiscal Year shall be less than the amounts referred to above for such Fiscal Year, it will, before the 45th day of the following Fiscal Year, request (i) the Rate Consultant to make its recommendations as to a revision of the rates, fees, rentals and other charges and (ii) the Rate Consultant or the Consulting Engineers to make its recommendations as to any changes in methods of operation. The copies of such requests and of the recommendations of the Rate Consultant and Consulting Engineers shall be filed with the Finance Director.

Anything in this Resolution to the contrary notwithstanding, if the County shall comply with all above recommendations of the Rate Consultant and the Consulting Engineers, the failure to meet the requirements of clause (c) above in any Fiscal Year will not constitute an event of default under the provisions of Section 8.02(h) of this Resolution if Net Revenue is sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds payable in such Fiscal Year.

Notwithstanding any of the foregoing provisions of this Section 5.02, leases and other agreements and contracts for the use of Port Facilities or any services of the County in effect on the date of the enactment of this Resolution shall not be subject to revisions except in accordance with their terms, and the County may enter into new leases or other agreements or contracts for the use of such services or facilities on such terms and for such periods of time as it shall determine to be proper.

This rate covenant shall not be applicable to any principal and interest requirement attributable to any notes issued in anticipation of Bonds to be issued under this Resolution unless such notes are issued as Additional Bonds hereunder."

(m) The last paragraph of Section 5.07 of the Original Resolution is amended to read as follows:

"Notwithstanding the foregoing provisions, in lieu of the required deposits into the Reserve Account, or in substitution for all or a portion of the cash and/or securities on deposit in the Reserve Account, the County may cause to be deposited a Reserve Account Credit Facility in the Reserve Account. Such Reserve Account Credit Facility shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any Interest Payment Date or principal

(k) Clause (d) of Section 2.08 of the Original Resolution is amended to read as follows:

"(d) The certificates required by Section 2.07(d) and (e), except that all references to Additional Bonds in said Section 2.07(d) and (e) shall be deemed to relate to the Refunding Bonds for the purpose of preparing the certificates required hereby."

(l) Section 5.02 of the Original Resolution is amended to read as follows:

SECTION 5.02. RATE COVENANTS. The County covenants:

(a) that it will continue in effect the present tariff of rates and fees for, and the present rentals and other charges for the use of, the Port Facilities and the services furnished by the County until the same shall be revised as hereinafter provided,

(b) that it will not change, revise or reduce any such rates, fees, rentals and other charges if such change, revision or reduction will result in producing less Gross Revenue unless such rates, fees, rentals and other charges as so changed, revised or reduced will produce sufficient Gross Revenue to comply with subsection (c) of this Section, and

(c) that, subject to the foregoing provisions of this Section 5.02, from time to time and as often as it shall appear necessary it will revise the rates, fees, rentals and other charges for the use of the Port Facilities and for the services furnished by the County as may be necessary or proper in order that the Gross Revenue (excluding investment income on funds on deposit in the Construction Fund) will at all times be sufficient in each Fiscal Year to provide an amount at least equal to the sum of:

(i) 100% of the Current Expenses for the current Fiscal Year,

(ii) 125% of the Principal and Interest Requirements for the current Fiscal Year,

(iii) 100% of the Reserve Account Deposit Requirement for the current Fiscal Year, and

(iv) 100% of the amount required by any Series Resolution to be deposited to the Renewal and Replacement Fund in the current Fiscal Year.

The deposit to the credit of the Sinking Fund in any Fiscal Year of an amount in excess of the amounts required under this Resolution for such Fiscal Year shall be taken into account in adjusting the rates, fees, rentals and other



payment or redemption date on which a deficiency exists which cannot be cured by funds in any other Fund or Account available for such purpose. The issuer providing such Reserve Account Credit Facility shall be either (a) an insurer (i) whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in one of the two highest rating categories (without regard to numerical or other modifiers) by either Standard & Poor's Corporation or Moody's Investors Service, or their successors, or (ii) who holds one of the two highest policyholder ratings accorded insurers by A.M. Best & Company, or any comparable service, or (b) a commercial bank, insurance company or other financial institution the bonds payable or guaranteed by which have been, or whose obligation to pay is guaranteed by a commercial bank, insurance company or other financial institution which has been, assigned a rating by either Standard & Poor's Corporation or Moody's Investors Service, or their successors, in one of the two highest rating categories (without regard to numerical or other modifiers). Notwithstanding anything to the contrary contained in this Resolution, including Section 5.11 hereof, if any Reserve Account Credit Facility is substituted for cash and/or securities on deposit in the Reserve Account, such cash and/or securities shall be applied to fund any deficiency in the amounts then required to be on deposit in the funds and accounts created by this Resolution and any remaining balance shall be deemed surplus, be released from the lien of this Resolution and may be used by the County for any lawful purpose."

(n) Section 5.13 of the Original Resolution is amended to read as follows:

"SECTION 5.13. APPLICATION OF MONIES IN THE GENERAL FUND. Provided that the full amounts required to be transferred for any given month under Section 5.07 hereof have been transferred as provided therein, money held for the credit of the General Fund may be applied by the County in such month in the following order of priority:

(a) to make up deficiencies in any of the Funds and Accounts created by this Resolution, and, by transfer to the Operation and Maintenance Account, any deficiencies in the Operation and Maintenance Fund required for the payment of Operating Expenses and to pay any obligations which, in accordance with the provisions of this Resolution, are payable prior to the payments under clause (b) below; and

(b) to make any and all payments on, or relating to, any Special Purpose Bonds and Subordinated Obligations.

Subject to prior application as provided above, any monies in the General Fund may be applied by the County to:

(a) pay the Cost of a Project;

(b) purchase or redeem Bonds or any notes issued in anticipation of the Bonds;

(c) pay the Cost of any item qualifying as an authorized expenditure from the Renewal and Replacement Fund; or

(d) for any lawful purpose of the County.

Notwithstanding the foregoing, in the event of any deficiencies in the Operation and Maintenance Account or any Funds or Accounts created by this Resolution, the money in the General Fund shall be applied to make up all such deficiencies prior to applying any money in the Reserve Account or Renewal and Replacement Fund for such purpose."

(o) Section 7.05 of the Original Resolution is amended to read as follows:

"SECTION 7.05 RETENTION OF CONSULTING ENGINEERS, ACCOUNTANTS AND RATE CONSULTANT; APPOINTMENT OF OFFICERS. The County covenants (i) that it will, for the purpose of performing and carrying out the duties imposed on the Consulting Engineers by this Resolution, retain an independent engineer or engineering firm or corporation of nationally recognized ability and standing, (ii) that it will, for the purpose of performing and carrying out the duties imposed on the Accountants by this Resolution, retain an independent certified public accountant or firm of certified public accountants of nationally recognized ability and standing and (iii) that it will, from time to time as necessary, for the purpose of performing and carrying out the duties imposed on the Rate Consultant by this Resolution, retain an independent consultant or consulting firm or corporation of nationally recognized ability and standing. Except for any fees and expenses incurred under the provisions of Section 4.03 of this Resolution, the cost of retaining Consulting Engineers, Accountants and the Rate Consultant shall be treated as part of Operating Expenses. The County covenants that it will appoint and maintain a Finance Director and such other Authorized Officers as it deems appropriate, and delegate to such persons the duties imposed or permitted to be imposed upon them by this Resolution."

(p) Section 12.03 of the Original Resolution is amended to read as follows:

"SECTION 12.03. SUCCESSIONSHIP OF PAYING AGENT. Any bank or trust company with or into which a Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Resolution. If the position of a Paying Agent shall become vacant for any reason the County shall, within thirty days thereafter, appoint a successor Paying Agent to fill such capacity."

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SECTION 3. Bond Resolution to Continue in Force. Except as herein expressly provided, the Bond Resolution and all the terms and provisions thereof, are and shall remain in full force and effect.

SECTION 4. Effective Date. This supplemental resolution shall become effective upon receipt by the Finance Director of (i) an instrument or instruments in writing purported to be executed by the holders of not less than fifty-one percent in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to this supplemental resolution and shall specifically consent to and approve the adoption thereof in substantially the form referred to in such instrument or instruments; provided, however, that in accordance with Section 10.02 of the Original Resolution, the consent of the owners of any Series of Additional Bonds or Refunding Bonds hereinafter issued shall be deemed given if the underwriters or initial marketing group deliver to the Finance Director their consent in writing to this supplemental resolution and the substance of this supplemental resolution is disclosed in the official statement or other offering document pursuant to which such Series of Additional Bonds or Refunding Bonds are offered and sold to the public; and (ii) the written consent of each Credit Provider then having consent rights with respect to this supplemental resolution.

PASSED AND ADOPTED THIS 5<sup>th</sup> day May, 1998.

BOARD OF COUNTY COMMISSIONERS  
OF BROWARD COUNTY, FLORIDA

*R. A. [Signature]*  
County Administrator and Ex-Officio  
Clerk of the Board of County Commissioners

*Garcia [Signature]*  
Chair

Prepared by:

Squire, Sanders & Dempsey I.L.P.  
Co-Bond Counsel



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A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA SUPPLEMENTING RESOLUTION NO. 24-1989 WHICH IS ENTITLED: "A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$150,000,000 PORT FACILITIES REFUNDING REVENUE BONDS, SERIES 1989-A FOR THE PURPOSE OF REFUNDING PORT FACILITIES REVENUE BONDS, SERIES 1986 OF THE PORT EVERGLADES AUTHORITY ISSUED UNDER RESOLUTION NO. 12-1986, AS AMENDED; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$55,000,000 PORT FACILITIES SENIOR REVENUE BONDS, SERIES 1989-B FOR THE PURPOSE OF PAYING THE COST OF IMPROVEMENTS TO THE PORT FACILITIES OF THE PORT EVERGLADES AUTHORITY; PROVIDING FOR THE ISSUANCE OF ADDITIONAL PORT FACILITIES REVENUE BONDS TO PAY THE COST OF IMPROVEMENTS TO THE PORT FACILITIES OF THE PORT EVERGLADES AUTHORITY AND TO REFUND BONDS ISSUED THEREUNDER AND CERTAIN OTHER INDEBTEDNESS; PROVIDING FOR THE PAYMENT OF SUCH BONDS AND THE INTEREST THEREON FROM REVENUE DERIVED FROM THE PORT FACILITIES AND PLEDGED THEREFOR; SETTING FORTH THE RIGHTS AND REMEDIES OF THE HOLDERS OF SUCH BONDS; PROVIDING SEVERABILITY AND AN EFFECTIVE DATE; AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$85,000,000 AGGREGATE PRINCIPAL AMOUNT OF BROWARD COUNTY, FLORIDA PORT FACILITIES REVENUE BONDS, SERIES 2009A (NON-AMT) FOR THE PRINCIPAL PURPOSE OF PAYING ALL OR A PORTION OF THE COST OF IMPROVEMENTS TO THE PORT FACILITIES; AUTHORIZING A NEGOTIATED SALE OF SAID BONDS; DELEGATING CERTAIN AUTHORITY TO THE MAYOR FOR THE AUTHORIZATION, EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT WITH RESPECT THERETO, AND THE APPROVAL OF THE TERMS AND DETAILS OF SAID BONDS; APPOINTING THE PAYING AGENT AND REGISTRAR FOR SAID BONDS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT WITH RESPECT THERETO; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONSTRUCTION FUND AND RESERVE ACCOUNT TRUST INDENTURE; AND PROVIDING AN EFFECTIVE DATE.

the Resolution), to refund Outstanding Bonds, to make deposits to certain funds and accounts and to pay other costs of issuance and expenses relating thereto, subject in each case to the terms of Sections 2.07 and 2.08 of the Resolution and Sections 4.01 and 4.02 of the Trust Indenture dated May 1, 1998, as amended (the "Subordinate Trust Indenture"), with respect to the County's Subordinate Port Facilities Refunding Revenue Bonds, Series 2008.

(G) The County has determined to issue its Broward County, Florida Port Facilities Revenue Bonds, Series 2009A (Non-AMT) (the "Series 2009A Bonds"), in an aggregate principal amount of not exceeding \$85,000,000, as Additional Bonds under the Resolution, for the purpose of providing funds, together with other legally available funds, to (i) pay the cost of all or a portion of certain capital improvements to the Port Facilities (the "2009 Project") as described in Exhibit A attached hereto, (ii) fund the Reserve Account, and (iii) pay certain costs of issuance and expenses relating to the Series 2009A Bonds.

(H) Due to the volatility of the market for tax-exempt obligations such as the Series 2009A Bonds and the nature of the transactions involving the Series 2009A Bonds, it is in the best interest of the County to sell the Series 2009A Bonds by a negotiated sale, allowing the County to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the County to obtain the best possible price and interest rate for the Series 2009A Bonds.

(I) The County anticipates receiving a favorable offer to purchase the Series 2009A Bonds from Siebert Brandford Shank & Co., L.L.C., Goldman Sachs & Co. and Banc of America Securities, LLC (the "Underwriters"), all within the parameters set forth herein pursuant to the hereinafter defined Bond Purchase Agreement.

(J) Inasmuch as the County desires to sell the Series 2009A Bonds at the most advantageous time and not wait for a scheduled meeting of the Board of County Commissioners of Broward County, Florida, so long as the herein described parameters are met, the County hereby determines to delegate the award and sale of the Series 2009A Bonds to the Mayor within such parameters.

(K) The County hereby certifies that it is current in all deposits into the various funds and accounts established pursuant to the Resolution and all payments required to be deposited and made by it under the provisions of the Resolution have been made or deposited, and it has complied with the covenants and agreements of the Resolution and the Subordinate Trust Indenture.

(L) The covenants, pledges and conditions in the Resolution shall be applicable to the Series 2009A Bonds herein authorized and said Series 2009A Bonds shall be on a parity with and rank equally as to the lien on and source and security for payment from the Net Revenue (as defined in the Resolution) and moneys in the Funds and Accounts

# **BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA:**

## **SECTION 1. FINDINGS.** It is hereby found and determined that:

(A) Pursuant to Resolution No. 24-1989, adopted by the Port Everglades Authority (the "Authority") on July 20, 1989, as supplemented and amended (the "Resolution"), the Authority issued (i) on August 30, 1989, its \$117,454,948 Port Facilities Refunding Revenue Bonds, Series 1989-A (the "Series 1989-A Bonds") for the principal purpose of refunding certain outstanding obligations of the Authority, and (ii) on October 25, 1989, its \$50,815,000 Port Facilities Senior Revenue Bonds, Series 1989-B (the "Series 1989-B Bonds") for the principal purpose of financing the costs of various capital improvements to the Port Facilities (as defined in the Resolution).

(B) Pursuant to Chapter 91-346, Laws of Florida, Chapter 94-429, Laws of Florida, and the approval by the voters of Broward County, Florida, in a referendum held on March 10, 1992, the Port Everglades District (the "District") and the Authority were dissolved and all powers, duties, responsibilities, obligations and functions of the District and the Authority were transferred to Broward County, Florida (the "County") and the County assumed, subject to their terms, all indebtedness of the District and the Authority, including all obligations and rights under the Resolution.

(C) The County now operates the Port Facilities through the County's Port Everglades Department.

(D) On June 4, 1998, the County issued its \$13,195,000 Broward County, Florida Port Facilities Refunding Revenue Bonds, Series 1998A (the "Series 1998A Bonds"), its \$80,440,000 Broward County, Florida Port Facilities Refunding Revenue Bonds, Series 1998B (the "Series 1998B Bonds"), and its \$72,440,000 Broward County, Florida Port Facilities Revenue Bonds, Series 1998C (the "Series 1998C Bonds") and collectively with the Series 1998A Bonds and the 1998B Bonds, the "Series 1998 Bonds") for the principal purposes of refunding certain obligations of the County, including the outstanding Series 1989-B Bonds, and financing the costs of various capital improvements to the Port Facilities.

(E) Pursuant to the Constitution and laws of the State of Florida, including without limitation, Chapters 125, 166 and 315, Florida Statutes, and the County's home rule charter (collectively, the "Act"), the County is authorized to issue Bonds (as defined in the Resolution).

(F) Sections 2.07 and 2.08 of the Resolution provide for the issuance of Additional Bonds (as defined in the Resolution) secured on a parity with the Outstanding Bonds (as defined in the Resolution) for the purposes of providing funds, together with other legally available funds, to pay all or any part of a Cost of a Project (as defined in

(as defined in the Resolution) established in the Resolution and in all other respects with the Outstanding Series 1989-A Bonds, the Series 1998 Bonds and all Additional Bonds and Refunding Bonds (as defined in the Resolution) hereafter issued pursuant to the Resolution, and shall constitute "Bonds" within the meaning of the Resolution.

(M) The Resolution provides that such Series 2009A Bonds shall mature on such dates and in such amounts, shall bear such rates of interest, shall be payable in such places and shall be subject to such redemption provisions as shall be determined by Series Resolution; and it is now appropriate that the County set forth the parameters and mechanism to determine such terms and details.

(N) The Series 2009A Bonds shall not constitute a general obligation, or a pledge of the faith, credit or taxing power of the County, the State of Florida, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions. Neither the County, the State of Florida, nor any political subdivision thereof shall be obligated (i) to exercise its ad valorem taxing power in any form on any real or personal property of or in the County to pay the principal of the Series 2009A Bonds, the interest thereon, or other costs incidental thereto or (ii) to pay the same from any other funds of the County except from the moneys and revenues and Funds and Accounts pledged therefor, in the manner provided in the Resolution.

**SECTION 2. DEFINITIONS.** When used in this Series Resolution, terms defined in the Resolution shall have the meanings therein stated, except as such definitions shall be hereinafter amended or defined.

**SECTION 3. AUTHORITY FOR THIS SERIES RESOLUTION; AND AUTHORIZATION OF 2009 PROJECT.** This Series Resolution is adopted pursuant to the provisions of the Act and the Resolution. The financing, acquisition and construction of the 2009 Project is hereby authorized.

**SECTION 4. DESCRIPTION OF THE SERIES 2009A BONDS.** Subject to the conditions described in Section 5 hereof, the County hereby authorizes the issuance of a Series of Bonds in the aggregate principal amount not to exceed \$85,000,000 to be known as the "Broward County, Florida Port Facilities Revenue Bonds, Series 2009A (Non-AMT)" (or such other series designation as the County Administrator may determine), for the principal purposes of paying all or a portion of the costs of the 2009 Project, funding the Reserve Account and paying costs of issuance. The aggregate principal amount of Series 2009A Bonds to be issued pursuant to the Resolution shall be determined by the County Administrator, provided such aggregate principal amount does not exceed \$85,000,000. The Series 2009A Bonds shall be dated as of the date of delivery of the Series 2009A Bonds (or such other date as shall be determined by the County Administrator), shall be issued in the form of fully registered Bonds in denominations of \$5,000 or any integral multiple thereof, shall be numbered consecutively from one upward in order of maturity preceded by the letters "RA," shall bear interest from their

dated date, payable semi-annually, on September 1 and March 1 of each year (the "Interest Dates"), commencing on March 1, 2010 (or such other date or dates as shall be determined by the County Administrator).

Notwithstanding the provisions of Section 2.02 of the Resolution, interest on the Series 2009A Bonds shall be payable by check or draft of Regions Bank, Jacksonville, Florida, as Paying Agent and Bond Registrar, made payable to and mailed to the holder in whose name such Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding the Interest Date, or, at the request and expense of such holder, by bank wire transfer to the account of such holder. The principal of the Series 2009A Bonds is payable upon presentation and surrender of the Series 2009A Bonds at the designated corporate trust office of the Paying Agent. All payments of principal and interest on the Series 2009A Bonds shall be payable in lawful money of the United States of America.

The Series 2009A Bonds shall bear interest at such rates and yields and shall mature on September 1 (or such other date as shall be determined by the County Administrator) of each of the years for each Series and in the principal amounts corresponding to such years and shall have such redemption provisions as determined by the County Administrator subject to the conditions set forth in Section 5 hereof. All of the details of the Series 2009A Bonds will be included in a Bond Purchase Agreement which shall be in substantially the form attached hereto and made a part hereof as Exhibit B (the "Bond Purchase Agreement"). The Mayor is hereby authorized to execute the Bond Purchase Agreement in substantially the form attached hereto as Exhibit B with such modifications as the Mayor deems appropriate upon satisfaction of the conditions described in Section 5 hereof. The County Administrator shall attest the signature of the Mayor on the Bond Purchase Agreement; such attestation by the County Administrator shall be deemed approval of any matters delegated to her which are provided in the Bond Purchase Agreement and the signature of the Mayor on the Bond Purchase Agreement shall be conclusive evidence of approval by the Mayor of any such modifications to the Bond Purchase Agreement from the form attached hereto.

The Series 2009A Bonds shall be substantially in the form attached hereto as Exhibit C, with such changes, omissions, additions and modifications as may be necessary to reflect the details of the Series 2009A Bonds and approved by the County Administrator, with the advice of the County Attorney and Nabors, Giblin & Nickerson, P.A. and KnoxScouton, as co-bond counsel (the "Co-Bond Counsel"). In accordance with the provisions of Section 2.09 of the Resolution, the definitive Series 2009A Bonds shall be issued in typewritten form. Execution and delivery of the Series 2009A Bonds in accordance with the provisions of the Resolution shall be conclusive evidence of the approval by the County of the changes, omissions, additions and modifications in the form of the Series 2009A Bonds. Notwithstanding the provisions of Section 2.03 of the

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may be determined by the County Administrator, upon the advice of the County's Co-Financial Advisors, subject to the terms of Section 5 hereof.

#### SECTION 7. CREATION OF CONSTRUCTION ACCOUNT.

(A) Pursuant to Section 4.01 of the Resolution, the County hereby determines to establish a special account for the Series 2009A Bonds within the Construction Fund, to be designated the "2009 Project Account," to which shall be deposited such amount of the proceeds of the Series 2009A Bonds as set forth in Section 8(D) hereof.

(B) Pursuant to Section 2.01 of the Resolution, the County hereby determines to establish a separate subaccount in the Reserve Account for the Series 2009A Bonds, to be designated the "Series 2009 Reserve Subaccount," to which shall be deposited such amount of proceeds of the Series 2009A Bonds as set forth in Section 8(C) hereof.

#### SECTION 8. APPLICATION OF SERIES 2009A BOND PROCEEDS.

Subject in all respects to the satisfaction of the conditions set forth in Section 5 hereof, the proceeds derived from the sale of the Series 2009A Bonds shall be applied by the County (or as directed by the County) simultaneously with the delivery thereof as follows:

(A) An amount equal to the accrued interest, if any, shall be deposited to the Debt Service Account and shall be used to pay a portion of the interest on the Series 2009A Bonds.

(B) A sufficient amount shall be applied to pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2009A Bonds.

(C) Such amount shall be deposited to the Series 2009 Reserve Subaccount of the Reserve Account as shall be approved by the Director of Finance and Administrative Services Department (the "Finance Director").

(D) The remaining Series 2009A Bond proceeds shall be deposited to the 2009 Project Account within the Construction Fund and shall be used to pay the costs of the acquisition and construction of the 2009 Project.

**SECTION 9. BOOK-ENTRY.** Notwithstanding the provisions set forth in Section 2.04 of the Resolution, the Series 2009A Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2009A Bond for each of the maturities of each Series of the Series 2009A Bonds. Upon initial issuance, the ownership of each such Series 2009A Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). As long as the Series 2009A Bonds shall be registered in the name of Cede & Co., all payments on the Series 2009A Bonds shall be made by the Paying Agent

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Resolution, the Series 2009A Bonds shall be countersigned and attested by the County Administrator (or his designee).

**SECTION 5. CONDITIONS TO EXECUTION OF BOND PURCHASE AGREEMENT.** The Bond Purchase Agreement shall not be executed by the Mayor until such time as all of the following conditions have been satisfied:

(A) Receipt by the County of a written offer to purchase the Series 2009A Bonds by the Underwriters, substantially in the form of the Bond Purchase Agreement attached hereto as Exhibit B, said offer to provide for, among other things, (i) not exceeding \$85,000,000 aggregate principal amount of Series 2009A Bonds, (ii) a true interest cost of not more than 6.50% per annum for the Series 2009A Bonds, (iii) an underwriting discount (including management fee and expenses) for the Series 2009A Bonds not in excess of \$6.25 a bond, and (iv) the maturities of the Series 2009A Bonds, with the final maturity being not later than September 1, 2029.

(B) With respect to any optional redemption terms for the Series 2009A Bonds, the first call date may be no later than September 1, 2019 and no call premium may exceed 0% of the par amount of that portion of the Series 2009A Bonds to be redeemed. Term Bonds may be established with such Amortization Requirements as the County Administrator deems appropriate.

(C) Receipt of a good faith deposit from the Underwriters in an amount not less than 1.0% of the par amount of the Series 2009A Bonds to be sold pursuant to the Bond Purchase Agreement.

(D) Receipt by the County of a disclosure statement and a truth-in-bonding statement of the Underwriters dated the date of the Bond Purchase Agreement and complying with Section 218.385, Florida Statutes.

Upon satisfaction of all the requirements set forth in this Section 5, the Mayor is authorized to execute and deliver the Bond Purchase Agreement containing terms complying with the provisions of this Section 5 and the Series 2009A Bonds shall be sold to the Underwriters pursuant to the provisions of such Bond Purchase Agreement. The Mayor may rely upon the advice of Raymond James & Associates, Inc. and Fidelity Financial Services, L.C. (the "Co-Financial Advisors") as to satisfaction of the provisions of this Section 5. In the event the conditions described in this Section 5 relating to a Series of the Series 2009A Bonds are not satisfied, the Mayor is authorized to execute and deliver the Bond Purchase Agreement in connection with the Series 2009A Bonds which satisfy the conditions provided herein.

**SECTION 6. REDEMPTION PROVISIONS.** The Series 2009A Bonds may be redeemed prior to their respective maturities from any moneys legally available therefor, upon notice as provided in the Resolution, upon such terms and provisions as

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by check or draft or by bank wire transfer to Cede & Co., as holder of the Series 2009A Bonds.

With respect to Series 2009A Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, the County, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any direct or indirect participant in the DTC book-entry program (a "Participant"). Without limiting the immediately preceding sentence, the County, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Series 2009A Bonds, (B) the delivery to any Participant or any other person other than a Series 2009A Bondholder, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Series 2009A Bonds, or (C) the payment to any Participant or any other person, other than a Series 2009A Bondholder, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal or interest of the Series 2009A Bonds. The County, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner of such Series 2009A Bond for the purpose of payment of principal or interest with respect to such Series 2009A Bond, for the purpose of giving notices and other matters with respect to such Series 2009A Bond, for the purpose of registering transfers with respect to such Series 2009A Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal or interest of the Series 2009A Bonds only to or upon the order of the respective holders, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and in the Resolution and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to payment of principal or interest on the Series 2009A Bonds to the extent of the sum or sums so paid. No person other than a Series 2009A Bondholder, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Series 2009A Bond evidencing the obligation of the County to make payments of principal or interest pursuant to the provisions hereof. Upon delivery by DTC to the County of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in the Resolution with respect to transfers during certain periods next preceding an Interest Date or the date of mailing a redemption notice or a redemption date, the words "Cede & Co." in the Resolution shall refer to such new nominee of DTC; and upon receipt of such notice, the County shall promptly deliver a copy of the same to the Bond Registrar and the Paying Agent.

Upon (A) receipt by the County of written notice from DTC (i) to the effect that a continuation of the requirement that all of the outstanding Series 2009A Bonds or any Series thereof be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial

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owners of such Series 2009A Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the County, in its sole discretion, that such book-entry only system should be discontinued by the County and upon compliance by the County with all applicable DTC rules and procedures, the Series 2009A Bonds or any Series thereof shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, but shall be registered in whatever name or names holders shall designate, in accordance with the provisions of the Resolution. In such event, the County shall issue and the Bond Registrar shall authenticate, transfer and exchange Series 2009A Bonds consistent with the terms of the Resolution, in denominations of \$5,000 or any integral multiple thereof to the holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the County Letter of Representations previously executed by the County and delivered to DTC shall apply to the payment of principal and interest on the Series 2009A Bonds.

**SECTION 10. APPOINTMENT OF PAYING AGENT AND BOND REGISTRAR.** Subject in all respects with the satisfaction of the conditions set forth in Section 5 hereof, Regions Bank, Jacksonville, Florida, is hereby designated Bond Registrar and Paying Agent for the Series 2009A Bonds. The Mayor is hereby authorized to enter into any agreement which may be necessary to effect the transactions contemplated by this Section 10 and by the Resolution.

**SECTION 11. PRELIMINARY OFFICIAL STATEMENT.** The County hereby authorizes the distribution and use of the Preliminary Official Statement in substantially the form attached hereto as Exhibit D in connection with offering the Series 2009A Bonds for sale. If between the date hereof and the mailing of the Preliminary Official Statement it is necessary to make insertions, modifications or changes in the Preliminary Official Statement, the Mayor and the County Administrator are hereby authorized to approve such insertions, changes and modifications, upon the advice of the County Attorney and Edwards Angell Palmer & Dodge LLP and Rasco Klock Reininger Perez Esquenazi Vigil & Nieto, as co-disclosure counsel (the "Co-Disclosure Counsel"). The Mayor and the County Administrator are hereby authorized to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule") in the form as mailed. Execution of a certificate by the Mayor and the County Administrator deeming the Preliminary Official Statement "final" as described above shall be conclusive evidence of the approval of any insertions, changes or modifications.

**SECTION 12. OFFICIAL STATEMENT.** Subject in all respects with the satisfaction of the conditions set forth in Section 5 hereof, the Mayor and the County

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the satisfaction of the conditions set forth in Section 5 hereof, the County hereby authorizes the Mayor to execute and the County Administrator to attest a Construction Fund and Reserve Account Trust Indenture (the "Trust Indenture") and to deliver the Trust Indenture to Regions Bank, Jacksonville, Florida, which is hereby appointed as trustee thereunder (the "Trustee"). All of the provisions of the Trust Indenture when executed and delivered by the County as authorized herein and when duly authorized, executed and delivered by the Trustee, shall be deemed to be a part of this Series Resolution as fully and to the same extent as if incorporated verbatim herein, and the Trust Indenture shall be in substantially the form attached hereto as Exhibit E, with such changes, amendments, modifications, omissions and additions, including the date of such Trust Indenture, as may be approved by the Mayor and the County Administrator, upon advice of the County Attorney and the County's Co-Bond Counsel. Execution by the Mayor and the County Administrator of the Trust Indenture shall be deemed to be conclusive evidence of approval of such changes, amendments, modifications, omissions and additions.

**SECTION 15. SELECTION OF PRINTER.** ImageMaster is hereby selected as the printer of the Preliminary Official Statement and the Official Statement, and the payment of its reasonable fees for the printing of the Preliminary Official Statement and the Official Statement is hereby authorized.

**SECTION 16. GENERAL AUTHORITY.** The Mayor, the County Administrator, the County Attorney, the Finance Director, and the other officers, attorneys and other agents or employees of the County are hereby authorized to do all acts and things required of them by this Series Resolution, the Resolution, the Official Statement, the Continuing Disclosure Certificate, the Trust Indenture or the Bond Purchase Agreement or desirable or consistent with the requirements hereof or of the Resolution or the Bond Purchase Agreement for the full punctual and complete performance of all the terms, covenants and agreements contained herein or in the Series 2009A Bonds, the Resolution, the Official Statement, the Continuing Disclosure Certificate, the Trust Indenture and the Bond Purchase Agreement and each member, employee, attorney and officer of the County is hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder. If the Mayor is unavailable or unable at any time to perform any duties or functions hereunder, including, but not limited to those described in Section 5 hereof, the Vice-Mayor is hereby authorized to act on his or her behalf. If the County Administrator is unavailable or unable at any time to perform any duties or functions hereunder, the designee of the County Administrator is hereby authorized to act on his or her behalf.

**SECTION 17. SEVERABILITY AND INVALID PROVISIONS.** If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though

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Administrator are hereby authorized and directed to execute and deliver a final Official Statement, dated the date of the execution of the Bond Purchase Agreement, which shall be in substantially the form of the Preliminary Official Statement, in the name and on behalf of the County, and thereupon to cause such Official Statement to be delivered to the Underwriters with such changes, amendments, modifications, omissions and additions as may be approved by the Mayor and the County Administrator, upon advice of the County Attorney and Co-Disclosure Counsel. Said Official Statement, including any further changes, amendments, modifications, omissions and additions as approved by the Mayor and the County Administrator upon advice of the County Attorney and Co-Disclosure Counsel, and the information contained therein are hereby authorized to be used in connection with the sale of the Series 2009A Bonds to the public. Execution by the Mayor and the County Administrator of the Official Statement shall be deemed to be conclusive evidence of approval of such changes, amendments, modifications, omissions and additions.

**SECTION 13. SECONDARY MARKET DISCLOSURE.** Subject in all respects to the satisfaction of the conditions set forth in Section 5 hereof, the County hereby covenants and agrees that, in order to provide for compliance by the County with the secondary market disclosure requirements of the Rule, it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be executed by the County and dated the date of the Series 2009A Bonds, as it may be amended from time to time in accordance with the terms thereof. The Continuing Disclosure Certificate shall be substantially in the form of Exhibit E hereto with such changes, amendments, modifications, omissions and additions as shall be approved by the Finance Director who is hereby authorized to execute and deliver such Certificate. Execution of the Continuing Disclosure Certificate by the Finance Director shall be conclusive evidence of approval by the Finance Director of any such changes, modifications, amendments, omissions and additions to the Continuing Disclosure Certificate from the form attached hereto. Notwithstanding any other provision of the Resolution, failure of the County to comply with such Continuing Disclosure Certificate shall not be considered an event of default under the Resolution; provided, however, to the extent permitted by law, the sole and exclusive remedy of any Series 2009A Bondholder for the enforcement of the provisions of the Continuing Disclosure Certificate shall be an action for mandamus or specific performance, as applicable, by court order, to cause the County to comply with its obligations under this Section 13 and the Continuing Disclosure Certificate. For purposes of this Section 13, "Series 2009A Bondholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2009A Bonds (including persons holding such Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any such Bond for federal income tax purposes.

**SECTION 14. AUTHORIZATION TO EXECUTE CONSTRUCTION FUND AND RESERVE ACCOUNT TRUST INDENTURE.** Subject in all respects to

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not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Series 2009A Bonds.

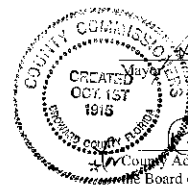
**SECTION 18. RESOLUTION TO CONTINUE IN FORCE.** Except as herein expressly provided, the Resolution and all the terms and provisions thereof are and shall remain in full force and effect.

**SECTION 19. EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

**ADOPTED** by the Board of County Commissioners of Broward County, Florida, this 9th day of June, 2009.

(SEAL)

BOARD OF COUNTY COMMISSIONERS  
BROWARD COUNTY, FLORIDA



County Administrator and Ex-Officio Clerk of  
the Board of County Commissioners

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**APPENDIX E**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

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## APPENDIX E

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this “Certificate”) dated June 24, 2009, is executed and delivered by BROWARD COUNTY, FLORIDA, a political subdivision of the State of Florida and a public body corporate and politic (the “County”), in connection with the issuance of its \$83,235,000 aggregate principal amount of Port Facilities Revenue Bonds, Series 2009A (Non-AMT) (the “Series 2009 Bonds”). The Series 2009 Bonds are being issued for the purposes of providing funds, together with other legally available funds, to pay all or a portion of the costs of the 2009 Project, as described herein, (ii) fund a subaccount of the Reserve Account, and (iii) pay certain costs of issuance and expenses relating to the Series 2009 Bonds.

The Series 2009 Bonds are issued under and secured by a Resolution adopted by the Port Everglades Authority on July 20, 1989, as supplemented and amended (the “Original Resolution”) and Resolution No. 2009-414 adopted by the Board of County Commissioners (the “Board”) on June 9, 2009 (the “Series Resolution” and together with the Original Resolution, the “Bond Resolution”). Each capitalized term used in this Certificate but not otherwise defined herein has the meaning assigned to it in Article I below or in the Bond Resolution. Pursuant to the Bond Resolution, the County certifies as follows:

A. The County has determined to issue and sell the Series 2009 Bonds, and the Series 2009 Bonds will be issued pursuant to the Bond Resolution and secured by a pledge of Net Revenue derived by the County from the operation of its Port Facilities.

B. The County has determined to comply with the requirements of the Rule to the extent applicable to the Series 2009 Bonds.

The County agrees, in accordance with the provisions of the Rule, for the benefit of the holders and beneficial owners from time to time of the Series 2009 Bonds, as follows:

#### ARTICLE I

##### Definitions and Interpretation

In addition to the words and terms defined elsewhere in this Certificate or by reference to the Bond Resolution, unless the context or use clearly indicates another or different meaning or intent:

“Accounting Principles” means the accounting principles applied from time to time in the preparation of the Financial Statements, initially generally accepted accounting principles as recommended from time to time by the Governmental Accounting Standards Board of the American Institute of Certified Public Accountants.

“Annual Financial Information” means the following information and operating data for the applicable Fiscal Year concerning the Port and contained in the Official Statement in the tables entitled “CRUISE PASSENGER TRAFFIC” and “CONTAINER CARGO TONNAGE BILLED” under the caption “THE PORT” and the historical data contained in the table entitled “Historical Revenues, Expenses and Debt Service Coverage” under the caption “CERTAIN HISTORICAL AND PROJECTED FINANCIAL INFORMATION.”

“Business Day” means any day other than a Saturday, Sunday or a day on which the Trustee is required, or authorized or not prohibited by law (including executive orders), to close and is closed.

“County” means Broward County, Florida.

“Department” means the County’s Port Everglades Department.

“Dissemination Agent” shall mean the County, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

“Filing Date” means the 180th day following the end of each Fiscal Year (or the next preceding Business Day if that day is not a Business Day).

“Financial Statements” means the audited financial statements of the County for the applicable Fiscal Year, which may be part of the County’s consolidated audited financial report.

“Fiscal Year” means each fiscal year of the County ending on September 30<sup>th</sup>.

“MSIR” means each municipal securities information repository designated by law or applicable regulation from time to time.

“MSRB” means the Municipal Securities Rulemaking Board.

“Official Statement” means the Official Statement with respect to the Series 2009 Bonds dated June 24, 2009.

“Rule” means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934.

“SEC” means the Securities and Exchange Commission.

The captions and headings in this Certificate are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a Section means a section of this Certificate, unless otherwise indicated.

## ARTICLE II The Undertaking

Section 2.1. The County hereby agrees, in accordance with the Rule, for so long as the Rule shall be in effect, to provide or cause to be provided to each MSIR in electronic format as prescribed by the MSRB, the following annual financial information and operating data commencing with the Fiscal Year ended September 30, 2009:

(a) its Annual Financial Information for the preceding Fiscal Year not later than the Filing Date for that Fiscal Year; and

(b) when and if available, the Financial Statements for each Fiscal Year prepared in accordance with the Accounting Principles, and if the Financial Statements are not audited by the Filing Date, then the unaudited financial statements of the County for the applicable Fiscal Year.

Section 2.2. The Annual Financial Information is expected to be available on or before the Filing Date.

Section 2.3. The Financial Statements described in subsection 2.1(b) above are expected to be available on or before the Filing Date.

Section 2.4. The County agrees to provide or cause to be provided in a timely manner to each MSIR in the appropriate format required by law or applicable regulation, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to the Series 2009 Bonds, if applicable, if such event is material:

- (i) principal and interest payment delinquencies
- (ii) non-payment related defaults
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties
- (v) substitution of credit or liquidity providers, or their failure to perform
- (vi) adverse tax opinions or events affecting the tax-exempt status of the Series 2009 Bonds
- (vii) modifications to rights of holders or beneficial owners of the Series 2009 Bonds
- (viii) bond calls
- (ix) defeasances
- (x) release, substitution, or sale of property securing repayment of the Series 2009 Bonds
- (xi) rating changes

Section 2.5. The County agrees to provide or cause to be provided, in a timely manner, to MSIR in the appropriate format required by law or applicable regulation, notice of a failure of the County to provide the Annual Financial Information with respect to the Department on or prior to the Filing Date.

Section 2.6. The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information to the extent necessary or appropriate in the judgment of the County; provided that, the County agrees that any such modification will be done in a manner consistent with the Rule and Section 4.2 below. The County reserves the right to terminate its obligation to provide the Annual Financial Information and notices of material events, as set forth above, if and when the County no longer remains an “obligated person” with respect to the Series 2009 Bonds within the meaning of the Rule, or in the event that the Rule shall be repealed, rescinded, or invalidated.

Section 2.7. The County agrees that its undertaking pursuant to the Rule is intended to be for the benefit of the holders of the Series 2009 Bonds and shall be enforceable by the holders of the Series 2009 Bonds; provided that, the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the County’s obligations described herein and any failure by the

County to comply with the provisions of this undertaking shall not be an event of default with respect to the Series 2009 Bonds or under the Bond Resolution.

The County has complied with the requirements as described in section (b)(5) of the Rule of each undertaking made by the County on or after July 3, 1995.

The County has not undertaken to give notice of the occurrence of any event other than described in Sections 2.4 and 2.5 above. Neither the Underwriters nor the Bond Registrar and Paying Agent have undertaken to give notice of the occurrence of any event described in the Rule.

A notice of failure by the County to comply with the undertaking described above must be provided by the County, in a timely manner, to each MSIR in the appropriate format required by law, and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2009 Bonds in the secondary market. Consequently, such failure may adversely affect the transferability and liquidity of the Series 2009 Bonds and their market price.

Section 2.8 The County 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.

### ARTICLE III Operating Rules

Section 3.1. Reference to Other Documents. It shall be sufficient for purposes of Section 4.2 hereof if the County provides the Annual Financial Information by specific reference to documents (i) either (1) provided to each MSIR, or (2) filed with the SEC, or (ii) if such a document is an Official Statement, available from the MSRB.

Section 3.2. Submission of Information. Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

Section 3.3. Material Event Notices. Each Material Event Notice as described in Section 2.4 below shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Series 2009 Bonds.

Section 3.4. Transmission of Information and Notices. Unless otherwise required by law and, in the County's sole determination, subject to technical and economic feasibility, the County shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of the County's information and notices.

### ARTICLE IV Termination, Amendment and Enforcement

Section 4.1. Termination. (a) the County's obligations under this Certificate shall terminate upon legal defeasance, prior redemption or payment in full of all of the Series 2009 Bonds.

(b) This Certificate or any provision hereof, shall be null and void in the event that the County (1) delivers an opinion of counsel, addressed to the County, to the effect that those portions of the Rule which require the provisions of this Certificate or any of such provisions, do not or no longer



apply to the Series 2009 Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) provides in an electronic format prescribed by the MSRB copies of such opinion to each MSIR.

Section 4.2. Amendment. (a) This Certificate may be amended by a written Certificate of the appropriate officer of the County, without the consent of the holders of the Series 2009 Bonds if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the County, or the type of business conducted thereby, (2) this Certificate as so amended would have complied with the requirements of the Rule as of the date of this Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the County shall have received an opinion of counsel addressed to the County, to the same effect as set forth in clause (2) above and further to the effect that the amendment does not materially impair the interests of the holders of the Series 2009 Bonds and (4) the County delivers copies of such opinion and amendment to each MSIR.

(b) In addition to subsection (a) above, this Certificate may be amended and any provision of this Certificate may be waived, without the consent of the holders of the Series 2009 Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date hereof which is applicable to this Certificate; (2) the County shall have received an opinion of counsel to the effect that performance by the County under this Certificate as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule; and (3) the County shall have provided in an electronic format prescribed by the MSRB copies of such opinion and amendment to each MSIR.

(c) To the extent any amendment to this Certificate results in a change in the type of financial information or operating data provided pursuant to this Certificate, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

(d) If an amendment is made to the basis on which financial statements are prepared, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. Notice of any such amendment shall be provided by the County in an electronic format prescribed by the MSRB to each MSIR.

Section 4.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Certificate shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Series 2009 Bonds. Beneficial owners of Series 2009 Bonds shall be third-party beneficiaries of this Certificate.

(b) Except as provided in this subparagraph (b), the provisions of this Certificate shall create no rights in any person or entity. The obligations of the County to comply with the provisions of this Certificate shall be enforceable by the holders of the Series 2009 Bonds including beneficial owners thereof. The Bondholder's right to enforce the provisions of this Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the County's obligations under this Certificate and the Bond Resolution. In consideration of the third-party beneficiary

status of beneficial owners of the Series 2009 Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of the Series 2009 Bonds for purposes of this subsection (b).

(c) Any failure by the County to perform in accordance with this Certificate and the Bond Resolution shall not constitute a default under the Bond Resolution and any rights and remedies provided by the Bond Resolution upon the occurrence of a default shall not apply to any such failure.

(d) This Certificate shall be construed and interpreted in accordance with the laws of the State of Florida, and any suits and actions arising out of this Certificate shall be instituted in a court of competent jurisdiction in the State of Florida; provided, however, that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 4.4. Sources of Payments: Extent of Covenants; No Personal Liability. The County shall be required to use only Net Revenue to pay any costs and expenses to be incurred in the performance of this Certificate, and the performance of the obligations hereunder shall be subject to the availability of Net Revenue for that purpose. This Certificate does not and shall not constitute a general obligation of the County. All covenants, stipulations, obligations and agreements of the County contained in this Certificate are and shall be deemed to be covenants, stipulations, obligations and agreements of the County to the full extent authorized by law. No covenant, stipulation, obligation or agreement of the County contained in this Certificate shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the County in other than that person's official capacity.

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**APPENDIX F**

**FORM OF OPINION OF CO-BOND COUNSEL**

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## **APPENDIX F**

### **FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A. AND KNOXSEATON WITH RESPECT TO THE SERIES 2009A BONDS**

Upon delivery of the Series 2009A Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, and KnoxSeaton, Miami, Florida, Co-Bond Counsel, each propose to render its opinion with respect to such Series 2009A Bonds in substantially the following form:

(Date of Delivery)

Board of County Commissioners  
of Broward County, Florida  
Fort Lauderdale, Florida

Commissioners:

We have examined a record of proceedings relating to the issuance of \$83,235,000 aggregate principal amount of Broward County, Florida Port Facilities Revenue Bonds, Series 2009A (Non-AMT) (the "Series 2009A Bonds"). The Series 2009A Bonds are issued under and pursuant to the Laws of the State of Florida, including without limitation, Chapters 125, 166 and 315, Florida Statutes, the home rule charter of Broward County, Florida (the "County"), and Resolution No. 24-1989, adopted by the Port Everglades Authority on July 20, 1989, as amended and supplemented, in particular as supplemented by Resolution No. 2009-414 adopted by the Board of County Commissioners of the County on June 9, 2009 (collectively, the "Resolution").

The Series 2009A Bonds are dated the date of delivery and shall bear interest from such date, except as otherwise provided in the Resolution. The Series 2009A Bonds will mature on the dates and in the principal amounts, and will bear interest at the respective rates per annum, as provided in the Resolution. Interest shall be payable on March 1 and September 1 of each year, commencing March 1, 2010. The Series 2009A Bonds are subject to redemption prior to maturity in accordance with the terms of the Resolution.

The Series 2009A Bonds are issued for the principal purposes of paying all or a portion of the costs of certain capital improvements to the Port Facilities, funding the Series 2009 Reserve Subaccount of the Reserve Account and paying costs of issuance and expenses relating to the Series 2009A Bonds.

As to questions of fact material to our opinion, we have relied upon the representations of the County contained in the Resolution and in the certified proceedings relating thereto and to the issuance of the Series 2009A Bonds and other certifications of

public officials furnished to us in connection therewith without undertaking to verify the same by independent investigation.

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

1. The County is a duly created and validly existing political subdivision of the State of Florida.

2. The County has the right and power under the Constitution and Laws of the State of Florida to adopt the Resolution, and the Resolution has been duly and lawfully adopted by the County, is in full force and effect in accordance with its terms and is valid and binding upon the County and enforceable in accordance with its terms, and no other authorization for the Resolution is required. The Resolution creates the valid pledge which it purports to create of the Net Revenue (as such term is defined in the Resolution) and moneys on deposit in the Funds and Accounts (as such terms are defined in the Resolution), subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

3. The County is duly authorized and entitled to issue the Series 2009A Bonds, and the Series 2009A Bonds have been duly and validly authorized and issued by the County in accordance with the Constitution and laws of the State of Florida and the Resolution. The Series 2009A Bonds constitute valid and binding obligations of the County as provided in the Resolution, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the benefits of the Resolution and the laws pursuant to which they are issued. The Series 2009A Bonds shall be issued on parity under the Resolution with certain other obligations of the County. The Series 2009A Bonds do not constitute a general indebtedness of the County or the State of Florida or any agency, department or political subdivision thereof, or a pledge of the faith and credit of such entities, but are payable from the Net Revenue and moneys on deposit in the Funds and Accounts in the manner and to the extent provided in the Resolution. No holder of the Series 2009A Bonds shall ever have the right to compel the exercise of any ad valorem taxing power of the County or the State of Florida or any political subdivision, agency or department thereof to pay the Series 2009A Bonds.

4. The Series 2009A Bonds and interest thereon are exempt from taxation under existing laws of the State of Florida, except as to any tax imposed by Chapter 220, Florida Statutes, on interest, income, or profits on debt obligations owned by corporations, as defined in said Chapter 220.

5. Under existing statutes, regulations, rulings and court decisions, the interest on the Series 2009A Bonds (a) is excluded from gross income for federal income tax purposes, except for any period during which a Series 2009A Bond is held by a "substantial user" or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), (b) is not an item of tax

preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (c) is not taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations. The opinion set forth in clause (a) above is subject to the condition that the County comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2009A Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Series 2009A Bonds to be so included in gross income retroactive to the date of issuance of the Series 2009A Bonds. The County has covenanted to comply with all such requirements. Ownership of the Series 2009A Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the Series 2009A Bonds.

It should be noted that (1) except as may expressly be set forth in an opinion delivered by us to the underwriters (on which opinion only they may rely) for the Series 2009A Bonds on the date hereof, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2009A Bonds and we express no opinion relating thereto, and (2) we have not been engaged or undertaken to review the compliance with any federal or state law with regard to the sale or distribution of the Series 2009A Bonds and we express no opinion relating thereto.

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that the enforceability of the Resolution and the Series 2009A Bonds may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

We have examined the forms of the Series 2009A Bonds and, in our opinion, the forms of the Series 2009A Bonds are regular and proper.

Respectfully submitted,



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## **APPENDIX G**

### **FORM OF OPINION OF CO-DISCLOSURE COUNSEL**

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## APPENDIX G

### FORM OF OPINION OF CO-DISCLOSURE COUNSEL

*On the date of issuance of the Series 2009 Bonds in definitive form, Edwards Angell Palmer & Dodge LLP and Rasco Klock Reininger Perez Esquenazi Vigil & Nieto, Co-Disclosure Counsel, propose to render their approving opinion in substantially the following form. Unless otherwise defined below, all capitalized terms used in this opinion shall have the meanings set forth in the Series Resolution.*

\_\_\_\_\_, 2009

Mayor and Board of County Commissioners  
of Broward County, Florida

**\$83,235,000**  
**BROWARD COUNTY, FLORIDA**  
**Port Facilities Revenue Bonds**  
**Series 2009A (Non-AMT)**

Ladies and Gentlemen:

We have served as disclosure counsel to Broward County, Florida (the "County") in connection with the issuance by the County of its \$83,235,000 Port Facilities Revenue Bonds, Series 2009A (the "Series 2009 Bonds").

In connection with the issuance and delivery of this opinion, we have considered such matters of law and fact and have relied upon such certificates and other information furnished to us as we deemed appropriate. We are not expressing any opinion or views herein on the authorization, issuance, delivery or validity of the Series 2009 Bonds and we have assumed, but not independently verified, that the signatures on all documents and certificates that we have examined are genuine.

To the extent that the opinions expressed herein relate to or are dependent upon the determination that the proceedings and actions related to the authorization, issuance and sale of the Series 2009 Bonds are lawful and valid under the laws of the State of Florida, or that the Series 2009 Bonds are valid and binding obligations of the County enforceable in accordance with their respective terms, or that the interest on the Series 2009 Bonds is excluded from gross income of the owners of the Series 2009 Bonds for federal income tax purposes, we understand that you are relying upon the opinions delivered on the date hereof of Nabors Giblin & Nickerson, P.A. and KnoxSeaton, Co-Bond Counsel, and no opinion is expressed herein as to such matters.

The scope of our engagement with respect to the issuance of the Series 2009 Bonds was not to establish factual matters and because of the wholly or partially non-legal character of many of the determinations involved in the preparation of the Official Statement dated June 24, 2009 (the "Official Statement"), we are not passing on and do not assume any responsibility for, except as set forth in the next paragraph, the accuracy or completeness of the contents of the Official Statement (including, without limitation, any appendices, schedules, and exhibits thereto) and we make no representation that we have independently verified the accuracy, completeness or fairness of such statements. As your counsel, we have participated in the preparation of the Official Statement and in discussions and conferences with

representatives of the County from the Port Department of Finance and Administration, the Port Everglades Department and the County Attorney's Office, Raymond James & Associates, Inc. and Fidelity Financial Services, L.C., Co-Financial Advisors to the County, Nabors Giblin & Nickerson, P.A. and KnoxSeaton, Co-Bond Counsel, representatives of Siebert Brandford Shank & Co., L.L.C., serving as the representative on behalf of the underwriters (the "Underwriters") named in the Bond Purchase Agreement dated June 24, 2009, between the Underwriters and the County, and Ruden, McClosky, Smith, Schuster & Russell, P.A., counsel to the Underwriters, in which the contents of the Official Statement and related matters were discussed.

Based solely on the basis of our participation in the preparation of the Official Statement, our examination of certificates, documents, instruments and records and the above-mentioned discussions, nothing has come to our attention which would lead us to believe that the Official Statement (except for the financial and statistical data in the Official Statement, including, without limitation, the appendices thereto, and the matters set forth therein under the captions "DESCRIPTION OF THE SERIES 2009 BONDS – Book-Entry Only System," and in APPENDICES A, B, C, D and F, as to which no opinion is expressed) is not a fair and accurate summary of the matters purported to be summarized therein or that the Official Statement (except as set forth parenthetically above) contained as of its date or as of the date hereof, any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. We are also of the opinion that the County's continuing disclosure undertaking satisfies the requirements set forth in Rule 15c2-12(b)(5)(i) of the Securities Exchange Act of 1934, as amended.

In reaching the conclusions expressed herein, we have with your concurrence, assumed and relied on the genuineness and authenticity of all signatures not witnessed by us; the authenticity of all documents, records, instruments, items and letters submitted to us as originals; the conformity with originals of all items submitted to us as certified or photostatic copies and examined by us; the legal capacity and authority of the persons who executed the documents; the accuracy of all warranties, representations and statements of fact contained in the documents and instruments submitted to us in connection with the purchase and sale of the Series 2009 Bonds; that neither you nor the Underwriters have any actual knowledge or any reason to believe that any portion of the Official Statement is not accurate; and the continuing accuracy on this date of any certificates supplied to us regarding the matters addressed herein, which assumptions we have not verified. As to questions of fact material to our opinions, we have relied upon and assumed the correctness of the public records and certificates by and representations of public officials and other officers and representatives of various parties to this transaction. We have no actual knowledge of any factual information that would lead us to form a legal opinion that the public records or the certificates which we have relied upon contain any untrue statement of a material fact.

We are further of the opinion that, assuming the Series 2009 Bonds are the legal, valid and binding obligations of the County, the Series 2009 Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

The opinions set forth herein are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the United States of America. The only opinions rendered hereby shall be those expressly stated herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

This opinion may be relied upon solely by the County and only in connection with the transaction to which reference is made above and may not be used or relied upon by any other person for any purposes whatsoever without our prior written consent.

Respectfully submitted,

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**PORT EVERGLADES**  
BROWARD COUNTY, FLORIDA

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