

In the opinion of Squire Sanders (US) LLP, and Perry E. Thurston, Jr., P.A., Co-Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2012P Bonds is excluded from gross income for federal income tax purposes, except interest on any Series 2012P-1 Bond for any period during which it is held by a "substantial user" or a "related person," as those terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) interest on the Series 2012P-1 Bonds is an item of tax preference for purposes of Section 57 of the Code for purposes of the federal alternative minimum tax imposed on individuals and corporations, (iii) interest on the Series 2012P-2 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (iv) the Series 2012P Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Interest on the Series 2012P-2 Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

BROWARD COUNTY, FLORIDA

\$217,080,000
Airport System Revenue
Refunding Bonds,
Series 2012P-1 (AMT)

and

\$92,775,000
Airport System Revenue
Refunding Bonds,
Series 2012P-2 (Non-AMT)

Dated: Date of Delivery**Due: October 1**
as shown on the inside cover

Broward County, Florida (the "County") will be issuing its Broward County, Florida Airport System Revenue Refunding Bonds, Series 2012P-1 (AMT) (the "Series 2012P-1 Bonds") and its Broward County, Florida Airport System Revenue Refunding Bonds, Series 2012P-2 (Non-AMT) (the "Series 2012P-2 Bonds," and together with the Series 2012P-1 Bonds, the "Series 2012P Bonds"). The Series 2012P Bonds will be fully registered bonds and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2012P Bonds. Purchasers of the Series 2012P Bonds will not receive certificates representing their interests in the Series 2012P Bonds purchased. Ownership by the Beneficial Owners of the Series 2012P Bonds will be evidenced by book-entry only. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the Series 2012P Bonds will be made to such registered owner, and disbursement of such payments to Beneficial Owners will be the responsibility of DTC and its participants. See "DESCRIPTION OF THE SERIES 2012P BONDS – Book-Entry Only System" herein. Interest on the Series 2012P Bonds is payable April 1 and October 1 of each year, with the first payment date being October 1, 2012. The Series 2012P Bonds will be subject to optional, mandatory and extraordinary redemption prior to maturity at the prices, in the manner and at the times set forth in this Official Statement.

The Series 2012P Bonds are being issued pursuant to Resolution No. 82-A-2, adopted by the Board of County Commissioners of the County (the "Board") on November 9, 1982, as amended and supplemented and as particularly supplemented by a resolution adopted by the Board on May 8, 2012 (collectively, the "Bond Resolution") and are payable from and secured by the funds pledged therefor under the Bond Resolution, which consist primarily of the herein described Net Revenues of the Airport System, on a parity with certain other bonds outstanding under the Bond Resolution. The Series 2012P Bonds may also be payable from certain Passenger Facilities Charges as described herein.

The Series 2012P Bonds are being issued to provide funds, together with other available moneys, to (1) refund on a current or advance basis all or a portion of certain airport system revenue bonds of the County, and (2) pay certain costs of issuance relating to the Series 2012P Bonds. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF BOND PROCEEDS AND OTHER MONEYS" herein.

THE SERIES 2012P BONDS ARE NOT GENERAL OBLIGATIONS OF THE COUNTY BUT ARE LIMITED OBLIGATIONS OF THE COUNTY, PRIMARILY PAYABLE FROM AND SECURED SOLELY BY THE FUNDS PLEDGED THEREFOR PURSUANT TO THE BOND RESOLUTION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF ARE PLEDGED TO THE PAYMENT OF THE SERIES 2012P BONDS. THE ISSUANCE OF THE SERIES 2012P BONDS WILL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR. THE SERIES 2012P BONDS WILL NOT CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE UPON ANY PROPERTY OF THE COUNTY OR ANY FUND OR ACCOUNT OF THE COUNTY, OTHER THAN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE BOND RESOLUTION.

FOR MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, AND CUSIP NUMBERS, SEE THE INSIDE COVER PAGE.

PRIOR TO THE DELIVERY OF THE SERIES 2012P BONDS, EACH INITIAL PURCHASER THEREOF SHALL BE REQUIRED TO EXECUTE A WRITTEN CONSENT TO CERTAIN PROPOSED AMENDMENTS TO THE BOND RESOLUTION DESCRIBED HEREIN. SEE APPENDIX D-1 – "FORM OF AMENDED AND RESTATED BOND RESOLUTION REFLECTING PROPOSED AMENDMENTS REQUIRING 51% BONDHOLDER CONSENT," APPENDIX D-2 – "RESOLUTION REFLECTING PROPOSED AMENDMENTS REQUIRING 100% BONDHOLDER CONSENT" AND APPENDIX E – "FORM OF WRITTEN CONSENT TO PROPOSED AMENDMENTS" ATTACHED HERETO. IN ADDITION, BY VIRTUE OF THEIR PURCHASE, THE INITIAL PURCHASERS SHALL BE DEEMED TO HAVE WAIVED THE REQUIREMENT OF THE BOND RESOLUTION TO PUBLISH NOTICE OF SUCH AMENDMENTS.

This cover page contains certain information for quick reference only. It is not a summary of the debt issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision. See "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS" herein for a discussion of certain factors that should be considered by prospective purchasers of the Series 2012P Bonds.

The Series 2012P Bonds are offered in book-entry form when, as and if issued and received, subject to the approving legal opinions of Squire Sanders (US) LLP, Miami, Florida, and Perry E. Thurston, Jr., P.A., Fort Lauderdale, Florida, Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the County by the County Attorney or a Deputy County Attorney, and by Nabors, Giblin & Nickerson, P.A., Fort Lauderdale, Florida, and Saunders Legal Strategies & Solutions, P.L., Pembroke Pines, Florida, Co-Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by GrayRobinson, P.A., Fort Lauderdale, Florida, Counsel to the Underwriters. Jefferies & Company, Inc., Boston, Massachusetts, and Omni Consulting Services, Davie, Florida, are acting as Financial Advisors to the County. It is expected that the Series 2012P Bonds will be available for delivery through DTC on or about May 30, 2012.

J.P. Morgan**Morgan Stanley****BofA Merrill Lynch****Blaylock Robert Van, LLC****Siebert Brandford Shank
& Co., L.L.C.**

\$217,080,000
BROWARD COUNTY, FLORIDA
AIRPORT SYSTEM REVENUE REFUNDING BONDS,
SERIES 2012P-1 (AMT)

Maturity (October 1)	Principal Amount	Interest Rate	Yield	CUSIP No.⁽¹⁾
2012	\$ 7,945,000	5.00%	0.590%	114894MH8
2013	23,960,000	3.00	0.700	114894MJ4
2014	10,800,000	3.00	1.150	114894MK1
2015	11,115,000	4.00	1.570	114894ML9
2016	6,285,000	5.00	1.810	114894MM7
2017	6,605,000	5.00	2.100	114894MN5
2018	6,930,000	5.00	2.350	114894MP0
2019	7,285,000	4.00	2.580	114894MQ8
2020	7,570,000	5.00	2.880	114894MR6
2021	7,940,000	5.00	3.120	114894MS4
2022	24,125,000	5.00	3.300	114894MT2
2023	25,335,000	5.00	3.440 ⁽²⁾	114894MU9
2024	18,265,000	5.00	3.560 ⁽²⁾	114894MV7
2025	19,180,000	5.00	3.640 ⁽²⁾	114894MW5
2026	33,740,000	5.00	3.720 ⁽²⁾	114894MX3

\$92,775,000
BROWARD COUNTY, FLORIDA
AIRPORT SYSTEM REVENUE REFUNDING BONDS,
SERIES 2012P-2 (Non-AMT)

Maturity (October 1)	Principal Amount	Interest Rate	Yield	CUSIP No.⁽¹⁾
2012	\$ 700,000	5.00%	0.590%	114894NK0
2015	3,235,000	4.00	1.070	114894MY1
2016	8,765,000	5.00	1.290	114894MZ8
2017	9,200,000	5.00	1.550	114894NA2
2018	9,665,000	5.00	1.850	114894NB0
2019	10,145,000	5.00	2.100	114894NC8
2020	10,655,000	5.00	2.420	114894ND6
2021	9,825,000	5.00	2.690	114894NE4
2022 ⁽³⁾	1,000,000	3.25	2.850	114894NM6
2022 ⁽³⁾	9,290,000	5.00	2.850	114894NF1
2023	10,710,000	5.00	2.990 ⁽²⁾	114894NG9
2024	2,000,000	5.00	3.110 ⁽²⁾	114894NH7
2025	3,700,000	5.00	3.210 ⁽²⁾	114894NJ3
2026	3,885,000	5.00	3.290 ⁽²⁾	114894NL8

(1) CUSIP numbers have been assigned by an independent company not affiliated with the County and are included solely for the convenience of the owners of the Series 2012P Bonds. The County is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2012P Bonds or as indicated above.

(2) Yield shown to optional call date of October 1, 2022.

(3) Denotes split coupon.

BROWARD COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

John E. Rodstrom, Jr., Mayor
Kristin D. Jacobs, Vice Mayor
Suzanne N. Gunzburger
Dale V. Holness
Chip LaMarca
Ilene Lieberman
Stacy Ritter
Barbara Sharief
Lois Wexler

COUNTY ADMINISTRATOR

Bertha Henry

COUNTY ATTORNEY

Joni A. Coffey

**ACTING CHIEF FINANCIAL OFFICER AND DIRECTOR OF FINANCE
AND ADMINISTRATIVE SERVICES DEPARTMENT**

Sue Baldwin

DIRECTOR OF AVIATION DEPARTMENT

Kent G. George

CO-BOND COUNSEL

Squire Sanders (US) LLP
Perry E. Thurston, Jr., P.A.

CO-DISCLOSURE COUNSEL

Nabors, Giblin & Nickerson, P.A.
Saunders Legal Strategies & Solutions, P.L.

FINANCIAL ADVISORS

Jefferies & Company, Inc.
Omni Consulting Services

This Official Statement is being used in connection with the sale of the Series 2012P Bonds and may not be reproduced or be used, in whole or in part, for any other purpose. Certain information contained in, or incorporated by reference in, this Official Statement has been obtained by the County from DTC and other sources that are deemed to be reliable. No guaranty is made, however, as to the accuracy or completeness of information obtained from such other sources by the County, the Financial Advisor or the Underwriters. The delivery of this Official Statement at any time does not imply that information in it is correct as of any time subsequent to its date.

No dealer, salesperson or any other person has been authorized by the County or the Underwriters to give any information or to make any representation other than as contained in this Official Statement in connection with the offering it describes 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. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered or Beneficial Owners of the Series 2012P Bonds.

The Underwriters have reviewed the information in this Official Statement in accordance with and as part of its 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. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Official Statement nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the matters described herein since the date hereof.

This Official Statement contains certain projections and estimates, as well as assumptions made by and information currently available to the County. When used in this Official Statement, the words "anticipate," "estimate," "expect" and similar expressions are intended to identify projections and estimates. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

This Official Statement does not constitute an offer of any securities other than those described on the cover page or an offer to sell or a solicitation of an offer to buy in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE SERIES 2012P BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS AFTER THE SERIES 2012P BONDS ARE RELEASED FOR SALE, AND THE SERIES 2012P BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO

DEALERS WHO MAY SELL THE SERIES 2012P BONDS INTO INVESTMENT ACCOUNTS. IN CONNECTION WITH THE OFFERING OF THE SERIES 2012P BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2012P BONDS AT A LEVEL ABOVE THE LEVEL THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN REVIEW OF THE TERMS OF THE SERIES 2012P BONDS AND THE OFFERING THEREOF, INCLUDING BUT NOT LIMITED TO THE COLLECTION OF NET REVENUES, AS THE PRINCIPAL SOURCE OF PAYMENT OF THE SERIES 2012P BONDS AND THE MERITS AND RISKS INVOLVED. THE SERIES 2012P BONDS 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.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED ON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT, OR IF IT IS PRINTED OR SAVED IN FULL DIRECTLY FROM SUCH WEBSITE OR WWW.EMMA.MSRB.ORG.

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- A – GENERAL INFORMATION CONCERNING BROWARD COUNTY.
- B – BROWARD COUNTY AVIATION DEPARTMENT SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2011 AND 2010.
- C – COMPOSITE BOND RESOLUTION.
- D-1– FORM OF AMENDED AND RESTATED BOND RESOLUTION REFLECTING PROPOSED AMENDMENTS REQUIRING 51% BONDHOLDER CONSENT.
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OFFICIAL STATEMENT

BROWARD COUNTY, FLORIDA

\$217,080,000

**Airport System Revenue Refunding
Bonds, Series 2012P-1 (AMT)**

\$92,775,000

**Airport System Revenue Refunding
Bonds, Series 2012P-2 (Non-AMT)**

INTRODUCTION

This Official Statement is furnished by Broward County, Florida (the "County") to provide information regarding the Fort Lauderdale – Hollywood International Airport (the "Airport") and its Broward County, Florida Airport System Revenue Refunding Bonds, Series 2012P-1 (AMT) (the "Series 2012P-1 Bonds") and its Broward County, Florida Airport System Revenue Refunding Bonds, Series 2012P-2 (Non-AMT) (the "Series 2012P-2 Bonds," and together with the Series 2012P-1 Bonds, the "Series 2012P Bonds"). Certain capitalized terms used in this Official Statement, unless otherwise defined herein, are defined in the hereinafter defined Bond Resolution or Airline Agreements. See "COMPOSITE BOND RESOLUTION," "FORM OF AMENDED AND RESTATED BOND RESOLUTION REFLECTING PROPOSED AMENDMENTS REQUIRING 51% BONDHOLDER CONSENT," "RESOLUTION REFLECTING PROPOSED AMENDMENTS REQUIRING 100% BONDHOLDER CONSENT" and "FORMS OF THE AIRLINE AGREEMENTS" included as APPENDICES C, D-1, D-2 and F hereto, respectively.

Purpose

The Series 2012P-1 Bonds are being issued to provide funds, together with other available moneys, to (1) refund on a current basis all of the County's outstanding (a) Airport System Revenue Refunding Bonds, Series E (the "Series 1998E Bonds"), (b) Airport System Revenue Bonds, Series G (the "Series 1998G Bonds"), (c) Passenger Facility Charge/Airport System Revenue Convertible Lien Bonds, Series 1998 H-1 (the "Series 1998H-1 Convertible Lien Bonds"), (d) Passenger Facility Charge/Airport System Revenue Convertible Lien Bonds, Series 2001I (the "Series 2001I Convertible Lien Bonds") and (e) Airport System Revenue Bonds, Series 2001J-1 (the "Series 2001J-1 Bonds") (collectively, the "AMT Refunded Bonds") which are outstanding in the aggregate principal amount of \$259,620,000, and (2) pay certain costs of issuance relating to the Series 2012P-1 Bonds.

The Series 2012P-2 Bonds are being issued to provide funds, together with other available moneys, to (1) refund on a current or advance basis all or a portion of the County's outstanding (a) Passenger Facility Charge/Airport System Revenue Convertible Lien Bonds, Series 1998H-2 (the "Series 1998H-2 Convertible Lien Bonds") and (b)

Airport System Revenue Bonds, Series 2004L (the "Series 2004L Bonds" and, together with the Series 1998H-2 Convertible Lien Bonds, the "Non-AMT Refunded Bonds"), which are outstanding in the aggregate principal amount of \$171,130,000, and (2) pay certain costs of issuance relating to the Series 2012P-2 Bonds. The AMT Refunded Bonds and the Non-AMT Refunded Bonds are collectively referred to herein as the "Refunded Bonds." See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF BOND PROCEEDS AND OTHER MONEYS" herein.

Authorization

The Series 2012P Bonds are being issued pursuant to the laws of the State of Florida, and Resolution No. 82-A-2, adopted by the Board of County Commissioners of the County (the "Board") on November 9, 1982, as amended and supplemented and as particularly supplemented by a resolution adopted by the Board on May 8, 2012 (collectively, the "Bond Resolution"). The Series 2012P Bonds are payable from and secured by the funds pledged therefor under the Bond Resolution, which consist primarily of the Net Revenues of the Airport System (as such terms are defined herein). The Series 2012P Bonds shall also be payable from certain Passenger Facilities Charges described herein. See "SECURITY FOR THE SERIES 2012P BONDS" herein.

Amendments to Bond Resolution

Pursuant to the Bond Resolution, the County is granted the right to make certain amendments to the Bond Resolution without the consent of the holders of the Outstanding Bonds. The Bond Resolution also authorizes the County the right to make certain amendments to the Bond Resolution with the written consent of the holders of either not less than 51% or 100% in aggregate principal amount of the Outstanding Bonds, depending on the nature of the amendment. The proposed amendments to the Bond Resolution are described under the caption "AMENDMENTS TO THE BOND RESOLUTION" herein.

It is the intention of the County to make amendments to the Bond Resolution (the "Amendments") as described in "AMENDMENTS TO THE BOND RESOLUTION" herein. The resolutions containing the Amendments were passed by the Board on May 8, 2012; provided, however, such resolutions are not deemed adopted and the Amendments are not effective until receipt by the County of the required amount (at least 51% or 100%) of bondholder consents. Until such time, the provisions of the Bond Resolution as provided in APPENDIX C shall remain in full force and effect.

PRIOR TO DELIVERY OF THE SERIES 2012P BONDS, THE INITIAL PURCHASERS THEREOF SHALL BE REQUIRED TO EXECUTE A WRITTEN CONSENT TO THE PROPOSED AMENDMENTS. SEE APPENDIX E - "FORM OF WRITTEN CONSENT TO PROPOSED AMENDMENTS." IN ADDITION, BY VIRTUE OF THEIR PURCHASE, THE INITIAL PURCHASERS SHALL BE

DEEMED TO HAVE WAIVED THE REQUIREMENT OF THE BOND RESOLUTION TO PUBLISH NOTICE OF SUCH AMENDMENTS.

County

The County is located on the southeast coast of Florida between Miami-Dade County on the south and Palm Beach County on the north. The County contains approximately 1,197 square miles and in 2011 had a population of approximately 1,753,000. The County is governed by the Board which consists of nine members. The County's Fiscal Year is October 1 through September 30 (a "Fiscal Year"). See "THE COUNTY" herein.

Airport System

In addition to the Airport, the County, through the Broward County Aviation Department ("BCAD"), operates the North Perry Airport ("North Perry"), a general aviation airport. The Airport and North Perry, together with any Additional Facilities, are referred to herein as the "Airport System." See "THE AIRPORT SYSTEM" herein.

Based upon data collected by Airports Council International - North America, the Airport was ranked the 21st busiest among United States airports in terms of total passengers for the twelve-months ended September 30, 2011. For the Fiscal Year ended September 30, 2011, the number of enplaned passengers increased 7.0 percent as compared to Fiscal Year 2010. From Fiscal Year 2007 through Fiscal Year 2011, total enplaned passengers increased from 11,142,669 to 11,671,530 or 4.74 percent.

Security for the Series 2012P Bonds

The Series 2012P Bonds will be limited obligations of the County and will be primarily payable from, and secured solely by, a pledge of and lien upon (1) the Net Revenues, (2) the County's right to receive the Net Revenues, and (3) subject to certain rebate requirements, the moneys and Investment Obligations in any and all of the funds and accounts established under the Bond Resolution (except any rebate fund or account) and the income from such Investment Obligations and the interest on such moneys (collectively, the "Pledged Revenues"). The Series 2012P Bonds may also be payable from certain Passenger Facilities Charges as described herein. See "SECURITY FOR THE SERIES 2012P BONDS" herein. The Series 2012P Bonds will be issued on parity with: (1) the County's Airport System Revenue Bonds, Taxable Series 2001J-2 (the "Series 2001J-2 Bonds"), (2) the unrefunded Series 2004L Bonds (the "Unrefunded Series 2004L Bonds"), and (3) the County's Airport System Revenue Refunding Bonds, Series 2009O (the "Series 2009O Bonds"). The Series 2001J-2 Bonds, the Unrefunded Series 2004L Bonds and the Series 2009O Bonds shall be outstanding in the aggregate principal amount of \$272,340,000 as of the date of the delivery of the Series 2012P Bonds and are herein collectively referred to as the "Outstanding Parity Bonds." See

"SELECTED FINANCIAL INFORMATION AND MANAGEMENT ANALYSIS – Bonded Indebtedness" herein. The Series 2012P Bonds, the Outstanding Parity Bonds and any Additional Bonds hereafter issued under the Bond Resolution are collectively referred to herein as the "Bonds."

THE SERIES 2012P BONDS ARE NOT GENERAL OBLIGATIONS OF THE COUNTY BUT ARE LIMITED OBLIGATIONS OF THE COUNTY, PRIMARILY PAYABLE FROM AND SECURED SOLELY BY THE FUNDS PLEDGED THEREFOR PURSUANT TO THE BOND RESOLUTION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF ARE PLEDGED TO THE PAYMENT OF THE SERIES 2012P BONDS. THE ISSUANCE OF THE SERIES 2012P BONDS WILL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR. THE SERIES 2012P BONDS WILL NOT CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE UPON ANY PROPERTY OF THE COUNTY OR ANY FUND OR ACCOUNT OF THE COUNTY, OTHER THAN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE BOND RESOLUTION.

Convertible Lien Bonds

The Bond Resolution permits the issuance of convertible lien bonds ("Convertible Lien Bonds") pursuant to resolutions adopted by the Board from time to time (collectively, the "PFC Bond Resolution"). The Convertible Lien Bonds are bonds that are issued as Convertible Lien Bonds under both the PFC Bond Resolution and the Bond Resolution and as Additional Bonds under the Bond Resolution and, subsequent to a specified conversion date with respect to such bonds (the "Conversion Date") (as further defined in APPENDIX C attached hereto), are payable from and secured by a pledge of and lien on the Pledged Revenues; provided, however, that principal, if any, and interest coming due on the Convertible Lien Bonds prior to the Conversion Date shall be payable from and secured by a pledge of and lien on the PFC Revenues, as described in the PFC Bond Resolution, which include the passenger facility charges ("Passenger Facilities Charges" or "PFCs") and certain other funds held pursuant to the PFC Bond Resolution (collectively, the "PFC Pledged Revenues").

PFC Pledged Revenues are not pledged by the Bond Resolution as a source of security of or payment for the Bonds, including the Series 2012P Bonds. However, certain surplus Passenger Facilities Charges which are not needed to make required payments under the PFC Bond Resolution may be transferred to the Interest Account, Principal Account and/or Sinking Fund Account held under the Bond Resolution to be used to pay debt service on a portion of the Series 2012P Bonds. See "SECURITY FOR THE SERIES 2012P BONDS – Use of PFCs to Pay Series 2012P Bonds" herein.

Airline Agreements

A portion of the Revenues (as defined herein) of the Airport System is derived from the fees and charges paid under certain airline-airport lease and use agreements (the "Use Agreements") and signatory terminal building lease agreements (the "Terminal Lease Agreements," and together with the Use Agreements, the "Airline Agreements") with nine airlines for the use and occupancy of certain facilities at the Airport. Such airlines, including any successor airlines and any future signatory to an Airline Agreement, are collectively referred to herein as the "Signatory Airlines." The Signatory Airlines, as of the date of this Official Statement, are Air Canada, AirTran Airways, American Airlines, United Airlines/Continental Airlines, Delta Air Lines, jetBlue Airways, Southwest Airlines, Spirit Airlines and US Airways. See "SECURITY FOR THE SERIES 2012P BONDS – Airline Agreements" herein. Neither the properties forming a portion of the Airport System nor the Airline Agreements have been assigned or pledged as security for the Series 2012P Bonds, and no mortgage or security interest has been granted or lien created thereon for the benefit of the holders of the Series 2012P Bonds.

Certain Investment Considerations

Investors should review the information under the caption "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS" herein for a discussion of certain factors that should be considered by prospective purchasers of the Series 2012P Bonds.

General

This Official Statement contains descriptions of, among other matters, the County, the Series 2012P Bonds, the Bond Resolution, the Amendments, the Airline Agreements, the Airport System, the capital improvement program and the Passenger Facilities Charge program. Such descriptions and information do not purport to be comprehensive or definitive. The Bond Resolution, the Amendments and the Airline Agreements are set forth in APPENDICES C, D and F, respectively, to this Official Statement. All references herein to the Bond Resolution, the Amendments, the Airline Agreements and the Series 2012P Bonds constitute summaries of certain provisions thereof and do not purport to be complete, and are qualified in their entirety by reference to such documents for a more complete description of such provisions. This Official Statement speaks only as of its date and the information contained herein is subject to change.

PLAN OF REFUNDING

The County has determined that it can achieve present value net debt service savings by providing for the current and advance refunding of the Refunded Bonds.

Upon delivery of the Series 2012P Bonds, Wells Fargo Bank, National Association (the "Escrow Agent") will enter into separate Escrow Deposit Agreements with the County relating to the Refunded Bonds (the "Escrow Agreements"). Each Escrow Agreement will create an irrevocable escrow deposit fund (each an "Escrow Deposit Fund") which will be held by the Escrow Agent solely for the benefit of the holders of such Refunded Bonds, and the money held therein is to be applied to the payment of principal of and interest on such Refunded Bonds, as the same become due and payable and at redemption prior to maturity. The refunding will be accomplished through the issuance of the Series 2012P Bonds and the deposit of a portion of the proceeds thereof, together with other legally available moneys, into the respective Escrow Deposit Funds. All of such money will be either held in cash, invested in Defeasance Obligations or a combination thereof. Funds and the Defeasance Obligations held in the Escrow Deposit Funds, including any interest earnings thereon, are expected to be sufficient to pay the principal of and interest on such Refunded Bonds, and will be pledged solely for the benefit of the holders of such Refunded Bonds and will not be available for payment of debt service on the Series 2012P Bonds.

The initial cash deposited, and the maturing principal and interest on the Defeasance Obligations, in each of the Escrow Deposit Funds will be sufficient to pay principal of and interest when due on the Refunded Bonds to their respective maturity or redemption dates according to the schedules prepared by Jefferies & Company, Inc. and Omni Consulting Services as financial advisors (the "Financial Advisors"), as verified by The Arbitrage Group, Inc. (the "Verification Agent"). See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

In reliance upon the above-referenced schedules and verification, at the time of delivery of the Series 2012P Bonds, Co-Bond Counsel shall deliver an opinion to the County to the effect that the Refunded Bonds have been legally defeased and are no longer Outstanding for purposes of the Bond Resolution.

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ESTIMATED SOURCES AND USES OF BOND PROCEEDS AND OTHER MONEYS

The proceeds to be received from the sale of the Series 2012P Bonds, together with other legally available funds, are expected to be applied as follows:

	Series 2012P-1 Bonds	Series 2012P-2 Bonds	Total
Sources of Funds			
Principal Amount	\$217,080,000.00	\$92,775,000.00	\$309,855,000.00
Plus Original Issue Premium	23,260,835.80	16,236,647.55	39,497,483.35
Plus Other Legally Available Funds	25,740,223.12	2,470,489.46	28,210,712.58
Total Sources of Funds	<u>\$266,081,058.92</u>	<u>\$111,482,137.01</u>	<u>\$377,563,195.93</u>
Uses of Funds			
Deposit to one or more			
Escrow Deposit Funds	\$264,586,469.54	\$110,815,015.56	\$375,401,485.10
Costs of Issuance ⁽¹⁾	588,531.04	269,056.66	857,587.70
Underwriters' Discount	906,058.34	398,064.79	1,304,123.13
Total Uses of Funds	<u>\$266,081,058.92</u>	<u>\$111,482,137.01</u>	<u>\$377,563,195.93</u>

⁽¹⁾ Costs of issuance include financial advisory and legal fees and expenses and rating agency fees.

DESCRIPTION OF THE SERIES 2012P BONDS

General

The Series 2012P Bonds will mature on October 1 of the years and in the amounts shown on the inside cover page hereof. The Series 2012P Bonds will be initially dated as of their date of delivery and will bear fixed rates of interest until their final maturity or earlier redemption, payable on October 1, 2012 and semiannually after that date on April 1 and October 1 in each year (each, an "Interest Payment Date"), at the rates per annum set forth on the inside cover page hereof. Wells Fargo Bank, National Association, will serve as Trustee, Bond Registrar and Paying Agent pursuant to the terms of the Bond Resolution.

The Series 2012P Bonds will be subject to mandatory, optional and extraordinary redemption as described herein.

The Series 2012P Bonds will be issued only as fully registered bonds in denominations that are integral multiples of \$5,000. The Series 2012P Bonds will be initially registered through a book-entry only system operated by The Depository Trust Company, New York, New York ("DTC"). Details of payment of the Series 2012P Bonds and the book-entry system are described below under the subcaption "Book-Entry Only System." Except as described under the subcaption "Book-Entry Only System" below, each actual owner of the Series 2012P Bonds (the "Beneficial Owners") will not receive or have the right to receive physical delivery of Series 2012P Bonds, and will not be or be considered under the Bond Resolution to be the registered owners thereof. Accordingly, Beneficial Owners must rely upon (1) the procedures of DTC and, if such Beneficial Owner is not a Participant (as defined herein), the Participant who will act on behalf of such Beneficial Owner to receive notices and payments of principal of, premium, if any, and interest on the Series 2012P Bonds, and to exercise voting rights, and (2) the records of DTC and, if such Beneficial Owner is not a Participant, such Beneficial Owner's Participant (as such terms are defined herein), to evidence its Beneficial Ownership of the Series 2012P Bonds. So long as DTC or its nominee is the registered owner of the Series 2012P Bonds, references herein to Series 2012P Bondholders or registered owners of such Series 2012P Bonds shall mean DTC or its nominee and shall not mean the Beneficial Owners of such Series 2012P Bonds.

Redemption Provisions

Optional Redemption. The Series 2012P Bonds maturing on or prior to October 1, 2022 are not subject to optional redemption prior to maturity. The Series 2012P Bonds maturing after October 1, 2022 are subject to redemption prior to maturity, at the option of the County, as a whole or in part at any time (if in part, the maturities and the principal

amounts to be redeemed to be determined by the County in its sole discretion) on or after October 1, 2022 at a redemption price of 100 percent of the principal amount of the Series 2012P Bonds so redeemed, plus accrued interest to the redemption date.

Extraordinary Optional Redemption. The Series 2012P Bonds are subject to extraordinary redemption on any Interest Payment Date, at the option of the County, as provided in the Bond Resolution, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, from insurance or condemnation proceeds if all or any part of the Airport System is damaged, destroyed or condemned or if the County disposes of any portion of the Airport System. See "COMPOSITE BOND RESOLUTION – Section 709 Insurance and Eminent Domain Proceeds" in APPENDIX C attached hereto as to the conditions under which such extraordinary redemption may be effected.

Selection for Redemption

If less than all of the Series 2012P Bonds of a single maturity shall be called for redemption, the particular Series 2012P Bonds to be redeemed will be selected pursuant to the procedures established by DTC for so long as the Series 2012P Bonds shall be in book-entry only form. In the event the book-entry only system is discontinued and bond certificates are printed and delivered, if less than all of the Series 2012P Bonds of a single maturity shall be called for redemption, the particular Series 2012P Bonds to be redeemed shall be selected by the Trustee by lot.

Notice of Redemption

Notice of redemption will be mailed, first class mail, postage prepaid, at least 30 days but not more than 60 days before the redemption date, to Cede & Co., as nominee for DTC, and the County will not mail redemption notices directly to the Beneficial Owners of the Series 2012P Bonds for so long as the Series 2012P Bonds shall be in book-entry only form. See "DESCRIPTION OF THE SERIES 2012P BONDS – Book-Entry Only System" herein. In the event the book-entry only system is discontinued and bond certificates are printed and delivered, at least 30 days but not more than 60 days, prior to the expected redemption date, the County shall cause a notice of such redemption to be filed with the Bond Registrar, and to be mailed, first class mail, postage prepaid, to all holders of Series 2012P Bonds to be redeemed in whole or in part at their addresses as they appear on the registration books. In addition, at least 35 days prior to the expected redemption date, the County shall cause further notice of such redemption to be sent by telecopy, registered or certified mail or overnight delivery service to registered securities depositories and to national information services that disseminate redemption notices. Failure to file any such notice with the Bond Registrar or to mail any such notice to any Series 2012P 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 2012P Bondholder is prejudiced thereby, and then, only with respect to such Series 2012P Bondholder.

If at the time of notice of any optional redemption of the Series 2012P Bonds there has not been deposited with the Trustee for payment sufficient moneys to redeem all of the Series 2012P Bonds called for redemption, the notice shall state that it is conditional in that it is subject to the deposit of sufficient moneys by not later than the redemption date, and if the deposit is not timely made the notice shall be of no effect.

Effect of Calling for Redemption

On the date designated for redemption, notice having been given in the manner and under the conditions provided in the Bond Resolution, and moneys for payment of the redemption price being held in separate accounts by the Trustee or the Paying Agent in trust for the holders of the Series 2012P Bonds to be redeemed or as provided pursuant to the Bond Resolution, the Series 2012P Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2012P Bonds on such date, interest on the Series 2012P Bonds so called for redemption shall cease to accrue, the Series 2012P Bonds so called for redemption shall not be deemed to be outstanding under the Bond Resolution and shall cease to be entitled to any lien, benefit or security under the Bond Resolution, and the holders of the Series 2012P Bonds so called for redemption shall have no rights in respect thereof, except to receive payment of the redemption price thereof, including accrued interest to the date of redemption. Any Series 2012P Bond which has been 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 County shall execute and the Bond Registrar shall authenticate and deliver to the owner of such Series 2012P Bond, without charge, other than any applicable tax or other governmental charge, a new Series 2012P 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 Series 2012P Bonds so surrendered.

Book-Entry Only System

The information in this section concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2012P Bonds. The Series 2012P 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 2012P Bond certificate will be issued for each maturity of each series of the Series 2012P Bonds, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at <http://www.dtcc.com>.

Purchases of the Series 2012P Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2012P Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2012P Bond (each a "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 2012P 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 2012P Bonds, except in the event that use of the book-entry system for the Series 2012P Bonds is discontinued.

To facilitate subsequent transfers, all Series 2012P 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 2012P Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2012P Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2012P 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 2012P Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2012P Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2012P documents. For example, Beneficial Owners of Series 2012P Bonds may wish to ascertain that the nominee holding the Series 2012P 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 to DTC. If less than all of the Series 2012P Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2012P Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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 2012P Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2012P Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, the Trustee or the Paying Agent on a payment 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 of DTC, the Bond Registrar, the Trustee or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Series 2012P Bonds, 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 or the Trustee. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2012P Bonds at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2012P Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC upon compliance with any applicable DTC rules and procedures. In that event, Series 2012P Bond certificates will be printed and delivered to DTC.

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

The County, the Trustee, the Paying Agent and Bond Registrar do not have any responsibility or obligation to the Direct Participants, Indirect Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant, (b) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Series 2012P Bonds, (c) the delivery or timeliness of delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Bond Resolution to be given to Bondholders, or (d) any consent given or other action taken by DTC, or its nominee, Cede & Co., as Bondholders.

THE COUNTY

The County was created in October 1915 by the legislature of the State of Florida. Located on the southeast coast of Florida, the County has an area of approximately 1,197 square miles. It is bordered to the north by Palm Beach County and to the south by Miami-Dade County. In the time since it began as an agricultural community of 5,000, the County has steadily grown and currently ranks second in population in the State of Florida and eighteenth in the nation with approximately 1.75 million persons. Located

within the County are thirty-one municipalities, the largest of which is the City of Fort Lauderdale.

There are approximately 92,051 businesses established in the County as of the end of Fiscal Year 2011. Although many of these companies are classified as small businesses, approximately 150 of these businesses are Fortune 500 companies or divisions thereof with operations in the County. The estimated civilian labor force in the County for 2011 was approximately 978,950 persons. Tourism is also an important economic factor in the County. The combination of favorable climate, together with various 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. For calendar year 2011, the County estimates that approximately 11.06 million visitors spent over \$9.01 billion in the County. See APPENDIX A attached hereto for additional information relating to the County.

THE AIRPORT SYSTEM

The County owns and, through the Broward County Aviation Department, operates the Airport and North Perry Airport. In addition to the Airport and North Perry, there are two general aviation airports in the County that are not part of the Airport System; Fort Lauderdale Executive Airport and Pompano Air Park, which are owned and operated by the Cities of Fort Lauderdale and Pompano Beach, respectively.

Airport Management

BCAD is comprised of 484 authorized employee positions in six divisions: administration, business, finance, maintenance, operations, and airport development. Brief biographies of certain key officers of BCAD are set forth below.

Director of Aviation. Kent George joined BCAD in 2007. Mr. George has over 39 years of airport management experience. Prior to joining BCAD, he served as Executive Director/CEO for the Allegheny County Airport Authority, Pittsburgh, PA. Mr. George holds a Masters in Business Administration from St. Joseph's University and a Bachelor of Science in Aviation Management from Embry-Riddle Aeronautical University. He is also an Accredited Airport Executive and has a commercial pilot's certificate with instrument rating. He has served on numerous committees for the American Association of Airport Executives (AAAE) and Airports Council International (ACI). He has served as Chair for ACI and President for AAAE.

Deputy Director. Ismael Bonilla joined BCAD in March 2010. Mr. Bonilla served in the United States Air Force for 20 years. Upon retiring from the military, he entered the airport industry and has held several positions in the United States and Chile

for the past 15 years. Mr. Bonilla is an ACI/ICAO accredited International Airport Professional, has a Master's of Science degree in Aviation Safety from Central Missouri State University and a Bachelor of Science degree from Embry-Riddle Aeronautical University.

Assistant Aviation Director of Administration and Finance. Douglas Wolfe joined BCAD in August 2008. Mr. Wolfe has over 23 years of airport management experience in addition to more than 10 years of private-sector financial management experience with various firms in the telecommunications, automotive and consumer products industries. Prior to joining BCAD, he served as Sr. Vice President, CFO and Treasurer for The Metropolitan Nashville Airport Authority in Nashville, Tennessee. Mr. Wolfe is a Certified Public Accountant and holds a Masters of Business Administration degree from Lehigh University and a Bachelor of Arts degree in Economics from Albright College.

Assistant Aviation Director of Airport Development. Angela Newland joined BCAD in April 2009. Ms. Newland has over 13 years of airport management experience in addition to more than 10 years of municipal engineering and construction experience. Prior to joining BCAD, she served as Vice President of Planning and Engineering for the Columbus Regional Airport Authority. Ms. Newland is a registered Professional Engineer, an Accredited Airport Executive and holds a Bachelor of Science degree from Ohio State University.

The Airport

General. The City of Fort Lauderdale first developed aviation facilities at the Airport in 1926. In 1941, the facilities were acquired by the United States Navy and were used by it for the duration of World War II. The County acquired rights to the facilities in 1948, and in 1952, the facilities became an air carrier airport. The Airport has had scheduled airline service since 1953. The Airport has a total area of approximately 1,717 acres. In Fiscal Year 2011, passenger enplanements were 11,671,530 at the Airport, an increase of 7.0 percent over Fiscal Year 2010 enplanements of 10,912,918. For the six months ended March 31, 2012 passenger enplanements were 5,997,732, an increase of 0.2 percent over the six months ended March 31, 2011.

Airfield Facilities. The Airport has three runways, two of which are equipped to accommodate air carrier aircraft operations. Runway 9L-27R is a 9,000-foot runway north of the passenger terminal complex. Runway 13-31 is a 6,928-foot runway, west of the passenger terminal complex and intersects the other two runways. Runway 9R-27L is a 5,276-foot runway, which is used primarily for general aviation operations, and is located south of the passenger terminal complex.

Passenger Terminals. The existing passenger terminals consist of four multi-level terminal buildings (Terminals 1, 2, 3 and 4). Terminal 1 was opened for aircraft operations in 2001. Terminals 2, 3 and 4 were completed in 1986.

Terminal 1 currently has Concourse B (opened in 2003) and Concourse C (opened in 2001) with a total of 18 gates. Terminal 2 has Concourse D with nine gates. Terminal 3 has Concourse E and Concourse F with a total of 20 gates. Terminal 4 contains Concourse H with 10 gates. Of the existing 57 gates, 45 are leased to airlines and 12 are controlled and assigned to airlines by the County on a "per use" basis.

The passenger terminals provide a total of over 1,300,000 square feet of space. The terminal facilities include: (a) airline ticket counters, offices, baggage claim and baggage make-up areas, (b) public lobbies and circulation space, (c) retail and food concessions space, (d) storage areas, and (e) BCAD offices.

The Concourse areas include passenger circulation areas, airline holdrooms, airline gates and operations areas, concession sales and storage areas and facilities for the Transportation Security Administration. Terminal 4 also has Federal Inspection Service facilities for the U.S. Customs and Border Protection and an adjacent commuter terminal.

Parking and Roadways. Parking facilities at the Airport (including remote lots) currently provide a total of 15,638 parking spaces, of which 12,761 are allocated to the public. The existing four-level and seven-level parking garages and Joint Use Facility are connected to the terminals by pedestrian bridges and provide 11,626 spaces. Remote lots contain 4,012 permanent and seasonal spaces that are accessed by 24-hour shuttle services provided by BCAD. Roadway access to the passenger terminals is provided by a two-level terminal loop drive, which also connects all four terminals to the parking garages. Separate areas are provided for public and private ground transportation.

Air Cargo Facilities. A 35,000 square foot air freight facility in the northeast area of the airfield was completed in 1999 for the scheduled passenger airlines. In addition, a multi-use facility is located on the north side of the Airport that accommodates cargo carriers and itinerants. Federal Express currently operates out of their facilities in the northwest corner of the Airport. After several years of decline, air cargo tonnage increased in Fiscal Year 2011. In Fiscal Year 2011, total cargo tonnage was 96,339 tons, an increase of 1.2 percent over the total air cargo tonnage of 95,211 tons in Fiscal Year 2010.

General Aviation Facilities. Six fixed-base operators provide general aviation services at the Airport. In addition, specialized facilities provide engine repair, aircraft refurbishment and painting services.

Other Facilities. Support facilities at the Airport include airport administration offices, an airfield rescue and firefighting facility, two airport maintenance buildings, one airline catering facility and rental car service and storage areas. A fuel farm located in the northeast corner of the Airport includes three 27,400 barrel above-ground storage tanks, a pumping station for a pipeline directly connected to fuel sources at Port Everglades and underground jet fuel distribution facilities. BCAD recently entered into a

five year lease to temporarily relocate its administrative offices from its site on Airport property to a location approximately 0.5 miles from the Airport. The prior administrative building will be in the path of the runway extension described in "THE CAPITAL IMPROVEMENT PROGRAM" herein.

Capital Improvement Program. The capital improvement program for the Airport System for Fiscal Years 2012 to 2016 includes various projects described under "THE CAPITAL IMPROVEMENT PROGRAM" herein.

North Perry Airport

North Perry is a general aviation facility located in the City of Pembroke Pines, in southwest Broward County. North Perry is categorized as a basic utility high activity airport and is currently designated as a general aviation reliever airport for the Airport. Flight operations at North Perry consist mainly of private, light business and student aviation. County Ordinance 91-16 restricts operations at North Perry to aircraft with maximum takeoff weights of 12,500 pounds or less.

Airfield. Airfield facilities consist of two north-south and two east-west runways ranging in length from 3,000 to 3,065 feet. All runways are equipped with visual approach aids. No electronic navigational aids are located on North Perry; however, one runway is equipped for non-precision instrument approaches.

General Aviation Facilities. Three fixed-base operators at North Perry offer services for general aviation. There are numerous T-hangar facilities, flight schools and tie down areas available. The County has made various improvements to North Perry, including runway and taxiway improvements, construction of hangars and improved signage on the airfield. The County is planning to construct a new taxiway with further improvements to an existing runway and overlay of three taxiways.

Other Facilities. Also located at North Perry are airport support and governmental facilities. Airport support facilities include airport administration offices, security and maintenance areas and the FAA Air Traffic Control Tower complex. The Broward County Mosquito Control Division has offices and operational space at North Perry. The City of Pembroke Pines operates two recreational parks and a fire station serving North Perry and the surrounding community on leased land on the east side of North Perry.

Regulatory Matters

Historically, the County has not experienced material regulatory problems in operating the Airport.

THE CAPITAL IMPROVEMENT PROGRAM

The Board requires BCAD to develop and submit to the Board for approval a continuous five-year capital improvement program. Annually, BCAD must review the capital improvement program, revise it as necessary, and prepare the capital improvement program for approval and adoption by the Board. The Board appropriates year one of the five-year capital improvement program for the upcoming fiscal year and adopts the capital improvement program plan for years two through five. The capital improvement program process revolves around the budget cycle which usually begins about 12 to 14 months prior to October 1. An annual update of the capital improvement program provides, upon approval by the Board, a continuous five-year program.

The capital improvement program development process is coordinated by the Office of Budget Services and involves the linking of all County agencies for comprehensive review, input, and development. Within BCAD, most capital projects go through preliminary reviews by Finance and Planning & Development divisions and are then presented to the Aviation Director. The Aviation Director has final approval of the capital improvement program before it is submitted to the Board. The capital improvement program development process includes public hearings, as well as input from governmental entities for certain joint projects and project requests.

The capital improvement program for the Airport System for the Fiscal Years 2012 through 2016 (the "CIP") is composed of current projects which are partially funded or for which funding sources have been identified and future projects for which funding sources have yet to be determined. A table identifying these sources and uses is included at the end of this section.

Current Projects

The current capital improvement program is comprised of the following projects:

Expansion of south runway 10R-28L. This project is estimated to cost \$791 million. BCAD received a letter of intent (the "Runway LOI") from the FAA for \$250 million and a commitment of \$123 million from the Florida Department of Transportation ("FDOT") to assist with the funding of this project. The remainder of the funding for this project will come from proceeds of bonds issued by the County in three separate series with the first series planned for the fourth quarter of 2012 and estimated to have an aggregate principal amount of \$300 to \$350 million.

Noise mitigation program currently underway. The estimated cost of the entire program is \$175 million. FAA noise mitigation grants will fund 80 percent of the cost of the program.

In-line baggage systems. In-line baggage systems for Terminals 2, 3 and 4 are projected to cost \$99 million in total. BCAD received grants for the systems totaling \$59 million from the TSA.

Renovations. Renovations to all four terminals are projected to cost \$100 million. These renovations will include new interior finishes, a new concessions program and improvements to the passenger security checkpoints.

Additional information related to the runway project and other improvements at the airport is available at <http://www.broward.org/Airport/FLLair/Pages/Default.aspx>.

Future Projects in the CIP

In addition to the above-described projects, the CIP includes other projects that are currently in process or that the County plans to undertake in the future which would be implemented as necessary based on demand and available funds. A description of certain of these projects is as follows:

Concourse G and Terminal 4 Passenger Security Checkpoint (\$450.0 million): This project involves the construction of a 14-gate concourse that will serve Terminal 4. The gates will be capable of processing domestic and international arriving passengers. The passenger security checkpoint will be relocated and enlarged to provide additional capacity.

Concourse A (\$150.0 million): This new concourse will be the third concourse in Terminal 1. This new concourse will have five gates.

Other Terminal Projects (\$64.0 million): These projects involve improvements to the terminal complex, land acquisition, customer service and administrative support systems.

Airfield Projects (\$39.0 million): These projects involve improvements to existing airfield facilities including runway and taxiway rehabilitation, taxiway overlays, ramp rehabilitation, and other airfield projects.

CIP Funding Sources (\$ millions)						
	<u>Total Cost⁽¹⁾</u>	<u>BCAD</u>	<u>FAA</u>	<u>TSA</u>	<u>FDOT</u>	<u>PFCs</u>
<i>Airfield</i>						
Runway 10R/28L	\$791	-	\$250	-	\$123	\$418
Airfield Rehabilitation	39	\$39	-	-	-	-
Subtotal	\$830	\$39	\$250	-	\$123	\$418
<i>Terminal Facilities</i>						
Terminal 4 Gate Replacement	\$450	\$358	-	-	-	\$92
Terminal Modernization	100	100	-	-	-	-
Concourse A	150	150	-	-	-	-
In-Line Baggage Systems	99	-	-	\$59	-	40
Other Terminal Projects	64	64	-	-	-	-
Subtotal	\$863	\$672	-	\$59	-	\$132
<i>Other</i>						
Noise Mitigation	\$175	\$35	\$140	-	-	-
Total	\$1,868	\$746	\$390	\$59	\$123	\$550

⁽¹⁾ The County would likely issue Additional Bonds as a source of funding for certain of these projects. Such Additional Bonds would be subject to the Additional Bonds tests of the Bond Resolution and may require Majority in Interest approval by the Signatory Airlines.

AMENDMENTS TO BOND RESOLUTION

The County desires to amend the Bond Resolution in order to modernize various provisions and to provide greater flexibility to the County. For certain types of minor amendments, no consent is required, but for other types of amendments the consent of either at least 51% or 100% of the holders of the Outstanding Bonds is required. Prior to delivery of the Series 2012P Bonds, the County is requiring the initial purchasers thereof to execute a written consent to the proposed Amendments. See APPENDIX E - "FORM OF WRITTEN CONSENT TO PROPOSED AMENDMENTS" attached hereto. In addition, by virtue of their purchase of a Series 2012P Bond in the initial offering, each purchaser will be deemed to have waived on behalf of itself and all successors in interest in the Series 2012P Bonds, the provisions of Section 1102 of the Bond Resolution requiring publication of notice of such proposed Amendments. The Amendments that require at least 51% and 100% are described in the sections below. The resolutions containing the Amendments were passed by the County in two resolutions on May 8, 2012, but such resolutions are not deemed adopted and the amendments are not effective until receipt of the required percentage of consents for each type of Amendment. The Amendments that require no consent or at least 51% written consent are contained in APPENDIX D-1 attached hereto and the Amendments that require 100% written consent are contained in APPENDIX D-2 attached hereto.

Amendments Requiring at Least 51% Approval

The Amendments which require written consent of the holders of at least 51% of the principal amount of Outstanding Bonds are described briefly below, but are subject in all respects to the actual text of the amendments shown by the blacklined changes contained in APPENDIX D-1 – "FORM OF AMENDED AND RESTATED BOND RESOLUTION REFLECTING PROPOSED AMENDMENTS REQUIRING 51% BONDHOLDER CONSENT" attached hereto. Section references are to the specific section of the Amended and Restated Bond Resolution in Appendix D-1 where the particular amendment may be found.

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| Additional Bonds
Test for New
Money Bonds –
Section 209. | <ul style="list-style-type: none">• The current requirements to issue Bonds for Additional Facilities will be streamlined and simplified.• The revised "new money" additional bonds test will eliminate the need to satisfy both an historic and a prospective coverage test and, instead, will allow the County to satisfy either an historical coverage test (as certified by the Airport Director and the Chief Financial Officer) or a prospective coverage test (as certified by an Airport Consultant).• Under both the new historical and prospective test, the requirement will be that Net Revenues plus Transfers are sufficient to satisfy the rate covenant requirements (see "Rate Covenant" below and Section 704 in Appendix D-1 attached hereto).• Additionally, the revised "new money" additional bonds test allows the County or the Airport Consultant, as applicable to (i) make certain adjustments to Net Revenues in performing the required calculation, and (ii) use unaudited financial statements if audited financial statements are not available provided that the Aviation Director and the Chief Financial Officer certify as to the accuracy of such unaudited statements and that they were prepared substantially in accordance with generally accepted accounting principles. |
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Additional Bonds
Test for Refunding
Bonds – Section
211.

- New requirements for the issuance of Additional Bonds for refunding purposes will be added. The new provision will require a certificate of the Aviation Director and the Chief Financial Officer evidencing compliance with the additional bonds test for the issuance of "new money" Additional Bonds or stating that, assuming the issuance of such Additional Bonds and the refunding of the Bonds to be refunded, the Principal and Interest Requirements for the Additional Bonds proposed to be issued in each Fiscal Year through the last Fiscal Year in which the Bonds to be refunded would otherwise be Outstanding are not more than one hundred five percent (105%) of the Principal and Interest Requirements which would be due in each such year for the Outstanding Bonds to be refunded if such refunding did not occur.
- Will allow issuance of refunding Bonds even if a Default exists, provided that the Chief Financial Officer and the Trustee deliver a certificate to the effect that such Default shall be cured upon issuance of such refunding Bonds and the application of the proceeds thereof as described or provided for in the Series Resolution therefor.
- Will allow use of Defeasance Obligations (instead of Government Obligations) in refunding escrows/deposits with the Trustee.

Amendments to the
Bond Resolution –
Section 1102.

- The procedures for obtaining consent of the Holders for amendments to the Bond Resolution will be modified to, among other things: (i) eliminate the need to publish notice of such amendments, (ii) eliminate the need to obtain consents within one year after the publication of notice, (iii) allow for the "deemed execution" of written consents by Holders, (iv) clarify that the consents of Holders do not need to be received prior to adoption of the supplemental resolution containing the proposed amendments, so long as the consent of Holders are received prior to the effective date of the proposed supplemental resolution, and (v) differentiate between Currently Outstanding Insured Bonds and other Series of Bonds for purposes of allowing a Credit Enhancer to provide consent in lieu of the Holders of insured Bonds.

Annual Budget
Review by Airport
Consultant/Airline
Rate Agreements –
Sections 706 and
716.

- The requirement for review of the Annual Budget by the Airport consultant will be eliminated.
- A related provision dealing with Airline Rate Agreements (previously in Section 716 of the Bond Resolution) also will be eliminated.

Available Revenues
– Sections 101, 516,
518, 701 and 806.

- A definition for "Available Revenues" will be added so that certain items not currently considered "Revenues" may be designated by the County in the future and used to pay principal and interest on Bonds, with the debt service paid from Available Revenues being disregarded and not included in Principal and Interest Requirements.
- Available Revenues may consist of Available Grant Revenues, Available PFC Revenues and any other future income or revenue source not then included in the definition of "Revenue" and which the County designates as an "Additional Revenue" in a future Series Resolution or other resolution duly adopted by the Board.
- Section 518 will be added to describe how Available Grant Revenues and Available PFC Revenues may be designated as "Available Revenues" and also to provide other functional provisions for the receipt, deposit and application thereof.
- Any other future income or revenue source designated as "Available Revenues" shall have functional provisions for the receipt, deposit and application thereof substantially similar to the provisions contained in Section 518 for Available Grant Revenues and Available PFC Revenues.
- Will allow Available Revenues to secure Bonds, as and to the extent provided in a Series Resolution or other resolution duly adopted by the Board; provided that any Available Revenues shall secure only the Bonds that are specified in the applicable Series Resolution or other resolution duly adopted by the Board to be secured thereby.
- Will provide for the manner in which Available Revenues are to be applied upon the occurrence and continuance of an Event of Default.

Bond Redemptions – Sections 301, 302 and 304.	<ul style="list-style-type: none"> • Will eliminate restriction on partial redemption of Bonds on other than Interest Payment Dates (this provision could be changed in the applicable Series Resolution even without this amendment). • Will expressly allow the County to give a conditional notice of redemption. • Will eliminate the need to give additional notice of redemption to specified depositories and rating agencies.
Consent of Credit Enhancer in Lieu of Holders of Bonds for Resolution Amendments – Sections 101 and 1102.	<ul style="list-style-type: none"> • Will distinguish between Currently Outstanding Insured Bonds and other Series of Bonds. • The provisions in the existing Bond Resolution for Credit Enhancer consent to amendments in lieu of Holders will remain the same for Currently Outstanding Insured Bonds, with only non-substantive definitional changes. • The provisions for Credit Enhancer consent to amendments to the Bond Resolution in lieu of Holders for Series of Bonds that are not Currently Outstanding Insured Bonds will be revised and streamlined by allowing only a "Qualified Credit Enhancer" to consent in lieu of Holders, with the principal changes being that a Qualifying Credit Enhancer may be rated in one of the three highest Rating Categories by each Rating Agency; also will add a new description of bankruptcy-related events.
Construction of Additional Facilities – Section 702.	<ul style="list-style-type: none"> • Will eliminate the express requirement for payment and performance bonds or other security in connection with construction contracts.
Construction Fund Requisitions – Section 404.	<ul style="list-style-type: none"> • Will eliminate certain requirements for requisitions from the Construction Fund.

- Current Expenses – Section 102.
- The definition of Current Expenses will be revised to add to and clarify the exclusions therefrom.
 - The revised definition of Current Expenses also will expressly provide that for purposes of testing compliance with the rate covenant and the additional bonds tests, Current Expenses will be calculated based upon generally accepted accounting principles, except for the inclusions and exclusions specifically provided for in the definition.
- Defeasance – Sections 101 and 1201.
- The definition of "Defeasance Obligations" will be expanded to include securities of certain federal agencies.
 - Will eliminate the publication requirements for notices of defeasance.
- Definitions – Section 101.
- The following definitions in the existing Bond Resolution will be substantively revised in part or in whole:
 - Additional Bonds
 - Additional Facilities
 - Airport Rate Agreements (deleted)
 - Airport System
 - Chairman (deleted)
 - Current Expenses
 - Defeasance Obligations
 - Government Obligations
 - Interest Payment Date
 - Interest Rate Swap
 - Investment Obligations
 - Liquidity Facility
 - Passenger Facilities Charges
 - Principal and Interest Requirements
 - Renewal and Replacement Account Requirement
 - Reserve Product Provider
 - Reserve Requirement
 - Revenues
 - Sinking Fund Requirement
 - Time Deposits

- The following new definitions will be added to the Bond Resolution:

- Available Grant Account
- Available Grant Revenues
- Available PFC Account
- Available PFC Revenues
- Available Revenues
- Balloon Bonds
- Capitalized Interest
- Commercial Paper Program
- Counterparty
- Currently Outstanding Insured Bonds
- Event of Bankruptcy
- Federal Bankruptcy Code
- Grant Funds
- Issuing Instrument
- Mayor
- Net Payments
- Original Resolution
- Person
- Qualifying Credit Enhancer
- Rating Category
- Rating Confirmation
- SIFMA Index
- Subordinated Debt Debt Service Reserve Account
- Subordinated Debt Issuing Instrument
- Subordinated Debt Trustee
- Tax-Exempt Bonds
- Termination Payment

Interest and
Principal Payment
Dates – Sections
101, 202, 209, 210
and 211.

- Will allow the Series Resolution for a Series of Bonds to specify (i) Interest Payment Dates for such Series of Bonds other than April 1 and October 1 and (ii) a principal payment (maturity) date for such Series of Bonds other than October 1.

Interest Rate Swaps
– Sections 101, 510
and 519.

- The definition of "Interest Rate Swap" will be revised to reflect modern provisions.
- New definitions of "Counterparty," "Net Payments" and "Termination Payments" will be added.
- A new Section 519 dealing with Interest Rate Swaps will be added providing for, among other things:
 - The ability to make Net Payments at the same level of priority within the flow of funds as interest on Bonds, if so provided in the corresponding Series or other resolution.
 - Termination Payments shall be payable only from the General Purposes Account, as provided in Section 510.
 - No pledge of Net Revenues to a Counterparty ranking prior to or on a parity with the lien or pledge created by the Bond Resolution.

Investment of
Moneys – Section
602.

- Will provide that interest accruing on Investment Obligations held in any Fund or Account shall be credited to the Revenue Account and upon receipt thereof such interest earnings shall be deposited to the credit of the Revenue Account, except that: (i) interest earnings on Investment Obligations held in escrow or trust to defease Bonds shall be credited to and retained in such defeasance escrow or trust, (ii) interest earnings on any Capitalized Interest deposited in the Bond Fund or any account within the Construction Fund shall be credited to and retained in the Bond Fund or Construction Fund, as applicable, unless otherwise provided in the corresponding Series Resolution; (iii) interest earnings on Investment Obligations held in any account within the Construction Fund shall be credited to and retained in such account unless otherwise provided in the corresponding Series Resolution; (iv) interest earnings in the Available Grant Account, the Available PFC Account or any account established for a different source of Available Revenues shall be credited to and retained in the Available Grant Account, the Available PFC Account or the account established for such different source of Available Revenues, as applicable; and (v) interest earnings on Investment Obligations held in any rebate fund or account shall be retained therein.

Principal and Interest Requirements – Section 101.

- The definition of Principal and Interest Requirements will be modified to provide for the treatment of different types of debt instruments and to provide assumptions for such debt instruments for purposes of calculating Principal and Interest Requirements. This will particularly affect the calculations required for the rate covenant and additional bonds tests.
- See pages D-13 through D-14 of Appendix D-1 for new or revised assumptions and rules which will be added for purposes of determining the amount of Principal and Interest Requirements in any Fiscal Year in connection with Interim Bonds or Notes, Balloon Bonds, Commercial Paper Programs, Variable Rate Bonds using an Interest Rate Swap, (ii) certain amounts irrevocably deposited with and held by the Trustee or another fiduciary exclusively to pay principal of and/or interest on Bonds, (iii) the treatment of Available Revenues irrevocably committed or other amounts actually deposited with the Trustee for the purpose of paying debt service on Bonds, and (iv) the payment or expected payment of interest or principal on Bonds from cash subsidies or other similar payments made or expected to be made by the U.S. Treasury or other federal or state government entity to or on behalf of the County.

Rate Covenant – Section 704.

- The rate covenant will be revised to include (i) debt service on Subordinated Debt and any reserve account deposits required for Subordinated Debt, (ii) required deposits to the Renewal and Replacement Account and (iii) required deposits to the Improvements Account as part of the aggregate deposit requirements which must be covered by Net Revenues and Transfers.
- Net Revenues plus Transfers must also cover at least 125% of Principal and Interest Requirements on all Outstanding Bonds for such Fiscal Year.
- The procedure for obtaining recommendations from an Airport Consultant in the event of an insufficiency of Net Revenues and Transfers to provide the required coverages will also be revised and streamlined.
- The County must file with the Trustee within 120 days after the end of each Fiscal Year evidence from the Aviation Director and the Chief Financial Officer or an Accountant demonstrating compliance (or non-compliance) with the rate covenant coverage requirements.

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| Renewal and Replacement Account Requirement – Section 101. | <ul style="list-style-type: none"> • The definition of "Renewal and Replacement Account Requirement" will be amended to eliminate the minimum and maximum funding levels. |
| Reserve Requirement – Section 101. | <ul style="list-style-type: none"> • The definition of "Reserve Requirement" will be amended to clarify that separate reserve requirements and subaccounts may be established for separate Series of Bonds, including establishment of no reserve requirement and no related reserve subaccount for a particular Series of Bonds. |
| Revenues – Section 101. | <ul style="list-style-type: none"> • The definition of "Revenues" will be amended to clarify certain exclusions, permit investment income in certain accounts to be included as Revenues (see "Investment of Moneys" above) and to include reimbursement of certain Current Expenses paid by the County. • The revised definition also will expressly provide that for purposes of testing compliance with the rate covenant and the additional bonds tests, Revenues will be calculated based on generally accepted accounting principles, except for the inclusions and exclusions specifically provided for in the definition of Revenues or in the definition of Principal and Interest Requirements, as applicable. |
| Subordinated Debt – Sections 101, 503 and 716. | <ul style="list-style-type: none"> • Subordinated Debt will be given a higher priority in the flow of funds, so that the corresponding debt service and any debt service reserve requirements may be funded from Net Revenues after funding Principal and Interest Requirements and required deposits to the Reserve Account or any subaccount therein for Bonds and before making any deposits to the Renewal and Replacement Account or the Improvements Account. • Will provide that to the extent amounts transferred from the Revenue Account are insufficient to make all required payments on Subordinated Debt, amounts in the General Purposes Account may be applied to cure such deficiency. • A new Section 716 governing the manner in which the County may incur or issue Subordinated Debt will be added. |

- Special Report of Accountant – Section 706.
- Will eliminate the requirement that each audit report be accompanied by a special report of the Accountant as to certain matters, including, without limitation, whether any Default (limited to financial matters) occurred during the Fiscal Year; will replace such special report requirement with a certificate of the Aviation Director and the Chief Financial Officer stating, to the best of their knowledge, whether there existed any violation of any covenants or agreements contained in the Bond Resolution and whether any Event of Default occurred during such Fiscal Year, and, if so, the nature of such Event of Default.

For a complete copy of the Resolution relating to the above-described Amendments, See APPENDIX D-1 - "FORM OF AMENDED AND RESTATED BOND RESOLUTION REFLECTING PROPOSED AMENDMENTS REQUIRING 51% BONDHOLDER CONSENT " attached hereto.

Amendments Requiring 100% Approval

The Amendments which require written consent of 100% of the holders of the Outstanding Bonds are described below along with the accompanying changed provisions.

Released Revenues. A mechanism for releasing certain Revenues from the pledge of the Bond Resolution will be incorporated. The requirements for releasing the revenues are described in the amendments below which are stated in their entirety.

The following new definition will be added to Section 101 of the Bond Resolution:

"Released Revenues" means a category of income, receipts and other revenues of the Airport System which are excluded from the definition of "Revenues" in this Section 101 pursuant to Section 214.

The following two changes will be made to the definition of "Revenues" in the Bond Resolution:

by deleting at the end thereof: "and (xii) any other revenues as set forth in (ii) of the definition of "Available Revenues" contained in Article I of this Resolution except to the extent that Available Revenues are expressly included as "Revenues" for one or more Series of Bonds pursuant to the corresponding Series Resolution or other resolution duly adopted by the Board"

and inserting in lieu thereof: "(xii) any other revenues as set forth in (ii) of the definition of "Available Revenues" contained in Article I of this

Resolution except to the extent that Available Revenues are expressly included as "Revenues" for one or more Series of Bonds pursuant to the corresponding Series Resolution or other resolution duly adopted by the Board, and (xiii) any Released Revenues."

The following new Section 214 is added to the Bond Resolution:

Section 214. Released Revenues. The County may cause a category of income, receipts or other revenues then included in the definition of "Revenues" in Section 101 hereof to be excluded from such definition for all purposes of this Resolution, which exclusion shall be effective from the date the County satisfies the conditions of this Section, by filing the following with the Trustee:

(a) a written request of the Airport Director to release such category of Revenues, accompanied by a written certificate of the Airport Director and the Chief Financial Officer certifying that the County is in compliance with all requirements of this Resolution; and

(b) a certificate of the Airport Director and the Chief Financial Officer to the effect that Net Revenues, excluding the category of Revenues proposed to become Released Revenues, for each of the two audited Fiscal Years prior to the date of such report were equal to at least 150% of maximum Principal and Interest Requirements;

(c) a certificate of the Airport Consultant or other consultant retained by the County to the effect that based upon current knowledge of the operations of the Airport System, Net Revenues, excluding the category of Revenues proposed to become "Released Revenues," for the current Fiscal Year will be equal to at least 150% of maximum Principal and Interest Requirements;

(d) Rating Agency confirmation that the rating then assigned to any Bonds by such Rating Agency will not be reduced or withdrawn as a result of such withdrawal of Released Revenues; and

(e) an opinion of Bond Counsel to the effect that the exclusion of such revenues from the definition of Revenues and from the pledge, charge and lien of this Resolution will not in and of itself cause the interest on any Outstanding Bond issued as Tax-Exempt Bonds to be included in gross income for purposes of federal income tax.

The following new paragraph is added to Section 516 of the Bond Resolution:

"Notwithstanding anything to the contrary contained in this Section 516 or elsewhere in the Resolution, the Bonds shall not be secured by any Net Revenues which have become Released Revenues pursuant to Section 214 hereof."

For a complete copy of the Resolution relating to the above-described Amendments, See APPENDIX D-2 - "RESOLUTION REFLECTING PROPOSED AMENDMENTS REQUIRING 100% BONDHOLDER CONSENT" attached hereto.

SECURITY FOR THE SERIES 2012P BONDS

VARIOUS PROVISIONS DESCRIBED IN THIS SECTION ARE TO BE AMENDED AND ARE SUBJECT TO THE AMENDMENTS PREVIOUSLY DESCRIBED UNDER "AMENDMENTS TO BOND RESOLUTION" HEREIN AND IN APPENDIX D ATTACHED HERETO; PROVIDED, HOWEVER, THE RESOLUTIONS CONTAINING SUCH AMENDMENTS ARE NOT ADOPTED AND THE AMENDMENTS WILL NOT BECOME EFFECTIVE UNTIL SUCH TIME AS THE COUNTY RECEIVES THE REQUISITE LEVEL OF WRITTEN CONSENT OF THE BONDHOLDERS REQUIRED FOR SUCH AMENDMENTS, AS DESCRIBED ABOVE.

Limited Obligations

THE SERIES 2012P BONDS ARE NOT GENERAL OBLIGATIONS OF THE COUNTY BUT ARE LIMITED OBLIGATIONS OF THE COUNTY, PRIMARILY PAYABLE FROM AND SECURED SOLELY BY THE FUNDS PLEDGED THEREFOR PURSUANT TO THE BOND RESOLUTION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF ARE PLEDGED TO THE PAYMENT OF THE SERIES 2012P BONDS. THE ISSUANCE OF THE SERIES 2012P BONDS WILL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR. THE SERIES 2012P BONDS WILL NOT CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE UPON ANY PROPERTY OF THE COUNTY OR ANY FUND OR ACCOUNT OF THE COUNTY, OTHER THAN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE BOND RESOLUTION.

Source of Payment and Security

The Series 2012P Bonds are payable and secured pursuant to the Bond Resolution on a parity with the Outstanding Parity Bonds and any Additional Bonds issued pursuant

to the Bond Resolution, from the Pledged Revenues which consist of: (a) the Net Revenues, (b) the County's rights to receive Net Revenues, and (c) the money and Investment Obligations in any and all of the funds and accounts established under the Bond Resolution (except any rebate fund or account) and the income from such Investment Obligations and the investment of such moneys.

PFC Pledged Revenues are not pledged by the Bond Resolution as a source of security of or payment for the Bonds, including the Series 2012P Bonds. However, certain surplus Passenger Facilities Charges which are not needed to make required payments under the PFC Bond Resolution may be transferred, at the discretion of the County, to the Interest Account, Principal Account and/or Sinking Fund Account held under the Bond Resolution to be used to pay debt service on a portion of certain Bonds, including the Series 2012P Bonds. See "SECURITY FOR THE SERIES 2012P BONDS – Use of PFCs to Pay Series 2012P Bonds" herein.

Net Revenues of the Airport System

The definitions of Revenues and Current Expenses described below are subject to the Amendments described in "AMENDMENTS TO THE BOND RESOLUTION" herein and contained in Section 101 in APPENDIX D-1 and in APPENDIX D-2 attached hereto.

Pursuant to the Bond Resolution, "Net Revenues" shall mean for any period:

(a) "Revenues" for such period, defined as all income earned by the County from the operation and use of, and for the services furnished or to be furnished at, the Airport System, all income earned from the ownership and rental of the Airport System and properties financed by Subordinated Debt, and any proceeds of business interruption insurance. Specifically excluded from the definition of Revenues are grants, contributions or donations, proceeds from the sale and disposition of the Airport System, income from the operation of Special Purpose Facilities and other facilities for so long as such Special Purpose Facilities are not part of the Airport System, any rental income from the leasing of any land used in connection with, or income from the operation of, Special Purpose Facilities and other facilities to the extent and for so long as such Special Purpose Facilities are not part of the Airport System and such income is pledged to secure the financing for the same, any investment income on, and the income and gains realized upon the maturity or sale of, securities held by or on behalf of the County in any funds and accounts established by the Bond Resolution, proceeds of insurance, other than business interruption insurance mentioned above, any proceeds of any borrowing, and any Passenger Facilities Charges:

less

(b) "Current Expenses" for such period, defined as the County's current expenses for the operation, maintenance and repair of the Airport System as determined in accordance with generally accepted accounting principles ("GAAP"), including, without limiting the generality of the foregoing, all ordinary and usual expenses of operation, maintenance and repair, administrative expenses, salaries, payments to any retirement plan or plans properly chargeable to the Airport System, insurance expenses, engineering expenses relating to the operation, maintenance, or repair of the Airport System, taxes imposed by any governmental authority on the Airport System or its operations, fees and expenses of the Trustee and the Paying Agents, legal expenses, fees of consultants, and any other expenses required to be paid by the County under the Bond Resolution or by law, excluding therefrom any reserves for extraordinary replacements or repairs, any allowance for depreciation, any principal payment in respect of capital leases or Subordinated Debt, or any deposits to any fund or account created under the Bond Resolution.

The definition of "Revenues" incorporates various funds received by the County from its concessionaires, including the customer facility charges ("CFCs") imposed upon rental car concessionaires. Under an enacted ordinance, each rental car concessionaire collects, on behalf of the County, a CFC from its customers at the Airport in an amount established by the County. The County currently imposes the CFC at a \$3.95 level, effective February 1, 2006.

Use of PFCs to Pay Series 2012P Bonds

The Bond Resolution provides that, if certain Passenger Facilities Charges pledged under the PFC Bond Resolution and on deposit in the PFC Capital Improvements Fund of the PFC Bond Resolution are irrevocably committed for deposit to the Interest Account, Principal Account and/or Sinking Fund Account of the Bond Fund held pursuant to the Bond Resolution, or are deposited with the Trustee and are set aside exclusively to be used to pay Principal and Interest Requirements on a Series of Bonds or any portion thereof, then such Principal and Interest Requirements to be paid by such Passenger Facilities Charges, or other moneys, shall be disregarded and not included (unless such Passenger Facilities Charges, state and/or federal grants or other moneys are included in the definition of "Revenues") in calculating the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account for purposes of the Additional Bonds tests and rate covenant of the Bond Resolution. The County has not irrevocably committed to use Passenger Facilities Charges to off-set debt service on the Series 2012P Bonds as described above. Any Passenger Facilities Charges deposited in the Interest Account, Principal Account and/or Sinking Fund Account of the Bond Fund to pay a portion of the Principal and Interest Requirements on the Series 2012P Bonds would be utilized to pay the portion of the Series 2012P Bonds allocable to eligible Passenger Facilities Charges projects.

Rate Covenant

The rate covenant described below is subject to the Amendments described in "AMENDMENTS TO THE BOND RESOLUTION" herein and contained in Sections 101 and 704 in APPENDIX D-1 attached hereto.

The County has covenanted in the Bond Resolution that it will fix, charge and collect rates, fees, rentals and charges for the use of the Airport System and will revise such rates, fees, rentals and charges as often as may be necessary or appropriate, so as to produce, in each 12-month period beginning on October 1, Revenues which, together with money transferred from the General Purposes Account of the Aviation Fund to the Revenue Account of the Aviation Fund (the "Transfers"), are at least equal to the sum of (a) Current Expenses for such period, plus (b) 125 percent of the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account during such period, plus (c) the amount required to be deposited in the Reserve Account during such period; provided, however, that for purposes of clause (b) hereof, if Passenger Facilities Charges, state and/or federal grants or other moneys have been irrevocably committed or are held by the Trustee or another fiduciary and are set aside exclusively to be used to pay Principal and Interest Requirements on a Series of Bonds or any portion thereof, then the portion of the Principal and Interest Requirements to be paid from such Passenger Facilities Charges, state and/or federal grants or other moneys or from investment earnings thereon shall be disregarded and not included (unless such Passenger Facilities Charges, state and/or federal grants or other moneys are included in the definition of "Revenues") in calculating the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account. The Interest Account, Principal Account, Sinking Fund Account and Reserve Account all are accounts established by the Bond Resolution within the Bond Fund.

If, in any such period, Revenues and Transfers are less than the amount required as described in the preceding paragraph, and if the cash value of the Investment Obligations available within the funds and accounts created by the Bond Resolution are not sufficient to make deposits required to be made pursuant to the Bond Resolution to the Interest Account, Principal Account and Sinking Fund Account, the County is required to take action to revise its rates, fees, rentals and charges, or alter its methods of operation or take other action in such manner as is calculated to produce the amount so required in such period. If the audit report for any Fiscal Year indicates that the County has not satisfied the obligations described in the preceding paragraph, within 15 days of the receipt of the audit report for such Fiscal Year, the County is required to employ an Airport Consultant to review and analyze the financial status and administration and operations of the Airport System, to inspect the properties constituting the Airport System, and within 60 days submit a written report on the same to the County including the action taken by the County with respect to the revision of rates, fees, rentals and charges and which report may contain recommendations of further revisions of rates,

fees, rentals, charges and methods of operation of the Airport System that will result in producing the amount so required in the following 12-month period commencing October 1. Promptly upon its receipt of the recommendations, the County is required to transmit copies thereof to the Trustee and each holder who has requested the same and to take such further action as is then in the best interests of the holders of the Bonds, the County and its citizens.

In the event the County fails to take action as described in the immediately preceding paragraph, the Trustee may, and upon the request of the holders of not less than 25 percent in principal amount of all Bonds outstanding, must institute and prosecute an action or proceeding in any court or before any board or commission having jurisdiction to compel the County to comply with such requirements.

In any event, the Airline Agreements, contracts, leases and other agreements for the use of the Airport System in effect on the date of the issuance of the Series 2012P Bonds will not be subject to revision for purposes of compliance with the rate covenant provisions of the Bond Resolution except in accordance with their terms. See "FORMS OF AIRLINE AGREEMENTS," included as APPENDIX F hereto. The Principal and Interest Requirements coming due on the Outstanding Convertible Lien Bonds prior to the Conversion Date are not taken into account for purposes of compliance with the rate covenant described above.

Airline Agreements

The County has entered into the Use Agreements and the Terminal Lease Agreements with the Signatory Airlines. The Airline Agreements became effective on or after October 1, 2011 and expire on September 30, 2016. However, independent of the expiration or termination of the Airline Agreements, the County's obligation to meet the rate covenant remains so long as any Bonds are outstanding.

The Use Agreements define the terms for use of the Airport and its facilities; procedures for calculating and establishing airline rates and charges; approval of certain capital expenditures; and maintenance and operation of the Airport. The Terminal Lease Agreements define the terms of use of the terminal facilities and the leasing of exclusive and nonexclusive space in the terminal facilities.

The Use Agreements qualify as Airport Rate Agreements as defined in the Bond Resolution. The Use Agreements provide for a residual rate-making formula under which the County has covenanted that it will establish rates, fees, rentals, and charges for Airport use such that Net Revenues together with the money transferred from the general purpose aviation account are at least 125% of the principal, interest, and sinking fund requirements plus the amounts required for the reserve accounts. The rates, fees, rentals, and charges are reviewed at least annually and adjusted as necessary. There are two residual cost centers for the Airport System – the terminal facilities and the airfield.

The Airline Agreements have not been, and will not be, assigned or pledged to the Trustee as security for the Bonds. Upon expiration of the Airline Agreements, the Board will be required to establish rates and charges in amounts necessary to pay the Principal and Interest Requirements on the Bonds and to meet the County's obligations under the Bond Resolution, including, without limitation, the rate covenant described herein.

Flow of Funds

The flow of funds described below is subject to the Amendments described in "AMENDMENTS TO THE BOND RESOLUTION" herein and contained in Section 503 in APPENDIX D-1 attached hereto.

In accordance with the Bond Resolution, the County established two funds, the Broward County Aviation Fund (the "Aviation Fund") and the Broward County Airport Bond Fund (the "Bond Fund"). The Aviation Fund consists of four special accounts – the Revenue Account, the Renewal and Replacement Account, the Improvements Account, and the General Purposes Account. The Bond Fund consists of six special accounts – the Interest Account, the Principal Account, the Sinking Fund Account, the Reserve Account, the Redemption Account, and the Insurance and Condemnation Award Account. The Aviation Fund and the accounts therein are established with and held by a Depository selected by the County. The Bond Fund and the accounts therein are established with and held by the Trustee.

All Revenues (excluding, among other things, PFC Revenues, Federal grants, and State grants) received are deposited into the Revenue Account, except for deposits into the Redemption Account and the Insurance and Condemnation Award Account. Moneys in all funds and accounts are held in trust and applied as provided in the Bond Resolution and, pending application, are subject to a lien and charge in favor of holders of Outstanding Bonds under the Bond Resolution.

After deposit into the Revenue Account, Revenues are applied in the following order of priority:

(a) *Revenue Account.* Pay Current Expenses for operation, maintenance and repair of the Airport System. Retain the Operation and Maintenance Requirement, equal to one-sixth of annual Current Expenses.

(b) *Interest Account.* Pay interest on Outstanding Bonds. In addition to Revenues, certain PFC Revenues are to be transferred from the PFC Capital Improvements Fund to the Interest Account to pay interest on the Series 2012P Bonds.

(c) *Principal Account.* Pay principal on Outstanding Bonds. In addition to Revenues, certain PFC Revenues are to be transferred from the PFC Capital

Improvements Fund to the Principal Account to pay principal on the Series 2012P Bonds.

(d) *Sinking Fund Account.* Pay for the retirement, purchase, or payment of Term Bonds of Outstanding Bonds. In addition to Revenues, certain PFC Revenues are to be transferred from the PFC Capital Improvements Fund to the Sinking Fund Account.

(e) *Reserve Account.* Retain an amount equal to the Reserve Requirement on Outstanding Bonds, generally equal to the maximum amount of principal and interest to be paid on those Outstanding Bonds in the current or any subsequent 12-month period to cure any deficiency in amounts on deposit in the Interest Account, Principal Account, and Sinking Fund Account.

(f) *Renewal and Replacement Account.* Pay for unusual or extraordinary renewals and replacements of the Airport System, including related engineering and other expenses.

(g) *Improvements Account.* Pay the cost of additions, extensions, and improvements to and enlargements, renewals, and replacements of the Airport System, including related engineering and other expenses.

(h) *General Purposes Account.* Cure any deficiencies for payment of Current Expenses and for deposits to the Interest Account, Principal Account, Sinking Fund Account, Reserve Account, and Renewal and Replacement Account, in that order. Remaining revenues pay for: (i) any purpose of the Construction Fund, Renewal and Replacement Account, Revenue Account, or Improvements Account; (ii) the purchase or redemption of Outstanding Bonds; (iii) the cost of any airport or aviation facilities authorized by County Code; (iv) required payments to air carriers; (v) transfers to the Revenue Account; (vi) Subordinated Debt payments; and (vii) any lawful aviation purpose as approved by Co-Bond Counsel.

The Bond Resolution also provides for: (1) a Redemption Account that retains amounts to be used for the early retirement, purchase, or payment of Outstanding Bonds, and (2) an Insurance and Condemnation Award Account that retains Net Proceeds of insurance or condemnation awards, to be transferred to the Construction Fund, the Redemption Account, or the Interest Account at the direction of the County.

Reserve Account

The Reserve Account provisions described below are subject to the Amendment of the definition of "Reserve Requirement" described in "AMENDMENTS TO THE BOND RESOLUTION" herein and contained in Section 101 in APPENDIX D-1 attached hereto.

The Reserve Requirement as to each Series of Bonds is the lesser of (a) maximum Principal and Interest Requirements on account of the Bonds of such Series in the current or any subsequent Fiscal Year, (b) 125 percent of the average annual Principal and Interest Requirements on account of the Bonds of such series, or (c) 10 percent of the proceeds of such Series of Bonds. If the County does not establish separate Reserve Account subaccounts for a particular Series of Bonds, the Reserve Requirement shall be calculated on the basis of all outstanding Bonds. To date, the County has not established any separate Reserve Account subaccounts for any Series of Bonds.

The Bond Resolution provides that upon the issuance of Additional Bonds, the Reserve Account shall be fully funded so that the amount on deposit in the Reserve Account will be equal to the Reserve Requirement for all Bonds then outstanding unless the County has elected, in the resolution providing for the issuance of such Additional Bonds, (a) to fund the Reserve Account in equal monthly installments over a period not to exceed 12 months, or (b) to provide a Reserve Product issued by a Reserve Product Provider in an amount which, together with amounts then on deposit in the Reserve Account or to be deposited therein pursuant to clause (a) above, shall equal the Reserve Requirement for all Bonds then Outstanding including such Additional Bonds. The County may, at any time, elect to replace the cash or investments on deposit in the Reserve Account with a Reserve Product. In the event any Reserve Product Provider is downgraded, there is no requirement under the Bond Resolution to substitute any related Reserve Product provided by such Reserve Product Provider nor is there any requirement to replace the face value of such Reserve Product with a cash deposit. Upon issuance of the Series 2012P Bonds, the Reserve Requirement for the Series 2012P Bonds and the Outstanding Parity Bonds shall be \$59,391,871.98, which includes cash and investments in an amount equal to \$47,208,275.10 (as of May 9, 2012) and a Reserve Product (the "2001 Reserve Product") issued by Ambac Assurance Corporation ("Ambac Assurance") in a face amount equal to \$14,918,500. No proceeds of the Series 2012P Bonds will need to be deposited into the Reserve Account. The 2001 Reserve Product shall terminate on October 1, 2021.

The 2001 Reserve Product provides that upon the later of (1) one day after receipt by Ambac Assurance of a demand for payment executed by the Trustee certifying that provision for the payment of principal of or interest on the Bonds when due has not been made or (2) the interest payment date specified in the demand for payment submitted to Ambac Assurance, Ambac Assurance will promptly deposit funds with the Trustee sufficient to enable the Trustee to make such payments due on the Bonds, but in no event exceeding the Surety Bond Coverage, as defined in the 2001 Reserve Product. The 2001 Reserve Product does not insure against nonpayment caused by the insolvency or negligence of the Trustee or the Paying Agent and is not covered by the Florida Insurance Guaranty Association. The County makes no representation as to the CURRENT claims-paying ability of Ambac Assurance. FURTHERMORE, THERE CAN BE NO ASSURANCE THAT AMBAC ASSURANCE WILL BE ABLE TO HONOR A

DEMAND FOR PAYMENT PURSUANT TO THE 2001 RESERVE PRODUCT. For information relating to Ambac Assurance and its financial status, see <http://www.ambac.com>.

The Trustee shall use amounts in the Reserve Account, including proceeds of any Reserve Product, to make transfers to the Interest Account, Principal Account and the Sinking Fund Account to remedy any deficiency in any deposit required to be made to such Accounts or to pay interest on or principal of (whether at maturity or in satisfaction of the Sinking Fund Requirement therefor) the Bonds, when due, whenever and to the extent that the money on deposit in any or all of said Accounts, together with Transfers thereto from the General Purposes Account, the Improvements Account and the Renewal and Replacement Account are insufficient for such purposes. See "COMPOSITE BOND RESOLUTION" included as APPENDIX C hereto.

Additional Bonds

The Additional Bonds and Refunding Bonds provisions described below are subject to the Amendments described in "AMENDMENTS TO THE BOND RESOLUTION" herein and contained Sections 209 and 211 in APPENDIX D-1 attached hereto.

In addition to the Series 2012P Bonds and the Outstanding Parity Bonds, Additional Bonds may be issued in accordance with and secured by the Bond Resolution from time to time on a parity with the Bonds theretofore 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 costs of acquiring, constructing and completing Additional Facilities, to increase the amounts in the Reserve Account, to refund Bonds outstanding and to pay other costs of issuance and expenses relating thereto; provided, however, prior to or simultaneously with the delivery of any Additional Bonds issued to pay the cost of Additional Facilities, there must be obtained and filed with the County various certificates and statements indicating (a) that the proceeds of such Additional Bonds, together with other available funds, are not less than the estimated cost of the Additional Facilities to be financed; (b) that the Net Revenues and Transfers for each of the three Fiscal Years for which audited financial statements were filed next preceding the issuance of such Additional Bonds is not less than the sum of 125 percent of the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account plus the amount required to be deposited in the Reserve Account for such corresponding years; (c) that the sum of Net Revenues and Transfers as estimated for each of five Fiscal Years immediately succeeding the earlier of (1) the last Fiscal Year in which the interest on the proposed Series of Additional Bonds is to be paid from sources other than the proceeds of such Series of Additional Bonds or other amounts set aside irrevocably with the Trustee for the payment of interest at the time such Additional Bonds are issued and (2) the Fiscal Year in which the Additional Facilities are placed and used in operation is not less than the sum of the amount required

to be deposited in the Reserve Account, plus 125 percent of the lesser of (i) the maximum amount of deposits to be made into the Principal Account, Interest Account and Sinking Fund Account during any Fiscal Year with respect to all outstanding Bonds and assuming for such purposes that such Additional Bonds are outstanding or (ii) assuming a schedule of level debt service payments on the Additional Bonds to be issued, the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account for each of the corresponding years for payment of all Bonds and the proposed Additional Bonds; and (d) that nothing has come to the attention of the Airport Consultant that would lead it to believe that for the term of such Additional Bonds the County would not be able to make the deposits required by, or satisfy the rate covenant set forth in, the Bond Resolution. Notwithstanding anything to the contrary contained in the Bond Resolution, for purposes of the Additional Bonds tests, the Principal and Interest Requirements for Convertible Lien Bonds shall be taken into account in the required calculations only on and after the Conversion Date for such Convertible Lien Bonds. With respect to Additional Bonds issued to complete Additional Facilities or to refund Bonds outstanding, there is no revenue test. For purposes of the Additional Bonds tests described above, if Passenger Facilities Charges, state and/or federal grants or other moneys have been irrevocably committed or are held by the Trustee or another fiduciary and are set aside exclusively to be used to pay Principal and Interest Requirements on a Series of Bonds or any portion thereof, then the portion of the Principal and Interest Requirements to be paid from such Passenger Facilities Charges, state and/or federal grants or other moneys or from investment earnings thereon shall be disregarded and not included (unless such Passenger Facilities Charges, state and/or federal grants or other moneys are included in the definition of "Revenues") in calculating the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account.

The Airline Agreements permit the County to issue refunding Bonds to refund Bonds, without obtaining the approval of Majority in Interest of Airlines, provided that the debt service on such refunding Additional Bonds in any year is not more than 105 percent of the debt service which would have been due in such year on the Bonds to be refunded. See "FORMS OF THE AIRLINE AGREEMENTS," included as APPENDIX F hereto.

The Convertible Lien Bonds maturing on or after the Conversion Date are considered Additional Bonds under the Bond Resolution from the date of their issuance; provided, however, that until the Conversion Date such Convertible Lien Bonds will not be payable from the Net Revenues of the Airport System and will not be considered Outstanding under the Bond Resolution for certain purposes including calculation of the Reserve Requirement for Bonds and calculation of Principal and Interest Requirements under the Bond Resolution. Such Convertible Lien Bonds shall be considered outstanding for purposes of determining whether the requisite level of Bondholder consent has been obtained in connection with the proposed adoption of a supplemental

resolution requiring Bondholder consent prior to the Conversion Date, if such supplemental resolution would have a material adverse effect on the rights of the holders of such Convertible Lien Bonds.

All Bonds issued under the Bond Resolution are issued on a parity basis and are entitled to the same benefit and security of the Bond Resolution, except as to any differences in the rates of interest, the maturities thereof or the provisions for redemption; provided, however, that with respect to a Series of Convertible Lien Bonds, only such Convertible Lien Bonds as are stated to mature on or after the Conversion Date shall be so secured.

Convertible Lien Bonds

Upon issuance of the Series 2012P Bonds, there will be no Convertible Lien Bonds Outstanding. However, under the Bond Resolution and the PFC Resolution the County may issue Convertible Lien Bonds in the future.

Indebtedness other than Bonds

Special Purpose Facilities. The County may finance the acquisition or construction of special purpose facilities so long as: (a) such Special Purpose Facilities are either to be located on the property that constitutes the Airport System or will become incorporated into the Airport System upon defeasance of the obligations issued to finance them; (b) the debt obligations issued to finance Special Purpose Facilities are not directly or indirectly secured by or payable from Revenues; (c) the County levies upon the user of such facility charges sufficient to pay the principal of, the premium, if any, and interest on obligations issued to finance them; (d) the County has delivered to the Trustee an opinion of the County Attorney to the effect that the underlying obligations issued to finance such facilities are not, directly or indirectly, secured by or payable from Revenues or issued under or secured by the provisions of the Bond Resolution; and (e) the County has delivered to the Trustee a statement, signed by the Airport Consultant, to the effect that in its opinion the acquisition or construction of such Special Purpose Facilities will not materially reduce Revenues or impair the operating efficiency of the Airport System. The County currently does not have any debt outstanding relating to Special Purpose Facilities.

Subordinated Debt. The County may incur and issue Subordinated Debt for any lawful airport or aviation-related purpose permitted by law, except for Special Purpose Facilities described in the Bond Resolution, if: (a) the County adopts a resolution authorizing the issuance of any such Subordinated Debt and setting forth the amount and details thereof; (b) the principal of, the premium, if any, and interest on any such Subordinated Debt is payable as a whole or in part solely from the proceeds of other Subordinated Debt, Additional Bonds, any money available therefor in the General Purposes Account, or from any other legally available source provided that such

Subordinated Debt shall be payable from Additional Bonds only to the extent such indebtedness was issued for any purpose for which Additional Bonds may be issued under the Bond Resolution; except for payments from the proceeds of Additional Bonds and the General Purposes Account, no money in any other fund or account created pursuant to the Bond Resolution shall be used to pay the principal of, or the interest or premium, if any, on any Subordinated Debt; and (c) simultaneously with the delivery of any payment for any such Subordinated Debt there shall be filed with the Trustee a certificate of the Finance Director of the County stating that no Default has occurred and is continuing under the Bond Resolution, or if any Default then exists, that the proceeds of such Subordinated Debt will be applied to cure the same.

Nothing in the Bond Resolution shall be construed as in any way prohibiting or limiting the power of the County to enter into agreements, including interest rate swaps, incur obligations, undertake indebtedness or otherwise enter into financing transactions to the extent such agreements, obligations, indebtedness or financing transactions do not impose any lien upon the Net Revenues and are payable from sources other than Net Revenues. The foregoing shall include bond or revenue anticipation notes, including notes anticipated to be paid from proceeds of Bonds issued under the Bond Resolution, and any other obligation of the County payable from funds, and subject to appropriation thereof, other than Net Revenues. The County currently does not have any Subordinated Debt outstanding.

Other Facilities. The County may finance the acquisition or construction, at the Airport System or any other airport property acquired by the County, of any facility or project from the issuance of obligations that are not issued under or secured by any of the items constituting security for the Bonds under the Bond Resolution. Any such facility or project so financed or otherwise acquired by the County may be added to the Airport System by resolution of the County provided that, at the date of inclusion of such facility or project in the Airport System, the County delivers to the Trustee: (a) a certificate of the Finance Director of the County stating that no Default has occurred and is continuing under the Bond Resolution or, if any Default then exists, that action taken with respect to the facility being financed would cure the Default; and (b) a report of the Airport Consultant stating that nothing has come to its attention that would lead it to believe that for each of the five Fiscal Years following the inclusion of such facility or project in the Airport System the County would not be able to make the payments and deposits required by, or satisfy the rate covenant set forth in, the Bond Resolution.

Disposition of Airport System Property and Facilities

The County may sell or dispose of any machinery, fixtures, apparatus, tools, instruments, other movable property and materials that it determines are no longer needed or useful in connection with the construction or maintenance of the properties constituting the Airport System or the operation of the Airport System if it also determines that the sale or disposal will not impair the revenue-producing capability or

the operating efficiency of the Airport System. The County has the right to demolish or remove any real property and structures existing as part of the Airport System and not replace the same if the Board determines that such removal or demolition does not impair the operating efficiency or the revenue-producing capability of the Airport System. Subject to certain conditions, the County may also demolish and remove real property and structures from the Airport System if it determines that such property or structure is inadequate, unsuitable or unnecessary.

The County will deposit the proceeds resulting from any abandonment, sale or disposition of properties constituting the Airport System to any account in the Construction Fund if the amount then on deposit therein is insufficient to pay the cost of any Project or Additional Facilities, as the case may be, or the Improvements Account if the amount on deposit therein is less than the Improvements Appropriation, as the County may direct. All proceeds remaining after such deposits will be paid to the Trustee for deposit in the Redemption Account.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT ANALYSIS

The following discussion and analysis of BCAD's financial performance provides an overview of the financial activities of the Airport and North Perry. The financial activity of North Perry, a small general aviation airport, is immaterial, but together the two airports make up the financial activity regarding the Airport System for the five Fiscal Years ended September 30, 2007 through September 30, 2011 and the six-month periods ended March 31, 2012 and March 31, 2011.

The financial information was derived, in part, from the Broward County Aviation Department Special Purpose Financial Statements for the Fiscal Years ended September 30, 2011 and 2010 and the basic financial statements of the County for the Fiscal Years ended September 30, 2009, 2008 and 2007 (collectively, the "Financial Statements") for the respective Fiscal Years ended September 30. The Financial Statements were prepared according to GAAP in compliance with Governmental Accounting Standards Board Statement No. 34 ("GASB 34"). The financial summary information presented herein is consistent with the Aviation Fund financial information presented in the Financial Statements for each Fiscal Year, as restated. GASB 34 did not require changes in the following Summary of Revenues and Expenses of the Aviation Fund for Fiscal Years 2007-2011. The six-month information for the periods ended March 31, 2012 and March 31, 2011, respectively, has been derived from BCAD books and records and is unaudited.

Summary of Revenues and Expenses
(\$000s)

	Six Months Ended March 31 (unaudited)		Fiscal Years Ended September 30 (audited)				
	2012 ⁽¹⁾	2011 ⁽¹⁾	2011	2010	2009	2008	2007
<i>Operating Revenues:</i>							
Concessions	\$25,223	\$ 24,202	\$ 47,915	\$ 40,619	\$42,561	\$ 43,888	\$ 41,282
Parking	18,913	18,875	38,710	37,672	38,906	47,737	42,463
Customer Facility Charges	14,259	12,669	25,148	23,755	21,794	28,468	24,459
Terminal Rents ⁽²⁾	9,744	22,521	39,050	47,513	46,667	40,816	35,550
Landing Fees ⁽²⁾	16,713	8,186	14,177	16,465	18,706	16,454	15,151
Building & Ground Rentals	6,462	6,302	12,513	15,409	12,373	9,345	11,167
Miscellaneous Fees	515	(437)	1,845	1,860	1,690	572	1,259
Total Operating Revenues	<u>\$91,829</u>	<u>\$ 92,318</u>	<u>\$179,358</u>	<u>\$183,293</u>	<u>\$182,697</u>	<u>\$187,280</u>	<u>\$171,331</u>
<i>Operating Expenses:</i>							
Personal Services	\$14,722	\$ 15,821	\$ 31,360	\$ 30,793	\$ 30,931	\$ 29,339	\$ 26,977
Contractual Services	29,978	30,816	63,786	62,480	63,325	72,793	71,123
Other	12,642	10,788	20,195	22,645	24,701	21,133	27,797
Operating Expenses before Depreciation	<u>\$57,342</u>	<u>\$ 57,425</u>	<u>\$115,341</u>	<u>\$115,918</u>	<u>\$118,957</u>	<u>\$123,265</u>	<u>\$125,897</u>
Depreciation	<u>26,900</u>	<u>25,020</u>	<u>52,497</u>	<u>42,573</u>	<u>35,343</u>	<u>34,855</u>	<u>34,228</u>
Total Operating Expenses	<u>\$84,242</u>	<u>\$ 82,445</u>	<u>\$167,838</u>	<u>\$158,491</u>	<u>\$154,300</u>	<u>\$158,120</u>	<u>\$160,125</u>
Operating Income	<u>\$ 7,587</u>	<u>\$ 9,873</u>	<u>\$ 11,520</u>	<u>\$ 24,802</u>	<u>\$ 28,397</u>	<u>\$ 29,160</u>	<u>\$ 11,206</u>
<i>Non-Operating Revenues (Expenses):</i>							
Passenger Facilities Charges	\$25,073	\$ 25,616	\$ 48,363	\$ 49,826	\$ 41,900	\$ 48,467	\$ 45,526
Interest Income	1,233	1,817	2,323	4,231	13,633	17,273	25,503
Interest Expense	(17,135)	(18,359)	(36,689)	(39,349)	(38,032)	(41,436)	(41,627)
Other	<u>(294)</u>	<u>(162)</u>	<u>(535)</u>	<u>(12,394)</u>	<u>667</u>	<u>960</u>	<u>677</u>
Total Non-Operating Revenues (Expenses)	<u>\$ 8,877</u>	<u>\$ 8,912</u>	<u>\$ 13,462</u>	<u>\$ 2,314</u>	<u>\$ 18,168</u>	<u>\$ 25,264</u>	<u>\$ 30,079</u>
Income Before Contributions and Transfers	<u>\$16,464</u>	<u>\$ 18,785</u>	<u>\$ 24,982</u>	<u>\$ 27,116</u>	<u>\$ 46,565</u>	<u>\$ 54,424</u>	<u>\$ 41,285</u>

Source: Broward County Aviation Department.

⁽¹⁾Prepared in accordance with GAAP.

⁽²⁾In order to comply with the federal tax code to issue non-AMT (Alternative Minimum Tax) bonds to finance the south runway expansion, a segregated airfield cost center was created in Fiscal Year 2012. This resulted in an increase in landing fees and a decrease in terminal rents.

Financial Overview and Highlights

The Airport was impacted in Fiscal Year 2009 by the economic downturn and experienced a 9.7 percent decrease in enplanements and a 7.3 percent decrease in operating revenue (prior to deferred revenue accounting adjustments) from Fiscal Year 2008 levels. However, the Airport recovered quickly and has experienced strong enplanement growth during the last couple of years, resulting in record levels of passenger enplanements in Fiscal Year 2011. Operating revenue has increased accordingly over the last two years to 98.8 percent of Fiscal Year 2008 levels. The shortfall in revenue is attributable to parking and cargo revenues, which have not yet reached prior peak levels. See the table "Operating Revenues by Source" below.

As activity levels and revenues increased back up to Fiscal Year 2008 levels by Fiscal Year 2011, operating expenses before depreciation on the other hand, decreased \$8.0 million (6.4 percent) from \$123.3 million in Fiscal Year 2008 to \$115.3 million in Fiscal Year 2011. This decrease is primarily attributable to re-negotiated contracts with several service providers and the decreased cost of shuttle bus, insurance and Airport Rescue and Fire Fighting ("ARFF").

Due to the reduction in operating expenses, operating income (before depreciation and deferred revenue adjustments) increased by 8.7 percent to \$71.6 million in Fiscal Year 2011 from \$65.8 million in Fiscal Year 2008 and 69.1 percent from \$42.3 in Fiscal Year 2007.

Depreciation expense increased 53.4 percent during the last five years due to the completion of major capital projects.

Non-operating revenues (net of non-operating expenses) decreased significantly by 55.2 percent during the five-year period from Fiscal Year 2007 through Fiscal Year 2011 primarily due to a reduction in interest income as investment was made in capital projects and a decrease in interest rates.

Analysis of Operating Revenues

Airport System operating revenues (prior to deferred revenue adjustments) increased \$18.7 million or 11.1 percent during the five-year period from \$168.2 million in Fiscal Year 2007 to \$186.9 million in Fiscal Year 2011. Compared to the peak in Fiscal Year 2008, operating revenues are slightly down by \$2.2 million or 1.2 percent. See the table "Operating Revenues by Source" below.

Operating Revenues by Source (\$000s)					
	Fiscal Years Ended September 30				
	2011	2010	2009	2008	2007
<i>Operating Revenues:</i>					
Airline Revenues	\$58,214	\$ 56,471	\$55,545	\$ 56,508	\$ 45,663
Rental Cars	54,036	48,666	48,388	53,553	52,178
Parking	38,710	37,672	38,906	47,737	42,463
Concessions ⁽¹⁾	21,830	17,949	19,286	18,574	15,802
General Aviation and Fixed Based Operators	5,895	9,349	4,982	5,780	4,773
Non-airline Terminal Rent and Other Rents	4,542	4,427	4,405	4,245	4,126
North Perry Airport	958	980	1,025	950	801
Cargo	892	879	1,042	1,184	1,147
Miscellaneous Operating Revenues	1,833	1,856	1,687	569	1,260
Operating Revenues	<u>\$186,910</u>	<u>\$178,249</u>	<u>\$175,266</u>	<u>\$189,100</u>	<u>\$168,213</u>
Airline Deferred Revenue Adjustment ⁽²⁾	(7,552)	5,044	7,431	(1,820)	3,118
Total Operating Revenues	<u>\$179,358</u>	<u>\$183,293</u>	<u>\$182,697</u>	<u>\$187,280</u>	<u>\$171,331</u>
Cost per Enplanement	\$ 4.99	\$ 5.17	\$ 5.30	\$ 4.88	\$ 4.09

This table shows operating revenues categorized by the source of activity generating such revenue, including Airline Revenues, which forms the basis of the CPE (which is a different presentation of operating revenues than shown in the financial statements which are shown by type of revenue – regardless of the type of activity generating such revenue).

Airline Revenues are calculated in accordance with the Airline Agreements. The contractual rate making formula in the Airline Agreements is based on a residual cost approach, which annually projects non-airline operating revenues and deducts this amount from the projected operating expenditures including debt service and cash-funded capital expenditures. The residual amount remaining is the amount the Signatory Airlines pay through their annual terminal rentals and landing fees and forms the basis of the Airline Cost Per Enplanement ("CPE"), a common industry measure. Airline revenues increased \$10.8 million or 23.8 percent between Fiscal Year 2007 and 2008 due to increased activity in addition to an increase in the landing fee from \$0.97 to \$1.05 per 1,000 pounds of landed weight and an increase in the average terminal rental rate from \$31.80 to \$47.13 per square foot. As airline rates and charges remained stable between Fiscal Year 2008 and 2011 the changes in airline revenues between those years are entirely due to changes in activity. During the five year period the average CPE increased to a high of \$5.30 in Fiscal Year 2009 from a decrease in enplanements due to the impact of the recession, but has improved down to \$4.99 in Fiscal Year 2011. The CPE is forecast to decrease further to \$4.10 in Fiscal Year 2012 due to a reduction in cash funded capital (\$9 million) and a decrease in lease payments (\$3 million). The increase

in operating and maintenance expenses is offset by an equivalent increase in non-airline revenue.

Rental car revenues including customer facility charges ("CFCs") increased \$1.9 million (3.6 percent) from \$52.2 million in Fiscal Year 2007 to \$54.0 million in Fiscal Year 2011. Rental car revenues represented the largest source of operating revenue in Fiscal Year 2011 at 30.1 percent of total operating revenues. CFCs are fees charged by the on-airport rental car companies, and are a per day charge on a car rental. CFCs increased \$0.7 million (2.8 percent) from Fiscal Year 2007 through Fiscal Year 2011.

Parking revenues decreased \$3.8 million (8.8 percent) to \$38.7 million during the same period and represented 21.6 percent of operating revenues for Fiscal Year 2011. This decrease is attributed to passengers seeking alternative transportation to and from the airport during the economic downturn and a shift toward less expensive off-site airport parking. Also, a large part of the enplanement growth in recent years is from visitors to South Florida, rather than the local population, as demonstrated in the increase in rental car revenue.

Concession revenues (excluding rental car commissions) increased \$6.0 million (38.0 percent) from \$15.8 million in Fiscal Year 2007 to \$21.8 million in Fiscal Year 2011 due to increases in Airport traffic and improved concession quality. These operating revenues accounted for 12.2 percent of total revenues in Fiscal Year 2011. Within the category of concessions, food and beverage and news and gift concessions amounted to \$10.0 million (5.6 percent) and \$6.3 million (3.5 percent) of operating revenues, respectively.

Analysis of Operating Expenses

Personal services (salaries & wages and all employee fringe benefits) increased \$4.4 million or 16.3 percent from \$27.0 million in Fiscal Year 2007 to \$31.4 million in Fiscal Year 2011. This increase is attributable to an employment increase to meet service level demands and upcoming capital projects. During this period, full-time equivalent positions grew from 424 in Fiscal Year 2007 to 463 in Fiscal Year 2011, a 9.2 percent increase. Personal services accounted for 21.4 percent of total operating expenses (before depreciation) in Fiscal Year 2007 compared to 27.2 percent in Fiscal Year 2011.

Contractual services consist mainly of parking management fees, janitorial and other maintenance contracts, Broward Sheriff Office ("BSO") and ARFF expenses, and shuttle service costs. Contractual services decreased \$7.3 million or 10.3 percent from Fiscal Year 2007 to Fiscal Year 2011. This decrease is primarily attributable to a 45.0 percent reduction in shuttle bus service costs and a 5.6 percent reduction in parking management costs in addition to a reduction in the ARFF expense. Combined with the reduction in costs is an improvement in passenger services such as shuttle frequency and parking management. Contractual services represented 56.5 percent of total operating

expenses (before depreciation) in Fiscal Year 2007 versus 55.3 percent in Fiscal Year 2011.

Other expenses consist mainly of electricity and other utility charges, insurance, equipment maintenance, other maintenance, and credit card fees for parking transactions. Other expenses totaling \$20.2 million accounted for 17.5 percent of total operating expenses (before depreciation) in Fiscal Year 2011. Collectively, these expenses decreased by \$7.6 million (27.3 percent) from \$27.8 million in Fiscal Year 2007. The decreased costs are primarily a reduction in insurance and utilities.

Depreciation expense increased \$18.3 million (53.5 percent) from \$34.2 million in Fiscal Year 2007 to \$52.5 million in Fiscal Year 2011 due to increased investment in capital projects.

The components of the non-operating revenues and expenses category are addressed as follows:

Passenger Facilities Charges increased 6.2 percent from \$45.5 million in Fiscal Year 2007 to \$48.4 million in Fiscal Year 2011 as a result of a 4.7 percent increase in passenger activity for the same period. PFCs are authorized for collection at the Airport at \$4.50 per enplaning passenger and remitted to the Airport net of an \$0.11 collection charge retained by the airlines. See "PASSENGER FACILITIES CHARGES" herein.

Interest income over the past five years has decreased 90.9 percent from \$25.5 million in Fiscal Year 2007 to \$2.3 million in Fiscal Year 2011. The decrease is primarily due to lower invested balances as cash has been used to fund capital projects (see Depreciation expense above), and lower interest rates as a result of the economic downturn.

Interest expense decreased 11.9 percent from \$41.6 million in Fiscal Year 2007 to \$36.7 million in Fiscal Year 2011. This decrease in interest expense is due to the maturing of the Series 1998F Bonds and Series 2003K Bonds in Fiscal Year 2010 partially offset by increased debt service for the Series 1998E Bonds.

Operating Revenue Agreements

The County-owned parking facilities at the Airport are one of the largest sources of revenues of the Airport System other than payments by the airlines and rental car revenue. As of September 30, 2011, such facilities consisted of 12,761 public parking spaces. Public and employee parking operations are managed by BCAD and are operated by USA Parking Associate III pursuant to a management agreement with the County. Parking rates are approved by the Board. The parking facilities compete with several off-airport private parking operators that provide free shuttle service to their customers.

In addition to certain ground rental payments, the County receives revenues from automobile rental companies under agreements which guarantee annual minimum payments or, if greater, a percentage of gross revenues from automobile rentals at the Airport. The County has agreements with 12 rental car companies operating at the consolidated rental car facility located on Airport property. Access is either by a common busing system from Terminals 2, 3 or 4 or by a pedestrian bridge from Terminal 1. The concession agreements and facility leases have terms that expire December 31, 2018; approximately 11 years from the date of beneficial occupancy of the rental car facility. In addition to rental car concession fees and facility rents, the County has imposed CFCs which are assessed on rental car customers at the Airport at a \$3.95 level, effective February 1, 2006. Under the terms of the agreements, the CFCs fund certain operating and maintenance costs associated with the rental car facility and the consolidated common busing operation.

The County also receives revenues from concession agreements for food and beverages, news and gifts (which includes specialty retail), duty free, business services, advertising, and other concessionaires operating at the Airport. The revenues paid to the County under these concession agreements are based on the greater of certain annual minimum guarantees or a percentage of gross revenues received by the concessionaires. The current concession agreements will expire at various dates up to November 30, 2016.

Funds must be generated from aviation users, automobile parking, concessions, investment income and other non-operating revenues in order to (1) cover the Airport System's operating expenses, debt service payments, certain capital outlays and other requirements, and (2) comply with the rate covenant provided in the Bond Resolution.

Budgetary Process

As a department of the County, BCAD's budget is prepared according to the County's budget process. State law requires that county governments 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.

The County Administrator begins the budget process in March of each year by preparing a letter of transmittal with specific instructions on general budgetary policy for all departments, divisions and offices of the County. Each department then prepares and submits its proposed budget in early April. Internal meetings are held in May to review the aggregate budget. In June, BCAD reviews the proposed budget and resulting fees with the Signatory Airlines, however, such budget or resulting fees are not subject to their approval. 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 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 no later than September 30.

While BCAD prepares its financial statements according to GAAP followed for business enterprise funds and activities, the budget is prepared and monitored on the same basis of budgeting as required for governmental funds; the flow of financial resources. The major differences under the flow of financial resources method of budgeting for governmental funds and enterprise funds are:

- (1) Capital outlays are treated as expenditures when the funds are expended under governmental funds accounting and budgeting. However, under GAAP for enterprise funds, capital outlays are depreciated over the asset's useful life and reported as an operating expense in those years.
- (2) Proceeds from the issuance and repayment of the principal of long-term debt are recognized as non-operating revenues upon receipt and non-operating expenditures when repaid under accounting for governmental funds. However, enterprise funds do not recognize debt transactions as revenues or expenses.

All financial information presented in this discussion and analysis is presented in accordance with GAAP for enterprise funds and not on the budgetary basis of accounting for governmental funds.

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Historical Debt Service Coverage

The Bond Resolution contains a provision, among others, which requires the Airport to set its revenue rates and charges such that Net Revenues plus excess Airline Fees and Charges (Transfers) from the prior year are at least equal to 125 percent of debt service payments. The following table illustrates the actual debt service coverage percentage on the Outstanding Parity Bonds (including the Refunded Bonds) from Fiscal Year 2007 through Fiscal Year 2011.

Historical Bond Debt Service Coverage
(\$000s)

	Fiscal Years Ended September 30				
	2011	2010	2009	2008	2007
Operating Revenues	\$179,358	\$183,293	\$182,697	\$187,280	\$171,331
Less Operating Expenses before Depreciation	115,341	115,918	118,957	123,265	125,897
Net Revenues	64,017	67,375	63,740	64,015	45,434
Excess Airline Fees and Charges Prior Year	24,751	14,687	22,140	20,320	23,438
Net Revenues Available for Debt Service	<u>\$ 88,768</u>	<u>\$ 82,062</u>	<u>\$ 85,880</u>	<u>\$ 84,335</u>	<u>\$ 68,872</u>
ASR Debt Service	\$ 69,751	\$ 69,752	\$ 65,508	\$ 67,233	\$ 66,062
PFC Transfer	(13,826)	(12,742)	(11,429)	(1,573)	(11,819)
Net Debt Service	<u>\$ 55,925</u>	<u>\$ 57,010</u>	<u>\$ 54,079</u>	<u>\$ 65,660</u>	<u>\$ 54,243</u>
Debt Service Coverage Calculated	159%	144%	159%	128%	127%

Source: Broward County Aviation Department.

Future Forecasts and Budgets

Fiscal Year 2012. Operating Revenues for Fiscal Year 2012 are expected to increase \$4,275,000 or 2.4 percent over Fiscal Year 2011 to \$183,633,000 mainly due to an increase in rental car, parking and concession revenues in addition to a change in ground transportation fees in the second half of the year. Results for the first six months of the Fiscal Year are consistent with the prior year.

Operating expenses are forecast to increase in Fiscal Year 2012 from \$115,341,000 to \$121,974,000 largely due to increased ground transportation management costs (offset by increase in revenues) and increases in expenses relating to ramp control, security, maintenance (due to aging equipment), janitorial, software and free baggage carts in the International Terminal.

Fiscal Year 2013. An anticipated continued growth in enplaned passengers in Fiscal Year 2013 is expected to result in revenues of \$192,387,000, up \$8,754,000 or 4.7 percent over the Fiscal Year 2012 forecast. Approximately one-half of the increase is

forecasted to come from airline revenues with further improvements in revenues from ground transportation and rental cars.

Operating expenses in Fiscal Year 2013 are expected to increase over Fiscal Year 2012 by \$7,615,000 or 6.2 percent to \$129,589,000. This increase is mainly attributable to increased personnel costs as additional staff are hired to manage and maintain the various capital projects that are underway, and to additional ground transportation expenses and an increase in office rent.

Estimated Annual Debt Service Requirements

Set forth below are the estimated annual debt service requirements for the Series 2012P Bonds and the Outstanding Parity Bonds.

Year Ending (October 1)	All Outstanding Parity Bonds⁽¹⁾⁽²⁾	Series 2012P Bonds⁽¹⁾			Total Debt Service on All Bonds⁽¹⁾⁽²⁾
		Principal	Interest	Subtotal	
2012	\$ 26,642,942	\$ 8,645,000	\$ 4,895,021	\$ 13,540,021	\$ 40,182,964
2013	26,854,942	23,960,000	14,131,450	38,091,450	64,946,392
2014	29,355,683	10,800,000	13,412,650	24,212,650	53,568,333
2015	29,359,770	14,350,000	13,088,650	27,438,650	56,798,420
2016	29,357,993	15,050,000	12,514,650	27,564,650	56,922,643
2017	29,360,568	15,805,000	11,762,150	27,567,150	56,927,718
2018	29,361,023	16,595,000	10,971,900	27,566,900	56,927,923
2019	29,362,658	17,430,000	10,142,150	27,572,150	56,934,808
2020	29,359,165	18,225,000	9,343,500	27,568,500	56,927,665
2021	29,357,025	17,765,000	8,432,250	26,197,250	55,554,275
2022	13,579,740	34,415,000	7,544,000	41,959,000	55,538,740
2023	13,575,490	36,045,000	5,840,750	41,885,750	55,461,240
2024	13,574,990	20,265,000	4,038,500	24,303,500	37,878,490
2025	13,577,410	22,880,000	3,025,250	25,905,250	39,482,660
2026	13,574,573	37,625,000	1,881,250	39,506,250	53,080,823
2027	17,534,998	-	-	-	17,534,998
2028	18,382,500	-	-	-	18,382,500
2029	18,382,669	-	-	-	18,382,669
Totals	\$410,554,136	\$309,855,000	\$131,024,121	\$440,879,121	\$851,433,258

⁽¹⁾ Numbers may not add due to rounding.

⁽²⁾ Excludes debt service associated with the Refunded Bonds that are refunded with proceeds of the Series 2012P Bonds.

Bonded Indebtedness

The following table summarizes the outstanding bonded indebtedness of the County related to the Airport System as of March 31, 2012:

Airport System Revenue Bond Issues As of March 31, 2012

	Total Outstanding Principal Amount	Principal Payable From		
		Passenger Facilities Charges	Airport System Revenues	Final Maturity
Airport System Revenue Bonds:				
Series 1998E Bonds ⁽¹⁾	\$ 39,480,000	-	\$ 39,480,000	2013
Series 1998G Bonds ⁽¹⁾	38,175,000	-	38,175,000	2023
Series 2001J-1 Bonds ⁽¹⁾	132,165,000	-	132,165,000	2026
Series 2001J-2 Bonds	109,295,000	-	109,295,000	2021
Series 2004L Bonds ⁽¹⁾	111,080,000	\$111,080,000	0	2027
Series 2009O Bonds	97,125,000	1,039,500	96,085,500	2029
	<u>\$527,320,000</u>	<u>\$112,119,500</u>	<u>\$415,200,500</u>	
Convertible Lien Bonds:				
Series 1998H-1 Convertible Lien Bonds ⁽¹⁾	\$ 17,390,000	\$ 5,295,000	\$ 12,095,000	2015
Series 1998H-2 Convertible Lien Bonds ⁽¹⁾	60,050,000	-	60,050,000	2023
Series 2001I Convertible Lien Bonds ⁽¹⁾	32,410,000	1,210,000	31,200,000	2026
	\$109,850,000	\$ 6,505,000	\$103,345,000	
Total Bond Indebtedness	\$637,170,000	\$118,624,500	\$518,545,500	

⁽¹⁾All or a portion to be refunded with proceeds of the Series 2012P Bonds based upon market conditions.

THE AIRPORT AIR TRADE AREA AND OPERATING STATISTICS

South Florida Air Trade Area

The South Florida air trade area includes the coastal counties of Broward, Miami-Dade and Palm Beach and, to a lesser degree, adjacent coastal and inland counties. Palm Beach International Airport ("PBI") is located approximately 45 miles north of the Airport and generally serves a local air trade area consisting of short and intermediate distance domestic travel. Miami International Airport ("MIA") is located approximately 23 miles south of the Airport and generally serves the long distance

domestic and international passenger traveling to or from the South Florida air trade area, as well as short and intermediate distance domestic needs of its local trade area.

The geographic region served by the Airport is the Miami-Fort Lauderdale-Pompano Beach Metropolitan Statistical Area (the "MSA"), a large population center on the southeastern coast of Florida. The MSA consists of Broward, Miami-Dade and Palm Beach Counties. The MSA ranks as the eighth-largest metropolitan area by population in the United States and the largest in the State of Florida, with a 2010 population of 5,564,635, according to the U.S. Census Bureau. The three counties of the MSA collectively account for 30 percent of Florida's population.

Other commercial service airports with service regions overlapping the service region of the Airport are MIA (approximately 23 miles to the south) and PBI (approximately 45 miles to the north). The Airport's presence in Broward County and the existence of these two competing airports in Miami-Dade County and Palm Beach County, respectively, suggests that Broward County constitutes the Airport's primary service region.

The table below describes the share of the South Florida region's passenger traffic (including international and connecting passengers) during the years 2002 through 2011.

**South Florida
Passenger Traffic Market Share**

Calendar Year	Airport	PBI	MIA	Total
2002	32%	11%	57%	100%
2003	34	11	55	100
2004	36	11	53	100
2005	37	11	51	100
2006	35	11	54	100
2007	36	11	53	100
2008	36	10	54	100
2009	34	10	56	100
2010	35	9	56	100
2011	35	9	56	100

Source: Broward County Aviation Department.

Airline Service Activity

Airline Service at the Airport includes scheduled passenger service, charter passenger service and cargo service. The airlines serving the Airport are shown in the following table:

AIRLINES SERVING THE AIRPORT

As of January 2012

Scheduled Passenger Service

Domestic air carrier airlines

- *AirTran Airways⁽¹⁾
- Allegiant Air
- *American Airlines⁽²⁾
- Atlantic Southeast Airline
- *United Airlines/Continental Airlines
- *Delta Air Lines
- Frontier Airlines
- *jetBlue Airways
- *Southwest Airlines⁽¹⁾
- *Spirit Airlines
- *US Airways
- Virgin America
- Vision Airlines

Regional/commuter airlines

- Air Partners
- Air Sunshine
- Executive Airlines
- Gulfstream International Airlines (Continental Connection)
- IBC Airways
- Sun Air Express

Charter passenger service⁽³⁾

- CanJet
- Miami Air
- Sunwing
- Thomas Cook Canada

Foreign-flag airlines

- *Air Canada
- Air Jamaica
- Air Transat
- Aires
- Avianca
- Bahamasair
- Condor Flugdienst
- Caribbean Airlines
- Sky Bahamas Ltd
- Westjet

All-cargo service⁽³⁾

- Air Transport International Limited (Burlington Air Express)
- Exec Direct Aviation Services Limited
- Federal Express
- Mountain Air Cargo
- United Parcel Service

Source: Broward County Aviation Department.

*Signatory Airlines.

⁽¹⁾ On March 1, 2012, Southwest Airlines and its wholly owned subsidiary, AirTran Airways, received a single operating certificate.

⁽²⁾ Filed for Chapter 11 Bankruptcy protection on November 29, 2011. See "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS – Effect of Bankruptcy on Airline Agreements."

⁽³⁾ Includes airlines with regular flights or significant activity at the Airport.

The following information shows aviation activity at the Airport. The table below summarizes passenger enplanements at the Airport for the period from Fiscal Years 1980, 1990, 2000 through 2011 and the six months ended March 31, 2011 and 2012.

Enplaned Passengers
Fiscal Years 1980, 1990 and 2000 through 2011

<u>Fiscal Year(1)</u>	<u>Domestic</u>	<u>International</u>	<u>Total</u>	<u>Percent Annual Increase/(Decrease)</u>
1980	2,810,316	239,824	3,050,140	—
1990	3,862,623	664,680	4,527,303	—
2000	6,919,181	718,961	7,638,142	—
2001	7,772,569	738,225	8,510,794	11.4%
2002	7,606,900	592,716	8,199,616	(3.7)
2003	8,098,122	632,042	8,730,164	6.5
2004	9,243,020	794,479	10,037,499	15.0
2005	10,303,438	1,063,553	11,366,991	13.2
2006	9,503,386	1,177,350	10,680,736	(6.0)
2007	9,776,771	1,365,898	11,142,669	4.3
2008	10,006,392	1,584,047	11,590,439	4.0
2009	8,947,048	1,520,840	10,467,888	(9.7)
2010	9,260,615	1,652,303	10,912,918	4.3
2011	9,836,257	1,835,273	11,671,530	7.0
Average annual increase, Fiscal Year 1980 – Fiscal Year 2011				13.46%
Average annual increase, Fiscal Year 2000 – Fiscal Year 2011				4.8%

<u>Six Months Ended March 31</u>	<u>Domestic</u>	<u>International</u>	<u>Total</u>	<u>Percent increase/(decrease)</u>
2011	5,030,936	953,256	5,984,192	—
2012	4,972,868	1,024,864	5,997,732	0.2%

⁽¹⁾The County's Fiscal Year ends September 30.

Source: Broward County Aviation Department.

Based on data collected by Airports Council International – North America, the Airport ranked 21st among U.S. airports in terms of total passengers for the 12 months ended September 30, 2011. More notably, the Airport ranked 13th among U.S. airports in terms of domestic origin-destination ("O&D") passengers during the same 12-month period, ahead of major hub airports such as JFK (New York), Newark, Philadelphia, Minneapolis-St. Paul and Detroit. The Airport is the second largest airport in Florida (behind Orlando) in terms of both domestic enplaned passengers and domestic O&D passengers.

Total enplaned passengers at the Airport numbered approximately 11.7 million in Fiscal Year 2011. Of these passengers, an estimated 92 percent were O&D passengers with connecting passengers accounting for the remaining 8 percent. Of these O&D passengers, in turn, an estimated 86 percent were domestic travelers and the remaining 14 percent were traveling to destinations outside the United States.

Domestic O&D passenger growth at the Airport since 2000 has substantially exceeded O&D passengers growth statewide and nationally, as well as at MIA and PBI. For example, the number of domestic O&D passengers at the Airport increased 30 percent over the decade, compared to 10 percent for Florida, 2 percent at PBI, no net change nationally, and a 12 percent decline at MIA.

The Airport offers more departing seats to Latin America (South America and Central America, excluding Mexico) and the Caribbean than all but three other U.S. airports. In addition, the Airport accounts for nearly one-quarter of all departing seats between the United States and the Bahamas, second only to MIA.

Of the approximately 11.7 million enplaned passengers at the Airport in Fiscal Year 2011, approximately 7.6 million boarded flights operated by the Airport's top four airlines – Spirit, Southwest, Delta and jetBlue. These four airlines accounted for 65 percent of the Airport's passenger traffic, representing a relatively low degree of market concentration and indicative of a highly competitive airline environment. A low level of concentration minimizes the Airport's exposure to the loss or bankruptcy of a given airline.

Domestic Traffic. From Fiscal Year 1980 through Fiscal Year 2011, the number of domestic enplaned passengers at the Airport increased an average of 11.9 percent per year. Since Fiscal Year 2000, domestic passenger enplanements at the Airport have increased at 3.8 percent per year. The Airport's domestic traffic growth over the last 10 years has been largely due to the proliferation of low cost carriers serving the Airport. Since 2002, the Airport's share of domestic enplaned passengers of the three primary south Florida airports (the Airport, MIA and PBI) has increased from approximately 42.0 percent in 2002 to 43.4 percent in 2011.

Southwest Airlines/AirTran Airways Consolidation. On January 20, 2012, Southwest Airlines and its wholly owned subsidiary AirTran Airways announced their intent to convert AirTran Airways operations to Southwest Airlines operations over time and received a single operating certificate on March 1, 2012. BCAD anticipates a reduction in AirTran Airways flights and corresponding increase in Southwest Airlines flights and therefore anticipates no reduction in overall airline revenue. At this time, Southwest Airlines and the Airport are still in discussions with respect to capital improvements needed to accommodate this consolidation.

Spirit Airlines Flight Reductions. Recently, Spirit Airlines has redeployed aircraft to its western United States operations area. As a result, enplanements attributable to Spirit Airlines have decreased approximately 10.4 percent for the six month period ended March 31, 2012 compared to the period ended March 31, 2011. Spirit Airlines has indicated that as it takes delivery of new aircraft, it will add back flights at the Airport. In the meantime, other carriers, in particular, jetBlue, have increased their enplanements.

International Traffic. In Fiscal Year 2011, international enplaned passengers accounted for approximately 15.7 percent of total enplaned passengers at the Airport. From Fiscal Year 1980 through Fiscal Year 2011, the number of international enplaned passengers at the Airport increased an average of 31.7 percent per year, and 14.1 percent per year from Fiscal Year 2000 through Fiscal Year 2011. International enplaned passengers have increased approximately 209.6 percent since Fiscal Year 2002. New service by Avianca, American, Caribbean, jetBlue and Spirit have all contributed to make the Airport the alternate south Florida gateway to the Caribbean and Latin America, and in Fiscal Year 2011 Condor launched service to Europe. Destinations in the Bahamas, Latin America and the Caribbean (not including destinations in Puerto Rico) accounted for approximately 52.5 percent of international passengers at the Airport in calendar year 2011. Canadian destinations accounted for approximately 45.8 percent of international passengers and Germany accounted for 1.7 percent of international passengers.

Air Cargo. During Fiscal Year 2011, 93,624 tons of air cargo was processed at the Airport. In calendar year 2010, the Airport ranked 35th in total cargo volume among domestic airports.

The Port Everglades Partnership. The Airport shares passenger markets with one of the world's busiest cruise ports (Port Everglades). Over 3.95 million passengers on over 12 cruise lines utilized the facilities of Port Everglades in 2011. Port Everglades is located adjacent to the eastern boundary of the Airport, enabling both major transportation facilities to offer convenient passenger connections between aircraft and ship.

Other Statistical Information. The following table shows passenger market shares for the airlines serving the Airport for the five Fiscal Years ended with 2011. The Airport is primarily an origin and destination airport with approximately 91 percent of all passengers having their origin or destination in the Airport's service region. Three low cost airlines (Spirit, Southwest and jetBlue) showed an increasing share of enplanements over the five Fiscal Years ended 2011, and accounted for approximately 51.7 percent of all enplanements in Fiscal Year 2011.

Enplaned Passengers by Airline

	Fiscal Years Ended September 30									
	2011		2010		2009		2008		2007	
	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number
Spirit	20.6%	2,400,767	19.1%	2,083,999	19.0%	1,990,980	18.2%	2,107,151	13.8%	1,544,107
Southwest Airlines Co. ⁽¹⁾	15.6	1,818,787	16.1	1,761,941	16.7	1,744,463	13.2	1,527,591	13.0	1,447,623
jetBlue	15.5	1,810,330	14.9	1,622,676	14.2	1,487,709	12.7	1,468,423	12.1	1,349,010
Delta Airlines/Northwest ⁽²⁾	13.4	1,565,476	15.0	1,631,512	14.9	1,561,953	15.2	1,756,404	17.6	1,960,283
Continental/United/Gulfstream ⁽³⁾	7.2	839,198	7.1	777,688	7.6	798,361	8.4	969,310	9.1	1,021,127
US Airways/America West	7.0	819,741	7.7	837,818	8.8	924,540	8.9	1,031,940	10.2	1,132,850
Air Tran Airways, Inc. ⁽¹⁾	5.1	596,908	5.7	621,027	5.9	616,394	5.7	663,841	6.1	681,172
American Airlines, Inc. ⁽⁴⁾	4.8	558,800	3.9	422,633	4.6	478,254	7.2	839,327	8.0	889,390
Air Canada	2.1	245,189	2.0	217,718	2.0	212,399	1.6	188,313	1.6	178,968
Signatory Airlines	91.29%	10,655,196	91.42%	9,977,012	93.73%	9,815,053	91.05%	10,552,300	91.44%	10,204,530
All Other Airlines	8.71%	1,016,334	8.58%	935,906	6.27%	656,189	8.95%	1,037,220	8.56%	955,546
Total All Airlines	100.00%	11,671,530	100.00%	10,912,918	100.00%	10,471,242	100.00%	11,589,520	100.00%	11,160,076
Domestic	84.3%	9,836,257	84.9%	9,260,615	85.4%	8,947,048	86.3%	10,006,392	87.6%	9,776,771
International	15.7	1,835,273	15.1	1,652,303	14.6	1,520,840	13.7	1,584,047	12.4	1,365,898
	100.0%	11,671,530	100.0%	10,912,918	100.0%	10,467,888	100.0%	11,590,439	100.0%	11,142,669

Source: Broward County Aviation Department.

⁽¹⁾On March 1, 2012, Southwest Airlines and its wholly owned subsidiary, AirTran Airways, received a single operating certificate.

⁽²⁾Includes Delta Connection, Atlantic Southeast Airlines and Comair.

⁽³⁾Includes Continental Connection.

⁽⁴⁾Includes American Eagle.

The table below summarizes aircraft landed weights, air cargo (including U.S. mail) and annual aircraft operations.

**Landed Weights, Air Cargo and Aircraft Operations
Fiscal Years 2007-2011**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Landed Weights (1,000-pound units)	14,024,764	13,427,072	13,111,582	14,970,837	14,591,136
Air Cargo (US tons)	196,339	95,210	102,149	137,835	155,077
Aircraft Operations	225,287	255,642	249,986	291,178	270,459

Source: Broward County Aviation Department.

The table on the following page shows the primary domestic destinations of passengers using the Airport for the 12 month period ending September 30, 2011. The top five markets for the Airport's passengers – New York, Washington, D.C./Baltimore, Chicago, Atlanta and Boston accounted for approximately 41.4 percent of domestic scheduled passengers for this period. In Fiscal Year 2010, of the Airport's top 20 domestic O&D markets, 15 were served nonstop by more than one airline and eight were served by three or more airlines, an indicator of a high degree of airline competition and a driver of downward pressure on airfares charged.

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DOMESTIC PASSENGER ORIGIN-DESTINATION MARKETS

Fort Lauderdale-Hollywood International Airport
For the 12 months ended September 30, 2011

Market of origin or destination ⁽¹⁾	Air miles from Fort Lauderdale	Percent of total scheduled airline passengers
New York		20.8%
LaGuardia	1,076	8.15%
Kennedy International	1,068	5.2
Newark International	1,065	4.8
Westchester County	1,097	1.1
Newburgh	1,118	0.5
Islip (MacArthur)	1,092	1.2
Washington, D.C./Baltimore		7.0
Baltimore/Washington International	925	2.9
Reagan National	899	2.9
Dulles International	901	1.2
Atlanta	581	4.9
Chicago		4.5
Chicago Midway	1,175	1.9
O'Hare International	1,174	2.7
Boston	1,237	4.1
Detroit	1,127	3.2
Philadelphia	992	3.0
Los Angeles	2,316	2.5
San Juan, P.R.	1,046	2.3
Las Vegas	2,174	1.8
Denver	1,700	1.8
San Francisco	2,583	1.6
Atlantic City	977	1.6
Tampa	197	1.5
Hartford	1,173	1.5
Dallas/Fort Worth ⁽²⁾	1,114	1.4
Pittsburgh	994	1.4
Buffalo	1,169	1.2
Providence	1,188	1.2
Phoenix	1,969	1.1
Charlotte	633	1.0
Raleigh-Durham	683	1.0
Columbus	972	1.0
Cities listed		71.5%
All others		28.5%
Total		100.0%

⁽¹⁾ Markets with 1% or more of total inbound and outbound domestic passengers on scheduled airlines at Fort Lauderdale-Hollywood International Airport, for the 12 months ended September 30, 2011.

⁽²⁾ Includes Dallas/Fort Worth International Airport and Love Field.

⁽³⁾ Includes George Bush Intercontinental and William P. Hobby airports.

Source: U.S. Department of Transportation, as reported by APGdat, for the 12 months ended September 30, 2011.

PASSENGER FACILITIES CHARGES

General

The Aviation Safety and Capacity Expansion Act of 1990, as amended (the "PFC Act"), as implemented by the FAA pursuant to published regulations (the "PFC Regulations"), permits a public agency that controls a commercial service airport to

charge each paying passenger enplaning at such airport a Passenger Facilities Charge of \$1.00, \$2.00, \$3.00, \$4.00 or \$4.50, subject to certain limitations. The proceeds from PFCs are to be used to finance approved eligible airport-related projects that (a) preserve or enhance capacity, safety or security of the national air transportation system, (b) reduce noise from an airport that is part of the system, or (c) provide an opportunity for enhanced competition between or among air carriers or foreign air carriers. "Eligible airport-related projects" include airport development or planning, terminal development, airport noise compatibility measures and planning and construction of gates and related areas (other than restaurants, rental car facilities, automobile parking or other concessions) for the movement of passengers and baggage. In order to be eligible for PFC funding at levels of \$4.00 or \$4.50, a project must meet certain additional requirements provided in the PFC Regulations. The PFC Act is subject to amendment and to repeal by the United States Congress. See "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS – Recent FAA Reauthorization and Federal Grant Funding " herein. The FAA may also amend the PFC Regulations.

The public agency must obtain the FAA's approval before imposing PFCs and before using the proceeds of PFCs. FAA approval may be for "impose-only" or for "impose-and-use" authority. "Impose-only" authority permits the public agency to charge PFCs for approved projects but requires another application for authority to use such proceeds of PFCs. Projects for which impose-only authority is granted must be "implemented" within five years after the effective date of such authority, and a use application (or, if the implementation schedule is delayed, a request for extension) must be submitted within three years after the effective date. Projects for which "impose-and-use" authority is granted must be implemented within two years after approval of the use of the PFCs. "Implementation" means that a notice to proceed has been issued to a contractor, in the case of a construction project; that a title search, survey or appraisal has commenced for a significant part of the property in the case of property acquisition; or that a contractor or public agency has started work in the case of any other non-construction project.

PFC Authority at the Airport

In December 1994, the County received approval from the FAA to impose a PFC at the Airport. Since October 1, 2005, the County has imposed a PFC of \$4.50 per enplaned passenger, except for passengers of exempt aircraft operators under the terms of twelve PFC applications and the respective FAA approvals. The County is currently authorized to receive a total of \$1,876,457,520 in PFC Revenues through September 1, 2030.

The County is authorized to use up to \$1,543,827,939 of the total \$1,876,454,520 in authorized PFC Revenues for payment of debt service on certain bond-financed projects approved by the FAA. Subject to satisfying the Sufficiency Covenant set forth in the PFC Bond Resolution, the remaining \$332,629,581 of the authorized total of

\$1,876,457,520 is to be used to pay for additional PFC projects on a pay-as-you-go basis, \$213,120,123 of which had been spent through December 31, 2011.

From December 1, 1995 through December 31, 2011, BCAD had received a total of \$507,128,000 in PFC collections at the Airport and earned interest thereon of \$36,259,000, for a total of \$543,386,000 in PFC Revenues. Of this amount, approximately \$441,816,000 has been spent through December 31, 2011 on projects that are either being programmed or are under construction, and on debt service for the Outstanding Convertible Lien Bonds. Approximately \$101,570,000 of PFC Revenues received through December 31, 2011 have not been spent.

PFC applications are approved by the FAA to fund specific projects and in specific amounts and the County may impose the designated PFCs only until it collects the authorized total amounts. Interest earnings on the collections are treated as collections for purposes of the authorized total.

Collection of PFCs

PFCs are collected on behalf of airports by air carriers, certain foreign air carriers and their agents ("Collecting Carriers"). The Collecting Carriers are authorized to withhold (a) a collection fee of \$0.11 per enplaning passenger from whom a PFC is collected and (b) any investment income earned on the amount collected prior to the due date of the remittance. The PFC Regulations require each Collecting Carrier to remit PFC collections (net of the collection fees and any investment earnings) to the public agency not later than the last day of the calendar month following the month in which the PFC collections are recorded in such Collecting Carrier's accounting system.

The PFC Act was amended in 1996 to provide that PFCs that are held by a Collecting Carrier constitute a trust fund that is held for the beneficial interest of the public agency imposing the fee and that the Collecting Carrier holds neither legal nor equitable interest in the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, PFC Regulations require Collecting Carriers to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds in financial statements. The Collecting Carriers, however, are permitted to commingle PFC collections with such carrier's other sources of revenues and are also entitled to retain interest earned on PFC collections until such PFCs must be remitted. It is unclear whether the County would be afforded the status of a secured creditor with regard to PFCs collected or accrued by a Collecting Carrier in connection with a Collecting Carrier operating at the Airport that is involved in bankruptcy. On December 12, 2003, however, President Bush signed the Vision 100 – Century of Aviation Reauthorization Act ("Vision 100") into law. Vision 100 requires an airline that files for bankruptcy protection, or that has an involuntary bankruptcy proceeding commenced against it, to segregate passenger facility charge revenue in a separate account for the benefit of the eligible agencies entitled to such revenue. Based

on this legislation, it is expected that the County would be treated as a secured creditor with respect to PFCs held by a collecting creditor that becomes involved in a bankruptcy proceeding. For information regarding PFC revenues in cases of airline bankruptcy, see "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS – Effect of Airline Bankruptcy on Airline Agreements" herein.

Historical PFC Revenues collected by the County in recent years are as follows:

<u>Fiscal Year Ended September 30</u>	<u>Amount</u>
2007	\$45,526,000
2008	48,467,000
2009	41,900,000
2010	49,826,000
2011	48,363,000
<u>Six Months Ended March 31</u>	<u>Amount</u>
2011	\$25,616,000
2012	25,073,000

Source: Broward County Aviation Department.

Factors Affecting Collection of Passenger Facilities Charges

The ability of the County to collect sufficient PFCs depends upon a number of factors including the operation of the Airport by the County, the use of the Airport by Collecting Carriers, the efficiency and ability of the Collecting Carriers to collect and remit PFCs to the County and the number of enplanements at the Airport. The County relies upon the Collecting Carriers' collection and remittance of PFCs, and both the County and the FAA rely upon the airlines' reports of enplanements and collection statistics.

If the PFC Revenues actually collected by the County fall significantly below the levels estimated by BCAD or if the collection fees retained by the Collecting Carriers are increased or if the PFC Act is amended as described above, the County will have to manage its PFC program carefully in such event and balance its expenditures with its actual collected PFC Revenues to ensure that sufficient moneys will be available to pay debt service on the Outstanding Convertible Lien Bonds maturing prior to the Conversion Date.

Termination of Authority to Impose PFCs

The FAA may terminate the County's authority to impose PFCs, subject to informal and formal procedural safeguards, if the FAA determines that (1) the County is in violation of certain provisions of the Airport Noise and Capacity Act of 1990 (the "Noise Act") relating to airport noise and access restrictions, (2) PFC collections and investment income thereon are not being used for approved projects in accordance with the FAA's approvals or with the PFC Act and the PFC Regulations, (3) implementation of the approved projects does not commence within the time periods specified in the PFC Act and PFC Regulations, or (4) the County is otherwise in violation of the PFC Act, the PFC Regulations or any PFC Authority. Formal termination proceedings are authorized if the FAA determines that efforts to achieve an informal resolution are not successful. In addition, the County has entered into agreements with the FAA relating to the procedures pursuant to which the County's authority to impose certain PFCs may be terminated. The County is not aware of any existing circumstance which would cause a termination of its authority to impose PFCs.

THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS

The following section describes certain investment considerations affecting the payment of and security for all Bonds outstanding under the Bond Resolution, including the Series 2012P Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of the Series 2012P Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following specific factors along with all other information described elsewhere or incorporated by reference in this Official Statement in evaluating the Series 2012P Bonds.

Airline Reports

Certain of the airlines serving the Airport (or their respective parent corporations) are subject to the information requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and in accordance therewith file reports and other information with the Securities and Exchange Commission ("SEC"). Only companies with securities listed on a national securities exchange, with securities traded over the counter which are registered under the Exchange Act, or which are required to file with the SEC pursuant to the information-reporting requirements will have information on file. Certain information, including financial information, as of particular dates, concerning each such airline is disclosed in certain reports and statements filed with the SEC. Such reports and statements can be inspected in the Public Reference Section at the SEC Headquarters, 100 F Street, N.E., Washington, DC 20549, and copies of such reports and statements can be obtained from the Public Reference Section at prescribed rates. The SEC also maintains a website that contains reports, proxy and information statements and

other written information regarding companies that file electronically with the SEC. The address of the website is <http://www.sec.gov>. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the United States Department of Transportation. Such reports can be inspected at the following location: DOT Dockets Office, Research and Innovative Technology Administration, Bureau of Transportation Statistics, 1200 New Jersey Avenue, S.E., Room W12-140, Washington, D.C. 20590 and copies of such reports can be obtained from the United States Department of Transportation at prescribed rates. Foreign flag airlines are not required to file financial reports or operating statistics with the United States Department of Transportation. THE COUNTY HAS NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF INFORMATION AVAILABLE FROM THE ABOVE-MENTIONED SOURCES.

Global Events and Uncertainties of the Airline Industry

Since the economic deregulation of the airline industry in 1978, the industry has undergone significant changes including a number of airline mergers, acquisitions, bankruptcies and dissolutions. In addition, the financial results of the airline industry have been subject to substantial volatility since deregulation. Recent events have had a significant, negative impact on airline industry profitability. Numerous airlines have filed for bankruptcy protection and overall, the airline industry has continued to struggle with higher costs for fuel and depressed passenger revenue. The airlines have responded to the changing nature of the industry by instituting initiatives including but not limited to, furloughing employees, reducing flights, negotiating significant wage reductions, deferring aircraft deliveries, baggage and other service charges, streamlining operations, and improving productivity.

The County's ability to derive Net Revenues depends upon numerous factors, many of which are not subject to the control of the County. Revenues may be affected by the ability of the Signatory Airlines, individually and collectively, to meet their respective obligations under the Airline Agreements. The continued presence of the airlines serving the Airport System, and the levels at which that service will be provided, are a function of a variety of factors. Future airline traffic of the Airport System will be affected by, among other things, the growth in the population and the economy of the primary air trade area served by the Airport System and by national and international economic conditions, federal and state regulatory actions, airline service and routes, air fare levels, aviation fuel prices, the capacity of facilities at the Airport System, operation and capacity of the air traffic control system, national and international disasters and hostilities, mergers, technological changes, environmental risks and regulations, noise abatement concerns and regulation, federal and state bankruptcy and insolvency laws, acts of terrorism and world health concerns and epidemics. It is reasonable to assume that any significant financial or operational difficulties incurred by any of the Signatory Airlines may, whether directly or indirectly, have an adverse impact on Revenues or

Airport operations, the effect of which may be material. Although BCAD has developed contingency plans that make assumptions as to the factors described above and suggest a prudent response to such events, BCAD may anticipate but can never predict the occurrence of any particular event or trend that could adversely impact airline activity and/or Net Revenues. Accordingly, no assurance can be given as to the levels of aviation activity that will be achieved at the Airport.

During the past few years, several airlines filed for bankruptcy protection. Notwithstanding the enactment of federal aid for the airline industry, it is possible that additional passenger or all-cargo air carriers, including one or more of the Signatory Airlines, will file for protection under federal bankruptcy laws. This Official Statement does not contain financial information about any airline or construction contractor or about any other entity other than the Airport System, BCAD and the County. As a result, in making an investment decision with respect to the Series 2012P Bonds, a potential purchaser can have no assurance, based upon the information contained herein, that any entity will be capable of meeting its responsibilities or will perform as expected. For further information regarding the financial condition and effect on operations of the airlines, potential investors should refer to the statements and reports filed periodically by the airlines with the SEC. See "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS – Airline Reports " herein for information on how to obtain such reports and "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS – General Financial Condition of Certain Airlines Serving the Airport" and "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS – Effect of Bankruptcy on Airline Agreements" herein for additional information relating to current and future Signatory Airline bankruptcies.

General Financial Condition of Certain Airlines Serving the Airport

Historically, the financial performance of the air transportation industry has correlated with the state of the national economy. Future increases in passenger traffic will depend largely on the ability of the U.S. to sustain growth in economic output and income. The County derives a substantial portion of its operating revenues from landing and facility rental fees. The financial strength and stability of the airlines using the Airport, together with numerous other factors, influence the level of aviation activity at the Airport and Revenues of BCAD. Over the past decade, substantially all airlines have been downgraded by the rating agencies, several have restructured through Chapter 11 bankruptcy, some are currently restructuring in Chapter 11 and some have ceased service altogether, and many airlines have implemented service reductions and employee layoffs in response to a reduction in passenger demand.

Certain of the airlines (or their respective parent corporations) are subject to the information reporting requirements of the Exchange Act and in accordance therewith file reports and other information with the SEC. See "THE AIRLINE INDUSTRY AND

OTHER INVESTMENT CONSIDERATIONS – Airline Reports " herein for information on how to obtain such reports.

American Airlines, which accounted for 4.8 percent of enplanements at the Airport in Fiscal Year 2011, is currently in bankruptcy proceedings. Although it did not pay a pre-bankruptcy amount of \$283,857.71, it is current on all post-bankruptcy payments and signed a new Airline Agreement with the County dated as of December 21, 2011 (post-petition).

The County cannot predict the duration nor extent of reductions and disruptions in air travel or the extent of any adverse impact on Pledged Revenues, PFC collections, passenger enplanements, operations or the financial condition of the Airport. All airlines have remitted all material post-bankruptcy payments due to the County under the Airline Agreements, and, as of the date of this Official Statement and except as described above, all airlines are current on their payment obligations to the County. The County is not able to accurately predict how long any airline under bankruptcy protection will continue operating at the Airport or whether any of these airlines will liquidate or substantially restructure their operations. Additional bankruptcies, liquidations or major restructurings of other airlines could occur. Further, the County cannot predict nor can it give any assurance that the airlines serving the Airport will continue to pay or to make timely payment of their obligations under the Airline Agreements.

Effect of Bankruptcy on Airline Agreements

When a Signatory Airline seeks protection under the bankruptcy laws, such airline or its bankruptcy trustee must determine whether to assume or reject its agreements with the County (1) within 60 days or later, if ordered by the court, with respect to its Airline Agreement or other leases of real property, or (2) prior to the confirmation of a plan or reorganization with respect to any other agreement. In the event of assumption, the airline would be required to cure any prior defaults and to provide adequate assurance of future performance under the applicable Airline Agreement or other agreements. Rejection of an Airline Agreement or other agreement or executory contract would give rise to an unsecured claim of the County for damages, the amount of which in the case of an Airline Agreement or other agreement is limited by the Bankruptcy Code generally to the amounts unpaid prior to bankruptcy plus the greater of (a) one year of rent, or (b) 15 percent of the total remaining lease payments, not to exceed three years. However, the amount ultimately received in the event of a rejection of an Airline Agreement or other agreement could be considerably less than the maximum amounts allowed under the Bankruptcy Code. However, the amounts unpaid as a result of a rejection of an Airline Agreement by a Signatory Airline in bankruptcy would be passed on to the remaining Signatory Airlines under their Airline Agreements in the form of a rate increase. There is no assurance that the remaining Signatory Airlines would be financially able to absorb the additional costs resulting from the bankruptcy of any other Signatory Airline.

Additionally, during the pendency of a bankruptcy proceeding, a debtor airline may not, absent a court order, make any payments to the County on account of goods and services provided prior to the bankruptcy. Thus, the County's stream of payments from a debtor airline would be interrupted to the extent of pre-petition goods and services, including accrued rent and landing fees. Although there can be no guarantee as to what an airline entity in bankruptcy will or will not do, given the origin and destination nature of the traffic at the Airport, it is expected that any adverse such interruption would be of a relatively short duration. See "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS – General Financial Condition of Certain Airlines Serving the Airport" herein.

Recent FAA Reauthorization and Federal Grant Funding

On February 6, 2012, Congress passed a four-year reauthorization bill for the Federal Aviation Administration ("FAA") - The FAA Modernization and Reform Act of 2012, which was signed into law on February 14, 2012 by the President. This is the first long-term FAA authorization since the last one expired in 2007. Since that time, there were 23 short-term extensions of the FAA's authority and a two-week partial shutdown of the FAA in the summer of 2011. The final FAA reauthorization keeps the federal cap on PFCs at \$4.50 and authorizes \$3.35 billion per year for the Airport Improvement Program ("AIP") through Fiscal Year 2015, which is \$150 million per year less than the funding level for the past five years. The AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set-asides and the national priority ranking system). As noted earlier, in 2011 BCAD received the Runway LOI from the FAA for \$250 million in discretionary grants for the south runway expansion project. The issuance of the Runway LOI does not constitute a binding agreement or commitment of funds by the FAA, but it is indicative of the level of funding the County can reasonably expect to receive, provided Congress continues to appropriate funds for the AIP. The Runway LOI and other similar letters of intent from the FAA are funded at a higher priority than other discretionary AIP funding. Past budget proposals have included reduction or elimination of the AIP. If there is a reduction in the amount of AIP grants awarded to the County for the Airport, it could increase by a corresponding amount the capital expenditures that the County would need to fund from other sources (including operating revenues and bond proceeds), or extend the timing to complete the runway project.

Aviation Safety and Security Concerns

As a result of the September 11, 2001 terrorist attacks, the Federal Aviation and Transportation Security Act ("ATSA") was enacted on November 19, 2001. This legislation made airport security the responsibility of the newly created Transportation Security Administration (the "TSA"). The TSA was subsequently made an administrative agency within the new United States Department of Homeland Security in

the Homeland Security Act of 2002 ("HSA"). Provisions of the HSA and subsequent directives issued by the TSA called for, among other things, stronger cockpit doors on commercial aircraft, an increased presence of armed federal marshals on commercial flights, establishment of 100 percent checked bag screening, and replacement of all passenger and baggage screeners with federal employees, who must undergo criminal history background checks and be U.S. citizens. ATSA also mandated additional security measures, including screening of all individuals, goods, property, vehicles and equipment before entry into a secured area of the airport, security awareness programs, and screening all checked baggage for explosives with explosives detection systems.

The Airport is currently in compliance with all federally mandated security requirements and has been able to meet these requirements without significant financial or operational impact. However, accommodation or compliance with any future unfunded security measures may result in an increase in capital and operating expenses. Increases in these expenses may have the effect of increased to the costs of airlines using the Airport.

Cost of Aviation Fuel

Airline earnings are significantly affected by the price of aviation fuel. According to the Airlines for America ("A4A"), fuel is the largest cost component of airline operations, and therefore an important and uncertain determinant of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but there have been significant price increases for fuel. Any unhedged increase in the fuel prices causes an increase in airline operating costs. According to A4A, a one-dollar per barrel increase in the price of crude oil equates to approximately \$445 million in annual additional expense for U.S. airlines. Fuel prices continue to be susceptible to, among other factors, political unrest, Organization of Petroleum Exporting Countries policy, increased demand for fuel caused by rapid growth of economies such as China and India, fuel inventory maintained by certain industries, strategic reserves maintained by governments, currency fluctuations, disruptions to production and refining facilities and weather.

In recent years, oil prices reached a record high of approximately \$145 barrel in July 2008, and while they have declined from this elevated level, they have fluctuated significantly since then. Significant fluctuations and prolonged increases in the cost of aviation fuel have adversely affected air transportation industry profitability, causing airlines to reduce capacity, fleet and personnel and to increase fares and institute fuel, checked baggage, and other extra surcharges, all of which may decrease demand for air travel.

Passenger Facilities Charges

The County's authority to impose and use PFCs is subject to certain terms and conditions provided in the PFC Act, the PFC Regulations and each PFC Authority. If the County fails to comply with these requirements, the FAA may take action to terminate or to reduce the County's authority to impose or to use PFCs. Some of the events that could cause the County to violate these provisions are not within the County's control. In addition, failure to comply with the provisions of the Noise Act may lead to termination of the County's authority to impose PFCs. There is no assurance that the PFC Act will not be repealed or amended or that the PFC Regulations or any PFC Authority will not be amended in a manner that would adversely affect the County's ability to collect and use PFC Revenues. See "SECURITY FOR THE SERIES 2012P BONDS – Use of PFCs to Pay Series 2012P Bonds" herein.

Environmental Matters

The County owns certain properties adjacent to its existing airport facilities which may be improved as part of its current capital improvement plan. Such properties are the subject of prior "Phase II" environmental assessments revealing that remediation is necessary to clean up soil and groundwater for certain aviation fuel and other petroleum spills. Although the County is not currently subject to any federal or state action with regard to such properties, remediation is required in order to fully utilize such properties as part of the Airport's planned expansion. The cost to remediate such properties is estimated to be \$2 million and is contained in BCAD's 5-year capital improvement plan. Although the true extent of such costs will not be known until remediation actually occurs, the County may reduce its financial exposure by seeking reimbursement for the remediation costs from former tenants of the properties that caused the environmental issues to occur. In addition, one of the sites may be covered under a state clean-up program if funding is made available by the legislature in the future.

Insurance

The Airport System is exposed to various risks and losses related to fiduciary liability, auto liability, storage tank and pollution liability, theft, damage and destruction of property, injuries to employees and natural disasters. The County has established a fund (the "Risk Management Fund") under the County's self-insurance program. The Risk Management Fund provides coverage for up to \$2,000,000 for each workers' compensation occurrence and amounts in excess of such amount are covered by commercial insurance. General liability and auto 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 currently maintains property insurance for property not insured by others with per occurrence limits totaling \$1.0 billion. The property insurance policies contain certain specific sub-limits, and the primary layer contains a deductible of \$50,000 per occurrence for causes of loss other than named

windstorm. It is common and ordinary in Florida for property insurance policies for structures comparable in size and value to the Airport System, to include a larger deductible for losses arising from a named windstorm. The County's deductible for a named windstorm is \$20 million, which currently compares favorably with similar properties in Florida. The policy provides open-perils protection as opposed to specifically named-perils protection on a replacement cost basis and includes coverage for loss of business income up to \$24.3 million per occurrence resulting from a covered property loss and a 10 day waiting period. The County currently maintains property insurance with per occurrence limits of \$350 million for terrorism events with a \$100,000 deductible and limits of \$295 million for named windstorm occurrences. Renovations to existing facilities not insured by others are included as covered losses under the County's current property insurance up to limits of \$10 million per occurrence. BCAD also maintains builders' risk insurance through the County's program, when required for construction projects not covered by others. It is expected that property insurance limits may be adjusted in the future, as is prudent in the airport industry and as insurance markets continue to evolve. For additional information related to the County's Risk Management Fund, see note 10 of the Broward County Aviation Department Special Purpose Financial Statements for the Fiscal Years ended September 30, 2011 and 2010 attached hereto as APPENDIX B.

In advance of the expiration of its insurance policies, the County will evaluate coverage and premium costs for renewing these policies, obtaining replacement policies or maintaining self-insurance. There is no assurance that the same insurance coverage or policy limits will be available or obtained by the County in the future. In addition, the County's liability insurance premiums for the airport operations have increased materially over the last five years and it is likely that these premiums will continue to increase significantly in the future based on market conditions.

Availability of Various Sources of Funding

The funding plan for the CIP as described herein assumes and states that various federal and State grants will be received in amounts and at times necessary to pay a portion of the costs of the CIP. In addition, the funding plan assumes certain amounts of PFCs will be available to pay a portion of the costs of the CIP. No assurance can be given that these sources of funding will actually be available in the amounts or on the schedule assumed. See "THE CAPITAL IMPROVEMENT PROGRAM" herein.

To the extent that any portion of the funding assumed in the funding plan is not available as anticipated, the County may be required to issue additional indebtedness to help pay the costs associated with the CIP and increase airline rates and charges to pay debt service on such obligations and to fund the required coverage thereon. The issuance of any such additional indebtedness may require Majority in Interest approval of the Signatory Airlines. There is no assurance that the County will be able to obtain such

approval. As an alternative to issuing additional debt, the CIP may be downsized. See "THE CAPITAL IMPROVEMENT PROGRAM" herein.

Costs of Capital Improvement Program and Schedule

The estimated costs of, and the projected schedule for, the CIP are subject to a number of uncertainties. The ability of the County to complete the CIP may be adversely affected by various factors including: (1) estimating errors, (2) design and engineering errors, (3) changes to the scope of the capital improvements, (4) delays in contract awards, (5) material and/or labor shortages, (6) unforeseen site conditions, (7) adverse weather conditions, (8) contractor defaults, (9) labor disputes, (10) unanticipated levels of inflation, (11) litigation, (12) delays in permitting and (13) environmental issues. No assurance can be given that the CIP will not cost more than is currently estimated. Any schedule delays or cost increases could result in the need to issue additional indebtedness and may result in increased costs per enplaned passenger to the airlines utilizing the Airport. As noted above, there can be no assurance that the County will be able to obtain any required Majority in Interest approval of the Signatory Airlines for the issuance of such additional debt.

Construction of large projects at airports also involves the risk of disruption of ongoing operations and a resultant reluctance on the part of passengers and airlines to use the Airport. BCAD has taken steps to minimize the impact of construction at the Airport and does not believe that air traffic will be reduced.

Forward Looking Statements

This Official Statement, and particularly the information contained under the captions "THE CAPITAL IMPROVEMENT PROGRAM" contains statements relating to future results that are "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect," and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. Among the factors that may cause projected revenues and expenditures to be materially different from those anticipated are an inability to incur debt at assumed rates, construction delays, increases in construction costs, general economic downturns, factors affecting the airline industry in general, federal legislation and/or regulations, and regulatory and other restrictions, including but not limited to those that may affect the ability to undertake the timing or the cost of certain projects. Any forecast is subject to such uncertainties. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

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, (b) liquidity, (c) yield maximization, and (d) 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. With the exception of assets held in debt service funds and reserve funds (which are instead restricted by the terms of their respective bond documents), investments may not exceed a maximum maturity of five years. 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 or other proceedings of any nature now 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 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 2012P Bonds or to collect the Revenues or will have a material adverse effect on the Airport System.

At the time of the delivery of the Series 2012P 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 or 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 (a) restraining or enjoining the issuance, sale or delivery of the Series 2012P Bonds, (b) questioning or affecting the validity of the Series 2012P Bonds or any proceedings of the County taken with respect to the authorization, sale, execution or issuance of the Series 2012P Bonds or of the pledge of any moneys or other security provided for the Series 2012P Bonds, or (c) which could have a material adverse effect on the Airport System.

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 Airport System.

TAX MATTERS

General

In the opinion of Squire Sanders (US) LLP, and Perry E. Thurston, Jr., P.A., Co-Bond Counsel, under existing law: (i) interest on the Series 2012P Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except for interest on any Series 2012P-1 Bond for any period during which it is held by a "substantial user" or a "related person" as those terms are used in Section 147 of the Code; (ii) interest on the Series 2012P-1 Bonds is an item of tax preference for purposes of Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations; (iii) interest on the Series 2012P-2 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (iv) the Series 2012P Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Co-Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2012P Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the County contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2012P Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Co-Bond Counsel will not independently verify the accuracy of the County's certifications and representations or the continuing compliance with the County's covenants.

The opinion of Co-Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Co-Bond Counsel's legal judgment as to exclusion of interest on the Series 2012P Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Co-Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the County may cause loss of such status and result in the interest on the Series 2012P Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2012P Bonds. The County has covenanted to take the actions required of it for the interest on the Series 2012P Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2012P Bonds, Co-Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Co-Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2012P Bonds or the market value of the Series 2012P Bonds.

A portion of the interest on the Series 2012P-2 Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2012P Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or

continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2012P Bonds. Co-Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2012P Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2012P Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2012P Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2012P Bonds will not have an adverse effect on the tax status of interest on the Series 2012P Bonds or the market value or marketability of the Series 2012P Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2012P Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, both the American Jobs Act of 2011 proposed by President Obama on September 12, 2011, and introduced into the Senate on September 13, 2011, and the federal budget for Fiscal Year 2013 as proposed by President Obama on February 13, 2012, contain provisions that could, among other things, result in additional federal income tax for tax years beginning after 2012 on taxpayers that own tax-exempt obligations, including the Series 2012P Bonds, if they have incomes above certain thresholds.

Prospective purchasers of the Series 2012P Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Series 2012P Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Co-Bond Counsel expresses no opinion.

Co-Bond Counsel's engagement with respect to the Series 2012P Bonds ends with the issuance of the Series 2012P Bonds, and, unless separately engaged, Co-Bond

Counsel is not obligated to defend the County or the owners of the Series 2012P Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2012P Bonds, under current IRS procedures, the IRS will treat the County as the taxpayer and the beneficial owners of the Series 2012P Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2012P Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2012P Bonds.

Original Issue Premium

All of the Series 2012P Bonds ("Premium Bonds") were offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the inside cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of bond premium properly accruable or amortizable in any period with respect to the Premium Bonds and as to other federal tax consequences and the treatment of bond premium for purposes of state and local taxes on, or based on, income.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale by the County of the Series 2012P Bonds are subject to the approving legal opinions of Squire Sanders (US)

LLP. and Perry E. Thurston, Jr., Co-Bond Counsel. The proposed form of opinion of Co-Bond Counsel is included as APPENDIX G hereto. The actual legal opinions to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinions will speak only as of their date, and subsequent distribution by recirculation of the Official Statement or otherwise shall create no implication that Co-Bond Counsel have reviewed or express any opinion concerning any of the matters referenced in the opinions subsequent to their date.

Certain legal matters will be passed on for the County by the County Attorney or a Deputy County Attorney and by Nabors, Giblin & Nickerson, P.A., Fort Lauderdale, Florida, and Saunders Legal Strategies & Solutions, P.L., Co-Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by GrayRobinson, P.A., Fort Lauderdale, Florida, Counsel to the Underwriter.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of (i) the mathematical computation of anticipated receipts of principal of and interest earned on the Defeasance Obligations and certain cash deposits deposited into the Escrow Funds established under the respective Escrow Deposit Agreements to provide for the payment, the principal of, redemption premium, if any, and interest on the Refunded Bonds when due, whether at maturity or earlier redemption, and (ii) the arithmetic computations supporting Co-Bond Counsel's conclusions that the Series 2012P-2 Bonds are not "Arbitrage Bonds" under Section 148 of the Code, will be verified by The Arbitrage Group, Inc. Such computations were based solely on assumptions and information supplied by the Financial Advisor on behalf of the County. The Arbitrage Group, Inc. has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluations of the assumptions and information on which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of future events.

UNDERWRITING

J.P. Morgan Securities LLC, together with certain other underwriters (collectively, the "Underwriters"), have agreed to purchase the Series 2012P Bonds subject to certain conditions set forth in the Bond Purchase Agreement with the County (the "Purchase Agreement"). The Purchase Agreement provides that the obligation of the Underwriters to accept delivery of the Series 2012P Bonds is subject to various conditions set forth therein, but the Underwriters will be obligated to purchase all of the Series 2012P Bonds if any Series 2012P Bonds are purchased. The Underwriters have agreed to purchase the Series 2012P Bonds for a price of \$348,048,360.22 (representing the principal amount of

\$309,855,000, plus original issue premium of \$39,497,483.35, less an underwriters' discount of \$1,304,123.13).

The prices and other terms respecting the offering and sale of the Series 2012P Bonds may be changed from time to time by the Underwriters after such Series 2012P Bonds are released for sale, and the Series 2012P Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell such Series 2012P Bonds into investment accounts.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Series 2012P Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of UBS Financial Services Inc. ("UBSFS") and Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings, if applicable to this transaction, at the original issue prices. Pursuant to each Dealer Agreement each of UBSFS and CS& Co. will purchase the Series 2012P Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2012P Bonds that such firm sells.

Blaylock Robert Van, LLC ("Blaylock Robert Van" or "BRV") has entered into distribution agreements ("Agreements") with International Financial Solutions and FMS Bonds, Inc. (the "Distribution Partners") for the distribution of certain municipal securities offerings underwritten by or allocated to Blaylock Robert Van, including the Series 2012P Bonds. Under the Agreements, Blaylock Robert Van will share with the Distribution Partners a portion of the underwriting compensation paid to BRV.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, an underwriter of the Series 2012P Bonds, has entered into a retail brokerage joint venture with Citigroup Inc. As part of the joint venture, Morgan Stanley & Co. LLC will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Morgan Stanley & Co. LLC will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2012P Bonds.

CONTINUING DISCLOSURE

The County will enter into a Continuing Disclosure Certificate dated as of the date of delivery of the Series 2012P Bonds (the "Continuing Disclosure Certificate"), the form of which is attached hereto as APPENDIX H. Pursuant to the Continuing Disclosure Certificate, the County has covenanted for the benefit of the Series 2012P Bondholders to provide certain financial information and operating data relating to the County and the Series 2012P Bonds in each year (the "Annual Report") and to provide notices of the occurrence of certain enumerated material events. Such covenant by the County shall

only apply so long as the Series 2012P Bonds remain outstanding under the Bond Resolution. The foregoing covenant shall also terminate upon the termination of the continuing disclosure requirements of S.E.C. Rule 15c2-12(b)(5) (the "Rule") by legislative, judicial or administrative action. The Annual Report and notices of material events will be filed by the County with the depositories designated from time to time pursuant to the Rule (the "Depositories,") as described in the form of Continuing Disclosure Certificate. The specific nature of the information to be contained in the Annual Report and the notices of material events are described in "APPENDIX H – FORM OF CONTINUING DISCLOSURE CERTIFICATE," which shall be executed by the County at the time of issuance of the Series 2012P Bonds. Failure of the County to comply with the provisions of the Continuing Disclosure Certificate shall not constitute a default under the Bond Resolution. The sole and exclusive remedy of any holder of Series 2012P Bonds for enforcement of the provisions of the Continuing Disclosure Certificate shall be an action of mandamus or specific performance to cause the County to comply with its obligations thereunder. The foregoing covenants have been made in order to assist the Underwriters in complying with the Rule.

With respect to the Series 2012P Bonds, no party other than the County is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Series 2012P Bonds pursuant to the aforementioned Rule. To date, the County has not failed to comply with any prior continuing disclosure undertaking with respect to the Rule.

FINANCIAL ADVISORS

The County has engaged Jefferies & Company, Inc. and Omni Consulting Services as financial advisors in connection with the authorization, issuance and sale of the Series 2012P Bonds. Under the terms of their engagements, the Financial Advisors are not obligated to undertake, and have not undertaken to make, an independent verification or to assume responsibility of the accuracy, completeness or fairness of the information contained in this Official Statement. The Financial Advisors did not engage in any underwriting activities with regard to the sale of the Series 2012P Bonds.

FINANCIAL STATEMENTS

The Broward County Aviation Department Special Purpose Financial Statements for the Fiscal Years ended September 30, 2011 and 2010, included as APPENDIX B hereto, have been audited by Moore Stephens Lovelace, P.A., independent certified public accountants, as set forth in their report dated February 8, 2012, which report is also appended hereto as part of said APPENDIX B. Moore Stephens Lovelace, P.A. has not participated in the preparation or review of this Official Statement. The financial statements are attached hereto as a matter of public record and the consent of Moore

Stephens Lovelace, P.A. has not been sought. Such financial statements speak only as of September 30, 2011. Prior to the Fiscal Year ended September 30, 2010, separate audited financial statements relating to the Airport were not available and during such period the basic financial statements of Broward County, Florida were used for disclosure purposes. The basic financial statements of Broward County, Florida are available at <http://www.broward.org/finance/pages/CAFR20092005consolidate.aspx>.

RATINGS

Fitch, Moody's and S&P are expected to assign the Series 2012P Bonds ratings of "A" (with stable outlook), "A1" (with negative outlook) and "A+" (with stable outlook), respectively. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Series 2012P Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. The County has furnished to the rating agencies certain information and materials relating to the Series 2012P Bonds and the Airport, including certain information and materials that have not been included in this Official Statement. There is no assurance that any rating will continue for any given period of time, or that any rating will not be revised downward or withdrawn entirely by a rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Series 2012P Bonds.

BLUE SKY DISCLOSURE

Rule 69W-400.003, Rules of Government Securities, promulgated by the Florida Department of Financial Services, Office of Financial Regulation, 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 or guaranteed 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 County, in good faith, believes that disclosure of any default on bonds with respect to which the County was merely a conduit issuer and which are secured solely by payments of the borrower under a loan agreement, lease agreement or installment sale agreement, would 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 2012P Bonds, or the security therefor, specific disclosures related to such defaults have been omitted.

Other than as aforesaid with respect to obligations for which the County is a conduit issuer, the County is not, and since December 31, 1975 has not been, in default as to principal of and interest on bonds or other debt obligations for which either ad valorem or non-ad valorem revenues of the County are pledged.

MISCELLANEOUS

All information included herein has been provided by the County, except where attributed to other sources. The summaries of and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such reference or summary is qualified in its entirety by reference to each such document, statute, report or other instrument. The information herein has been compiled from official and other sources and, while not guaranteed by the County, is believed to be correct. So far as any statements made in this Official Statement and the appendices attached hereto involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

CERTIFICATE CONCERNING THE OFFICIAL STATEMENT

At the time of delivery of the Series 2012P Bonds, the Mayor and the County Administrator of Broward County, Florida, or their designees, will furnish a certificate of the County to the effect that, to the best of their knowledge, this Official Statement (except for information herein relating to the book-entry only system of registration), as of its date and as of the date of delivery of the Series 2012P Bonds, does not contain any untrue statement of a material fact and does not omit to state a material fact required to be stated herein or necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.

This Official Statement has been duly executed and delivered by the Mayor and the County Administrator of Broward County, Florida.

BROWARD COUNTY, FLORIDA

By: /s/ John E. Rodstrom, Jr.
Mayor

By: /s/ Bertha Henry
County Administrator

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APPENDIX A

GENERAL INFORMATION CONCERNING BROWARD COUNTY

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APPENDIX A

GENERAL INFORMATION CONCERNING BROWARD COUNTY, FLORIDA

Broward County, Florida (the "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 Florida and 18th in the nation with a 2010 census population of approximately 1.75 million persons. Approximately 50% of the County's population lives in its seven largest cities: Fort Lauderdale, Pembroke Pines, Hollywood, Coral Springs, Miramar, Pompano Beach and Davie. Four airports, including the Fort Lauderdale-Hollywood International Airport, are located in the County. Port Everglades, Florida'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 Florida.

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:

John E. Rodstrom, Jr., Mayor	November 2012
Kristin D. Jacobs, Vice Mayor	November 2014
Suzanne N. Gunzburger, Commissioner	November 2014
Dale V. Holness, Commissioner	November 2012
Chip LaMarca, Commissioner	November 2014
Ilene Lieberman, Commissioner	November 2012
Stacy Ritter, Commissioner	November 2012
Barbara Sharief, Commissioner	November 2014
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, seven 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 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 18th largest county in the nation according to the 2010 census.

Year	Broward County		State of Florida		United States	
	Population	Change ⁽¹⁾	Population	Change ⁽¹⁾	Population	Change ⁽¹⁾
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
2010 ⁽²⁾	1,748,066	0.77	18,801,310	1.76	308,745,538	0.97

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

⁽²⁾ 2010 represents the last year data is available at the County level from the Bureau of Census.

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

Labor Force and Unemployment Rates

Year Ended December 31	Unemployment Rates			
	Estimated Broward County Civilian Labor Force	Broward County	Florida	United States
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
2009	1,002,039	10.1	11.5	9.4
2010	993,076	10.5	12.0	9.2
2011	978,951	8.6	9.7	8.5

Source: Florida Research and Economic Database and U.S. Bureau of Labor Statistics.

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

	<u>2007</u> <u>Total</u>	<u>2007</u> <u>Percent</u> <u>of Total</u>	<u>2008</u> <u>Total</u>	<u>2008</u> <u>Percent</u> <u>of Total</u>	<u>2009</u> <u>Total</u>	<u>2009</u> <u>Percent</u> <u>of Total</u>	<u>2010</u> <u>Total</u>	<u>2010</u> <u>Percent</u> <u>of Total</u>	<u>2011</u> <u>Total</u>	<u>2011</u> <u>Percent</u> <u>of Total</u>
Grand Total	<u>789.8</u>	<u>100.0%</u>	<u>772.3</u>	<u>100.0%</u>	<u>772.3</u>	<u>100.0%</u>	<u>696.9</u>	<u>100.0%</u>	<u>711.7</u>	<u>100.0%</u>
Goods Producing	90.7	11.5	77.8	10.1	77.8	8.8	56.4	8.1	52.8	7.4
Construction	59.5	7.5	49.4	6.4	49.4	5.1	32.0	4.6	29.0	4.1
Manufacturing	31.1	3.9	28.3	3.7	28.3	3.6	24.3	3.5	23.2	3.3
Service Providing	699.1	88.5	694.5	89.9	694.5	91.2	640.5	91.9	658.9	92.6
Trade, Transportation and Utilities	174.9	22.1	170.4	22.1	170.4	22.5	158.2	22.7	161.5	22.7
<i>Wholesale Trade</i>	47.2	6.0	46.4	6.0	46.4	6.5	43.2	6.2	42.5	6.0
<i>Retail Trade</i>	103.7	13.1	100.6	13.0	100.6	12.9	93.6	13.4	96.5	13.6
<i>Transportation, Warehousing, and Utilities</i>	24.0	3.0	23.4	3.0	23.4	3.2	21.4	3.1	22.5	3.2
Financial Activities	65.6	8.3	59.6	7.7	59.6	7.2	51.0	7.3	55.3	7.8
Information	19.9	2.5	19.8	2.6	19.8	2.5	15.5	2.2	15.7	2.2
Professional and Business Services	129.2	16.4	123.7	16.0	123.7	16.4	113.4	16.3	113.4	16.5
Education and Health Services	91.4	11.6	98.6	12.8	98.6	12.8	97.9	14.0	97.5	13.7
Leisure and Hospitality	79.5	10.1	80.7	10.4	80.7	10.5	73.5	10.5	80.2	11.3
Other Services	34.3	4.3	34.8	4.5	34.8	4.6	31.5	4.5	30.7	4.3
Government	104.2	13.2	106.9	13.8	106.9	14.7	99.5	14.3	100.4	14.1
<i>Federal</i>	7.8	1.0	7.8	1.0	7.8	1.0	7.3	1.0	7.8	1.1
<i>State & Local</i>	96.4	12.2	99.1	12.9	99.1	13.7	92.2	13.2	92.6	13.0

Source: Florida Agency for Workforce Innovation, Labor Market Statistics, Current Employment Statistics Program (year-to-date average for the years ended December 31).

Largest 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 92,051 business establishments with operations in the County at the end of fiscal year 2011. According to the 2009 Economic Census conducted by the United States Census Bureau, approximately 90% of firms within the County have fewer than 20 employees; additionally, approximately 150 businesses have corporate, division, or regional headquarters in the County.

The table below shows the principal employers in the County for fiscal year ended September 30, 2011.

<u>Company</u>	<u>Employees</u>
Broward County School Board	26,933
Broward County Government	11,089
Memorial Healthcare System	10,700
Broward Health	8,207
American Express	4,846
Nova Southeastern University	3,919
PRC	3,000
Kaplan Higher Education	3,000
The Answer Group	2,800
City of Fort Lauderdale	2,487

Source: Broward County Planning and Redevelopment Division.

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

<u>Year Ended December 31</u>	<u>Broward County</u>	<u>Percent of Florida</u>	<u>Percent of U.S.</u>	<u>State of Florida</u>	<u>Percent of U.S.</u>	<u>United States</u>
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	107.6	106.2	34,001	98.6	34,471
2006	39,743	108.2	108.2	36,720	100.0	36,714
2007	41,169	107.2	106.6	38,417	99.5	38,615
2008	41,974	107.5	104.5	39,064	97.3	40,166
2009 ⁽²⁾	41,185	106.0	104.0	38,965	104.0	39,635

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

⁽²⁾ 2009 is the last year for which data is available.

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

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Taxable Sales for the County

The following table shows the taxable sales within the County for the calendar years 2000-2011 and the percentage increase in such sales for each year.

Year Ended December 31	Taxable Sales (\$ in Thousands)	Percent Change from Prior Year
	Taxable Sales	
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	15.70
2006	34,759,141	8.82
2007	30,678,853	(11.70)
2008	29,523,345	(3.77)
2009	26,261,882	(11.10)
2010	26,898,615	2.42
2011	28,008,981	4.11

Source: State of Florida, Department of Revenue.

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, casino gambling 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 foot exhibit hall, a 33,000 square foot ballroom and 15,000 square feet of meeting room space. 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.

Preliminary numbers from the Greater Fort Lauderdale Convention and Visitors Bureau report that more than 11.06 million people visited Broward County in calendar year 2011, and had an economic impact of \$9.01 billion. The County's 2011 hotel occupancy rate was 70.1%, an increase of 4.2% over the previous year and the Average Daily Rate (ADR) was \$108.92, an increase of 1.1% 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)

<u>Calendar Year</u>	<u>Single Family Units</u>	<u>Multi-Family Units</u>	<u>Total Residential Units</u>	<u>Total Residential Valuation</u>	<u>Permit Valuation</u>
2000	9,148	2,689	11,837	1,459,803	1,459,803
2001	8,296	2,490	10,786	1,383,892	1,383,892
2002	5,701	6,319	12,020	1,561,660	1,561,660
2003	3,931	4,432	8,363	1,080,166	1,080,166
2004	4,811	3,980	8,791	1,077,816	1,077,816
2005	3,353	2,817	6,170	1,112,104	1,112,104
2006	3,308	3,378	6,686	991,153	991,153
2007	1,754	2,179	3,933	617,307	617,307
2008	967	1,205	2,172	346,893	346,893
2009	563	486	1,049	159,077	159,077
2010	979	189	1,168	222,589	222,589
2011	1,442	998	2,440	278,805	278,805

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

Education

Broward County Public Schools is the sixth largest public school and the largest, fully accredited public school district in the nation with approximately 258,000 students currently enrolled and a fiscal year ending June 30, 2012 budget of approximately \$3.2 billion. The system consists of 300 schools: 232 traditional schools and centers, 68 charter schools and a virtual school serving elementary, middle and high school students. 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 303 fixed route busses and 70 community busses, serviced 35.9 million passengers in fiscal year ended September 30, 2011 and is projected to serve approximately 35.4 million passengers during fiscal year 2012. TRI-Rail, 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 ended September 30, 2011, Port Everglades handled 108.26 million barrels of petroleum and 5.79 million tons of containerized cargo. A total of 3,952,843 cruise ship passengers went through Port Everglades on 969 sailings in fiscal year 2011.

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 sites within and outside of the Port's boundaries on a total of 388 acres. In calendar year 2011, cargo valued at more than \$330 million was received and more than \$312 million was shipped from all active general-purpose FTZ areas 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 the fiscal year ended September 30, 2011, enplaned passengers totaled 11,671,530 - an increase of 7.0% over fiscal year 2010. Approximately 96,339 total tons of cargo was handled at the Airport in the fiscal year ended September 30, 2011 - an increase of 1.19% over the amount handled in the fiscal year ended September 30, 2010.

Public Works Department

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

The Administration Section provides overall management direction, coordination, technical review, project management review and financial management for the various activities of the department and implements County policies to develop opportunities for small businesses. The Division also provides property and construction project management services.

The Construction Management Division provides County agencies with professional planning and design services for the development of the capital improvement plan, interior space planning, project design, construction management and contract administration.

The Seaport Engineering and Construction Division provides the County's Port Everglades Department with in-house engineering and construction management capability for project design, construction management and contract administration.

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 & 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 & 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 stormwater 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 (W.R.S.) 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 stormwater, 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 ending September 30, 2012 contains a millage rate of 5.5530 mills. With respect to the individual components of the fiscal year ending September 30, 2012 millage rate, the operating millage rate is 5.1220, the capital outlay millage rate is 0.0640 mills, and the remaining 0.3670 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 ending September 30, 2012-2016 includes the following:

Transportation and Mass Transit Projects ⁽¹⁾	\$ 398,145,460
Environmental/Beach Renourishment/Waste Disposal	87,564,360
Aviation	796,048,250
Port	471,376,090
Water/Wastewater	343,484,040
Criminal Justice/Public Safety	25,981,990
Libraries/Parks/Boating Improvement	42,959,240
General Government/Court Facilities ⁽¹⁾	161,802,450
Neighborhood Improvement/Redevelopment/Housing/ Economic Development	101,122,050
Total	<u>\$2,428,483,930</u>

It is anticipated that the adopted CIP for the fiscal years September 30, 2012-2016 will be funded as follows:

Bonds	\$ 900,942,270
Federal and State Grants	292,918,220
Local Sources (Taxes, Fees, Fund Balance)	<u>1,234,623,440</u>
Total	<u>\$2,428,483,930</u>

⁽¹⁾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, 2011.

**Net Available Non-Ad Valorem Revenues
for the fiscal year ended September 30, 2011
(Dollars in Thousands)**

License and Permit Fees	\$ 16,067
State Revenue Sharing	35,503
Licenses (State Revenue)	0
Local Government Half Cent Sales Tax	48,958
Tourist Tax	40,630
Utility Services Taxes and Fire Rescue Tax	4,948
Fines and Forfeitures	14,143
Interest Earnings	8,159
Charges for Services	347,255
Miscellaneous Revenue	22,967
Other State Revenues	2,000
Non-Revenue Sources/Fund Balance	276,827
Federal/State Grants	89,269
Special Assessments	1,091
Total Gross Non-Ad Valorem Revenues	<u>\$ 907,817</u>
Less Operations Costs not paid by Ad Valorem Taxes	<u>(643,539)</u>
Total Net Available Non-Ad Valorem Revenues	<u>\$ 264,278</u>

Employee Relations

As of October 1, 2011 (fiscal year ending September 30, 2012), the County had 5,469 full and part-time funded positions, as compared with 5,477 in the fiscal year ended September 30, 2011, excluding employees of constitutional officers. The County budget also provides for 309 federal and state grant employee positions in fiscal year 2012. The Constitutional Officers are funded for 5,327 positions in fiscal year ending September 30, 2012.

There are seven organized collective bargaining units within the County: Amalgamated Transit Union, Local 1267 (Mass Transit, 771 unit employees); Amalgamated Transit Union, Local 1591 (White Collar, 1,029 unit employees); Federation of Public Employees (Blue Collar, 1,044 unit employees); Government Supervisory Association of Florida, Local 100 (GSA Supervisors, 310 unit employees); Federation of Public Employees, Supervisory (Port Everglades Supervisors, 13 unit employees); Federation of Public Employees, Non-Supervisory (Port Everglades White Collar, 63 unit employees); and Government Supervisory Association of Florida, Local 100 (GSA Professionals, 1,122 unit employees). This information is based on data as of December 15, 2011.

All contracts expire on September 30, 2012, with the exception of the Mass Transit which expires on September 30, 2013. The County has never experienced a serious work stoppage and Florida law prohibits public employees from striking.

Pension Plan

The information relating to the Florida Retirement System ("FRS") contained herein has been obtained from the FRS Annual Reports. The most recent FRS Annual Reports may be obtained by writing the Florida Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000 or may be obtained online at http://www.dms.myflorida.com/human_resource_support/retirement/publications/system_information/annual_reports and the Comprehensive Annual Financial Reports are available online at http://myfloridacfo.com/aadir/statewide_financial_reporting. No representation is made by the County as to the accuracy or adequacy of such information or that there has not been any material adverse change in such information subsequent to the date of such information.

With a few exceptions, all full-time and part-time employees working for the County in regularly established positions are members of FRS, a multiple-employer cost-sharing public retirement system administered by the state of Florida. The FRS offers members both a defined benefit plan and/or a defined contribution plan to provide retirement, disability, and death benefits for active members, retirees, surviving beneficiaries, and deferred retirement program participants. Benefits are computed on the basis of age, average final compensation, and service credit.

The State Legislature passed Senate Bill 2100 ("FRS Legislation") during its 2011 session. The FRS Legislation made certain changes that are applicable only to members enrolling in FRS after July 1, 2011, including: (1) changing the vesting requirement; (2) changing the average final compensation calculation; and (3) changing certain retirement dates. At the present time, it is uncertain how the FRS Legislation may impact the County's finances. The FRS Legislation also made significant changes with respect to employee contributions, employer contributions, and eliminated certain cost of living adjustments among other items.

As of the July 1, 2011 valuation, the FRS had actuarial assets of \$126.08 billion and actuarial liabilities of \$145.04 billion, resulting in a plan funding level of 86.93%. During years when the FRS is determined to be less than 100% actuarially funded, the Florida Legislature may take steps to improve the funding level by increasing employee or employer contributions or lower plan costs by reducing future FRS benefits.

The County has no responsibility to the FRS other than to make the periodic payments required by the Florida Statutes. Governmental employers are required to make contributions to the FRS based on actuarially determined statewide contribution

rates. The FRS establishes contribution rates annually. These rates are applied to the covered employee payroll of the County and for the Fiscal Year ended September 30, 2011 ranged from 4.91% to 14.10%, based on employee risk groups. For the Fiscal Years ended September 30, 2011, 2010 and 2009, the County contributed \$93,204,000 \$97,184,000 and \$96,058,000 respectively, which includes the Broward County Aviation Department contributions of \$2,063,000, \$2,203,000 and \$2,128,000, respectively. Such amounts were equal to the actuarially determined contribution requirements for each year. The County's payroll covered by FRS (\$681,151,000) represents about 2.6% of the total payroll covered by governments participating in the FRS

In June 2011, the Florida Education Association, a teachers union, filed a class action lawsuit challenging the constitutionality of the FRS Legislation as it applies to existing employees. On March 6, 2012, the Circuit Court issued its ruling in favor of the plaintiffs holding that the required 3% contribution and elimination of the cost-of-living adjustment for employees who were FRS members prior to July 1, 2011 unlawfully impaired State employee contracts, constituted a taking of private property without full compensation and violated the public employees right to collective bargaining. The Circuit Court ordered the State to reimburse, with interest, the funds deducted or withheld from the compensation or cost-of-living adjustments from such employees. The State has appealed the Circuit Court's ruling to the First District Court of Appeals, which automatically stays the effectiveness of the Circuit Court ruling. At present, the final outcome of such lawsuit cannot be determined and it is uncertain what effect it will have on the FRS Legislation and ultimately the County, if any.

Other Postemployment Benefit Plans

The County has two single employee 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 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.

In accordance with Section 112.0801, Florida Statutes, because the County provides medical plans to employees of the County and their eligible dependents, the County is required to provide retirees the opportunity to participate in the group employee health plan. Retired employees have the option of continuing the same type of medical, including prescription drug benefits, and dental insurance coverage available to them while they were employed with the County (the "Plan"). The County provides other post-employment benefits ("OPEB") for certain of its retired employees in the form of an implicit rate subsidy by providing access to health insurance plans. The cost of the

premiums is paid totally by the retirees. As with all governmental entities of similar size providing similar plans, the County was required to comply with the Governmental accounting Standards Board's Statement No. 45 - Accounting and Financial Reporting by Employees for Post-employment Benefit Plans other than Pension Plans (GASB 45) no later than its fiscal year ended September 30, 2008. Similar to most other jurisdictions, the County has historically accounted for the annual premiums associated with its Plan as part of its annual budget on a pay-as-you-go basis. GASB 45 applies accounting methodology similar to that used for pension liabilities (GASB 27) to OPEB and attempts to more fully disclose the costs of employment by requiring governmental units to include future OPEB costs in their financial statements. While GASB 45 requires recognition and disclosure of the unfunded OPEB liability, there is no requirement that the liability of the Plan be funded.

The calculation for the Fiscal Year ended September 30, 2011 produced an unfunded obligation of \$43,582,000 for County employees and \$251,707,000 for Broward Sheriff's Office employees, and an annual required contribution of \$4,399,000 for County employees and \$21,551,000 for Broward Sheriff's Office employees, respectively. The County implemented GASB 45 in Fiscal Year 2008; however, it does not intend to fund the "unfunded obligation." For additional information, see the Basic Financial Statements of Broward County, Florida available at <http://www.broward.org/finance/pages/CAFR20092005consolidate.aspx> for Fiscal Year ended September 30, 2011.

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APPENDIX B

**BROWARD COUNTY AVIATION DEPARTMENT
SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2011 AND 2010**

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Broward County Aviation Department
A Major Fund of Broward County, Florida
Special Purpose Financial Statements
Years Ended September 30, 2011 and 2010

SPECIAL PURPOSE FINANCIAL STATEMENTS
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FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Broward County Aviation Department
Broward County, Florida

We have audited the accompanying special purpose financial statements of the Broward County Aviation Department (the "Aviation Department"), an enterprise fund of Broward County, as of and for the year ended September 30, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Aviation Department's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the financial statements present only the Aviation Department and do not purport to, and do not, present the financial position of Broward County, Florida (the "County"), as of September 30, 2011 and 2010, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Aviation Department, an enterprise fund of Broward County, as of September 30, 2011 and 2010, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2012, on our consideration of the Aviation Department'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 of 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 conjunction with this report in considering the results of our audit.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
February 8, 2012

BROWARD COUNTY AVIATION DEPARTMENT
STATEMENTS OF NET ASSETS
SEPTEMBER 30, 2011 AND 2010
(in thousands)

ASSETS	2011	2010
Current Assets		
Unrestricted Assets		
Cash and cash equivalents	\$ 33,179	\$ 14,675
Accounts receivable, net of allowance of \$175 and \$90, respectively	8,128	8,503
Inventories	389	378
Prepaid expenses and other	14,267	6,775
Total current unrestricted assets	<u>55,963</u>	<u>30,331</u>
Restricted Assets		
Cash and cash equivalents	71,787	62,494
Passenger facility charges receivable	3,014	3,023
Amounts due from governmental agencies	7,526	14,236
Total current restricted assets	<u>82,327</u>	<u>79,753</u>
Total current assets	<u>138,290</u>	<u>110,084</u>
Noncurrent Assets		
Restricted investments	286,238	336,616
Unrestricted investments	38,949	65,606
Deferred bond issuance cost	7,400	8,014
Capital assets		
Land and improvements	282,797	282,797
Buildings and facilities	1,384,766	1,319,821
Equipment	29,657	29,525
Construction in progress	142,041	97,200
Total capital assets	1,839,261	1,729,343
Less accumulated depreciation	<u>(439,258)</u>	<u>(387,126)</u>
Total capital assets, net	<u>1,400,003</u>	<u>1,342,217</u>
Total noncurrent assets	<u>1,732,590</u>	<u>1,752,453</u>
TOTAL ASSETS	<u>\$ 1,870,880</u>	<u>\$ 1,862,537</u>

See accompanying notes to financial statements

BROWARD COUNTY AVIATION DEPARTMENT
STATEMENTS OF NET ASSETS (Continued)
SEPTEMBER 30, 2011 AND 2010
(in thousands)

LIABILITIES AND NET ASSETS	<u>2011</u>	<u>2010</u>
Current Liabilities		
Payable from Unrestricted Assets		
Vouchers payable and accrued liabilities	\$ 10,219	\$ 15,638
Deferred revenue-airline fees and charges	17,194	9,643
Other current liabilities	<u>5,250</u>	<u>7,583</u>
Total current liabilities payable from unrestricted assets	<u>32,663</u>	<u>32,864</u>
Payable from Restricted Assets		
Vouchers payable and accrued liabilities	21,323	20,012
Accrued interest payable	18,994	20,069
Revenue bonds payable	45,030	42,480
Notes payable	<u>2,766</u>	<u>4,800</u>
Total current liabilities payable from restricted assets	<u>88,113</u>	<u>87,361</u>
Total current liabilities	<u>120,776</u>	<u>120,225</u>
Noncurrent Liabilities		
Revenue bonds payable	637,170	682,200
Notes payable	-	2,766
Other long-term liabilities and unamortized discount	<u>5,483</u>	<u>6,089</u>
Total noncurrent liabilities	<u>642,653</u>	<u>691,055</u>
Total Liabilities	<u>763,429</u>	<u>811,280</u>
NET ASSETS		
Invested in capital assets, net of related debt	732,753	676,637
Restricted		
Debt service	46,933	47,192
Passenger facility charges	103,427	114,023
Capital projects	<u>158,047</u>	<u>145,609</u>
Total restricted net assets	<u>308,407</u>	<u>306,824</u>
Unrestricted	<u>66,291</u>	<u>67,796</u>
Total Net Assets	<u>1,107,451</u>	<u>1,051,257</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,870,880</u>	<u>\$ 1,862,537</u>

See accompanying notes to financial statements

BROWARD COUNTY AVIATION DEPARTMENT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010
(in thousands)

	<u>2011</u>	<u>2010</u>
Operating Revenues		
Concessions	\$ 47,915	\$ 40,619
Parking	38,710	37,672
Terminal rent and charges	39,050	47,513
Airfield fees and charges	14,177	16,465
Building and ground rentals	12,513	15,409
Customer facility charges	25,148	23,755
Miscellaneous operating revenues	1,845	1,860
Total operating revenues	<u>179,358</u>	<u>183,293</u>
Operating Expenses		
Personal services	31,360	30,793
Contractual services	34,490	33,112
County support services	29,296	29,368
Other	20,195	22,645
Total operating expenses before depreciation	<u>115,341</u>	<u>115,918</u>
Operating income before depreciation	64,017	67,375
Depreciation	<u>52,497</u>	<u>42,573</u>
Operating Income	11,520	24,802
Nonoperating Revenues (Expenses)		
Grants	-	1,764
Passenger facility charges	48,363	49,826
Interest income	2,323	4,231
Interest expense	(36,689)	(39,349)
Amortization of bond issuance cost	(513)	(457)
Write-off of discontinued project cost	-	(13,688)
Gain (loss) on disposal of assets	12	(5)
Other	(34)	(8)
Total nonoperating revenues (expenses)	<u>13,462</u>	<u>2,314</u>
Income before capital contributions	<u>24,982</u>	<u>27,116</u>
Capital Contributions	<u>31,212</u>	<u>26,891</u>
Increase in net assets	<u>56,194</u>	<u>54,007</u>
Total Net Assets - Beginning of Year	<u>1,051,257</u>	<u>997,250</u>
Total Net Assets - End of Year	<u><u>\$ 1,107,451</u></u>	<u><u>\$ 1,051,257</u></u>

See accompanying notes to financial statements

BROWARD COUNTY AVIATION DEPARTMENT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010
(in thousands)

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities		
Cash received from customers	\$ 184,878	\$ 177,039
Cash payments to suppliers for goods and services	(94,703)	(88,253)
Cash payments to employees for services	(31,177)	(30,167)
Net cash provided by operating activities	<u>58,998</u>	<u>58,619</u>
Cash Flows from Noncapital Financing Activities		
Grants	-	1,764
Net cash provided by noncapital financing activities	<u>-</u>	<u>1,764</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of property, plant and equipment	(111,809)	(67,603)
Debt principal payment	(47,280)	(43,685)
Interest and fiscal charges	(37,764)	(37,681)
Capital contribution	37,922	15,645
Receipt of passenger facility charges	48,372	46,803
Net cash used for capital and related financing activities	<u>(110,559)</u>	<u>(86,521)</u>
Cash Flows from Investing Activities		
Purchase of investment securities	(302,505)	(305,952)
Proceeds from sale and maturities of investment securities	379,540	311,446
Interest and dividends on investments	2,323	4,231
Net cash provided by investing activities	<u>79,358</u>	<u>9,725</u>
Net Increase (Decrease) in Cash and Cash Equivalents	27,797	(16,413)
Cash and Cash Equivalents, Beginning of Year	<u>77,169</u>	<u>93,582</u>
Cash and Cash Equivalents, End of Year	<u>\$ 104,966</u>	<u>\$ 77,169</u>
Cash and Cash Equivalents - Unrestricted Assets	\$ 33,179	\$ 14,675
Cash and Cash Equivalents - Restricted Assets	<u>71,787</u>	<u>62,494</u>
	<u>\$ 104,966</u>	<u>\$ 77,169</u>

See accompanying notes to financial statements

BROWARD COUNTY AVIATION DEPARTMENT
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010
(in thousands)

	<u>2011</u>	<u>2010</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 11,520	\$ 24,802
Adjustments to Reconcile Operating Income to Cash Flows from Operating Activities		
Depreciation expense	52,497	42,573
Miscellaneous nonoperating expense	(34)	(8)
Changes in Assets and Liabilities		
(Increase) Decrease in Accounts Receivable	375	(2,534)
Increase in Other Current Assets	(7,402)	(6,341)
Increase (Decrease) in Vouchers Payable and Accrued Liabilities	3,585	(688)
Increase (Decrease) in Due to Other Governments	(185)	182
Increase (Decrease) in Other Current Liabilities	(1,358)	633
Net Adjustments	<u>47,478</u>	<u>33,817</u>
Net Cash Provided by Operating Activities	<u>\$ 58,998</u>	<u>\$ 58,619</u>
 Noncash Investing and Financing Activities		
Change in Fair Value of Investments	<u>\$ 1,604</u>	<u>\$ 2,973</u>

See accompanying notes to financial statements

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Broward County (the County) owns and through the Aviation Fund of Broward County Aviation Department (BCAD), operates the Fort Lauderdale-Hollywood International Airport (FLL), a major air carrier airport and the North Perry Airport (HWO), a general aviation airport. The Aviation Fund is a major enterprise fund of the County. All accounts of FLL and HWO are included in the Aviation Fund. There are no other financial activities or funds considered for inclusion in BCAD's reporting entity.

B. Basis of Accounting

BCAD's financial statements are presented using the flow of economic resources measurement focus and the accrual basis of accounting. This measurement focus records capital assets and long-term debt on the statements of net assets. In turn, capital assets are depreciated and recorded as an expense on the statement of revenues, expenses and changes in net assets. The accrual basis of accounting recognizes revenues when they are earned and expenses when incurred.

Operating revenues and operating expenses are distinguished from nonoperating items. The main sources of operating revenues are from airlines, concessions, rental cars and parking. Passenger facility charges, investment income, federal and state operating grants and other revenues not related to the operations of the airport are reported as nonoperating revenues. Expenses from employee wages and benefits, purchases of services, supplies and materials and other expenses related to operating the airport are reported as operating expenses. Interest expense and financing costs are reported as nonoperating expenses.

C. Net Assets

Net assets represent the residual interest in BCAD's assets after liabilities are deducted and consist of three sections: Invested in capital assets, net of related debt, restricted and unrestricted net assets. Net assets invested in capital assets, net of related debt includes capital assets, restricted and unrestricted, net of accumulated depreciation, reduced by outstanding debt expended for capital assets. Net assets are reported as restricted when constraints are imposed by third parties or enabling legislation. All other net assets are unrestricted.

D. Proprietary Accounting and Financial Reporting

BCAD applies all applicable Governmental Accounting Standards Board (GASB) pronouncements. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, BCAD also applies applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principle Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements.

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

E. Cash and Cash Equivalents

Cash and cash equivalents consist of amounts in demand deposits, as well as short-term investments with original maturities at time of purchase of three months or less.

F. Accounts Receivable

Accounts receivable for the Aviation Fund are presented in the accompanying financial statements, net of an allowance for uncollectible accounts of \$175,000 and \$90,000 at September 30, 2011 and 2010, respectively.

G. Inventories

Inventories consist of maintenance materials and supplies for consumption and are recorded at the lower of cost or market value, using the first-in, first-out method.

H. Amounts Due from Governmental Agencies

The amounts due from other governments represent grants receivable from Federal and State governments for their share of amounts expended on various capital projects.

I. Deferred Bond Issuance Costs

Bond issuance costs include underwriting spreads, insurance and various professional fees. The costs are deferred and amortized over the lives of the respective bond issues.

J. Capital Assets

Property, plant and equipment acquired by BCAD are carried at cost, net of accumulated depreciation. The capitalization levels are \$1,000 for equipment and \$5,000 for land and buildings. Routine maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed as incurred. Capital assets are depreciated on the straight-line basis over the following estimated useful lives:

Buildings and Facilities	3-40 years
Furniture, Fixtures and Equipment	3-15 years

K. Capitalized Interest

Interest is capitalized during construction to Construction in Progress, and consists of interest expense on certain borrowings in excess of interest earned on related investments acquired with the proceeds of borrowings.

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

L. Compensated Absences

BCAD's policy is to permit employees to accumulate vacation and sick leave. The cost of earned but unused vacation is accrued as a liability in the period in which the leave is earned. A liability for earned but unused sick leave is accrued only to the extent that the leave will result in cash payments at termination. At September 30, 2011 and 2010, such amounts aggregated \$4,303,000 and \$4,393,000, respectively, and are included in other current and long-term liabilities.

M. Deferred Revenues - Airline Fees and Charges

Deferred revenues represent revenues earned in excess of certain required deposits in accordance with the Airline-Airport Lease and Use Agreement.

N. Capital Contributions

Capital contributions consist mainly of grants from Federal and State governments. They are recognized as earned as related project costs are incurred.

O. Passenger Facility Charges

In 1990, Congress authorized domestic airports to impose a Passenger Facility Charge (PFC) on each departing passenger. Subsequently, the Federal Aviation Administration (FAA) issued regulations for the use and reporting of PFCs. Airports are authorized to use PFCs for projects that must meet at least one of the following eligibility requirements: (1) preserve or enhance safety, security, or capacity of the national transportation system; (2) reduce noise or reduce noise impacts resulting from an airport; or (3) furnish opportunities for enhanced competition between or among carriers.

Effective January 1, 1995, the FAA authorized BCAD to impose and use collected PFCs of \$3.00 per departing passenger at FLL. In July 2005, FLL received approval from the FAA to implement a \$4.50 PFC effective October 1, 2005. Through initial and subsequent FAA approvals, the Aviation Department is currently authorized to collect PFCs up to \$1,876,458,000, of which \$531,342,000 has been collected as of September 30, 2011. The net receipts from PFCs are nonrefundable and restricted for use on FAA-approved capital projects and debt service on revenue bonds that fund approved PFC-eligible projects. As of September 30, 2011, \$430,929,000 of the collected PFCs had been spent on approved projects or debt service, and the remaining \$100,413,000, along with a receivable of \$3,014,000, is reflected in restricted net assets. The ticketing airline includes the departing PFC in the price of each ticket when it is sold to the traveler. The \$4.50 PFC collected by the airlines is remitted monthly to FLL, less an \$0.11 per passenger administrative fee.

P. Reclassifications

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

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

Q. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

The County maintains a pool for substantially all cash and cash equivalents and investments. BCAD also maintains bond proceeds and debt service accounts with Wells Fargo Bank who, in turn, makes investments. At September 30, 2011 and 2010, the fair value of BCAD's cash and investments regardless of balance sheet classification consist of the following (in thousands):

	September 30,	
	2011	2010
Cash Deposits	\$ 6,464	\$ 3,542
Investments:		
U.S. Treasury	6,458	10,012
U.S. Agencies	312,281	359,501
Money Market Funds	104,950	106,336
Total Investments	<u>423,689</u>	<u>475,849</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 430,153</u>	<u>\$ 479,391</u>

Cash and cash equivalents and investments are classified on the balance sheet as follows (in thousands):

	September 30,	
	2011	2010
Current Assets		
Cash and cash equivalents, unrestricted	\$ 33,179	\$ 14,675
Cash and cash equivalents, restricted	71,787	62,494
Noncurrent Assets		
Investments, restricted	286,238	336,616
Investments, unrestricted	<u>38,949</u>	<u>65,606</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 430,153</u>	<u>\$ 479,391</u>

A portion of noncurrent restricted investments have maturities of three months or less from September 30, 2011, which is sufficient to cover current liabilities payable from restricted assets.

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 2 - CASH AND INVESTMENTS (Continued)

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 investment in TLGP-FDIC backed bonds is backed by the full faith and credit of the U S Government and is AAA rated. 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

BCAD, through the County, places no limit on the amount that may be invested in securities of the U. S. Government and Agencies 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. BCAD's investment in the Federal Farm Credit Bank is 7%, the Federal Home Loan Mortgage Corporation is 15%, the Federal National Mortgage Association is 23% and the Federal Home Loan Bank is 26%.

NOTE 3 - RESTRICTED ASSETS

Restricted assets of BCAD at September 30, 2011 represent amounts designated for construction and restricted for debt service, maintenance and improvements under the terms of outstanding bond agreements and regulatory requirements. The bond reserve accounts contain the maximum amount of required principal and interest payments on all outstanding bonds in the next fiscal year. The debt service accounts contain the principal and interest amounts required for payment due on October 1. The PFC account contains amounts collected and receivable, but unspent. The capital projects accounts include bond proceeds available for the design and construction of major projects.

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 3 - RESTRICTED ASSETS (Continued)

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

	September 30,	
	2011	2010
Bond Reserve Accounts	\$ 47,473	\$ 47,758
Debt Service Accounts	63,484	61,983
Passenger Facility Charges	103,427	114,023
Capital Projects	154,181	192,605
	<u>\$ 368,565</u>	<u>\$ 416,369</u>

Restricted assets are classified on the balance sheet as follows (in thousands):

	September 30,	
	2011	2010
Current Restricted Assets		
Cash and cash equivalents	\$ 71,787	\$ 62,494
Passenger facility charges receivable	3,014	3,023
Amounts due from governmental agencies	7,526	14,236
Noncurrent Assets		
Restricted investments	286,238	336,616
	<u>\$ 368,565</u>	<u>\$ 416,369</u>

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 4 - CAPITAL ASSETS

Changes in capital assets for the years ended September 30, 2011 and 2010, are as follows (in thousands):

	Balance September 30, 2010	Transfers and Additions	Deletions	Balance September 30, 2011
Capital assets not being depreciated				
Construction in progress	\$ 97,200	\$ 118,031	\$ 73,190	\$ 142,041
Land and improvements	<u>282,797</u>	<u>-</u>	<u>-</u>	<u>282,797</u>
Total capital assets not being depreciated	<u>379,997</u>	<u>118,031</u>	<u>73,190</u>	<u>424,838</u>
Other capital assets				
Buildings and facilities	1,319,821	64,945	-	1,384,766
Equipment	<u>29,525</u>	<u>497</u>	<u>365</u>	<u>29,657</u>
Total other capital assets	<u>1,349,346</u>	<u>65,442</u>	<u>365</u>	<u>1,414,423</u>
Less accumulated depreciation				
Buildings and facilities	369,869	49,394	-	419,263
Equipment	<u>17,257</u>	<u>3,103</u>	<u>365</u>	<u>19,995</u>
Total accumulated depreciation	<u>387,126</u>	<u>52,497</u>	<u>365</u>	<u>439,258</u>
Total capital assets, net	<u>\$ 1,342,217</u>	<u>\$ 130,976</u>	<u>\$ 73,190</u>	<u>\$ 1,400,003</u>
	Balance October 1, 2009 (Unaudited)	Transfers and Additions	Deletions	Balance September 30, 2010
Capital assets not being depreciated				
Construction in progress	\$ 260,093	\$ 68,155	\$ 231,048	\$ 97,200
Land and improvements	<u>282,797</u>	<u>-</u>	<u>-</u>	<u>282,797</u>
Total capital assets not being depreciated	<u>542,890</u>	<u>68,155</u>	<u>231,048</u>	<u>379,997</u>
Other capital assets				
Buildings and facilities	1,104,408	215,413	-	1,319,821
Equipment	<u>27,913</u>	<u>1,947</u>	<u>335</u>	<u>29,525</u>
Total other capital assets	<u>1,132,321</u>	<u>217,360</u>	<u>335</u>	<u>1,349,346</u>
Less accumulated depreciation				
Buildings and facilities	330,314	39,555	-	369,869
Equipment	<u>14,557</u>	<u>3,018</u>	<u>318</u>	<u>17,257</u>
Total accumulated depreciation	<u>344,871</u>	<u>42,573</u>	<u>318</u>	<u>387,126</u>
Total capital assets, net	<u>\$ 1,330,340</u>	<u>\$ 242,942</u>	<u>\$ 231,065</u>	<u>\$ 1,342,217</u>

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 5 - LEASE AND CONCESSION AGREEMENTS

The following is a schedule by years of minimum future revenues from noncancelable agreements as of September 30, 2011 (in thousands):

2012	\$ 59,652
2013	55,249
2014	41,312
2015	35,429
2016	34,252
Thereafter	105,672
Total minimum future revenues	<u>\$ 331,566</u>

Four Signatory Airlines had not signed the new Lease and Use Agreement by September 30, 2011 and therefore the minimum future revenues do not include revenues relating to those agreements. The minimum future revenues for the four agreements, which were signed in December 2011, amounts to \$3.5 million per annum for the five years ended September 30, 2016.

Total minimum future revenues do not include contingent revenues that may be received under certain concession leases on the basis of a percentage of the tenants' gross revenue in excess of stipulated minimums. Contingent revenues amounted to approximately \$36.8 million and \$38.7 million for the years ended September 30, 2011 and 2010, respectively.

NOTE 6 - CAPITAL LEASE

The Airport has entered into a lease agreement as lessee for financing the acquisition of the shuttle buses used for passenger and employee transportation. This qualifies as a capital lease for accounting purposes.

The assets acquired through the capital lease are (in thousands):

<u>Asset:</u>	
Vehicles	\$ 9,655
Less: accumulated depreciation	<u>(4,651)</u>
Total	<u>\$ 5,004</u>

The future minimum lease obligation as of September 30, 2011 is (in thousands):

2012	\$ 481
Total minimum lease payments	481
Less: amount representing interest	<u>(1)</u>
Present value of minimum lease payments	<u>\$ 480</u>

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 7 - LONG-TERM LIABILITIES

A summary of long-term liability activity for the years ended September 30, 2011 and 2010 is as follows (in thousands):

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011	Amount Due Within One Year	Amount Due After One Year
Notes Payable	\$ 7,566	\$ -	\$ 4,800	\$ 2,766	\$ 2,766	\$ -
Bonds Payable:						
Series E	75,120	-	17,365	57,755	18,275	39,480
Series G	46,590	-	4,115	42,475	4,300	38,175
Series H	87,250	-	4,780	82,470	5,030	77,440
Series I	34,650	-	1,090	33,560	1,150	32,410
Series J	259,180	-	8,590	250,590	9,130	241,460
Series L	120,750	-	4,750	116,000	4,920	111,080
Series O	101,140	-	1,790	99,350	2,225	97,125
Unamortized Bond Discounts and Premiums	2,317	-	193	2,124	-	2,124
Capital Lease	3,359	-	2,879	480	480	-
Other Post Employment Benefits	533	185	-	718	-	718
Compensated Absences	4,393	1,321	1,411	4,303	1,662	2,641
	<u>\$ 742,848</u>	<u>\$ 1,506</u>	<u>\$ 51,763</u>	<u>\$ 692,591</u>	<u>\$ 49,938</u>	<u>\$ 642,653</u>
	Balance October 1, 2009 (Unaudited)	Additions	Deductions	Balance September 30, 2010	Amount Due Within One Year	Amount Due After One Year
Notes Payable	\$ 12,366	\$ -	\$ 4,800	\$ 7,566	\$ 4,800	\$ 2,766
Bonds Payable:						
Series E	75,560	-	440	75,120	17,365	57,755
Series F	2,365	-	2,365	-	-	-
Series G	50,545	-	3,955	46,590	4,115	42,475
Series H	91,790	-	4,540	87,250	4,780	82,470
Series I	35,685	-	1,035	34,650	1,090	33,560
Series J	267,265	-	8,085	259,180	8,590	250,590
Series K	13,870	-	13,870	-	-	-
Series L	125,345	-	4,595	120,750	4,750	116,000
Series O	101,140	-	-	101,140	1,790	99,350
Unamortized Bond Discounts and Premiums	2,510	-	193	2,317	-	2,317
Capital Lease	6,126	-	2,767	3,359	2,879	480
Other Post Employment Benefits	345	188	-	533	-	533
Compensated Absences	4,080	1,895	1,582	4,393	1,634	2,759
	<u>\$ 788,992</u>	<u>\$ 2,083</u>	<u>\$ 48,227</u>	<u>\$ 742,848</u>	<u>\$ 51,793</u>	<u>\$ 691,055</u>

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 7 - LONG-TERM LIABILITIES (Continued)

A description of the bonds and notes payable is as follows:

Notes Payable

\$7,566,000 Notes Payable to Florida Department of Transportation State Infrastructure Bank due in fiscal years 2011-2012 is a noninterest-bearing loan used to fund the terminal roadways capital project.

Series 1998E Bonds

\$75,560,000 Airport System Revenue Refunding Bonds, Series E, dated July 15, 1998, of which a portion is due October 1 each year beginning in 1998 through 2013. Interest at 4.80% to 5.10% is due semi-annually on April 1 and October 1. Series 1998E Bonds were issued for the purpose of redeeming \$75,000,000 Airport System Revenue Bonds, Series 1998B Bonds, which were issued to pay for the acquisition of certain properties located in the clear zone with respect to the runways at FLL and the acquisition of certain other properties near the clear zone for noise mitigation purposes.

Series 1998G Bonds

\$63,515,000 Airport System Revenue Bonds, Series G, dated December 16, 1998, of which a portion is due October 1 each year beginning in 1998 through 2023. Interest at 3.705% to 5.125% is due semi-annually on April 1 and October 1. Series 1998G Bonds were issued to pay costs of the 1998 Project and to fund additional reserves, capitalized interest and issuance costs. The 1998 Project included a new Terminal 1 and Concourse C, terminal roadway improvements, a new parking garage, Terminal 2, 3 and 4 renovations, replacement parking and landscaping, a maintenance facility and an air freight facility. The 1998 Project was also funded by Series 1998H Bonds and Series 2001I Bonds.

Series 1998H Bonds

\$126,670,000 Passenger Facility Charge/Airport System Revenue Convertible Lien Bonds, Series H, dated December 16, 1998, of which a portion is due October 1 each year beginning in 1998 through 2015. Interest at 3.10% to 5.25% is due semi-annually on April 1 and October 1. Series 1998H Bonds were issued for the purpose of funding the 1998 Project and issuance costs.

Series 2001I Bonds

\$41,855,000 Passenger Facility Charge/Airport System Revenue Convertible Lien Bonds, Series I, dated May 24, 2001, of which a portion is due October 1 each year beginning in 2001 through 2026. Interest at 4.00% to 5.75% is due semi-annually on April 1 and October 1. Series 2001I Bonds were issued to pay a portion of the cost of the 2001 PFC Project and issuance costs. The 2001 PFC Project consisted of the permitting, design, acquisition and construction of a second concourse at Terminal 1, comprising approximately 80,000 square feet of space with nine passenger boarding gates and other related improvements. Bond Series 2001I also included the payment of certain costs related to the 1998 Project.

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 7 - LONG-TERM LIABILITIES (Continued)

Series 2001J Bonds

\$285,155,000 Airport System Revenue Bonds, Series J, dated May 24, 2001, of which a portion is due October 1 each year beginning in 2001 through 2026. Interest at 5.25% to 6.90% is due semi-annually on April 1 and October 1. Series 2001J Bonds were issued for the purpose of funding the consolidated rental car and public parking facility, capitalized interest and issuance costs.

Series 2004L Bonds

\$142,015,000 Airport System Revenue Bonds, Series L, dated October 22, 2004, of which a portion is due October 1 each year beginning in 2004 through 2027. Interest at 2.00% to 4.60% is due semi-annually on April 1 and October 1. Series 2004L Bonds were originally issued as governmental, non-AMT bonds to fund exit roadway improvements and grade-separated pedestrian bridges, both of which were components of the 2004 Project, in addition to capitalized interest and issuance costs. The two components were subsequently replaced with other airport capital improvements, including improvements to Terminal 4; runway 9R/27L extension engineering, design and program management and certain other airfield projects; acquisition of new and improvement of existing passenger loading bridges; acquisition of a Security Administration System for credential processing; and a proposed alternate project for Noise Mitigation relating to the extension of runway 9R/27L. A Voluntary Closing Agreement with the Internal Revenue Service that preserves the tax-exempt, non-AMT status of the Series 2004L Bonds was executed on May 9, 2011.

Series 2009O Bonds

\$101,140,000 Airport System Revenue Bonds, Series O, dated September 3, 2009, of which a portion is due October 1 each year beginning in 2009 through 2029. Interest at 2.00% to 5.375% is due semi-annually on April 1 and October 1. Series 2009O Bonds were issued for the purpose of refunding \$103,975,000 Airport System Revenue Bonds, Series N, dated July 3, 2008, which were issued for the purpose of refunding \$105,225,000 Airport System Revenue Bonds, Series M, dated October 29, 2004. Series 2004M Bonds were issued to pay for the permitting, design and construction of Terminal 4 renovations, to include additional ticket counters and offices and expansion of the Federal Inspection Services, additional public parking in the consolidated rental car facility, runway implementation plan initiatives, and various other Airport repairs and improvements, all of which are components of the 2004 Project. Series 2004M Bonds were also issued to fund the increase in Reserve Requirement, capitalized interest and issuance costs.

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 7 - LONG-TERM LIABILITIES (Continued)

Airport System Revenue Bonds are issued to finance the construction or improvement of the Airports' facilities and are payable solely from and are secured by a pledge of net revenues, as defined in the Bond Resolution. In accordance with Section 704(a) of the Bond Resolution, the debt service coverage for the fiscal year ended September 30, 2011 is as follows (in thousands):

Revenues	\$ 179,358
Current Expenses	<u>115,341</u>
Net Revenues	64,017
Transfer from General Purposes Account	<u>24,751</u>
Amount Available for Debt Service	<u><u>\$ 88,768</u></u>
Debt Service *	
Deposit to Principal Account	\$ 38,850
Deposit to Interest Account	30,901
Transfer from Passenger Facility Charge Capital Improvement Fund	<u>(13,826)</u>
Total Debt Service	<u><u>\$ 55,925</u></u>
Debt Service Coverage by Amount Available for Debt Service	<u>159%</u>
Required Debt Service Coverage	<u>125%</u>

* The debt service in the coverage calculation is on an accrual basis to match the revenues and expenses.

Total pledged revenues to repay the principal and interest of Airport System Revenue Bonds as of September 30, 2011 was as follows (in thousands):

Current revenue pledged	\$ 88,768
Current year debt service	\$ 55,925
Total future revenues pledged	\$ 987,249
Transfer from Passenger Facility Charge Capital Improvement Fund	<u>(173,211)</u>
Net future revenues pledged	<u><u>\$ 814,038</u></u>

Total future pledged revenues reflect principal and interest payment requirements on a cash basis through fiscal year 2029.

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 7 - LONG-TERM LIABILITIES (Continued)

A schedule of future debt service is as follows (in thousands):

Bonds Payable	Fiscal Year	Airport System Revenue Bonds		Passenger Facility Charge Bonds		Total	
		Principal	Interest	Principal	Interest	Principal	Interest
	2012	\$ 38,850	\$ 29,886	\$ 6,180	\$ 5,752	\$ 45,030	\$ 35,638
	2013	40,875	31,537	6,505	1,663	47,380	33,200
	2014	38,140	30,898	-	-	38,140	30,898
	2015	28,890	29,045	-	-	28,890	29,045
	2016	30,515	27,365	-	-	30,515	27,365
	2017-2021	180,675	107,952	-	-	180,675	107,952
	2022-2026	208,380	52,930	-	-	208,380	52,930
	2027-2029	103,190	8,121	-	-	103,190	8,121
	Total	<u>\$ 669,515</u>	<u>\$ 317,734</u>	<u>\$ 12,685</u>	<u>\$ 7,415</u>	<u>\$ 682,200</u>	<u>\$ 325,149</u>
Notes Payable *							
	2012					\$ 2,766	
	Total					<u>\$ 2,766</u>	

* This is a noninterest-bearing loan.

NOTE 8 - CAPITAL CONTRIBUTIONS

Grants and other contributions used to acquire capital assets are classified as capital contributions in the Statements of Revenues, Expenses and Changes in Net Assets. Capital contributions consist of the following (in thousands):

	2011	2010
Federal Grants	\$ 24,965	\$ 23,025
State of Florida Grants	6,247	3,866
	<u>\$ 31,212</u>	<u>\$ 26,891</u>

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 9 - AIRLINE-AIRPORT LEASE AND USE AGREEMENT

BCAD has entered into 5-year lease and use agreements with its major airline tenants (Signatory Airlines). The airline agreements, which are based on a residual rate-setting methodology for the terminal complex and the airfield, will terminate on September 30, 2016. As of September 30, 2011, five of the nine signatory airlines had signed the agreements. The remaining four signatory airlines signed in December 2011.

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 BCAD's requirements, as determined by 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 BCAD at September 30, 2011 and have been included in current liabilities payable from unrestricted assets. For the year ended September 30, 2010, these funds amounted to \$17,194,000.

NOTE 10 - RISK MANAGEMENT

BCAD 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 Self-Insurance Program, the Risk Management Fund provides coverage for up to a maximum of \$2,000,000 (Self-Insured Retention Limit) for each workers' 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 Risk Management 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.

BCAD makes payments for the Self-Insurance Program to the Risk Management 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 Program totaled \$98,535,000 at September 30, 2011 and are reported as a liability of the Risk Management Fund. BCAD is indemnified against any losses in a given year in excess of the fees charged. Fees charged are expensed as incurred. The total claims liability at September 30, 2011 reflects management's loss estimates of \$54,674,000 for all reported claims and \$48,360,000 for claims incurred but not reported, net of a discount of \$4,499,000 computed based on varying interest rates that range from 0.31% to 1.01%. The net assets accumulated in the County's Self-Insurance Program are designated for future catastrophic losses or for the purchase of additional commercial insurance against such losses when available at advantageous rates.

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 10 - RISK MANAGEMENT (Continued)

Changes in the Program's claims liability amount in Fiscal Year 2010 and 2011 were (in thousands):

	<u>2011</u>	<u>2010</u>
Liability, Beginning of Year	\$ 93,221	\$ 89,435
Claims and Changes in Estimates	30,244	26,453
Liability Claim Payments	<u>(24,930)</u>	<u>(22,667)</u>
Liability, End of Year	<u>\$ 98,535</u>	<u>\$ 93,221</u>

NOTE 11 - PENSION COSTS

BCAD participates in the Florida Retirement System (FRS), a cost-sharing, multiple-employer Public Employment Retirement System, which covers substantially all permanent, full- and part-time employees. The FRS is totally administered by the State of Florida and offers two plans: The FRS Pension Plan and the FRS Investment Plan.

The FRS Pension Plan is a defined-benefit plan where benefits are computed on the basis of age, average final compensation and service credit. Final compensation is the average of the five highest fiscal years of earnings. The Pension Plan 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 must ensure that sufficient funds are available when benefits are due and bears the market risk and investment decisions. The FRS Investment Plan is a defined-contribution plan, in which the employer contributions are based on salary. The contributions are deposited in individual member accounts, based on allocations determined by the participant. The Investment Plan provides vesting of benefits after one year of creditable service. The ultimate benefit depends largely on the performance of the investment funds; there is no fixed benefit level at retirement.

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>.

Effective July 1, 2011, participant contributions to both plans are 3% of base salary. BCAD's required contribution rate is established by State Statute. Effective July 1, 2011, contribution rates range from 4.91% to 14.10% of covered payroll based on employee class. The contribution rates prior to July 1, 2011, ranged from 9.85% to 20.92%. The contribution by BCAD to the FRS for the fiscal year ended September 30, 2011 was \$2,063,000, compared to \$2,203,000 for the fiscal year ended September 30, 2010 and \$2,128,000 for the fiscal year ended September 30, 2009. This represents an average contribution of 9.2% in fiscal year 2011, 10.2% in fiscal year 2010, and 9.6% in fiscal year 2009. BCAD has met all contribution requirements for the current year and the two preceding years.

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description

BCAD has a single-employer, defined-benefit healthcare plan. The plan allows its employees and their beneficiaries to continue obtaining health, dental and other insurance benefits upon retirement. The benefits of BCAD's plan conform to Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue separate financial reports.

Funding Policy and Annual OPEB Cost

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

BCAD's annual other post-employment benefit (OPEB) cost for the 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, which includes BCAD's share for the current year and the related information for the plan, is as follows (in thousands):

	Broward County Employees
Required contributions rates:	
Employer	Pay as you go
Plan members	N/A
Annual required contribution	\$ 4,399
Interest on net OPEB obligations	386
Adjustment to annual required contribution	(357)
Annual OPEB cost	4,428
Contributions made	(1,435)
Increase in net OPEB obligation	2,993
Net OPEB obligation - beginning of year	9,646
Net OPEB obligation - end of year	\$ 12,639

BCAD's share of the increase in the net OPEB obligation for the year ended September 30, 2011 is \$185,000. BCAD's net OPEB liability at September 30, 2011 is \$718,000.

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2011 and 2010 for the County plan were as follows (in thousands):

	Broward County Employees	
	2011	2010
Annual OPEB cost	\$ 4,428	\$ 4,208
Percentage of OPEB cost contributed	32.41%	28.97%
Net OPEB obligation	\$ 12,639	\$ 9,646

Funded Status and Funding Progress

The funded status of the plan as of October 1, 2009, the date of the latest actuarial valuation, was as follows (in thousands):

Actuarial accrued liability	\$ 43,582
Actuarial value of plan assets	
Unfunded actuarial accrued liability	43,582
Funded ratio	0.00%
Covered payroll	\$ 270,612
Unfunded actuarial accrued liability as a percentage of covered payroll	16.10%

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 supplemental 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, BCAD has not contributed assets to the plan 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 evaluation date and the pattern of sharing benefit costs between BCAD 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.

BROWARD COUNTY AVIATION DEPARTMENT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Significant methods and assumptions were as follows:

	Broward County Employees
	<hr/>
Actuarial valuation date	10/1/2009
Actuarial cost method	Entry age
Amortization method	Level Percent, closed
Remaining amortization period	27 years
Asset valuation method	Unfunded
Actuarial assumptions:	
Investment rate of return	4.00%
Projected salary increases	4.5% - 9.5%
Healthcare inflation rate	9% initial, 4.5% ultimate

NOTE 13 - COMMITMENTS AND CONTINGENT LIABILITIES

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

At September 30, 2011, BCAD had in process various uncompleted construction projects with remaining balances totaling \$93,084,000. The retainage payable on these contracts totaled \$7,788,000. Funding of these projects is to be made primarily through the proceeds of the related bond issues.



INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF SPECIAL-PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Honorable Board of County Commissioners
Broward County Aviation Department
Broward County, Florida

We have audited the special purpose financial statements of the Broward County Aviation Department (the "Aviation Department"), an enterprise fund of Broward County, as of and for the year ended September 30, 2011, and have issued our report thereon dated February 8, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Aviation Department is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Aviation Department's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Aviation Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Aviation Department's internal control over financial reporting.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Honorable Board of County Commissioners
Broward County Aviation Department
Broward County, Florida

Compliance and Other Matters

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

This report is intended solely for the information and use of the Aviation Department's management and the State of Florida Auditor General and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in dark ink that reads "Moore Stephens Lovelace, P.A." The signature is written in a cursive, flowing style.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
February 8, 2012

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APPENDIX C

COMPOSITE BOND RESOLUTION

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COMPOSITE
OF
RESOLUTION NO. 82-A-2 ADOPTED NOVEMBER 9, 1982, AS AMENDED AND
SUPPLEMENTED BY
RESOLUTION NO. 82-A-3 ADOPTED MARCH 11, 1983, AND AS FURTHER AMENDED
AND SUPPLEMENTED BY
RESOLUTION NO. 89-1126 ADOPTED APRIL 11, 1989,
RESOLUTION NO. 93-740 ADOPTED JULY 6, 1993,
RESOLUTION NO. 1998-1178 ADOPTED DECEMBER 1, 1998, AND
RESOLUTION NO. 2004-857 ADOPTED OCTOBER 5, 2004

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A RESOLUTION AUTHORIZING THE ISSUANCE OF AIRPORT SYSTEM REVENUE BONDS OF BROWARD COUNTY, FLORIDA, INCLUDING AN INITIAL SERIES OF PROJECT BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$350,000,000, FOR THE PURPOSE OF FINANCING THE COST OF AIRPORTS AND AVIATION FACILITIES; PROVIDING FOR THE PAYMENT OF SUCH BONDS AND THE INTEREST THEREON FROM NET REVENUES DERIVED BY THE COUNTY FROM AIRPORT PROPERTIES; AND SETTING FORTH THE RIGHTS AND REMEDIES OF THE HOLDERS OF SUCH BONDS

WHEREAS, Broward County, Florida (the "County"), owns and operates within the County public airports and aviation facilities known as the Fort Lauderdale-Hollywood International Airport and the North Perry Airport (collectively, together with such additions thereto as may be made from time to time by the County, the "Airport System"); and

WHEREAS, the County has determined that it is necessary to construct certain facilities and improvements to the Airport System; and

WHEREAS, under the authority granted by Article II of the Broward County Code, as amended, the County is authorized, among other things, to

(a) construct, acquire, establish, improve, extend, enlarge, reconstruct, equip, maintain, repair and operate any airports and aviation facilities as therein defined either within or without, the territorial boundaries of the County;

(b) fix, establish and collect rates, fees and charges for the services and facilities furnished by any airports or aviation facilities;

(c) issue revenue bonds payable from the revenues derived by the County from the ownership and operation of such airports and aviation facilities;

(d) pledge all or any part of the revenues arising from the operation of any airports and aviation facilities owned and operated by the County to the payment of the principal of and interest on bonds issued in connection with any such airports and aviation facilities, including reserves therefor, and to the payment of the cost of operation, maintenance, repair, improvement, extension and enlargement of such airports and aviation facilities from the operation of which such revenues are received; and

(e) make and enter into contracts and agreements and to do and perform all acts necessary and incidental to the performance of its duties and the exercise of its powers; and

WHEREAS, the County has determined to provide for the issuance of revenue bonds payable solely from the Net Revenues derived by the County to finance the costs of such airports and aviation facilities; now, therefore,

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA THAT:

ARTICLE I

DEFINITIONS

Section 101. Meaning and Words and Terms. In addition to words or 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:

"Accountant" means the certified public accountant or firm of certified public accountants employed by the County under the provisions of Section 720 of 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 Bond (the principal amount on the date of original issuance), plus the interest accrued on such Bond from the date of original issuance to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, compounded periodically at the times provided for in the Series Resolution authorizing the issuance of such Bonds, and if such date of computation is not an Interest Payment Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of original issuance if such date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues during any period in equal daily amounts on the basis of a year of twelve 30-day months.

"Additional Bonds" means the bonds of the County authorized to be issued under Sections 209, 210, and 211 of this Resolution.

"Additional Facilities" means (a) any airports and aviation facilities that are not a part of the Airport System as of the date of this Resolution, including all land, buildings, structures, equipment and appurtenances constituting a part thereof, (b) all enlargements of and improvements and additions to any existing or future buildings and structures that constitute the Airport System, and (c) all renewals and replacements of any of the foregoing, which airports, aviation facilities, enlargements, improvements, additions, renewals and replacements are financed as a whole or in part through the issuance of Additional Bonds or with money held in the Aviation Fund.

"Additional Facilities Account" means the account in the Construction Fund created and so designated by Section 401 of this Resolution.

"Airport Consultant" means any engineer, engineering firm, firm of certified public accountants, airport consulting firm or corporation, or other qualified person, firm or corporation of favorable repute for skill and experience in performing the duties for which it is employed by the County under Section 720 of this Resolution.

“Airport Rate Agreements” means the adjustable rate agreements, if any, that are described in Section 716 hereof and in effect from time to time between the County and some or all of the air carriers using or proposing to use the Airport System.

“Airport System” means the real property and airport and aviation facilities constituting the existing Fort Lauderdale-Hollywood International Airport and the North Perry Airport, the Project, any Additional Facilities, and any airports and aviation facilities added to the Airport System pursuant to this Resolution.

“Annual Budget” means the budget adopted or in effect for each Fiscal Year as provided in Section 705 of this Resolution.

“Appreciated Value” shall mean (i) as of any date of computation with respect to any Capital Appreciation and Income Bond up to the Interest Commencement Date set forth in the Series Resolution for such Bond or the resolution awarding the same, an amount equal to the principal amount of such Bond (the principal amount on the date of original issuance) plus the interest accrued on such Bond from the date of original issuance of such Bond to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, such increased value to accrue at the stated rate per annum of such Bond computed on the Interest Payment Dates of such year, plus, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Appreciated Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Interest Payment Date calculated based upon all assumption that Appreciated Value accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months, and (ii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

“Aviation Director” means the Director or an Assistant Director of the Aviation Department of the County, the officer succeeding to his/her principal functions, or such other individual who from time to time is designated in writing by the County Administrator to perform the duties of the Director or Assistant Director of the Aviation Department.

“Aviation Fund” means the fund created and designated the Broward County Aviation Fund by Section 501 of this Resolution.

“Board” means the Board of County Commissioners of Broward County, Florida, or any successor board or body in which the power to govern the Airport System is vested.

“Bond” or “Bonds” means the Project Bonds and any Additional Bonds.

“Bond Counsel” means nationally recognized counsel experienced in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions appointed by the General Counsel and approved by the Board.

“Bond Fund” means the fund created and designated the Broward County Airport Bond Fund by Section 501 of this Resolution.

“Bond Registrar” means a bank or trust company either within or without the State of Florida that is designated as such by the Board, such bank or trust company being the same bank or trust company designated to act as Trustee.

“Bondholder” or “Holder” means the holder or registered owner of any Bond Outstanding.

“Capital Appreciation Bonds” shall mean any Bond or Bonds of a Series issued under this Resolution as to which interest is compounded periodically on the Interest Payment Dates designated for compounding in the Series Resolution for such Bonds and payable in an amount equal to the then current Accreted Value to the date of maturity or redemption prior to maturity as designated in such Series Resolution or award resolution and which may be either Serial Bonds or Term Bonds.

“Capital Appreciation and Income Bonds” shall mean any Bond or Bonds of a Series issued under this Resolution as to which accruing interest is not payable prior to the Interest Commencement Date specified in the Series Resolution for such Bonds or the resolution awarding the same and the Appreciated Value for such Bonds is compounded periodically on the Interest Payment Dates on or prior to the Interest Commencement Date for such Capital Appreciation and Income Bonds and which may be either Serial Bonds or Term Bonds.

“Capital Funds Budget” for any Fiscal Year means the amount estimated by the County to be necessary for the extension, improvement, enlargement, renewal, or replacement of the Airport System, whether the same are to be commenced, continued, or completed during such Fiscal Year or thereafter.

“Chairman” means the Chairman of the Board or the officer succeeding to his principal functions.

“Chief Financial Officer” means the Chief Financial Officer of the County or the officer succeeding to his principal functions.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations promulgated thereunder and under the Internal Revenue Code of 1954, as amended.

“Completion Date” means the date of acquisition or completion of the Project, or of any Additional Facilities, or of any segment of either of the foregoing, as the case may be, as certified by the County pursuant to Section 407 of this Resolution.

“Construction Fund” means the fund created and designated the Broward County Airport Construction Fund by Section 401 of this Resolution.

“Conversion Date” means, with respect to any Series of Convertible Lien Bonds, such date as is specified in the Series Resolution authorizing such Series of Convertible Lien Bonds as

the Conversion Date therefor; provided, however, that in no event may the Conversion Date for any Series of Convertible Lien Bonds be prior to October 2, 2012 unless, (i) if any Airport Rate Agreement is to be in effect on the proposed earlier Conversion Date, the County shall have delivered to both the Trustee hereunder and the trustee under the PFC Bond Resolution, (a) the written consent to such earlier Conversion Date of the majority in interest airlines which are signatories to such Airport Rate Agreements, (b) a certificate or certificates evidencing that as of the proposed earlier Conversion Date, the historical and projected additional bonds tests contained in Section 209 hereof shall be satisfied as if the applicable Convertible Lien Bonds were being issued as Additional Bonds under Section 209 hereof on such earlier Conversion Date, (c) the written consent to such earlier Conversion Date of each Credit Enhancer which has in effect a Credit Enhancement Device with respect to any Bonds to be Outstanding hereunder as of the proposed earlier Conversion Date (provided that such Credit Enhancer is not in default under its Credit Enhancement Device) and (d) in the event that there are any Bonds Outstanding hereunder which are not secured by a Credit Enhancement Device, a letter from each Rating Agency that then has a County requested rating in effect with respect to such unenhanced Bonds, to the effect that the acceleration of the Conversion Date will not, in and of itself, cause such Rating Agency to reduce or withdraw its rating on such unenhanced Bonds; and (ii) if no Airport Rate Agreement is to be in effect on the proposed earlier Conversion Date, the County shall have delivered to both the Trustee hereunder and the trustee under the PFC Bond Resolution the items described in clauses (i)(b) and (i)(c) hereof and, if applicable, the item described in clause (i)(d) hereof.

“Convertible Bonds” shall mean Bonds issued under this Resolution which are convertible, at the option of the County, into a form of Bonds which are permitted by this Resolution other than the form of such Bonds at the time they were issued.

“Convertible Lien Bonds” means any one or more Series of Bonds, (i) issued under the PFC Bond Resolution and which, pursuant to a Series Resolution adopted hereunder by the Board on or prior to the date of original issuance of such Series of Bonds, is also authorized as a Series of Additional Bonds under this Resolution, (ii) which shall have a stated Conversion Date therefor in the Series Resolution adopted hereunder and in the corresponding series resolution authorizing such Series of Bonds under the PFC Bond Resolution and (iii) which, (a) with respect to the Bonds of such Series that mature prior to the Conversion Date therefor, shall be solely payable from and secured by the sources pledged under the PFC Bond Resolution and, (b) with respect to the Bonds of such Series that mature on or after the Conversion Date therefor, shall be solely payable from and secured by the sources pledged under this Resolution; provided that the interest accruing on such Bonds prior to the Conversion Date shall be payable from the sources pledged under the PFC Bond Resolution.

“Cost,” as applied to the Project or to any Additional Facilities financed with Bonds, means, without intending thereby to limit or restrict any proper definition of such word under the County Code, all items of cost set forth in Section 403 of this Resolution.

“County” means Broward County, Florida, a political subdivision of the State.

“County Administrator” means the County Administrator and ex-officio Clerk of the Board, his designee, or any other person succeeding to his principal functions.

“County Code” means the Code of Ordinances of Broward County as the same may be amended from time to time.

“Credit Enhancement Device” means, with respect to any Series of Bonds a municipal bond new issue insurance policy, letter of credit, surety bond or other credit facility issued by a Credit Enhancer to insure or secure the payment, when due, of the principal of and interest on such Series of Bonds.

“Credit Enhancer” means, with respect to any Series of Bonds, the issuer of a municipal bond insurance policy, letter of credit, surety bond or other credit facility insuring or securing the payment, when due, of the principal of and interest on such Series of Bonds.

“Current Expenses” means the County’s current expenses for the operation, maintenance and repair of the Airport System as determined in accordance with generally accepted accounting principles, including, without limiting the generality of the foregoing, all ordinary and usual expenses of operation, maintenance and repair, administrative expenses, salaries, payments to any retirement plan or plans properly chargeable to the Airport System, insurance expenses, engineering expenses relating to the operation, maintenance, or repair of the Airport System, taxes imposed by any governmental authority on the Airport System or its operations, fees and expenses of the Trustee and the Paying Agents, legal expenses, fees of consultants and any other expenses required to be paid by the County under this Resolution or by law, but Current Expenses shall not include any reserves for extraordinary replacements or repairs, any allowance for depreciation, any principal payment in respect of capital leases or Subordinated Debt, or any deposits to any Fund or Account created under this Resolution.

“Current Interest Bonds” shall mean Bonds the interest on which is periodically payable to the Bondholder on the Interest Payment Dates with respect to the Bonds rather than only at the maturity or redemption thereof.

“Daily Newspaper” means a newspaper regularly published in the English language on at least five days in each calendar week.

“Default” means any Event of Default and any event that, after notice or lapse of time or both, would become an Event of Default.

“Defeasance Obligations” means (iii) Government Obligations, and (iv) obligations of states or political subdivisions thereon on U.S. territories rated in the highest full rating category by the Rating Agencies which are not redeemable prior to the maturity thereof and that are fully secured by and payable solely from Government Obligations held pursuant to an escrow agreement satisfactory to the Trustee.

“Depository” means any bank or trust company duly authorized by law to engage in the banking business and selected by the County as a depository of money under this Resolution.

“Eminent Domain” means the eminent domain or condemnation power by which all or any part of the Airport System may be taken for another public use or any agreement that is reached in lieu of proceedings to exercise such power.

“Escrow Agent” shall mean a bank or trust company, either within or without the State of Florida, designated as Escrow Agent in the Escrow Deposit Agreement, and performing such functions as are required by such Agreement.

“Escrow Deposit Agreement” shall mean any agreement between the County and an Escrow Agent providing for the application of Bond proceeds and other available funds of the County to the payment and redemption of Outstanding Bonds.

“Event of Default” means each of those events of default set forth in Section 802 of this Resolution.

“Financial Journal” means a financial news journal regularly published in the English language on at least five days in each week and distributed in the Borough of Manhattan, City and State of New York.

“Fiscal Year” means the period commencing on the first day of October in any year and ending on the last day in September of the following year, unless the Trustee is notified in writing by the County of a change in such period, in which case the Fiscal Year shall be the 12-month period set forth in such notice.

“General Counsel” means the County Attorney, Deputy County Attorney or any Assistant County Attorney of the County.

“General Purposes Account” means the account in the Aviation Fund created and so designated by Section 501 of this Resolution.

“Government Obligations” means direct obligations of, or obligations the payment of the principal of and the interest on which is guaranteed by, the United States of America.

“Holder of Record” means any owner of one or more Bonds who shall have filed with the County, in accordance with procedures established thereby, a written request setting forth his name and address and the particular reports, notices and other documents that he desires and is entitled to receive under this Resolution.

“Improvements Account” means the account in the Aviation Fund created and so designated by Section 501 of this Resolution.

“Improvements Appropriation” for any Fiscal Year means that amount designated in the Capital Funds Budget for such Fiscal Year for the extension, improvement, enlargement, renewal, or replacement of the Airport System.

“Insurance and Condemnation Award Account” means the account in the Bond Fund created and so designated by Section 501 of this Resolution.

“Insurance Consultant” means a person or a firm of persons of favorable repute in the State for skill and experience in dealing with the insurance requirements of enterprises similar to the Airport System and in performing the duties to be imposed upon it by this Resolution.

“Interest Account” means the account in the Bond Fund created and so designated by Section 501 of this Resolution.

“Interest Commencement Date” shall mean with respect to any Capital Appreciation and Income Bonds, the date specified in the Series Resolution for such Bonds or the resolution awarding the same (which date must be prior to the maturity date of such Bonds) after which interest accruing on such Bonds shall be payable semi-annually with the first such payment date being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

“Interest Payment Date” means April 1 or October 1, as the case may be.

“Interest Rate Swap” shall mean an agreement in writing by and between the County and another entity (the “Counterparty”) pursuant to which (i) the County agrees to pay to the Counterparty an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest payable on the debt of the Counterparty specified in such agreement in the period specified in such agreement and (ii) the Counterparty agrees to pay to the County an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest payable on all or a portion of a Series of Bonds or Subordinated Debt specified in such agreement in the period specified in such agreement. The written agreement in the period specified in the preceding sentence shall provide (a) for either one-time payment by both parties or for periodic payments by both parties, but not one time payment by one party and periodic payments by the other party, and (b) for immediate termination of such agreement for non-payment by the Counterparty. The senior unsecured debt of such Counterparty shall be rated in one of the three highest rating categories without regard to gradations within such categories by the Rating Agencies. No such agreement shall be entered into between the County and a Counterparty unless and until the Rating Agencies have been provided with a copy of such proposed agreement for their review and any Credit Enhancer has consented thereto.

“Interim Bonds or Notes” shall mean bonds or notes issued by the County with a final maturity not longer than 60 months (or longer period if then so permitted by the provisions of State law relating to the issuance of bond anticipation notes by counties) in anticipation of the refinancing thereof from all or a portion of the proceeds of a Series of Bonds issued under this Resolution.

“Investment Obligations” means, except as may be provided with respect to a particular Series of Bonds in the corresponding Series Resolution, means, to the extent from time to time permitted by law and the code of ordinances of the County, as amended from time to time:

- I. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

- II. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):
- U.S. Export - Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
 - Farmers Home Administration (FmHA)
Certificates of beneficial ownership
 - Federal Financing Bank
 - Federal Housing Administration Debentures (FHA)
 - General Services Administration
Participation certificates
 - Government National Mortgage Association (GNMA or "Ginnie Mae")
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations
 - U.S. Maritime Administration
Guaranteed Title XI financing
 - U.S. Department of Housing and Urban Development (HUD)
 - Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds
- III. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):
- Federal Home Loan Bank System
Senior debt obligations
 - Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")

Participation Certificates
Senior debt obligations

- Federal National Mortgage Association (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations
- Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations
- Resolution Funding Corp. (REFCORP) obligations
- Farm Credit System
Consolidated systemwide bonds and notes

- IV. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard and Poor's of AAAM-G; AAAM; or AAM and having a rating by Moody's Investors Service in the highest category assigned by such agency.
- V. Certificates of deposit secured at all times by collateral described in (I) and/or (II) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks which are rated at least A by Moody's Investors Service. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.
- VI. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC.
- VII. Investment Agreements, including guaranteed investment contracts, acceptable to each Credit Facility provider which then has a Credit Facility outstanding with respect to the Series of Bonds.
- VIII. Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's Investors Service and "A1" or better by Standard and Poor's.
- IX. Bonds or notes issued by any state or municipality which are rated by Moody's Investors Service and Standard and Poor's in one of the two highest rating categories assigned by such agencies.
- X. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and

unguaranteed obligation rating of “Prime - 1” or “A3” or better by Moody’s Investors Service and “A-1” or “A” or better by Standard and Poor’s.

- XI. Repurchase agreements providing for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

Repurchase Agreements must satisfy the following criteria or be approved by the Credit Facility provider which then has a Credit Facility outstanding with respect to the Series of Bonds.

- Repurchase agreements must be between the municipal entity and a domestic bank or securities firm
 - a. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor’s and Moody’s Investor Services, or
 - b. Banks rated “A” or above by Standard & Poor’s and Moody’s Investor Services.
- The written repurchase agreement contract must include the following:
 - a. Securities which are acceptable for transfer are:
 - (1) Direct U.S. governments, or
 - (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)
 - b. The term of the repurchase agreement may be up to 30 days
 - c. The collateral must be delivered to the municipal entity, before/simultaneously with payment (perfection by possession of certificated securities).
 - d. Valuation of Collateral
 - (1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest

- (a) The value of collateral must be equal to 104% or the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repurchase agreements plus accrued interest if the value of securities held as collateral slips below 104% of the value of the cash transferred by the municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

“Liquidity Facility” shall mean a letter of credit, policy of municipal bond insurance, guaranty, purchase agreement or similar facility in which the entity providing such facility agrees to provide funds to pay the purchase price of Optional Tender Bonds upon their tender by the Holders of Optional Tender Bonds or the purchase price of Bonds subject by their terms to mandatory tender, provided that such entity is at the time of providing such facility of sufficient credit quality to entitle debt backed by its Liquidity Facility to be rated in the highest rating category (without regard to any graduations within such category) by the Rating Agencies.

“Moody’s” means Moody’s Investors Service, Inc. and its successors.

“Municipal Obligations” means: (a) obligations of states or political subdivisions thereof or U.S. territories, whether or not the interest thereon is excluded from gross income for federal income tax purposes, which obligations may or may not subject the holders thereof to the alternative minimum tax pursuant to Part VI of Subchapter A of Chapter 1 of the Code, and which are rated in any of the two highest full rating categories by Moody’s or S&P, or (b) stock of a qualified regulated investment company within the meaning of paragraph (a)(2) of Internal Revenue Service Advance Notice 87-22, released February 24, 1987, or any related or updated notice, release or regulation, which stock is rated in any of the two highest full rating categories by the Rating Agencies.

“Net Proceeds” means the gross proceeds derived from insurance or as an award arising from Eminent Domain, less payment of attorneys’ fees and expenses properly incurred in the collection of gross proceeds.

“Net Revenues” means the excess of Revenues over Current Expenses.

“Operations and Maintenance Requirement” means as of the date of determination 1/6 of the amount shown by the Annual Budget as Current Expenses for the then current Fiscal Year.

“Optional Tender Bonds” shall mean the portion of a Series of Bonds issued under this Resolution, a feature of which is an option on the part of the Holders of such Bonds to tender such Bonds to the County, a trustee or other fiduciary for such Holders for payment or purchase prior to stated maturity.

“Outstanding” when used with reference to Bonds means, as of a particular date, all Bonds theretofore issued under this Resolution except:

- (1) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (2) Bonds for the payment of which money, Defeasance Obligations, or a combination of both, in an amount sufficient to pay on the date when such Bonds are to be paid or redeemed the Redemption Price of and the interest accruing to such date on the Bonds to be paid or redeemed, have been deposited with the Trustee or the Paying Agents in trust for the Holders of such Bonds; Defeasance Obligations shall be deemed to be sufficient to pay or redeem Bonds on a specified date if the principal of and the interest on such Defeasance Obligations, when due, will be sufficient to pay on such date the Redemption Price of, and the interest accruing on, such Bonds to such date; and
- (3) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Resolution.

The foregoing notwithstanding, Convertible Lien Bonds shall not be deemed to be Outstanding under this Resolution prior to the Conversion Date therefor for purposes of (a) the application of moneys for the payment of principal of, redemption premium, if any, or interest on Bonds or the calculation of the Reserve Requirement for Bonds, (b) any calculation of Principal and Interest Requirements hereunder and (c) any consents, waivers, requests or similar items under Article VIII or Article XI hereof; provided, however, that Convertible Lien Bonds shall be considered to be Outstanding for purposes of determining whether the requisite level of Bondholder consent has been obtained pursuant to Section 1102 hereof in connection with the proposed adoption of a supplemental resolution under said Section 1102 prior to the Conversion Date, if such supplemental resolution would have a material adverse effect on the rights of the Holders of such Convertible Lien Bonds after the Conversion Date.

“Passenger Facilities Charges” shall mean the fees which the Secretary of Transportation may grant a public agency which controls a commercial service airport authority to impose for passengers of an air carrier enplaned at such airport to finance eligible airport related projects pursuant to 49 U.S.C. App. 1513, as amended, or any similar fee or charge authorized by any amendment thereto or by any successor federal law.

“Paying Agents” means, with respect to Bonds of each Series, the Trustee and any other banks or trust companies at which the principal of (unless registered) and interest on the coupon Bonds of each Series are payable.

“PFC Bond Resolution” means the resolution adopted by the Board on December 1, 1998, as the same may be amended and supplemented from time to time, which resolution provides for the issuance from time to time of bonds by the County payable from and secured by Passenger Facility Charges, any one or more of which series of bonds may be issued as a Series of Convertible Lien Bonds.

“Principal Account” means the account in the Bond Fund created and so designated by Section 501 of this Resolution.

“Proceeds Account” means the account in the Construction Fund to be created and so designated by Section 408 of this Resolution.

“Principal and Interest Requirements” shall mean the respective amounts which are required in each Fiscal Year to provide:

- (i) for paying the interest (excluding interest accreting on Capital Appreciation Bonds and Capital Appreciation and Income Bonds) accruing in such Fiscal Year on all Bonds then Outstanding, and
- (ii) for paying the principal accruing in such Fiscal Year on all Serial Bonds then Outstanding, and
- (iii) for paying the Sinking Fund Requirements accruing in such Fiscal Year on all Term Bonds then Outstanding.

In determining the amount of the Principal and Interest Requirements for any Fiscal Year, the following rules shall apply:

(a) with respect to Variable Rate Bonds, the interest rate shall be assumed to be the average rate of interest for all Variable Rate Bonds for the prior Fiscal Year or portion thereof or if there were no Variable Rate Bonds Outstanding during such prior Fiscal Year, then the initial rate of interest on such Variable Rate Bonds; “average rate” shall mean the rate determined by dividing the total annualized amount of interest accrued on Variable Rate Bonds in any Fiscal Year or portion thereof by the average principal amount of Variable Rate Bonds Outstanding during such Fiscal Year or portion thereof;

(b) with respect to Interim Bonds or Notes, interest only and not the principal shall be included in Principal and Interest Requirements if the Series of Bonds all or portion of the proceeds of which are expected to be used to refinance such Interim Bonds or Notes have been duly authorized by the County; provided however, none of the interest or principal on Interim Bonds or Notes shall be included in Principal and Interest Requirements if the Board shall determine in the resolution authorizing the issuance of such Interim Bonds or Notes that such Interim Bonds or Notes shall be Subordinated Indebtedness hereunder;

(c) with respect to Optional Tender Bonds, Principal and Interest Requirements shall not include the principal portion of the purchase price of such Optional Tender Bonds payable upon exercise by the holders thereof of the option to tender such Bonds for purchase to the extent and for so long as a Liquidity Facility shall be in full force and effect with respect to such Optional Tender Bonds but shall include the regularly scheduled principal payments on such Optional Tender Bonds, either upon payment at maturity or redemption in satisfaction of the Amortization Requirements for such Optional Tender Bonds; provided, however, that during any period of time after the issuer of the Liquidity Facility has advanced funds thereunder 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 Liquidity Facility;

(d) with respect to Capital Appreciation Bonds, only the principal and interest portions of the Accreted Value becoming due at maturity or by virtue of a Sinking Fund Requirement shall be included in the calculations of accrued and unpaid interest and principal requirements;

(e) with respect to Capital Appreciation and Income Bonds, only the principal and interest portions of the Appreciated Value becoming due at maturity or by virtue of a Sinking Fund Requirement shall be included in the calculations of accrued and unpaid interest and principal requirements;

(f) if interest on a Series of Bonds is payable from the proceeds of such Bonds 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 in proportion to the amount of interest payable in the then current Fiscal Year from amounts other than amounts so funded to pay such interest;

(g) Principal and Interest Requirements shall not include the principal of, redemption premium, if any, and interest on Subordinated Indebtedness; and

(h) notwithstanding anything to the contrary contained in this Resolution, with respect to Convertible Lien Bonds, prior to the Conversion Date for such Convertible Lien Bonds, the principal of, redemption premium, if any, and interest on such Convertible Lien Bonds will not constitute Principal and Interest Requirements hereunder and will not be included in any calculation of Principal and Interest Requirements for any purpose whatsoever under this Resolution. Additionally, interest accruing prior to the Conversion Date on Convertible Lien Bonds that are stated to mature on or after such Conversion Date shall not constitute Principal and Interest Requirements hereunder and will not be included in any calculation of Principal and Interest Requirements for any purpose whatsoever under this Resolution.

“Project” means the airport and aviation facilities generally described in the plans and specifications on file in the office of the Aviation Director, as the same may be amended or supplemented from time to time with the concurrence of the Board.

“Project Account” means the account in the Construction Fund created and so designated by Section 401 of this Resolution.

“Project Bonds” means the bonds of the County authorized to be issued under Section 208 of this Resolution.

“Rating Agencies” means, collectively, Moody’s, S&P and any other nationally recognized bond rating agency which shall at the time have a County requested rating in effect with respect to one or more Series of Outstanding Bonds.

“Redemption Account” means the account in the Bond Fund created and so designated by Section 501 of this Resolution.

“Redemption Price” means the principal amount of a Bond called for redemption plus the applicable premium, if any, payable upon redemption thereof in the manner provided by this Resolution.

“Renewal and Replacement Account” means the account in the Aviation Fund created and so designated by Section 501 of this Resolution.

“Renewal and Replacement Account Requirement” for any Fiscal Year means that amount established as such from time to time by the Board, which amount shall not be less than \$1,000,000 and shall not exceed 1% of the replacement cost of the Airport System, as such cost is determined in accordance with Section 708 hereof, or such greater amount as the Airport Consultant certifies is necessary for the purposes of the Renewal and Replacement Account for such Fiscal Year.

“Reserve Account” means the account in the Bond Fund created and so designated by Section 501 of this Resolution.

“Reserve Product” means bond insurance, a surety bond or a letter of credit or other credit facility used in lieu of a cash deposit in the Reserve Account and meeting the terms and conditions of Section 507 of this Resolution.

“Reserve Product Provider” means a reputable and nationally recognized bond insurance provider or a bank or other financial institution providing a Reserve Product, whose bond insurance policies insuring, or whose letters of credit, surety bonds or other credit facilities securing, the payment, when due, of the principal of and interest on bond issues by public entities results in such issues (as of the date the Reserve Product provided by such Reserve Product Provider is issued) being rated in the highest full rating category by any of the Rating Agencies.

“Reserve Requirement” shall mean as to each Series the lesser of (i) maximum Principal and Interest Requirements on account of the Bonds of such Series, in the current or any subsequent Fiscal Year, (ii) one hundred twenty-five percent (125%) of the average annual Principal and Interest Requirements on account of such Series of Bonds, or (iii) ten percent (10%) of the proceeds of such Series of Bonds, provided, however, that (a) as to any Series of Bonds the Reserve Requirement may be such lesser amount as the County may establish in the Series Resolution authorizing such Series of Bonds, (b) the County shall be permitted to provide all or a portion of the Reserve Requirement by the execution and delivery of a Reserve Product or other similar arrangement which, after its issuance and delivery, will permit the County to receive the full amount covered by such arrangement without further conditions, financial or otherwise, (c) unless otherwise provided by a Series Resolution with the consent of the Credit Enhancer which has a Credit Enhancement Device then outstanding and is not in default thereunder, with respect to all or any portion of a Series of Bonds which are Variable Rate Bonds, the County shall provide for a Reserve Requirement which is computed based upon (i) interest calculated at the lesser of the 30 year Revenue Bond Index published by The Bond Buyer

no more than two weeks prior to the date of sale of such Variable Rate Bonds or the maximum allowable rate established for such Series and (ii) the principal payment requirements set forth in the Series Resolution authorizing such Series of Bonds, and (d) with respect to a Series of Bonds or portion thereof which is supported by a Credit Enhancement Device, the County shall provide for a Reserve Requirement which is based only on the principal and interest due on the Bonds of such Series and not on the repayment provisions of such Credit Enhancement Device. If the County does not establish separate Reserve Account Subaccounts, the Reserve Requirement shall be calculated based on all Outstanding Bonds. Notwithstanding anything to the contrary contained in this definition, if the County simultaneously issues more than one Series of Bonds, the Reserve Requirement may be established on an aggregate basis for two or more of such Series of Bonds being simultaneously issued to the extent so provided in the corresponding Series Resolution; provided, however, that with respect to each Series of Bonds being issued as a Series of Bonds the interest on which is to be excluded from gross income for federal income tax purposes, the amount of proceeds of such Series of Bonds used to fund the aggregated Reserve Requirement shall not exceed the lesser of the amounts described in clauses (i), (ii) and (iii) of this definition.

“Revenue Account” means the account in the Aviation Fund created and so designated by Section 501 of this Resolution.

“Revenues” means (a) except to the extent hereinafter excluded, all income earned by the County from the operation and use of and for the services furnished or to be furnished at the Airport System and all income earned from the ownership and rental of the Airport System and properties financed by Subordinated Debt, and (b) any proceeds of business interruption insurance. There shall not be included in Revenues (i) any grants, contributions or donations, (ii) proceeds from the sale and disposition of the Airport System, (iii) income from the operation of any facilities to which reference is made in Section 717 and 719 hereof for so long as such facilities are not part of the Airport System, (iv) to the extent and for so long as such income is pledged to secure the financing for the same, rental income from the leasing of any land used in connection with, or income from the operation of, any facilities to which reference is made in Sections 717 and 719 hereof, (v) the investment income on, and the income and gains realized upon the maturity or sale of, securities held by or on behalf of the County in any Funds and Accounts established by this Resolution, (vi) any proceeds of insurance other than as mentioned above, (vii) the proceeds of any borrowing, and (viii) any Passenger Facilities Charges.

“Serial Bonds” means Bonds of any Series that are designated as such in the Series Resolution for such Series.

“Series” means any series of Bonds issued at any one time under Sections 208, 209, 210, or 211 of this Resolution.

“Series Resolution” means the resolution of the Board that is required by Article II of this Resolution to be adopted prior to the issuance of any Series of Bonds under this Resolution. The Series Resolution shall (a) determine the details of the Bonds of such Series, including, among other things, the maximum principal amount of such Series, the date thereof, the method of payment of interest thereon, the maximum maturity thereof, types of Bonds to be issued including Capital Appreciation Bonds, Capital Appreciation and Income Bonds, Variable Rate

Bonds, Interim Bonds or Notes, Convertible Bonds, Optional Tender Bonds and Current Interest Bonds, the redemption provisions relating thereto, including the Sinking Fund Requirements for the Term Bonds, if any, and the Bond Registrar therefor, (b) define any Additional Facilities to be financed with the proceeds of such Series (unless such Bonds are Refunding Bonds), (c) provide for the application of the proceeds of the Bonds to which such Series Resolution relates, (d) create separate subaccounts within the Aviation Fund and the Bond Fund for such Series, (e) determine the Reserve Requirement, if any, applicable to such Series of Bonds and the manner of meeting such Requirement either through (i) a deposit of Bond proceeds, (ii) the monthly deposit of Net Revenues at such times and in such equal amounts as therein determined, (iii) the obtaining of a Reserve Product, or (iv) any combination of the foregoing, and (f) set forth additional covenants and provisions with respect to such Series required in connection with the obtaining of a Credit Enhancement Device, a Liquidity Facility, a Swap Agreement or a Reserve Product, including any special provisions designed to comply with repayment requirements under reimbursement or repayment agreements with the entities providing such credit enhancement facilities, and such other matters as the Board shall determine.

“Sinking Fund Account” means the account in the Bond Fund created and so designated by Section 501 of this Resolution.

“Sinking Fund Requirement” means, with respect to Term Bonds of any Series and for any Fiscal Year, the principal amount fixed in the Series Resolution or computed as hereinafter provided for the retirement of such Term Bonds of any Series by purchase prior to, or redemption on, October 1 of the following Fiscal Year. The aggregate amount of such Sinking Fund Requirements for the Term Bonds of each Series, together with the amount due upon the final maturity of such Term Bonds, shall be equal to the aggregate principal amount of the Term Bonds of such Series. The Sinking Fund Requirements for the Term Bonds of the same maturity of each Series shall begin in the Fiscal Year determined in accordance with the provisions of the Series Resolution for such Series and shall end with the Fiscal Year immediately preceding the maturity of such Term Bonds (such final installment being payable at maturity and not redeemed).

If on or before the 45th day next preceding any October 1 on which Term Bonds are to be retired pursuant to the Sinking Fund Requirement, the County delivers to the Trustee, or the Trustee applies money in the Sinking Fund Account to the purchase of, Term Bonds required to be redeemed on such October 1, with all unmatured coupons, if any, attached, the County shall receive a credit against amounts required to be transferred from the Sinking Fund Account on account of such Term Bonds in the amount of 100% of the principal amount of any such Term Bonds delivered to the Trustee or so purchased by the Trustee. Any principal amount of such Term Bonds so delivered to the Trustee or purchased by the Trustee that is in excess of the principal amount required to be redeemed on such October 1 shall be credited against and reduce future Sinking Fund Requirements and future payments on Term Bonds at maturity in such manner as shall be specified in a certificate of the Chief Financial Officer filed with the Trustee pursuant to Section 506 of this Resolution or, if no such certificate is filed, in the inverse order of the scheduled retirement of such Term Bonds.

If in any Fiscal Year the County fails to deliver to the Trustee an amount equal to the Sinking Fund Requirement for such Fiscal Year, the Sinking Fund Requirement for the subsequent Fiscal Year shall be increased by the amount of the deficiency.

It shall be the duty of the Trustee, on or before the 15th day of October in each Fiscal Year, to re-compute, if necessary, the Sinking Fund Requirement for such Fiscal Year and all subsequent Fiscal Years for the Term Bonds Outstanding of each Series. The Sinking Fund Requirement for such Fiscal Year as so recomputed shall continue to be applicable during the balance of such Fiscal Year and no adjustment shall be made therein by reason of Term Bonds purchased or redeemed or called for redemption during such Fiscal Year.

If any Term Bonds of the same maturity of any Series are paid or redeemed by operation of the Redemption Account, the Trustee shall reduce future Sinking Fund Requirements therefor by an amount equal to the principal amount of such Term Bonds paid or redeemed in such manner as shall be specified in a certificate of the Chief Financial Officer filed with the Trustee pursuant to Section 511 of this Resolution or, if no such certificate is filed, in the inverse order of the scheduled retirement of such Term Bonds.

“S&P” means Standard & Poor’s Corporation and its successors.

“State” means State of Florida.

“Subordinated Debt” means the indebtedness of the County authorized by Section 718 of this Resolution.

“Taxable Bonds” means Bonds the interest on which is not intended at the time of the issuance thereof to be excluded from the gross income of the holders thereof for federal tax purposes.

“Term Bonds” means the Bonds of any Series that are designated as such in the Series Resolution for such Series.

“Time Deposits” means time deposits, certificates of deposit or similar arrangements with any bank or trust company that is a member of the Federal Deposit Insurance Corporation, and any federal or State of Florida savings and loan association that is a member of the Federal Savings and Loan Insurance Corporation and that are secured in the manner provided in Section 601 of this Resolution.

“Transfer” means any transfer of money from the General Purposes Account to the Revenue Account pursuant to clause (5) of Section 510 hereof.

“Trustee” means the Trustee at the time serving as such under this Resolution, whether original or successor.

“Variable Rate Bonds” shall mean any Bonds issued under this Resolution the interest rate on which is not established at the time of issuance at a single numerical rate.

Section 102. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number. The word “person” shall include corporations, firms, associations, partnerships, joint ventures, joint stock companies, trusts, unincorporated organizations, and public bodies, as well as natural persons. The word “registered” shall have no application to bonds registered to bearer. When used in connection with the amounts on deposit in or to be deposited in any Fund or Account created hereunder, the word “money” shall include Investment Obligations.

ARTICLE II

DETAILS OF BONDS

Section 201. Limitation of Issuance of Bonds. No Bonds may be issued under this Resolution except in accordance with the provisions of this Article. All covenants, agreements and provisions of this Resolution shall be for the equal benefit and security of all present and future Bondholders without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided, of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or otherwise.

Section 202. Details of Bonds. The definitive Bonds are issuable in coupon form, registrable as to principal only, in the denomination of Five Thousand Dollars (\$5,000) each and in fully registered form without coupons in denominations of \$5,000 or any whole multiple thereof. Coupon Bonds of each Series shall be numbered consecutively from 1 upwards and fully registered Bonds shall be numbered consecutively from R-1 upwards. Bonds of each Series shall be dated, shall bear interest until their payment at a rate or rates not exceeding the maximum rate then permitted by law, such interest to the respective maturities of the Bonds being payable semi-annually on the first days of April and October in each year, shall be stated to mature on October 1, and shall be subject to redemption prior to their respective maturities, all as provided in the Series Resolution for such Series. The Bonds of each Series issued under the provisions of this Article shall be designated “Airport System Revenue Bonds, Series _____,” in each case inserting an identifying Series letter.

Each coupon Bond shall bear interest from its date. Each registered Bond without coupons shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (a) authenticated upon any Interest Payment Date in which event it shall bear interest from such Interest Payment Date or (b) authenticated prior to the first Interest Payment Date in which event it shall bear interest from its date; provided, however, that if at the time of authentication of any registered Bond without coupons interest is in default, such Bond shall bear interest from the date to which interest has been paid.

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. The principal of coupon Bonds, unless registered, and the interest on coupon Bonds shall be payable at the principal offices of the Paying Agents designated for the Bonds of such Series. Payment of the interest on coupon Bonds shall be made only upon presentation and surrender of the coupons representing such

interest as the same respectively become due and payable. The payment of interest on each registered Bond without coupons shall be made by the Trustee on each Interest Payment Date to the person appearing on the registration books of the Bond Registrar as the registered owner thereof by check or draft mailed to the registered owner at his address as it appears on such registration books. Payment of the principal of all Bonds shall be made upon the presentation and surrender of such Bonds as the same become due and payable (whether at maturity or by redemption, acceleration, or otherwise). Such presentation and surrender shall be at the offices of the Paying Agents in the case of coupon Bonds not registered as to principal and at the principal office of the Trustee in the case of coupon Bonds registered as to principal and fully registered Bonds.

Section 203. Execution and Form of Bonds. The Bonds shall be signed by, or bear the facsimile signatures of, the Chairman and the County Administrator, and a facsimile of the official seal of the County shall be imprinted on the Bonds; provided that each Bond shall be manually signed by at least one of said officers if then required by law. The interest coupons to be attached to the Bonds shall bear the facsimile signature of the County Administrator. In case any officer whose signature or a facsimile of whose signature appears on any Bonds or coupons ceases to be such officer before the delivery of such Bonds or coupons, such signature or such facsimile nevertheless shall be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond are the proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers. The definitive Bonds issued under this Article and the interest coupons to be attached thereto shall be substantially in the following forms, with such appropriate variations, omissions and insertions as may be required or permitted by this Resolution and shall have endorsed thereon such legends or text as may be necessary or appropriate to conform to the applicable rules and regulations of any governmental authority or any securities exchange on which the Bonds may be listed or to any requirement of law with respect thereto:

[Form of Coupon Bonds]

**UNITED STATES OF AMERICA
STATE OF FLORIDA
BROWARD COUNTY AIRPORT SYSTEM REVENUE BOND
SERIES ____**

No. _____ \$5,000

Broward County (the "County"), a political subdivision of the State of Florida, for value received, promises to pay, but solely from the sources and in the manner described below, to bearer on the 1st day of October, ____ (or earlier as hereinafter referred to), upon the presentation and surrender hereof, the principal sum of FIVE THOUSAND DOLLARS (\$5,000). The County also promises to pay, solely from such sources, interest thereon from the date hereof at the rate of ____ percent (____%) per annum until said principal sum is paid, such interest being payable ____ and semi-annually thereafter on April 1 and October 1 in each year upon the presentation and surrender of the coupons representing such interest as the same become due. The County shall pay principal and interest in any coin or currency of the United

States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof.

The principal of this Bond (unless registered) and the interest hereon are payable at the principal office of _____ in _____, trustee (said bank, together with any successor appointed to act as such, is hereinafter referred to as the "Trustee"), or, at the option of the holder, at the corporate trust office of _____ in the Borough of Manhattan, City and State of New York. The principal of this Bond (if registered) is payable at the principal office of the Trustee.

This Bond is one of a duly authorized series of airport system revenue bonds of the County, each of which bears the designation "United States of America, State of Florida, Broward County Airport System Revenue Bond, Series ____" (the "Series ____ Bonds"), initially issued in an aggregate principal amount of _____ Dollars (\$_____). The Series ____ Bonds are dated _____, 19____, and are of like tenor and effect except as to number, interest rate, stated maturity, and redemption. The County will use the proceeds of the Series ____ Bonds to [Insert Uses].

The Series ____ Bonds are issued under a resolution duly adopted by the Board of Commissioners of the County on November 9, 1982, as amended and supplemented on _____, 1983 (said resolution, together with all supplements thereto, is hereinafter referred to as the "Resolution"). The Resolution provides for the issuance from time to time of additional bonds on a parity with the Series ____ Bonds, under the conditions, limitations and restrictions and for the purposes set forth in the Resolution (the Series ____ Bonds, together with all such additional bonds, are herein after referred to as the "Bonds").

This Bond is a limited obligation of the County secured by a pledge of, and payable solely from, Net Revenues (as defined in the Resolution), the County's rights to receive Net Revenues, and the money and Investment Obligations (as defined in the Resolution) in the funds and accounts established under the Resolution and the income derived from such Investment Obligations and the investment of such money.

This Bond shall not be deemed to constitute a debt of the County for which the faith and credit of the County are pledged, and the County is not obligated to pay this Bond or the premium, if any, or the interest hereon except from the aforementioned sources. The issuance of this Bond shall not directly or indirectly or contingently obligate the County to levy or to pledge any form of taxation whatever therefor, and the holder of this Bond shall have no recourse to the power of taxation. This Bond does not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the County.

Reference is made to the Resolution for a more complete statement of the provisions thereof and of the rights of the County, the Trustee, and the holders of the Bonds. Copies of the Resolution are on file and may be inspected at the principal office of the Trustee. By the purchase and acceptance of this Bond the holder or owner hereof signifies assent to all of the provisions of the Resolution.

This Bond is issued and the Resolution was adopted under and pursuant to the Constitution and laws of the State of Florida, particularly the Broward County Charter and Chapter 2 of the Broward County Code, as amended.

The Series ____ Bonds are issuance in coupon form, registrable as to principal alone, in the denomination of \$5,000 and in registered form without coupons in denominations of \$5,000 or any whole multiple thereof. At the principal office of the Trustee, in the manner and subject to the limitations and conditions provided in the Resolution, this Bond and all coupons appertaining thereto representing all unpaid interest due or to become due thereon may be exchanged for an equal aggregate principal amount of registered Series ____ Bonds without coupons of the same maturity, of authorized denominations, and bearing interest at the same rate. This Bond may be registered as to principal alone in accordance with the provisions endorsed hereon, subject to the terms and conditions set forth in the Resolution.

Any holder requesting any exchange, registration, or registration of transfer of this Bond shall pay any tax or other governmental charge required to be paid with respect thereto and any charge for shipping and out-of-pocket costs incurred by the County and the Trustee in connection with such exchange, registration, or registration of transfer. The Trustee shall not be required to make any exchange or to register or register the transfer of this Bond during the period of 15 days next preceding any interest payment date or after notice of redemption of this Bond or any portion thereof has been given pursuant to the Resolution.

[Insert redemption provisions applicable to the Series ____ Bonds]

All Bonds are subject to redemption as a whole at any time or in part, on any interest payment date at the option of the County, at a redemption price equal to the principal amount thereof without premium, plus accrued interest to the redemption date, if all or any part of the Airport System (as defined in the Resolution) is damaged, destroyed, or condemned or if the County disposes of any portion of the Airport System.

If less than all of the Bonds are called for redemption, the particular Bonds to be redeemed shall be selected by the County as provided in the Resolution. If the County fails to select the Bonds to be redeemed, the Trustee shall redeem Bonds bearing the highest rate of interest, and if Bonds of more than one maturity bear the same rate of interest, the Trustee will redeem Bonds in the inverse order of maturities and by lot within a maturity as the Trustee, in its discretion, may determine.

Any such redemption, either as a whole or in part, may be made upon at least 30 days' prior notice by publication and otherwise as provided in the Resolution.

On the date fixed for redemption, notice having been mailed or published in the manner provided in the Resolution, the Bonds called for redemption will be due and payable at the redemption price provided therefor, plus accrued interest to such date. If there has been delivered to the Trustee, and the Trustee is then holding in trust, money or Government Obligations of the United States, or a combination of both, sufficient to pay the redemption price of the Bonds to be redeemed plus accrued interest to the date of redemption, interest on the Bonds called for redemption will cease to accrue; the coupons for interest payable subsequent to

the redemption date on any coupon Bonds so called for redemption will be void; such Bonds will cease to be entitled to any benefits or security of, or to be deemed outstanding under the Resolution; and the holders of such Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption. In addition, this Bond will not be deemed to be outstanding under the Resolution and will cease to be entitled to the security of or any rights under the Resolution, and the holder hereof shall have no rights other than to be given notice of redemption and to receive payment of the redemption price hereof and accrued interest hereon to the date of redemption, if irrevocable instructions to pay this Bond on one or more specified dates or to call the same for redemption at the earliest redemption date have been given to the Trustee and money or Government Obligations, or a combination of both, sufficient to pay the redemption price of this Bond, together with accrued interest hereon to such date, are held by the Trustee in trust for the holder hereof. Government Obligations will be deemed to be sufficient to redeem or pay this Bond on a specified date if the principal of and the interest on such Government Obligations, when due, will be sufficient to pay on such date the redemption price of and the interest accruing on this Bond to such date.

The holder of this Bond shall have no right to enforce the provisions of the Resolution, to institute action to enforce the covenants therein, to take any action with respect to any event of default under the Resolution, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Resolution.

Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Resolution, the principal of this Bond may become or may be declared due and payable before its stated maturity, together with the interest accrued hereon.

Modifications or alterations of the Resolution or of any resolution supplemental thereto may be made only to the extent and in the circumstances permitted by the Resolution.

Subject to the provisions for registration endorsed hereon and contained in the Resolution nothing contained in this Bond or in the Resolution shall affect or impair the negotiability of this Bond, and this Bond shall have, as between successive holders, all the qualities and incidents of a negotiable instrument under the uniform commercial code investment securities law of the State of Florida and shall be understood to be an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of Florida. This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions, and things required to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed as so required.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until the certificate of authentication endorsed hereon has been executed by the Trustee.

IN WITNESS WHEREOF, Broward County has caused this Bond to be signed by [bear the facsimile signature of] the Chairman of its Board of County Commissioners and to be signed by [bear the facsimile signature of] its County Administrator and ex officio Clerk of its Board of County Commissioners, and a facsimile of its official seal to be imprinted hereon, and the

interest coupons attached hereto to be executed with the facsimile signature of said County Administrator and ex officio Clerk of the Board of County Commissioners all as of the 1st day of _____, 19__.

BROWARD COUNTY

BY _____
Chairman of the Board of
County Commissioners

(SEAL)

County Administrator and
ex officio Clerk of the Board
of County Commissioners

PROVISIONS FOR REGISTRATION AND REGISTRATION OF TRANSFER

This Bond may be registered as to principal alone on books kept by the Trustee as Bond Registrar, upon presentation hereof to the Trustee, which, as Bond Registrar, shall make a notation of such registration in the registration blank below, and thereafter the transfer of this Bond may be registered only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon receipt of such assignment the Trustee, as Bond Registrar, shall register the transfer of this Bond on its books and endorse the same hereon. Such registration of transfer may be to bearer and thereby transferability by delivery shall be restored, but this Bond shall again be subject to successive registrations and registrations of transfer as before. The principal of this Bond, if registered, unless registered to bearer, shall be payable only to the registered owner or his legal representative. Notwithstanding the registration of this Bond as to principal alone, the coupons shall remain payable to bearer and shall continue to be transferable by delivery.

<u>Date of Registration or Transfer</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

[Form of Coupon]

No. _____ \$ _____

On _____, _____, Broward County, Florida will pay to bearer (unless the Bond mentioned below has previously become payable as provided in the Resolution to which reference is made in said Bond and provisions for payment thereof have been duly made) at the principal office of _____, or, at the option of the bearer, at the corporate trust office of _____, in the Borough of Manhattan, City and State of New York, upon presentation and surrender hereof, the sum of _____ DOLLARS (\$ _____) in any coin or currency of the United States of America that is legal tender for the payment of public and private debts at the time of such payment, but solely from the sources referred to in, and for the interest then due upon, its Airport System Revenue Bond, Series _____, dated the 1st day of _____, 19__, No. _____.

County Administrator and
ex officio Clerk of the Board
of County Commissioners

STATEMENT OF VALIDATION

This Bond is one of a series of bonds that were validated by judgment of the Circuit Court for Broward County, rendered on _____, 19__.

CERTIFICATE OF AUTHENTICATION

This Bond is a Bond of the Series designated therein and issued under the provisions of the within-mentioned Resolution.

Trustee

By _____
Authorized Signatory

[Form of Registered Bonds Without Coupons]

**UNITED STATES OF AMERICA
STATE OF FLORIDA
BROWARD COUNTY AIRPORT SYSTEM REVENUE BOND
SERIES _____**

No. R-_____ \$_____

Broward County (the "County"), a political subdivision of the State of Florida, for value received, promises to pay, but solely from the sources and in the manner described below, to _____, or registered assigns or legal representative, on the 1st day of October, ____ (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the principal office of _____, in _____, trustee (said bank, together with any successor appointed to act as such, is herein after referred to as the "Trustee"), the principal sum of _____ DOLLARS (\$ _____). The County also promises to pay, but solely from such sources, to the registered owner at his address as it appears on the bond registration books maintained by the Trustee as Bond Registrar, interest thereon on each October 1 and April 1 from the interest payment date next preceding the date on which it is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or it is authenticated prior to _____ 1, 19__, in which event it shall bear interest from its date, at the rate of _____ percent (____%) per annum until the principal sum hereof is paid. The County shall pay principal and interest in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof.

This Bond is one of a duly authorized series of airport system revenue bonds of the County, each of which bears the designation "United States of America, State of Florida, Broward County Airport System Revenue Bond, Series ____" (the "Series ____ Bonds"), initially issued in an aggregate principal amount of _____ Dollars (\$ _____). The Series Bond are dated _____ 1, 19__, and are of like tenor and effect except as to number, interest rate, stated maturity and redemption. The County will use the proceeds of the Series ____ Bonds to [Insert Uses].

The Series ____ Bonds are issued under a resolution duly adopted by the Board of Commissioners of the County on November 9, 1982, as amended and supplemented on _____, 1983 (said resolution, together with all supplements thereto, is hereinafter referred to as the "Resolution"). The Resolution provides for the issuance from time to time of additional bonds on a parity with the Series ____ Bonds, under the conditions, limitations and restrictions and for the purposes set forth in the Resolution (the Series ____ Bonds, together with all such additional bonds, are heretofore referred to as the "Bonds").

This Bond is a limited obligation of the County secured by a pledge of, and payable solely from, Net Revenues (as defined in the Resolution), the County's rights to receive Net Revenues, and the money and Investment Obligations (as defined in the Resolution) in the funds and accounts established under the Resolution and the income derived from such Investment Obligations and the investment of such money.

This Bond shall not be deemed to constitute a debt of the County for which the faith and credit of the County are pledged, and the County is not obligated to pay this Bond or the premium, if any, or the interest hereon except from the aforementioned sources. The issuance of this Bond shall not directly or indirectly or contingently obligate the County to levy or to pledge any form of taxation whatever therefor, and the holder of this Bond shall have no recourse to the power of taxation. This Bond does not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the County.

Reference is made to the Resolution for a more complete statement of the provisions thereof and of the rights of the County, the Trustee, and the holders of the Bonds. Copies of the Resolution are on file and may be inspected at the principal office of the Trustee. By the purchase and acceptance of this Bond the holder or owner hereof signifies assent to all of the provisions of the Resolution.

This Bond is issued and the Resolution was adopted under and pursuant to the Constitution and laws of the State of Florida, particularly the Broward County Charter and Chapter 2 of the Broward County Code, as amended.

The Series ____ Bonds are issuable in coupon form, registrable as to principal alone, in the denomination of \$5,000 and in registered form without coupons in denominations of \$5,000 or any whole multiple thereof. At the principal office of the Trustee, in the manner and subject to the limitations and conditions provided in the Resolution, this Bond may be exchanged for an aggregate principal amounts of coupon Series ____ Bonds of the same maturity, bearing interest at the same rate, and having attached thereto coupons representing all unpaid interest due or to become due thereon, or for other registered Series ____ Bonds without coupons of the same maturity, of other authorized denominations, and bearing interest at the same rate.

The transfer of this Bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the principal office of the Trustee, but only upon presentation hereof to the Trustee, as Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative, and the Trustee, as Bond Registrar, shall make a notation of such transfer on the books maintained for such purpose and shall endorse the same hereon.

Any holder requesting any exchange or registration of transfer of this Bond shall pay any tax or other governmental charge required to be paid with respect thereto and any charge for shipping and out-of-pocket costs incurred by the County and the Trustee in connection with such exchange or registration of transfer. The Trustee shall not be required to make any exchange or to register the transfer of this Bond during the period of 15 days next preceding any interest payment date or after notice of redemption of this Bond or any portion thereof has been given pursuant to the Resolution.

[Insert redemption provisions applicable to the Series ____ Bonds]

All Bonds are subject to redemption as a whole at any time or in part, on any interest payment date at the option of the County, at a redemption price equal to the principal amount thereof without premium, plus accrued interest to the redemption date, if all or any part of the

Airport System (as defined in the Resolution) is damaged, destroyed, or condemned or if the County disposes of any portion of the Airport System.

If less than all of the Bonds are called for redemption, the particular Bonds to be redeemed shall be selected by the County as provided in the Resolution. If the County fails to select the Bonds to be redeemed, the Trustee shall redeem Bonds bearing the highest rate of interest, and if Bonds of more than one maturity bear the same rate of interest, the Trustee will redeem Bonds in the inverse order of maturities and by lot within a maturity as the Trustee, in its discretion, may determine.

Any such redemption, either as a whole or in part, may be made upon at least 30 days' prior notice by publication and otherwise as provided in the Resolution.

On the date fixed for redemption, notice having been mailed or published in the manner provided in the Resolution, the Bonds or portions thereof called for redemption will be due and payable at the redemption price provided therefor, plus accrued interest to such date. If there has been delivered to the Trustee and the Trustee is then holding in trust money or Government Obligations of the United States, or a combination of both, sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed plus accrued interest to the date of redemption, interest on the Bonds or portions thereof called for redemption will cease to accrue; such Bonds or portions thereof will cease to be entitled to any benefits or security of or to be deemed outstanding under this Resolution; and the holders of such Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption. In addition, this Bond or any portion hereof will not be deemed to be outstanding under the Resolution and will cease to be entitled to the security of or any rights under the Resolution, and the registered owner hereof shall have no rights other than to be given notice of redemption, to receive payment of the redemption price of this Bond or the portion hereof to be redeemed and accrued interest hereon or on such portion to the date of redemption, and, to the extent provided in the Resolution, to receive other Series ____ Bonds for any unredeemed portion hereof, if irrevocable instructions to pay all or a portion of this Bond on one or more specified dates or to call the same for redemption at the earliest redemption date have been given to the Trustee and money or Government Obligations, or a combination of both, sufficient to pay the redemption price of this Bond or the portion hereof to be redeemed, together with accrued interest hereon or on such portion to such date, are held by the Trustee in trust for the registered owner hereof. Government Obligations will be deemed to be sufficient to redeem or pay this Bond or a portion hereof on a specified date if the principal of and the interest on such Government Obligations, when due, will be sufficient to pay on such date the redemption price hereof or of the portion hereof to be redeemed and the interest accruing on this Bond or on such portion to such date. If a portion of this Bond is called for redemption, a new Series ____ Bond or Series ____ Bonds in principal amount equal to the unredeemed portion hereof will be issued to the registered owner upon the surrender hereof.

The holder of this Bond shall have no right to enforce the provisions of the Resolution, to institute action to enforce the covenants therein, to take any action with respect to any event of default under the Resolution, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Resolution.

Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Resolution, the principal of this Bond or a portion hereof may become or may be declared due and payable before its stated maturity, together with the interest accrued hereon.

Modifications or alterations of the Resolution or of any resolution supplemental thereto may be made only to the extent and in the circumstances permitted by the Resolution.

Notwithstanding the provisions for registration of transfer stated herein and contained in the Resolution this Bond shall be understood to be an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of Florida. This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed as so required.

This Bond shall not be valid or become obligatory under the Resolution for any purpose or be entitled to any benefit or security until the certificate of authentication endorsed hereon has been executed by the Trustee.

IN WITNESS WHEREOF, Broward County has caused this Bond to be signed by [bear the facsimile signature of] the Chairman of its Board of County Commissioners and to be signed by [bear the facsimile signature of] its County Administrator and ex-officio Clerk of its Board of County Commissioners, and a facsimile of its official seal to be imprinted hereon, all as of the 1st day of _____, 19__.

BROWARD COUNTY

BY _____
Chairman of the Board of
County Commissioners

(SEAL)

County Administrator and
ex officio Clerk of the Board
of County Commissioners

PROVISIONS FOR REGISTRATION OF TRANSFER

The transfer of this Bond may be registered only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon receipt of such assignment the Trustee, as Bond Registrar, shall register the transfer of the Bond on its books and endorse the same hereon. The principal of this Bond shall be payable only to the registered owner or his legal representative.

<u>Date of Registration or Transfer</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

STATEMENT OF VALIDATION

This Bond is one of a series of bonds that were validated by judgment of the Circuit Court for Broward County, rendered on _____, 19__.

CERTIFICATE OF AUTHENTICATION

This Bond is a Bond of the Series designated therein and issued under the provisions of the within-mentioned Resolution.

Trustee

By _____
Authorized Signatory

Date of authentication:

The foregoing notwithstanding, prior to the Conversion Date therefor, any Convertible Lien Bonds shall be issued in such form as set forth in the Series Resolution adopted hereunder authorizing such Series of Convertible Lien Bonds; with such appropriate variations, omissions and insertions as may be required or permitted by this Resolution and as may be required as a result of such Bonds being issued as Convertible Lien Bonds.

Section 204. Exchange of Bonds. Registered Bonds without coupons may be exchanged at the option of the registered owner thereof and upon surrender thereof at the principal office of the Trustee, together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, for an equal aggregate principal amount of coupon Bonds of the same Series and maturity, bearing interest at the same

rate, having attached thereto coupons representing all unpaid interest due or to become due thereon, and except for differences between the form of coupon Bonds and the form of registered Bonds without coupons, in the same form as the registered Bonds surrendered for exchange, or for other registered Bonds without coupons of the same Series and maturity, of any denomination or denominations authorized by this Resolution, bearing interest at the same rate, and in the same form as the registered Bonds surrendered for exchange. Coupon Bonds may be exchanged, at the option of the Holder or registered owner thereof and upon surrender thereof at the principal office of the Trustee, together with all unmatured coupons and all matured coupons in default, if any, appertaining thereto, for an equal aggregate principal amount of registered Bonds without coupons of the same Series and maturity, of any denomination or denominations authorized by this Resolution, bearing interest at the same rate, and, except for differences between the form of coupon Bonds and the form of registered Bonds without coupons, in the same form as the coupon Bonds surrendered for exchange. If such coupon Bonds are registered as to principal alone, they shall be accompanied by an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee.

The County shall make provision for the exchange of Bonds at the principal office of the Trustee.

Section 205. Negotiability, Registration, and Registration of Transfer of Bonds. The Trustee is hereby appointed as Bond Registrar and as such shall keep books for the registration and the registration of transfer of the Bonds as provided in this Resolution.

Title to any coupon Bond, unless such Bond is registered in the manner hereinafter provided, and to any interest coupon shall pass by delivery in the same manner as a negotiable instrument payable to bearer.

At the option of the bearer, any coupon Bond (but not any temporary Bond unless the Board shall so provide) may be registered as to principal alone on such books upon presentation thereof to the Trustee which, as Bond Registrar, shall make notation of such registration thereon. The principal of any coupon Bond registered as to principal alone, unless registered to bearer, and the principal of any registered Bond without coupons shall be payable only to or upon the order of the registered owner or his legal representative, but the coupons appertaining to any Bond registered as to principal alone shall remain payable to bearer notwithstanding such registration.

The transfer of any fully registered Bond or any coupon Bond registered as to principal alone may be registered only upon presentation thereof to the Trustee together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, and the Trustee as Bond Registrar shall make a notation of such registration of transfer on the books maintained for such purposes and shall endorse such notation on the Bond. The registration of transfer of any coupon Bond may be to bearer and thereby transferability by delivery shall be restored, subject, however, to successive registrations and registrations of transfer. No transfer of any fully registered Bond or any coupon Bond registered as to principal alone (unless as to bearer) shall alter the ownership of such Bond for purposes of this Resolution unless such transfer is registered with the Trustee.

No charge shall be made to any Bondholder for the privilege of exchange, registration, or registration of transfer hereinabove granted, but any Bondholder requesting any such exchange, registration, or registration of transfer shall pay any tax or other governmental charge required to be paid with respect thereto and any charge for shipping and out-of-pocket costs incurred by the County and the Trustee in connection with such exchange, registration, or registration of transfer. The Trustee shall not be required to make any exchange and the Bond Registrar shall not be required to register or register the transfer of any Bond during the period of 15 days next preceding any Interest Payment Date or after notice of redemption of such Bond or any portion thereof has been given pursuant to Article III of this Resolution.

In all cases in which Bonds are exchanged, a portion of a registered Bond is redeemed, or a transferor or transferee of a Bond requests that a new Bond be issued, the County shall execute and the Trustee shall authenticate and deliver, upon the presentation or surrender to the Trustee of the Bond to be exchanged, redeemed, or transferred and at the earliest practicable time, Bonds in accordance with the provisions of this Resolution. All registered Bonds without coupons surrendered in any such exchange or in connection with any such redemption or transfer shall forthwith be cancelled by the Trustee. All coupon Bonds and unmatured coupons surrendered in any exchange or in connection with any redemption or transfer shall be retained by the Trustee in its custody.

Section 206. Ownership of Bonds. The person in whose name any registered Bond without coupons or any coupon Bond registered as to principal alone is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. 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. The County, the Bond Registrar, and the Paying Agents may deem and treat the bearer of any coupon Bond not registered as to principal alone (unless registered to bearer) and the bearer of any coupon appertaining to any coupon Bond, whether such Bond is registered as to principal alone or not, as the absolute owner of such Bond or coupon, as the case may be, whether such Bond or coupon is overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and the County, the Bond Registrar, and the Paying Agents shall not be affected by any notice to the contrary.

Section 207. Authentication of Bonds. Only such Bonds as have endorsed thereon a certificate of authentication substantially in the form hereinabove set forth, duly executed by the Trustee, shall be entitled to any benefit or security under this Resolution. No Bonds and no coupons appertaining thereto shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Bond has been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Trustee, 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. Before authenticating or delivering any coupon Bonds the Trustee shall detach and cancel all matured coupons, if any, appertaining thereto, except any coupons that represent unpaid interest.

With respect to a Series of Convertible Lien Bonds, the requirements of this Section 207 shall be satisfied if the Bonds of such Series of Convertible Lien Bonds that are stated to mature on or after the Conversion Date therefor bear a certificate of authentication substantially in the form described hereinabove and such Bonds are authenticated by the Trustee as provided herein. The Bonds of a Series of Convertible Lien Bonds that are stated to mature prior to the Conversion Date for such Series of Convertible Lien Bonds shall bear a certificate of authentication in substantially the form provided in the PFC Bond Resolution and shall be authenticated by the trustee under the PFC Bond Resolution as provided therein. The foregoing notwithstanding, the requirements of this Section 207 shall be deemed satisfied with respect to any Convertible Lien Bond if such Bond, regardless of whether its stated maturity is prior to, on, or subsequent to the Conversion Date therefor, bears dual certificates of authentication substantially in the respective forms described hereinabove and in the PFC Bond Resolution and such certificates of authentication are authenticated by the Trustee hereunder and the trustee under the PFC Bond Resolution, respectively, as provided herein and therein.

Section 208. Authorization of Project Bonds. One or more Series of Project Bonds may be issued under and secured by this Resolution at one time or from time to time, subject to the conditions hereinafter provided in this Section, for the purpose of providing funds, together with other available funds, to (a) pay the Cost of the Project, (b) fund the Reserve Account in an amount equal to the Reserve Requirement, (c) pay interest accruing on the Project Bonds as specified in the Series Resolution relating thereto, and (d) pay certain expenses incurred in connection with the issuance of the Project Bonds. The County hereby authorizes the issuance of an initial Series of Project Bonds in an aggregate principal amount not to exceed \$350,000,000.

Before any Project Bonds are issued under this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Project Bonds, fixing the amount and the details thereof, and describing in brief and general terms the purposes for which the Project Bonds are to be issued. The Bonds of each Series issued under this Section shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on October 1 in such year or years, shall have such Paying Agents, shall bear interest, and shall have such Sinking Fund Requirements and redemption provisions, all as are then permitted by law and as are provided in the Series Resolution authorizing the issuance of such Project Bonds. Such Project Bonds shall be executed in substantially the form hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provisions of the Series Resolution.

Except as to any differences in the rate or rates of interest, the maturities, or the provisions for redemption, each Series of Bonds issued under this Section 208 shall be on a parity with and shall be entitled to the same benefit and security of this Resolution as all other Bonds issued under this Resolution.

The Project Bonds shall be deposited with the Trustee for authentication and delivery, but before such Project Bonds shall be delivered the following shall be filed with the Trustee:

(a) a copy, certified by the County Administrator to be a true and correct copy, of this Resolution;

(b) a copy, certified by the County Administrator to be a true and correct copy, of the Series Resolution, which Resolution shall also award the Project Bonds and direct the authentication and delivery of said Project Bonds to or upon the order of the purchasers named in said Series Resolution upon payment of the purchase price therein set forth, plus the accrued interest on the Project Bonds;

(c) an opinion of the General Counsel to the effect that (i) the County has obtained from such governmental authorities, boards, agencies or commissions having jurisdiction over the Airport System all approvals, consents, authorizations, certifications, and other orders that are necessary for the acquisition and construction of the Project and that reasonably could have been obtained as of the date of delivery of the Project Bonds and that if further approvals, consents, authorizations, certifications, or orders are necessary for the acquisition and construction of the Project, such counsel has no reason to believe that the County will not be able to obtain the same when required, (ii) this Resolution, the Series Resolution, and all other resolutions relating to the issuance of the Project Bonds have been duly adopted at meetings of the Board duly called and held in accordance with law and at which quorums were present and acting throughout, (iii) the issuance of the Project Bonds has been duly authorized, and (iv) all conditions precedent to the delivery of the Project Bonds have been fulfilled; and

(d) an opinion of bond counsel of suitable reputation and experience to the effect that the issuance of the Project Bonds has been duly authorized, that all legal conditions precedent to the delivery of the Project Bonds have been fulfilled, and, with respect to the initial Series of Project Bonds, that interest on the Project Bonds is exempt from all present federal income tax.

When the documents described in paragraphs (a) through (d) of this Section have been filed with the Trustee and when the Project Bonds have been executed and authenticated as required by this Resolution, the Trustee shall deliver said Project Bonds to or upon the order of the purchasers named in the Series Resolution, but only upon payment to the Trustee of the purchase price of said Project Bonds and the accrued interest thereon. The Trustee shall be entitled to rely upon the resolutions mentioned in paragraphs (a) and (b) of this Section as to all matters stated therein.

The proceeds (including accrued interest and any premium) of the Project Bonds, together with other funds made available by the County, shall be applied as provided in the Series Resolution for the Project Bonds.

Section 209. Additional Bonds for Additional Facilities. One or more Series of Additional Bonds may be issued under and secured by this Resolution at one time or from time to time, subject to the conditions hereinafter provided in this Section, for the purpose of providing funds to (a) pay all or any part of the Cost of any Additional Facilities, (b) pay any debt obligations issued by the County, or repay any advances made from any source, to finance temporarily such Cost, (c) increase the amount on deposit in the Reserve Account, (d) pay interest accruing on the Additional Bonds as specified in the Series Resolution relating thereto, and (e) pay certain expenses incurred in connection with the issuance of the Additional Bonds.

Any Series of Additional Bonds issued pursuant to this Section 209, if so provided in the Series Resolution authorizing such Additional Bonds, may be issued as Convertible Lien Bonds.

Before any Additional Bonds shall be issued under this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Additional Bonds, fixing the amount and the details thereof, and describing in brief and general terms the purposes for which the Bonds are to be issued. The Bonds of each Series issued under this Section shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on October 1 in such year or years, shall have such Paying Agents, shall bear interest, and shall have such Sinking Fund Requirements and redemption provisions, all as then permitted by law and as provided in the Series Resolution authorizing the issuance of such Additional Bonds. Such Additional Bonds shall be executed in the form hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provision of the Series Resolution.

Except as to any difference in the rate or rates of interest, the maturities, or the provisions for redemption, each Series of Bonds issued under this Section 209 shall be on a parity with and shall be entitled to the same benefit and security of this Resolution as all other Bonds issued under this Resolution; provided, however, that with respect to a Series of Convertible Lien Bonds, only such Convertible Lien Bonds as are stated to mature on or after the Conversion Date shall be so secured by this Resolution.

Such Bonds shall be deposited with the Trustee for authentication and delivery, but before such Additional Bonds shall be delivered the following shall be filed with the Trustee:

(a) a copy, certified by the County Administrator to be a true and correct copy, of the Series Resolution for such Series, which Resolution shall also award the Additional Bonds and direct the delivery of such Additional Bonds to or upon the order of the purchasers named in said Series Resolution upon payment of the purchase price therein set forth, plus accrued interest on the Additional Bonds;

(b) a certificate sign by the Chief Financial Officer setting forth:

(1) (A) the Net Revenues for each of the three most recent Fiscal Years for which audited financial statements were filed under the provisions of Section 707 of this Resolution, as such Net Revenues were shown on the certificate accompanying such statements, or if such statements were filed under Section 707 for a shorter period of time, for the three most recent Fiscal Years for which audited financial statements were either filed or are otherwise available, and (B) the Transfers made in each of the corresponding years,

(2) the amount, if any, that is then available or will be made available for paying the Cost of such Additional Facilities and the source or sources from which such amount has been or will be received; for purposes of this certificate, the Chief Financial Officer shall indicate Additional Bonds issued pursuant to Section 210 hereof as a source if it is anticipated that not all costs of the Additional Facilities will be paid from the proceeds of Additional Bonds issued

pursuant to this Section and that to pay the same it will be necessary to issue Additional Bonds pursuant to Section 210 hereof, and

(3) for each of the Fiscal Years for which information is required in clause (1) above (A) the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account pursuant to Section 503 hereof; provided, however, that if Passenger Facilities Charges, state and/or federal grants or other moneys have been irrevocably committed or are held by the Trustee or another fiduciary and are set aside exclusively to be used to pay Principal and Interest Requirements on a Series of Bonds or any portion thereof, then the portion of the Principal and Interest Requirements to be paid from such Passenger Facilities Charges, state and/or federal grants or other moneys or from investment earnings thereon shall be disregarded and not included (unless such Passenger Facilities Charges, state and/or federal grants or other moneys are included in the definition of "Revenues" herein) in calculating the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account; and (B) the amount required to be deposited in the Reserve Account pursuant to Section 503 hereof;

(c) a certificate signed by an Airport Consultant and approved by the Aviation Director setting forth:

(1) an estimate of the total Cost of the proposed Additional Facilities to be financed as a whole or in part by the issuance of Additional Bonds, and

(2) the estimated date upon which such Additional Facilities are to be placed in use and operation;

(d) a statement signed by an Airport Consultant and approved by the Chief Financial Officer setting forth for each of the five Fiscal Years immediately succeeding the earlier of (i) the last Fiscal Year in which the interest on the proposed Series of Additional Bonds is to be paid from the proceeds of such Series of Additional Bonds or other amounts set aside irrevocably with the Trustee for the payment of interest at the time such Additional Bonds are issued and (ii) the Fiscal Year in which the Additional Facilities are to be placed in use and operation its estimate of:

(1) Net Revenues and Transfers,

(2) the amount required to be deposited in the Reserve Account pursuant to Section 503 hereof, and

(3) assuming a schedule of level debt service payments on the Additional Bonds to be issued, the amounts required to be deposited in the Interest Account, the Principal Account, and the Sinking Fund Account pursuant to Section 503 hereof; provided, however, that if Passenger Facilities Charges, state and/or federal grants or other moneys have been irrevocably committed or are held by the Trustee or another fiduciary are to be set aside exclusively to be used to pay Principal and Interest Requirements on a Series of Bonds or any portion thereof,

then the portion of the Principal and Interest Requirements to be paid from such Passenger Facilities Charges, state and/or federal grants or other moneys or from investment earnings thereon shall be disregarded and not included (unless such Passenger Facilities Charges, state and/or federal grants or other moneys are included in the definition of "Revenues" herein) in calculating the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account;

(e) a certificate of the Chief Financial Officer and the Trustee to the effect that no Default has occurred and is continuing under the Resolution;

(f) an opinion of the General Counsel to the effect that (i) the County has obtained from such governmental authorities, boards, agencies or commissions having jurisdiction over the Airport System all approvals, consents, authorizations, certifications, and other orders that are necessary for the acquisition and construction of the Additional Facilities and that if further approvals, consents, authorizations, certifications, or orders are necessary for the acquisition and construction of the Additional Facilities, such Counsel has no reason to believe that the County will not be able to obtain the same when required, (ii) this Resolution, the Series Resolution, and all other resolutions relating to the issuance of the Additional Bonds have been duly adopted at meetings of the Board duly called and held in accordance with law and at which quorums were present and acting throughout, (iii) the issuance of such Additional Bonds has been duly authorized, and (iv) all conditions precedent to the delivery of such Additional Bonds have been fulfilled; and

(g) an opinion of bond counsel of suitable reputation and experience to the effect that the issuance of such Additional Bonds has been duly authorized and that all legal conditions precedent to the delivery of such Additional Bonds have been fulfilled.

When the documents described in paragraphs (a) through (g) of this Section have been filed with the Trustee and when such Additional Bonds have been executed and authenticated as required by this Resolution, the Trustee shall deliver such Additional Bonds to or upon the order of the purchasers named in the Series Resolution, but only upon payment of the purchase price of such Additional Bonds and the accrued interest thereon. The Trustee shall be entitled to rely upon the Series Resolution as to all matters stated therein but shall not deliver the Additional Bonds unless

(1) the proceeds (excluding accrued interest) of such Additional Bonds, together with the other funds that have been or will be made available for such purpose as shown in (b)(2) above, are not less than the estimated Cost of the Additional Facilities to be financed as a whole or in part by the issuance of such Bonds as estimated by the Airport Consultant in (c)(1) above, and

(2) the sum of the amounts shown in (b)(1) above is not less than the sum of 125% of the amount shown in (b)(3)(A) above, plus the amounts shown in (b)(3)(B) above for the corresponding period, and

(3) the sum of the amounts shown in (d)(1) above is not less than the sum of the amount shown in (d)(2) above, plus 125% of the lesser of (i) the maximum amount of deposits to be made pursuant to the terms of this Resolution into the Principal Account, Interest Account and Sinking Fund Account during any Fiscal Year with respect to all Outstanding Bonds and assuming, for such purposes, that such Additional Bonds are Outstanding; provided, however, that if Passenger Facilities Charges, state and/or federal grants or other moneys have been irrevocably committed or are held by the Trustee or another fiduciary and are to be set aside exclusively to be used to pay Principal and Interest Requirements on a Series of Bonds or any portion thereof, then the portion of the Principal and Interest Requirements to be paid from such Passenger Facilities Charges, state and/or federal grants or other moneys or from investment earnings thereon shall be disregarded and not included (unless such Passenger Facilities Charges, state and/or federal grants or other moneys are included in the definition of "Revenues" herein) in calculating the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account, or (ii) the amount shown in (d)(3) above for the period corresponding to the period covered by (d)(1) and (d)(2), and

(4) the Airport Consultant has delivered to the County and the Trustee a statement to the effect that based upon its knowledge and analysis of the financial performance and operations of the Airport System, nothing has come to its attention that would lead it to believe that for the term of such Additional Bonds the County would not be able to meet its obligations under Sections 503 and 704 of this Resolution.

The proceeds (including accrued interest and any premium) of said Additional Bonds shall be applied by the Trustee as provided in the Series Resolution for such Additional Bonds.

Notwithstanding anything to the contrary contained in this Resolution, for purposes of applying the additional bonds tests contained in this Section 209 in connection with the issuance of a Series of Convertible Lien Bonds as Additional Bonds hereunder or a Series of Additional Bonds subsequent to the issuance of Convertible Lien Bonds hereunder, the Principal and Interest Requirements for Convertible Lien Bonds shall be taken into account in the required calculations only on and after the Conversion Date for such Convertible Lien Bonds. Without limiting the generality of the foregoing, interest accruing prior to the Conversion Date on Convertible Lien Bonds that are stated to mature on or after the Conversion Date shall not be taken into account as part of the Principal and Interest Requirements in the required calculations.

Notwithstanding anything to the contrary contained in this Resolution, a Series of Convertible Lien Bonds (or the applicable portion thereof, as the case may be) shall be deposited with the Trustee solely for purposes of authentication as provided in Section 207 hereof, and after such authentication shall be deposited with the trustee under the PFC Bond Resolution for delivery as provided in the PFC Bond Resolution; provided, however, that on or prior to the date of delivery of such Convertible Lien Bonds there shall have been filed with the Trustee hereunder the documents, certificates and opinions required by this Section 209. The proceeds (including accrued interest and any premium) of a Series of Convertible Lien Bonds shall be applied as provided in the

series resolution adopted under the PFC Bond Resolution authorizing such Series of Convertible Lien Bonds.

Section 210. Additional Bonds for Completion Purposes. If and to the extent necessary (as shown by the documents described in paragraphs (a) and (b) of this Section) to provide additional funds for completing the payment of the Cost of the Project or any Additional Facilities, one or more Series of Additional Bonds may be issued under and secured by this Resolution, at one time or from time to time, in an amount, together with any other available funds, sufficient to (a) complete payment of such Cost, (b) pay any debt obligations issued by the County or repay any advances made from any source, to finance temporarily such Cost, (c) increase the amount on deposit in Reserve Account, (d) pay interest accruing on the Additional Bonds as specified in the Series Resolution relating hereto, and (e) pay certain expenses incurred in connection with the issuance of the Additional Bonds.

Before any Additional Bonds shall be issued under this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Additional Bonds, fixing the amount and the details thereof, and determining that it is desirable to complete the Project or Additional Facilities, as the case may be. The Bonds of each Series issued under this Section shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on October 1 in such year or years, shall have such Paying Agents, shall bear interest, and shall have such Sinking Fund Requirements and redemption provisions, all as then permitted by law and as provided in the Series Resolution authorizing the issuance of such Additional Bonds. Such Additional Bonds shall be executed in the form hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provisions of the Series Resolution for such Additional Bonds.

Except as to any difference in the rate or rates of interest, the maturities, or the provisions for redemption, each Series of Bonds issued under this Section 210 shall be on a parity with, and shall be entitled to the same benefit and security of this Resolution as, all other Bonds issued under this Resolution.

Such Additional Bonds shall be deposited with the Trustee for authentication and delivery but before such Additional Bonds shall be delivered the following shall be filed with the Trustee:

(a) a copy, certified by the County Administrator to be a true and correct copy, of the Series Resolution for such Series, which resolution shall also award the Additional Bonds and direct the delivery of such Additional Bonds to or upon the order of the purchasers named in said Series Resolution upon payment of the purchase price therein set forth, plus accrued interest on the Additional Bonds;

(b) a statement, signed by the Airport Consultant, setting forth its estimate of the date on which the Project or Additional Facilities will be placed in operation and certifying that, according to its estimate the total amount required to pay the balance of the Cost of the Project or Additional Facilities, the proceeds of such Additional Bonds will be sufficient to pay such balance;

(c) the documents and opinions set forth in paragraphs (e) and (g) of Section 209 of this Resolution; and

(d) an opinion of the General Counsel to the effect that (i) the County as obtained from such governmental authorities, boards, agencies or commissions having jurisdiction over the Airport System all approvals, consents, authorizations, certifications, and other orders that are necessary for the acquisition and construction of the Project or the Additional Facilities, as the case may be, and that reasonably could have been obtained as of the date of such opinion and that if further approvals, consents, authorizations, certifications, or orders are necessary for the acquisition and construction of the Project or the Additional Facilities, as the case may be, such Counsel has no reason to believe that the County will not be able to obtain the same when required, (ii) this Resolution, the Series Resolution, and all other resolutions relating to the issuance of the Additional Bonds have been duly adopted at meetings of the Board duly called and held in accordance with law and at which quorums were present and acting throughout, (iii) the issuance of such Additional Bonds has been duly authorized, and (iv) that all conditions precedent to the delivery of such Additional Bonds have been fulfilled.

When the documents mentioned in clauses (a) through (d) of this Section have been filed with the Trustee and when the Additional Bonds have been executed and authenticated as required by this Resolution, the Trustee shall deliver such Additional Bonds to or upon the order of the purchasers named in the Series Resolution, but only upon payment of the purchase price of such Additional Bonds and accrued interest thereon. The Trustee shall be entitled to rely upon the Series Resolution as to all matters stated therein.

The proceeds (including accrued interest and any premium) of said Additional Bonds shall be applied as provided in the Series Resolution for such Additional Bonds.

Section 211. Additional Bonds for Refunding Purposes. Additional Bonds may be issued under and secured by this Resolution, at one time or from time to time, subject to the conditions hereinafter provided in this Section, for the purpose of providing funds for paying at maturity or redeeming prior to maturity all or any part of the Outstanding Bonds of any one or more Series, including the payment of any redemption premium thereon and any interest that will accrue on such Bonds to the redemption date or stated maturity dates and any expenses incurred in connection with such refunding. Any Series of Additional Bonds issued pursuant to this Section 211, if so provided in the Series Resolution authorizing such Additional Bonds, may be issued as Convertible Lien Bonds.

Before any such Additional Bonds shall be issued under this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Additional Bonds, fixing the amount and details thereof, and describing the Bonds to be refunded, paid and redeemed. The Bonds of each Series issued under this Section shall be appropriately designated with the inclusion of the term "refunding" in the designation, shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on the October 1 in such year or years, shall have such Paying Agents, shall bear interest, and shall have such Sinking Fund Requirements and redemption provisions, all as then permitted by law and as provided in the Series Resolution authorizing the issuance of such Additional Bonds.

Except as to any difference in the maturities thereof or the rate or rates of interest, the maturities, or the provisions for redemption, each series of Bonds issued under this Section 211 shall be on a parity with and shall be entitled to the same benefits and security under this Resolution as all other then Outstanding Bonds issued under this Resolution; provided, however, that with respect to a Series of Convertible Lien Bonds, only such Convertible Lien Bonds as are stated to mature on or after the Conversion Date shall be so secured by this Resolution.

Such Additional Bonds shall be deposited with the Trustee for authentication and delivery, but before such Additional Bonds shall be delivered the following shall be filed with the Trustee:

- (a) a copy, certified by the County Administrator to be a true and correct copy, of the Series Resolution for such Series, which Resolution shall also award the Additional Bonds and direct the delivery of such Additional Bonds to or upon the order of the purchasers named in said Series Resolution upon payment of the purchase price therein set forth, plus accrued interest on the Additional Bonds;
- (b) a certificate of the Chief Financial Officer and the Trustee to the effect that no Default has occurred and is continuing under the Resolution;
- (c) an opinion of the General Counsel to the effect that (i) this Resolution, the Series Resolution, and all other resolutions relating to the issuance of the Additional Bonds have been duly adopted at meetings of the Board duly called and held in accordance with law and at which quorums were present and acting throughout, (ii) the issuance of such Additional Bonds has been duly authorized, and (iii) all conditions precedent to the delivery of such Additional Bonds have been fulfilled;
- (d) an opinion of bond counsel of suitable reputation and experience to the effect that the issuance of such Additional Bonds has been duly authorized and that all legal conditions precedent to the delivery of such Additional Bonds have been fulfilled;
- (e) such documents as shall be required by the Trustee to show that provision has been duly made in accordance with the provisions of this Resolution for the payment or redemption of all of the Bonds to be paid or redeemed.

When the documents described in paragraph (a) through (e) of this Section have been filed with the Trustee and when the Additional Bonds have been executed and authenticated as required by this Resolution, the Trustee shall deliver such Additional Bonds to or upon the order of the purchasers named in the Series Resolution, but only upon payment of the purchase price of such Additional Bonds and the accrued interest thereon. The Trustee shall be entitled to rely upon the Series Resolution as to all matters stated therein, but shall not deliver such Additional Bonds unless in the determination of the Trustee, the proceeds (excluding accrued interest) of such Additional Bonds, together with any other money deposited with the Trustee for such purpose and the interest to accrue upon any Government Obligation acquired pursuant to clause (1) below of this Section, shall be not less than an amount sufficient to pay the principal of, and the redemption premium, if any, on the Bonds to be refunded, the interest that will accrue

thereon to the redemption date or to the respective maturity dates, and the expenses incident to such refunding.

The Trustee, after making provision for payment of the expenses incident to such refunding, shall apply the proceeds of such Additional Bonds (including accrued interest) and any other money provided for such purpose, as follows:

- (1) an amount that, together with the interest accruing on the Government Obligations acquired pursuant to this clause (1), shall be sufficient to pay the principal and redemption premium of and the interest on the Bonds to be refunded hereunder, shall be deposited by the Trustee in trust for the sole and exclusive purpose of paying such principal, redemption premium and interest; and money so held shall, as nearly as may be practicable and reasonable, be invested by the Trustee in Government Obligations that shall mature or that shall be subject to redemption by the holder thereof at the option of such holder not later than the respective dates when the money so held will be required for the purposes intended,
- (2) such amount shall be deposited in or credited to any Fund or Account established under Section 501 of this Resolution as shall be required by reason of the issuance of the Additional Bonds then requested to be authenticated and delivered and the Series Resolution authorizing the issuance of the Additional Bonds, and
- (3) the balance of such proceeds shall be deposited in or credited to the Redemption Account.

Notwithstanding anything to the contrary contained in this Resolution, a Series of Convertible Lien Bonds (or the applicable portion thereof, as the case may be) shall be deposited with the Trustee solely for purposes of authentication as provided in Section 207 hereof, and after such authentication shall be deposited with the trustee under the PFC Bond Resolution for delivery as provided in the PFC Bond Resolution; provided, however, that on or prior to the date of delivery of such Convertible Lien Bonds there shall have been filed with the Trustee hereunder the documents, certificates and opinions required by this Section 211. The proceeds (including accrued interest and any premium) of a Series of Convertible Lien Bonds shall be applied as provided in the series resolution adopted under the PFC Bond Resolution authorizing such Series of Convertible Lien Bonds.

Section 212. Temporary Bonds. Until the definitive Bonds of any Series are ready for delivery, there may be executed, and upon direction of the County Administrator, the Trustee shall deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, except as to identifying numbers, printed, engraved, lithographed or typewritten temporary Bonds in the denomination of Five Thousand Dollars (\$5,000) or any whole multiple thereof, substantially of the tenor hereinabove set forth, with or without coupons and with or without the privilege of registration as to principal, as the Board may provide, and with such appropriate omissions, insertions and variations as may be required. The County shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it of any temporary Bond and all unmatured coupons appertaining thereto, shall cancel the same or cause the same to be cancelled and shall deliver, in exchange therefor, at the

place designated by the Holder, without expense to the Holder, 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. Upon any such exchange all coupons appertaining to the definitive Bonds and representing interest theretofore paid shall be detached and cancelled by the Trustee. Until so exchanged, the temporary Bonds shall be entitled to the same benefit of this Resolution as the definitive Bonds to be issued and authenticated hereunder, including the privilege of registration if so provided. Until definitive Bonds are ready for exchange, interest on temporary Bonds shall be paid when due and payable upon presentation of such temporary Bonds, and notation of such payment shall be endorsed thereon, or such interest shall be paid upon the surrender of the appropriate coupons if interest coupons are attached to such temporary Bonds.

Section 213. Mutilated, Destroyed, Lost, or Stolen Bonds. The County shall cause to be executed, and the Trustee shall deliver a new Bond of like date, number and tenor in exchange and substitution for and upon the cancellation of any mutilated Bond, or in lieu of and in substitution for any destroyed, lost, or stolen Bond or any Bond the coupons of which are destroyed, lost, or stolen, and the Holder shall pay the reasonable expenses and charges of the County in connection therewith. Prior to the delivery of a substitute Bond the Holder of any Bond which was destroyed, lost, or stolen, or the coupons of which were destroyed, lost, or stolen, shall file with the Trustee evidence satisfactory to it of the destruction, loss, or theft of such Bond or coupons, and of the Holder's ownership thereof and shall furnish to the County and the Trustee such security or indemnity as may be required by them to save each of them harmless from all risks, however remote.

Every Bond issued pursuant to the provisions of this Section 213 in exchange or substitution for any Bond which is mutilated, destroyed, lost or stolen or the coupons of which are mutilated, destroyed, lost, or stolen shall constitute an additional contractual obligation of the County, whether or not the destroyed, lost or stolen Bond or coupons are found at any time or are enforceable by anyone, and shall be entitled to all the benefits and security hereof equally and proportionately with any and all other Bonds and coupons duly issued under this Resolution. All Bonds and coupons shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and coupons and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

ARTICLE III

REDEMPTION

Section 301. Redemption Generally. Except as hereinafter provided, the Bonds of each Series issued under this Resolution shall be subject to redemption, as a whole at any time or in part on any Interest Payment Date, at such times and prices, and in such order as may be provided by the Series Resolution authorizing the issuance of such Bonds.

Section 302. Extraordinary Redemption of all Bonds. The Bonds shall be redeemed as a whole at any time or in part on any Interest Payment Date upon payment of 100% of the

principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, if the County exercises its option to redeem the Bonds pursuant to Section 710 of this Resolution or disposes of any portion of the Airport System.

Section 303. Selection of Bonds or Portions thereof to be Redeemed. The Bonds shall be redeemed only in whole multiples of \$5,000. The Trustee shall select the Bonds or portions thereof to be redeemed in accordance with the terms and provisions of Section 511 of this Resolution and the Series Resolution relating to such Bonds.

Section 304. Redemption Notice. At least thirty (30) but not more than sixty (60) days before the redemption date, a notice of any such redemption, either in whole or in part, signed by the Chief Financial Officer, (a) shall be filed with the Bond Registrar, and (b) shall be mailed, first class mail, postage prepaid, to all registered owners of Bonds to be redeemed at their addresses as they appear on the registration books hereinabove provided for, but failure so to mail any such notice shall not affect the validity of the proceedings for such redemption of Bonds with respect to which notice of such redemption was duly mailed. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds of a Series then outstanding shall be called for redemption, the numbers of such Bonds. Each notice of redemption mailed to a registered owner of a Bond to be redeemed shall, if less than the entire principal amount thereof is to be redeemed, also state the principal amount thereof to be redeemed and that such Bond must be surrendered to the Bond Registrar in exchange for the payment of the principal amount thereof to be redeemed and the issuance of a new Bond or Bonds equaling in principal amount that portion of the principal sum not to be redeemed of the Bonds to be surrendered, as provided in Section 304 hereof.

The provisions concerning the manner of giving notice of redemption may be changed or varied or supplemented with respect to any Series of Bonds in any Series Resolution applicable to such Series of Bonds issued under this Resolution.

In addition to the foregoing notice, further notice shall be given by the County as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus the (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least 35 days before the Redemption Date by telecopy, registered or certified mail or overnight delivery service to:

- (1) The Depository Trust Company
711 Stewart Avenue
Garden City, New York 11530
Fax - (516) 227-4039

- (2) Midwest Securities Trust Company
Capital Structures - Call Notification
440 South LaSalle Street
Chicago, Illinois 60605
Fax - (312) 663-2343
- (3) Philadelphia Depository Trust Company
Reorganization Division
1900 Market Street
Philadelphia, Pennsylvania 19103
Attention: Bond Department
Fax - (215) 496-5058

and to all other registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds designated by the County, and to

- (i) Moody's Municipal and Government
99 Church Street
New York, New York 10007
Fax - (212) 233-6263
- (ii) Standard & Poor's Corporation, Publishers
25 Broadway
New York, New York 10004
Attention: Called Bond Record Department
Fax - (212) 208-8284

and to any other nationally-recognized information services as designated by the County.

Section 305. Effect of Calling for Redemption. Except for a redemption of Bonds in accordance with the Sinking Fund Requirement therefor, on or before the date upon which Bonds are to be redeemed in accordance with this Article III the County shall deposit with the Trustee money or Government Obligations, or a combination of both, that will be sufficient to pay on the redemption date the Redemption Price of, and interest accruing on, the Bonds to be redeemed to such redemption date.

On the date fixed for redemption, notice having been mailed or published in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the Redemption Price provided therefor, plus accrued interest to such date. If money or Government Obligations, or a combination of both, sufficient to pay the Redemption Price of the Bonds or portions thereof to be redeemed plus accrued interest thereon to the date of redemption are held by the Trustee or by the Paying Agents in trust for the Holders of Bonds to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue; the coupons for interest payable subsequent to the redemption date on coupon Bonds called for redemption shall be void; such Bonds or portions thereof shall cease to be entitled to any benefits or security under this Resolution or to be deemed Outstanding; and the Holders of such Bonds or portions thereof shall have no rights in respect

thereof except to receive payment of the Redemption Price thereof, plus accrued interest to the date of redemption. Bonds and portions of Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption at the earliest redemption date have been given to the Trustee in form satisfactory to it shall not thereafter be deemed to be Outstanding under this Resolution and shall cease to be entitled to the security of or any rights under this Resolution, and the Holders shall have no rights in respect of the same other than to receive payment of the Redemption Price thereof and accrued interest thereon, to be given notice of redemption in the manner provided in Section 304, and to the extent hereinafter provided, to receive Bonds for any unredeemed portions of registered Bonds without coupons if money or Government Obligations, or a combination of both, sufficient to pay the Redemption Price of such Bonds or portions thereof, together with accrued interest thereon to the date upon which such Bonds are to be paid or redeemed, are held in separate accounts by the Trustee or the Paying Agents in trust for the Holders of such Bonds.

Section 306. Redemption of Portion of Registered Bonds Without Coupons. If less than all of an Outstanding registered Bond without coupons is selected for redemption, the registered owner thereof or his legal representative shall present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the County shall execute and the Trustee shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge, for the unredeemed portion of the principal amount of the registered Bond without coupons so surrendered, a new registered Bond without coupons, of the same Series and maturity, bearing interest at the same rate and of any denomination or denominations authorized by this Resolution.

Section 307. Use of Government Obligations to Redeem Bonds. For purposes of all Sections in this Article, Government Obligations shall be deemed to be sufficient to pay or redeem Bonds on a specified date if the principal of and the interest on such Government Obligations, when due, will be sufficient to pay on such date the Redemption Price of, and the interest accruing on, such Bonds or portions to such date.

Section 308. Cancellation. Bonds called for redemption and all unmatured coupons appertaining thereto shall be cancelled upon the surrender thereof.

Section 309. Matured Coupons. All unpaid coupons that appertain to coupon Bonds called for redemption and that have become due and payable on or prior to the date of redemption designated in such notice shall continue to be payable to the bearers severally and respectively upon the presentation and surrender of such coupons.

Section 310. Bonds Called for Redemption or Defeased Not Outstanding. If (a) (1) Bonds shall have been duly called for redemption under the provisions of this Article, or (2) irrevocable instructions have been given by the County to the Bond Registrar or the Escrow Agent to (i) call Bonds for redemption under the provisions of this Article, (ii) pay Bonds at their maturity or maturities, or (iii) both call Bonds for redemption under the provisions of this Article and pay Bonds at their maturity or maturities in any combination (the Bonds described in clauses (a)(1) and (a)(2) are herein collectively called the "Bonds to be Paid"), and (b) cash or Sufficient Defeasance Obligations are held in separate accounts by the Bond Registrar or Escrow Agent solely for the holders of the Bonds to be Paid, then the Bonds to be Paid shall not be deemed to

be Outstanding under the provisions of this Resolution and shall cease to be entitled to any benefit or security under this Resolution other than to receive payment of principal, redemption premium, if any, and interest from such moneys.

For purposes of this Section 310, 'Sufficient Defeasance Obligations' shall mean Defeasance Obligations which are in such principal amounts, bear interest at such rate or rates and mature (without the option of prior redemption) on such date or dates so that the proceeds to be received upon payment of such Defeasance Obligations at their maturity and the interest to be received thereon will provide sufficient amounts in cash on the dates required to pay the principal of and redemption premium, if any, and the interest on the Bonds to be Paid to the dates of their maturity or redemption.

Section 311. Mandatory Tenders for Purchase and Call Options. In addition, the County may, by Series Resolution, provide that (1) the Bonds of any Series issued hereunder shall be subject to mandatory tender for purchase under the same terms and conditions and with the same notice requirements as shall be fixed for the redemption of the Bonds of such Series, except that any Bonds so purchased will remain Outstanding under this Resolution, and (2) the right to call Series of Bonds for mandatory tender for purchase may be sold by the County under terms and conditions set forth in the Series Resolution relating to such Series of Bonds.

ARTICLE IV

CONSTRUCTION FUND

Section 401. Construction Fund. A special fund is hereby established with the Trustee and designated the "Broward County Airport Construction Fund," and within said Construction Fund there are hereby established two special accounts designated the "Project Account" and the "Additional Facilities Account," respectively. Any money received by the Trustee or the County from a source for construction of the Project shall be deposited immediately upon its receipt in the Project Account. Any money received by the Trustee or the County from any source for construction of Additional Facilities financed as a whole or in part with proceeds of Additional Bonds (other than Additional Bonds consisting of Convertible Lien Bonds) shall be deposited upon the delivery of such Additional Bonds in the Additional Facilities Account. The proceeds received by or on behalf of the County from any Additional Bonds consisting of Convertible Lien Bonds issued to finance, in whole or in part, the construction of Additional Facilities shall be deposited upon the delivery of such Convertible Lien Bonds with the trustee under the PFC Bond Resolution, for application as provided in the series resolution adopted under the PFC Bond Resolution authorizing such Series of Convertible Lien Bonds. The provisions of this Article IV shall not apply to any Series of Additional Bonds consisting of Convertible Lien Bonds, unless the Conversion Date for such Series of Convertible Lien Bonds occurs while amounts allocable to such Convertible Lien Bonds remain on deposit to the credit of the "construction fund" established under the PFC Bond Resolution or any account therein, and then only to the extent that amounts are transferred to the Trustee hereunder for deposit into the Additional Facilities Account as provided in Section 401 of the PFC Bond Resolution.

The money in the Construction Fund shall be held by the Trustee in trust and, pending application to the payment of the Cost of the Project or Additional Facilities, as the case may be,

or transfer as provided herein, shall be subject to a lien and charge in favor of the Holders of Bonds issued and Outstanding under this Resolution and shall be held for the security of such Holders.

Section 402. Payments from Construction Fund. Payment of the Cost of the Project shall be made from the Project Account and payment of the Cost of Additional Facilities shall be made from the Additional Facilities Account. All payments from the Construction Fund shall be subject to the provisions and restrictions set forth in this Article, and the County shall not cause or agree to permit to be paid from the Construction Fund any sums except in accordance with such provisions and restrictions.

Section 403. Cost of Project and Additional Facilities. For the purpose of this Resolution, the Cost of the Project and Additional Facilities, as the case may be, shall include such costs as are eligible costs within the purview of the County Code, and, without intending to limit or restrict any proper definition of such Cost, shall include the following:

- (a) obligations incurred labor, materials, services provided by contractors, builders, and materialmen in connection with the construction, acquisition, and equipping of the Project or Additional Facilities, machinery, and equipment, for the restoration of property damaged or destroyed in connection with such construction and acquisition, for the demolition, removal, or relocation of any structures, and for the clearing of lands;
- (b) interest accruing upon any Bonds prior to the commencement of and during construction or for any additional period as may be authorized by law and provided in the Series Resolution authorizing the issuance of such Bonds;
- (c) the cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding, to acquire by condemnation, such land, structures and improvements, property rights, rights-of-way, franchises, easements, and other interests in lands as may be deemed necessary or convenient in connection with such construction or operation of the Airport System, and the amount of any damages incident thereto;
- (d) expenses of administration properly chargeable to such construction, legal, architectural and engineering expenses and fees, cost of audits and of preparing and issuing the Bonds, fees and expenses of consultants, financing charges, premiums of insurance in connection with construction, bond insurance premiums, the cost of funding the Reserve Account, and all other items of expense not elsewhere in this Section specified that are incident to the financing, construction, or acquisition of the Project or any Additional Facilities and the placing of the same in operation; and
- (e) any obligation or expense incurred by the County for any of the foregoing purposes within five years prior to the date of delivery of the Bonds, including the cost of materials, supplies or equipment furnished by the County in connection with the construction of the Project or any Additional Facilities and paid for by the County out of the funds other than money in the Construction Fund.

Section 404. Requisitions from Construction Fund. Payments from the Construction Fund shall be made in accordance with the provisions of this Section.

Upon receipt of a requisition of the County signed by the Chief Financial Officer, the Trustee shall pay from the Construction Fund to the County at one time or from time to time, a sum or sums aggregating at any point in time not more than \$8,000,000, exclusive of reimbursements as hereinafter authorized in this Section, to be used by the County as a revolving fund for the payment of items of Cost referred to in Section 403 of this Article. Such money shall be deemed to be a part of the Construction Fund until paid out. The Trustee shall apply money in the Construction Fund to reimburse the revolving fund from time to time for items of Cost paid with money in the revolving fund upon receipt from the County of a requisition that is signed by the Chief Financial Officer. The requisition shall specify the payee, the amount and the purpose by general classification of each payment from the revolving fund for which such reimbursement is requested and state that each such item of Cost so paid was a necessary item of Cost within said Section 403, and, if such item of Cost is directly related to construction, there shall be attached to such requisition a certificate that is signed by the architect in which he certifies to his approval thereof.

Upon request of the County, the Trustee shall pay Costs directly from the Construction Fund, but before any payment shall be made there shall be filed with the Trustee a requisition, signed by the Chief Financial Officer, stating:

- (i) the item number of such payment,
- (ii) the name of the person to whom such payment is due,
- (iii) the amount to be paid, excluding any applicable sales tax,
- (iv) the purpose by general classification for which the obligation to be paid was incurred,
- (v) that the obligation in the stated amount has been incurred by the County, is presently due and payable, and is a proper charge against the Construction Fund that has not been paid,
- (vi) that no notice of any lien, right to lien or attachment upon, or claim affecting the right of any such person to receive payment of, the amount stated in such requisition has been filed or attached or, if any of the foregoing has been filed or attached, that the same either has been or will be satisfied or discharged or that provisions have been made (which shall be specified) to adequately protect the Trustee and the Holders from incurring any loss as a result of the same, and
- (vii) that such requisition contains no item representing payment on account of any retainage to which the County is entitled at the date of such requisition.

Upon receipt of each requisition, the Trustee shall pay the obligations set forth in such requisition out of money in the applicable Account in the Construction Fund, and each such obligation shall be paid by check signed by one or more officers or employees of the Trustee designated for such purpose by the Trustee. If for any reason the County should decide prior to the payment of any item in a requisition not to pay such item, it shall give written notice of such decision to the Trustee and thereupon the Trustee shall not make such payment.

Section 405. Requisition for Land Costs. If any requisition contains any item for the payment of the purchase price or cost of any lands, property, rights, rights-of-way, easements, franchises, or interests in or relating to lands other than lands, property, rights-of-way, easements, franchises, or interests in or relating to land constituting a part of the Airport System, there shall be attached to such requisition, in addition to the certificate mentioned in Section 404 of this Article:

(a) a certificate, signed by the Aviation Director, stating that such lands, property, rights, rights-of-way, easements, franchises, or interests are being acquired by the County in furtherance of the construction of the Project or Additional Facilities, as the case may be; and

(b) (1) an opinion of General Counsel to the effect that upon the payment of such item the County will have title in fee simple to, or perpetual easements or title or rights sufficient for the needs and purposes of the County in, such lands, free from all liens, encumbrances and defects of title that would have a materially adverse effect upon the County's right to use such lands or properties for the purposes intended or if such liens, encumbrances, or defects of title exist that the County is adequately guarded against the same by a bond or other form of indemnity; or (2) if such payment is for an option or contract to purchase, a quit-claim deed to a lease or a release of, or the acquisition of a right or interest in, lands less than a fee simple or a perpetual easement, or if such payment is a partial payment for any such purpose, a certificate of the Chief Financial Officer approving the acquisition of such lesser right or interest or of such part payment.

Section 406. Reliance upon Requisitions. All requisitions and opinions received by the Trustee as conditions of payment from the Construction Fund may be relied upon by the Trustee. Such requisitions and opinions shall be retained by the Trustee for a period of time not less than that required by the law of the State for the retention of County records and shall be subject at all reasonable times to examination by the County and the Holders of Bonds then Outstanding.

Section 407. Completion of the Project or Additional Facilities and Disposition of Construction Fund Balance. The Completion Date for the Project and any Additional Facilities or any segment of either shall be evidenced to the Trustee by (a) a certificate, signed by the Chief Financial Officer, setting forth the Cost of the Project, the Additional Facilities, or such segment, whichever is applicable, and stating that, except for amounts then due and payable or the liability for the payment of which is being contested or disputed by the County, all costs and expenses incurred in connection therewith have been paid, and (b) a certificate signed by the Aviation Director, stating that (i) the acquisition, construction and equipping of the Project, the Additional Facilities, or such segment, whichever is applicable have been completed substantially in accordance with the plans and specifications therefor and the Cost of the same has been paid and (ii) all other facilities necessary in connection with the Project or Additional Facilities or such segment have been acquired, constructed and installed in accordance with the plans and specifications therefor. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or that may subsequently come into being.

Upon receipt of such certificate, together with an opinion of General Counsel to the effect that there are no the mechanics', workmen's, repairmen's, architects', engineers', surveyors', carriers', laborers', contractors' or material men's liens on any property constituting a part of the Project or Additional Facilities, as the case may be, on file in any public office where the same should be filed to be perfected and that the time within which such liens can be filed has expired, the Trustee shall withdraw all money then remaining in the relevant Account in Construction Fund, including any balance in the revolving fund, in excess of the amount then needed for completion of the remainder of the Project or Additional Facilities and apply the same, subject to Section 604 hereof, for such of the following purposes: (a) first, deposit in any other Account in the Construction Fund an amount not exceeding that by which the Costs to be paid from such Account exceed the amounts on deposit therein, (b) second, deposit in the Principal Account and the Sinking Fund Account, in that order, the amounts by which the sums of money required to be paid by the County to said Accounts in the then current Fiscal Year pursuant to Section 503 hereof exceed the amounts on deposit in said Accounts, (c) third, deposit in the Reserve Account the amount by which the Reserve Requirement exceeds the amount on deposit therein, (d) fourth, transfer to the County for deposit in the Improvements Account the amount by which the Improvements Appropriation for such Fiscal Year exceeds the amount on deposit therein, and (e) fifth, deposit in the Redemption Account such amount as the County designates to be applied to the redemption of Bonds in accordance with Section 511 hereof. The application by the County of money remaining in the Construction Fund after payment of the Cost of the Project or Additional Facilities, as the case may be, shall be modified to the extent necessary to assure that such application will not cause the loss of the federal exemption from taxation of interest on the Bonds.

Section 408. Proceeds Account. If and when Net Proceeds are received and designated for use in the repair or replacement of the Airport System, the Trustee shall create a new account in the Construction Fund to be designated the Proceeds Account into which Net Proceeds shall be deposited. Payment of the Cost of repairing or replacing the Airport System shall be made from the Proceeds Account. All the provisions of this Article that relate to the Construction Fund shall apply to all Accounts within such Fund, including the Proceeds Account.

ARTICLE V

REVENUES AND FUNDS

Section 501. Establishment of Funds. In addition to the Construction Fund, there are hereby established the following funds:

(a) Broward County Airport Bond Fund, in which there are established six special accounts to be known as the Interest Account, the Principal Account, the Sinking Fund Account, the Reserve Account, the Redemption Account, and the Insurance and Condemnation Award Account; and

(b) Broward County Aviation Fund, in which there are established four special accounts to be known as the Revenue Account, the Renewal and Replacement Account, the Improvements Account, and the General Purposes Account.

The Bond Fund and the Accounts therein shall be established with and held by the Trustee. The Aviation Fund and the Accounts therein shall be established with and held by a Depositary selected by the County.

Additional Accounts or subaccounts may be established pursuant to a Series Resolution in any Fund or Account created herein, and with respect to any Series of Additional Bonds, as to which the County has irrevocably committed the use of Passenger Facilities Charges, state and/or federal grants or other moneys for the payment of all or a portion of the Principal and Interest Requirements thereon, the County shall, in such Series Resolution create separate subaccounts within the Interest Account, Principal Account and Sinking Fund Account, as applicable.

The money in all of said Funds and Accounts shall be held in trust and applied as hereinafter provided and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Bonds issued and Outstanding under this Resolution and for the further security of such Holders.

Section 502. Revenues Received by the County. Except as hereinafter provided, all Revenues shall be deposited when received in the Revenue Account.

Section 503. Application of Money in Revenue Account. The County shall apply funds on deposit in the Revenue Account to the payment of Current Expenses and, to the extent hereinafter provided in this Section 503, to the purchase of Bonds. On or before the 20th day of each month the County shall withdraw from the Revenue Account all amounts on deposit therein in excess of the Operations and Maintenance Requirement for such month and shall apply the same in the following manner and order:

(a) Beginning in the April or October next preceding an Interest Payment Date on which less than all of the interest to be paid to a Bondholder will be paid from the proceeds of Bonds, the County shall deliver to the Trustee for deposit in the Interest Account in the Bond Fund the amount specified in the Series Resolution relating to such Bonds;

(b) Beginning in the April or October next preceding any Interest Payment Date on which none of the interest to be paid to a Bondholder will be paid from the proceeds of Bonds, and continuing until the amount on deposit in the Interest Account is equal to the interest payable on the Bonds on the next Interest Payment Date, the County shall deliver to the Trustee for deposit in the Interest Account in the Bond Fund, one-sixth (1/6) of the interest payable on the Bonds on the next ensuing Interest Payment Date, provided, however, that with respect to Bonds not dated on an Interest Payment Date and for which funded or accrued interest to the first Interest Payment Date is not available, until the next ensuing Interest Payment Date each monthly payment shall be equal to the interest to accrue on such Bonds in each month;

(c) Beginning in the October next preceding any October 1 on which principal of Serial Bonds is to be paid to a Bondholder and continuing until the amount on deposit in the Principal Account is equal to the principal of the Serial Bonds to be paid on such October 1, the County shall deposit to the Trustee for deposit in the Principal Account in

the Bond Fund, one-twelfth (1/12) of the principal of all Serial Bonds due on such October 1, provided that with respect to any Serial Bonds, the first principal installment of which matures less than one year from the date of such Serial Bonds, such monthly payments shall commence in the month after the delivery of such Serial Bonds and, prior to the next succeeding amounts equal to the principal amount of such Serial maturity divided by the number of months from the date of delivery of such Serial Bonds to the next succeeding October 1;

(d) Beginning in the October next preceding any October 1 on which Term Bonds are to be redeemed pursuant to a Sinking Fund Requirement therefor or are to be paid at maturity and continuing until the amount on deposit in the Sinking Fund Account is equal to the Sinking Fund Requirement due, or amount to be paid at final maturity on such Term Bonds, such October 1, the County shall deliver to the Trustee for deposit in the Sinking Fund Account in the Bond Fund, one-twelfth (1/12) of the amount required to retire the Term Bonds to be called by mandatory redemption pursuant to a Sinking Fund Requirement or to be paid at maturity on such October 1, provided that with respect to any Term Bonds on which the first payment of a Sinking Fund Requirement is due less than one year from the date of such Term Bonds, such monthly payments shall commence in the month after the delivery of such Term Bonds and, prior to the next succeeding October 1, shall be in amounts equal to the amount of such Sinking Fund Requirement divided by the number of months after the delivery of such Term Bonds and prior to the next succeeding October 1;

(e) In any month in which the amount on deposit in the Reserve Account is less than the Reserve Requirement due to the application of money therein in accordance with Section 507 of this Resolution or the loss on Investment Obligations therein, the County shall deliver to the Trustee for deposit in the Reserve Account the amount of such deficiency;

(f) Beginning in the month in which the initial Project Bonds are delivered if such delivery occurs before the 20th day of any month or in the following month if such delivery occurs after the 20th day of any month, and continuing until the amount on deposit in Renewal and Replacement Account equals the Renewal and Replacement Account Requirement for such Fiscal Year, the County shall deposit in the Renewal and Replacement Account one-twelfth (1/12) of such Renewal and Replacement Requirement;

(g) Beginning in the month in which the initial Project Bonds are delivered if such delivery occurs before the 20th day of any month or in the following month if such delivery occurs after the 20th day of any month, and continuing until the amount on deposit in the Improvements Account equals the Improvements Appropriation for such Fiscal Year, the County shall deposit in the Improvements Account one-twelfth (1/12) of such Improvements Appropriation; and

(h) the County shall deposit any amount remaining after making the deposits required by paragraphs (a) through (g) above in the General Purposes Account.

In each month following a month in which the County has failed to make any deposit or payment required by paragraphs (a) through (g) of this Section 503, the County shall deposit or pay, in addition to the amounts then due, an amount sufficient to cure the deficiency in deposit or payment in the prior month unless such deficiency is cured by a transfer, pursuant to the terms of this Resolution, of money or Investment Obligations to such Fund or Account from other Funds and Accounts created hereby.

Except as otherwise provided herein, in determining the amount of money to be deposited to each Fund and Account there shall be taken into consideration the investment earnings or losses that are to be charged to such Fund or Account in accordance with Section 602, the amounts on deposit in any subaccounts in such Fund or Account from the deposit of Passenger Facilities Charges, state and/or federal grants or other moneys and the amounts then on deposit therein resulting from the application of Bond proceeds or the transfers as hereinafter provided.

Whenever the amount on deposit in the Revenue Account is insufficient to pay Current Expenses, the County shall transfer an amount necessary to pay the same to the Revenue Account, drawing upon funds available in the General Purposes Account, the Renewal and Replacement Account, and the Improvements Account in that order.

On or before the 45th day next preceding any October 1 on which Serial Bonds are to mature or Term Bonds are to be redeemed pursuant to the Sinking Fund Requirement or are to mature, the County may satisfy all or a portion of its obligation to make the payments required by paragraphs (c) and (d) of this Section 503 by delivering to the Trustee Serial Bonds maturing or Term Bonds maturing or required to be redeemed on such October 1. The price paid to purchase any such Bond shall not exceed the Redemption Price applicable to such Bonds at the next redemption date. Upon such delivery the County shall receive a credit against amounts required to be deposited into the Principal Account on account of such Serial Bonds or into the Sinking Fund Account on account of such Term Bonds in the amount of 100% of the principal amount of any such Serial Bonds or Term Bonds so delivered.

Section 504. Application of Money in Interest Account. Not earlier than the first business day next preceding each Interest Payment Date or date upon which Bonds are to be redeemed the Trustee shall withdraw from the Interest Account and any applicable subaccount relating to such Series of Bonds and (a) remit by mail to each owner of registered Bonds without coupons the amounts required for paying interest on such Bonds when due and payable, and (b) set aside or deposit in trust with the Paying Agents of coupon Bonds of each Series amounts sufficient to pay interest on the Bonds of such Series when due and payable.

If the County fails to make any deposit to the Interest Account, or any applicable subaccount therein, that is required by Section 503 hereof or otherwise or if the balance in the Interest Account, or any subaccount therein, on the 20th day of the month next preceding an Interest Payment Date is insufficient to pay interest becoming due on the Bonds on such Interest Payment Date, the Trustee shall notify the County of the amount of the deficiency. Upon notification, the County immediately shall deliver to the Trustee an amount sufficient to cure the same, drawing upon funds available in the General Purposes Account, the Improvements Account, and the Renewal and Replacement Account in that order. If the amount so delivered is not sufficient to cure the deficiency in the Interest Account, or any subaccount therein, the

Trustee shall transfer to said Account such amount as may be necessary to remedy such deficiency from the Reserve Account.

Section 505. Application of Money in Principal Account. Not earlier than the business day next preceding each October 1, the Trustee shall withdraw from the Principal Account, and any applicable subaccount relating to such Series of Bonds and (a) set aside the amount necessary to pay the principal of all coupon Serial Bonds registered as to principal alone and all registered Serial bonds without coupons at their respective maturities and (b) set aside or deposit in trust with the Paying Agents of each Series the amount necessary to pay the principal of all coupon Serial Bonds not registered as to principal at their respective maturities.

If at any date there is money in the Principal Account or any applicable subaccount relating to a Series of Bonds and no Serial Bonds are then Outstanding (or with respect to any subaccount, no Serial Bonds are then Outstanding relating to such Series of Bonds for which such subaccount was created) or if on any principal payment date money remains therein after the payment of the principal of Serial Bonds then due, the Trustee shall withdraw such money therefrom and shall apply the same as follows: (a) deposit in the Sinking Fund Account (or with respect to any subaccount, in the corresponding subaccount in the Sinking Fund Account for such Series of Bonds, if any) and the Reserve Account, in that order, the amounts then required to be paid thereto by the County pursuant to Section 503 hereof and (b) deliver all remaining amounts to the County; provided, however, with respect to any excess moneys in any subaccount for a Series of Bonds which were deposited by the County from the PFC Capital Improvements Fund created under the PFC Bond Resolution, such excess amounts shall not be applied to the Reserve Account, but shall be paid to the County for deposit to the PFC Capital Improvements Fund. Except as otherwise provided above with respect to excess moneys in a subaccount, upon receipt thereof, the County shall deposit (i) in the Renewal and Replacement Account the amount then required to be paid thereto by the County pursuant to Section 503 hereof, (ii) in the Improvements Account such amount as is necessary to make the amount on deposit therein equal to the Improvements Appropriation, and (iii) all remaining amounts in the General Purposes Account.

If the County fails to make any deposit to the Principal Account, or any subaccount therein, that is required by Section 503 hereof or otherwise or if the balance in the Principal Account, or any subaccount therein, on the 20th day of the month next preceding a principal payment date is insufficient to pay principal becoming due on such payment date, the Trustee shall notify the County of the amount of the deficiency. Upon notification, the County immediately shall deliver to the Trustee an amount sufficient to cure the same, drawing upon funds available in the General Purposes Account, the Improvements Account, and the Renewal and Replacement Account, in that order. If the amount so delivered is not sufficient to cure the deficiency in the Principal Account or any subaccount therein, the Trustee shall transfer from the Reserve Account to such Account such amount as may be necessary to remedy such deficiency.

Section 506. Application of Money in Sinking Fund Account. Money held for the credit of the Sinking Fund Account and any subaccount created therein shall be applied during each Fiscal Year to the retirement, purchase or payment of Term Bonds of each Series then Outstanding as follows:

(a) The Trustee shall endeavor to purchase Term Bonds subject to redemption by operation of the Sinking Fund Account or maturing on the next ensuing October 1 at the most advantageous price obtainable with reasonable diligence. The purchase price of each such Term Bond shall not exceed par plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such Term Bonds to the date of settlement therefrom from the Interest Account and any applicable subaccount therein and the purchase price from the Sinking Fund Account or any applicable subaccount with respect to such Series of Bonds within the period of 45 days immediately preceding the next October 1 on which such Term Bonds are to mature or be redeemed by operation of a Sinking Fund Requirement. The aggregate purchase price for Term Bonds of each Series purchased during any Fiscal Year shall not exceed the amount deposited in the Sinking Fund Account and any applicable subaccount relating to such Series of Term Bonds in such Fiscal Year on account of the Sinking Fund Requirement for the Term Bonds of such Series. If in any Fiscal Year the sum of the amount on deposit in the Sinking Fund Account or any applicable subaccount for the payment of any Series of Term Bonds and the principal amount of the Term Bonds of such Series that were purchased pursuant to the provisions of this paragraph (a) or delivered to the Trustee by the County during such Fiscal Year exceeds the Sinking Fund Requirement for the Outstanding Term Bonds of such Series for such Fiscal Year, at the direction of the County, the Trustee shall endeavor to purchase Outstanding Term Bonds of such Series with such excess money;

(b) On each October 1 on which Term Bonds are to be paid or redeemed in accordance with a Sinking Fund Requirement the Trustee shall pay or call for redemption in accordance with Section 301 of this Resolution, such Term Bonds in a principal amount equal to the aggregate principal amount of Term Bonds maturing on such October 1 or the Sinking Fund Requirement for the Term Bonds of each Series for the Fiscal Year next preceding such October 1, less the principal amount of any such Term Bonds retired by purchase pursuant to clause (a) of this Section or delivered to the Trustee by the County during such Fiscal Year. If the amount available in the Sinking Fund Account, and any applicable subaccount therein, on such October 1 is not equal to the Sinking Fund Requirement for the Term Bonds of each such Series for the preceding Fiscal Year less the principal amount of any such Term Bonds so delivered or purchased, the Trustee shall apply the amount available in the Sinking Fund Account, and any applicable subaccount for such Series of Bonds, to the redemption of all Term Bonds then subject to redemption in proportion to the Sinking Fund Requirement for such Fiscal Year for the Term Bonds of each such Series then Outstanding; provided, however, any amounts in any subaccount created for a Series of Bonds shall only be applied to such Series of Bonds. Such redemption shall be made pursuant to the provisions of Article III of this Resolution. Not earlier than the business day next preceding each October 1 on which Term Bonds are to be paid at maturity or redeemed in accordance with a Sinking Fund Requirement, the Trustee shall withdraw from the Sinking Fund Account and any applicable subaccount and set aside in a separate account or deposit with the Paying Agents, in the manner set forth in Section 505 for the payment of Serial Bonds, the amount required to pay or redeem such Term Bonds.

If at any date there is money in the Sinking Fund Account or any applicable subaccount therein and no Term Bonds are then Outstanding (or with respect to any subaccount no Term

Bonds are then Outstanding relating to such Series of Bonds for which such subaccount was created) or if on any principal payment date money remains therein after Term Bonds have been paid at maturity or redeemed in accordance with the Sinking Fund Requirement therefore, the Trustee shall withdraw such money therefrom and shall apply the same as follows: (a) deposit in the Reserve Account the amount then required to be paid thereto by the County pursuant to Section 503 hereof and (b) deliver all remaining amount to the County; provided, however, with respect to any excess moneys in any subaccount for a Series of Bonds which were deposited by the County from the PFC Capital Improvements Fund created under the PFC Bond Resolution, such excess amounts shall not be applied to the Reserve Account, but shall be paid to the County for deposit to the PFC Capital Improvements Fund. Except as otherwise provided above with respect to excess moneys in a subaccount, upon receipt thereof the County shall deposit (i) in the Renewal and Replacement Account the amount then required to be paid thereto by the County pursuant to Section 503 hereof, (ii) in the Improvements Account such amount as is necessary to make the amount on deposit therein equal to the Improvements Appropriation, and (iii) all remaining amounts in the General Purposes Account.

If the County fails to make any deposit to the Sinking Fund Account, or any subaccount therein, that is required by Section 503 hereof or otherwise or if the balance in the Sinking Fund Account, or any subaccount therein, on the 20th day of the month next preceding a payment date upon which Term Bonds are to be paid at maturity or redeemed in accordance with the Sinking Fund Requirements therefore is insufficient to make such payment or satisfy such Sinking Fund Requirement, the Trustee shall notify the County of the amount of the deficiency. Upon notification, the County immediately shall deliver to the Trustee an amount sufficient to cure the same, drawing upon funds available in the General Purposes Account, the Improvements Account, and the Renewal and Replacement Account in that order. If the amount so delivered is not sufficient to cure the deficiency in the Sinking Fund Account, or any subaccount therein, the Trustee shall transfer from the Reserve Account to such Account such amount as may be necessary to remedy such deficiency.

If, in any Fiscal Year, by the application of money in Sinking Fund Account the Trustee should purchase and cancel or receive from the County and cancel Term Bonds in excess of the aggregate Sinking Fund Requirements for such Fiscal Year, the Trustee shall file with the County not later than the 20th day prior to the next October 1 on which Term Bonds are to be redeemed a statement identifying the Term Bonds purchased or delivered during such Fiscal Year and the amount of such excess. The County shall thereafter cause a certificate of the Chief Financial Officer to be filed with the Trustee not later than the 10th day prior to such October 1, setting forth with respect to the amount of such excess the years in which the Sinking Fund Requirements with respect to Term Bonds are to be reduced and the amount by which the Sinking Fund Requirements so determined are to be reduced.

Upon the retirement of any Term Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the County a statement identifying such Bonds and setting forth the date of purchase or redemption, the amount paid to purchase or redeem such Term Bonds and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such Term Bonds are required to be paid by the County from the General Purposes Account.

Section 507. Application of Money in Reserve Account. An amount equal to the Reserve Requirement for the initial Series of Project Bonds shall be deposited in the Reserve Account on the date of issuance of such Project Bonds. If additional Project Bonds or Additional Bonds are issued, the supplement to this Resolution, if any, or the Series Resolution relating to the same shall provide for the deposit into the Reserve Account of an amount that will cause the amount then on deposit therein to equal the Reserve Requirement on all Bonds Outstanding after the issuance of such Bonds; provided, however, that the County shall not be required to fully fund the Reserve Account at the time of issuance of such additional Project Bonds or Additional Bonds hereunder if (i) it elects, by resolution adopted prior to the issuance of any such Bonds, subject to the limits described below, to fully fund the Reserve Account over a period specified in such resolution not to exceed twelve (12) months, during which it shall make substantially equal monthly installments in order that the amounts on deposit therein at the end of such period shall equal the Reserve Requirement for all Bonds Outstanding, or (ii) it provides a Reserve Product issued by a Reserve Product Provider in an amount which, together with amounts then on deposit in the Reserve Account or to be deposited therein pursuant to periodic deposits as provided in (i) above, shall equal the Reserve Requirement. In addition to the foregoing the County may at any time elect to provide a Reserve Product to fund all or any portion of the Reserve Requirement in replacement of any cash, investments or Reserve Product then used to fund the Reserve Requirement. Any Reserve Product must provide for payment on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held hereunder for a payment with respect to Bonds which cannot be cured by funds in any other account held pursuant to this resolution and available for such purpose, and shall name the Trustee as the beneficiary thereof. In no event shall the use of such Reserve Product be permitted if it would cause an impairment in any existing rating on any Bonds Outstanding hereunder. If a disbursement is made from a Reserve product, the County shall be obligated to reinstate the maximum limits of such Reserve Product immediately following such disbursement or to replace such Reserve Product by depositing into the Reserve Account from the first Net Revenues available for deposit pursuant to Section 503(e) above, funds in the maximum amount originally payable under such Reserve Product, plus amounts necessary to reimburse the Reserve Product Provider for previous disbursements made pursuant to such Reserve Product, or a combination of such alternatives and for purposes of Section 503(e) above, amounts necessary to satisfy such reimbursement obligation and other obligations of the County to such a Reserve Product Provider shall be deemed required deposits into the Reserve Account, but shall be used by the County to satisfy its obligations to the Reserve Product Provider.

The Trustee shall use amounts in the Reserve Account, including proceeds of any Reserve product, to make transfers, in the following order, to the Interest Account, the Principal Account and the Sinking Fund Account to remedy any deficiency in any, deposit required to be made to said Accounts by Section 503 hereof or to pay the interest on or the principal of (whether at maturity, by acceleration or in satisfaction of the Sinking Fund Requirement therefor) the Bonds when due, whenever and to the extent that the money on deposit in any or all of said Accounts, together with transfers thereto from the General Purposes Account, the Improvements Account, and the Renewal and Replacement Account, is insufficient for such purposes. The Trustee shall also use moneys in the Reserve Account to pay the interest on April 1 next preceding the final maturity of all Bonds Outstanding and the principal of and the interest on such Bonds on the final maturity date of the same.

If at any time the aggregate of the money held in the Reserve Account and the aggregate amounts available under any Reserve Products exceeds the Reserve Requirement, the Trustee shall withdraw moneys in an amount equal to such excess therefrom and shall deliver the same to the County. Upon receipt thereof the County shall deposit (a) in the Renewal and Replacement Account the amount then required to be paid thereto by the County pursuant to Section 503 hereof, (b) in the Improvements Account such amount as is necessary to make the amount on deposit therein equal to the Improvement Appropriation, and (c) all remaining amounts in the General Purposes Account.

Whenever the aggregate of the moneys on deposit in the Reserve Account and the aggregate amounts available under any Reserve Products is less than the Reserve Requirement, the Trustee shall notify the County of the amount of the deficiency. Upon notification, the County immediately shall deliver to the Trustee either an amount sufficient to cure the same, drawing upon funds available in the General Purposes Account, the Improvements Account, and the Renewal and Replacement Account, in that order or a Reserve Product in an amount sufficient to cure such deficiency.

Section 508. Application of Money in the Renewal Replacement Account. The County shall apply money in the Renewal and Replacement Account to the payment of the cost of renewals and replacements of and unusual or extraordinary repairs to the Airport System and of engineering and other expenses incurred in connection therewith. All disbursements of money in the Renewal and Replacement Account shall be made in accordance with procedures established by the Board from time to time.

The County shall also use amounts in the Renewal and Replacement Account to make transfers, in the following order, to (a) the Revenue Account to pay Current Expenses whenever and to the extent that the amount on deposit therein, together with transfers thereto from the General Purposes Account, is insufficient for such purpose, (b) the Interest Account, the Principal Account, and the Sinking Fund Account, in that order, upon receipt of a request from the Trustee, to remedy any deficiency in any deposit required to be made to said Accounts by Section 503 hereof or to pay the interest on and the principal of (whether at maturity, by acceleration, or in satisfaction of the Sinking Fund Requirement) the Bonds when due, whenever and to the extent that the money on deposit in any or all of such Accounts, together with transfers thereto from the General Purposes Account and Improvements Account, is insufficient for such purposes, and (c) the Reserve Account, upon receipt of a request from the Trustee, to the extent necessary to cure a deficiency therein whenever and to the extent that money transferred to the Reserve Account from the General Purposes Account is insufficient for such purpose.

If at any time the money held in the Renewal and Replacement Account exceeds the Renewal and Replacement Account Requirement, the County shall withdraw an amount equal to such excess therefrom and (a) deposit in the Improvements Account such amount as is necessary to make the amount on deposit to the Improvements Appropriation, and (b) shall deposit all remaining amounts in the General Purposes Account.

Section 509. Application of Money in the Improvements Account. The County shall apply money in the Improvements Account to the payment of the cost of additions, extensions and improvements to and enlargements and replacements of the Airport System, including engineering and other expenses incurred in connection therewith. Prior to making any disbursement from the Improvements Account, the County shall cause a notation substantially in the form of the requisition required for disbursements from the Construction Fund pursuant to Section 404 of this Resolution to be made and filed in a record book maintained for such purpose. A copy of such notation shall be delivered to the Trustee.

The County shall also use amounts in the Improvements Account to make transfers, in the following order, to (a) the Construction Fund, upon receipt of a request from the Trustee, to the extent that the amount on deposit therein is insufficient to pay the Cost of the Project or Additional Facilities, (b) the Proceeds Account, upon receipt of a request from the Trustee, to the extent that the amount on deposit therein is insufficient to pay the cost of repairing or replacing the Airport System, (c) the Revenue Account to the extent necessary to pay Current Expenses whenever and to the extent that the amount on deposit therein, together with transfers thereto from the General Purposes Account and the Renewal and Replacement Account, is insufficient for such purpose, (d) the Interest Account, the Principal Account, and the Sinking Fund Account, in that order, upon receipt of a request from the Trustee, to remedy any deficiency in any deposit required to be made to said Accounts by Section 503 hereof or to pay the interest on and the principal of (whether at maturity, by acceleration, or in satisfaction of the Sinking Fund Requirement) the Bonds when due, whenever and to the extent that the money on deposit in any or all of said Accounts, together with transfers thereto from the General Purposes Account, is insufficient for such purposes, and (e) the Reserve Account, upon receipt of a request from the Trustee, to the extent necessary to cure a deficiency therein whenever and to the extent that money transferred thereto from the General Purposes Account is insufficient for such purpose.

If at any time the money held in the Improvements Account, including any excess created as a whole or in part by interest earnings on such Account, exceeds the Improvements Appropriation, all or a portion of such excess may be retained therein at the option of the County. The County shall withdraw any amount not designated by the County for retention therein and shall deposit the same in the General Purposes Account.

Section 510. Application of Money in the General Purposes Account. The County shall apply money on deposit in the General Purposes Account to make transfers, in the following order, to (a) the Revenue Account to the extent necessary to pay Current Expenses whenever the amount on deposit therein is insufficient for such purpose, (b) the Interest Account, Principal Account, and Sinking Fund Account, in that order, upon receipt of a request from the Trustee, to remedy any deficiency in any deposit required to be made pursuant to Section 503 hereof and pay the principal of (whether at maturity, by acceleration or in satisfaction of the Sinking Fund Requirement) and interest on the Bonds when due, whenever and to the extent that the money on deposit in any or all of said Accounts is insufficient for such purposes, and (c) the Reserve Account upon receipt of a request from the Trustee, to the extent necessary to cure a deficiency therein, and (d) the Renewal and Replacement Account to the extent necessary to cure a deficiency therein.

The County, at its option, may apply any amounts remaining in the General Purposes Account after making the aforementioned transfers for any one or more of the following purposes: (1) for any purpose for which money in the Construction Fund, the Renewal and Replacement Account, the Revenue Account, or the Improvements Account may be used, (2) to the purchase or redemption of Bonds, (3) to pay the cost of any airport or aviation facilities authorized by the County Code, (4) to make required payments to air carriers, (5) to make transfers to the Revenue Account, (6) to secure and pay Subordinated Debt, and (7) with an approving opinion of Bond Counsel, for any lawful aviation purpose of the County.

If the County elects to redeem Bonds from money in the General Purposes Account, it shall deliver to the Trustee written notice of its intent to effect such redemption at least 45 days but not more than 60 days before the anticipated redemption date. Such notice shall refer to this Section 510, shall state the principal amount of Bonds to be redeemed pursuant to Section 301 of this Resolution, and shall direct the Trustee to redeem such principal amount of Bonds on the next ensuing Interest Payment Date if such redemption is in part or on a date not later than 60 days following the date of such notice if such notice is as a whole.

To redeem all of the Outstanding Bonds, on or before the date upon which notice of redemption is given in accordance with Section 304 hereof, the County shall deposit with the Trustee money or Government Obligations, or a combination thereof, in an amount sufficient to cause the defeasance of this Resolution pursuant to Section 1201 hereof, take such other actions as are required by said Section to effect such defeasance, and pay to the Trustee all of the fees and expenses incurred or to be incurred by it through the date of redemption. To redeem the Bonds in part, on or before the date upon which notice of redemption is given in accordance with Article III hereof, the County shall deliver to the Trustee the amount necessary to redeem the Bonds in accordance with said Article III and shall pay directly to the Trustee all of the fees and expenses incurred and to be incurred by it through the date of redemption. The amount of any redemption payment attributable to principal and redemption premium, if any, shall be deposited by the Trustee in the Redemption Account for application in accordance with Section 511 of this Resolution and the amount attributable to interest shall be deposited by the Trustee in the Interest Account and applied to pay interest to the date of redemption.

The County shall have the right to purchase any Outstanding Bonds on the open market with money on deposit in the General Purposes Account and to surrender the same to the Trustee (with all unmatured coupons attached in the case of coupon Bonds). The principal amount thereof consisting of Serial Bonds shall be credited against transfers to the Principal Account in the Fiscal Year or Years in which such Serial Bonds would have matured in accordance with their terms. The principal amount consisting of Term Bonds shall be credited against and reduce the Sinking Fund Requirements for such Term Bonds in such manner as shall be specified in a certificate of the Chief Financial Officer that is substantially in the form of the certificate filed pursuant to Section 506 hereof and that is filed with the Trustee.

Section 511. Application of Money in the Redemption Account. The Trustee shall apply money in the Redemption Account to the purchase or redemption of Bonds as follows:

(a) Subject to the provisions of paragraph (c) of this Section, the Trustee shall endeavor to purchase and cancel Bonds or portions thereof, regardless of whether such

Bonds or portions thereof are then subject to redemption, at the most advantageous price obtainable with reasonable diligence, provided that the purchase price of each Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Holder of such Bond under the provisions of Article III of this Resolution if such Bond or such portion thereof should be called for redemption on such date from the money in the Redemption Account. The Trustee shall pay the interest accrued on such Bonds or portions thereof to the date settlement from the Interest Account and the purchase price from the Redemption Account, but no such purchase shall be made by the Trustee from money in the Redemption Account within the period of 45 days immediately preceding any Interest Payment Date on which such Bonds or portions thereof are to be redeemed.

(b) Subject to the provisions of paragraph (c) of this Section, the Trustee shall call for redemption on each Interest Payment Date such amount of Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Redemption Account as nearly as may be; provided, however, that not less than Two Hundred Fifty Dollars (\$250,000) principal amount of Bonds or such lesser amount if less than \$250,000 in principal amount of Bonds is then Outstanding, shall be called for redemption at any one time. Such redemption shall be made pursuant to the provisions of Article III of this Resolution. The Trustee shall pay the accrued interest on the Bonds or portions thereof to be redeemed to the date of redemption from the Interest Account and the Redemption Price of such Bonds or portions thereof from the Redemption Account. The Trustee shall withdraw from the Redemption Account and, in the manner provided in Section 505 hereof, set aside in separate accounts or deposit with the Paying Agents the respective amounts required to pay the Redemption Price of the Bonds or portions thereof so called for redemption.

(c) Money in the Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of Bonds of any one or more Series then Outstanding in accordance with the latest certificate filed by the Chief Financial Officer with the Trustee (i) designating the one or more Series of Bonds to be purchased or redeemed, (ii) if more than one Series of Bonds is so designated, setting forth the aggregate principal amount of Bonds of each Series to be purchased or redeemed, which amount shall be determined (as nearly as practicable) by a ratio of the aggregate principal amount of Bonds of each Series, as originally issued, to the aggregate principal amount of Bonds of all such Series, as originally issued, and (iii) unless the Series Resolution relating to the Bonds to be redeemed specifies the order of redemption, designating the Bonds to be redeemed within each Series and if such Bonds are Term Bonds, the years in which future Sinking Fund Requirements are to be reduced as a result of such redemption and the amount of such reduction in each such year. In the event no such certificate is filed and unless the Series Resolution relating to the Bonds to be redeemed specifies otherwise, (i) the Trustee shall apply such money to the purchase of one or more Series of Bonds as it shall determine or to the redemption of Bonds bearing the highest rate of interest, (ii) if Bonds of more than one maturity bear the same interest rate, the Trustee shall redeem such Bonds in the inverse order of maturities, and (iii) if the Bonds bearing the highest rate of interest are Term Bonds, the Trustee shall reduce Sinking Fund Requirements for such Term Bonds in inverse order of the scheduled redemption of such

Term Bonds. All Bonds shall be redeemed by lot within maturities as the Trustee, in its discretion, may determine. For purposes of this paragraph (c), Term Bonds shall be considered to mature on October 1 in amounts equal to the aggregate Sinking Fund Requirements therefor.

Upon the retirement of any Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the County a statement identifying such Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Bonds and the amount paid as interest thereon. The expenses incurred by the Trustee in connection with the purchase or redemption of any such Bonds shall be paid by the County from the General Purposes Account.

Section 512. Insurance and Condemnation Award Account. The Trustee shall deposit Net Proceeds into the Insurance and Condemnation Award Account, when and as received by the Trustee. Upon direction of the County the Trustee shall use money in the Insurance and Condemnation Award Account for the following purposes:

- (a) to transfer to the Proceeds Account in the Construction Fund, the creation of which is authorized by Section 408 hereof, and thereafter to disburse the same to pay the costs of repairing or replacing the Airport System; and
- (b) to transfer to the Redemption Account and the Interest Account to redeem Bonds.

Section 513. Escheat. All money that the Trustee shall have withdrawn from the Bond Fund or shall have received from any other source and set aside or deposited with the Paying Agents for the purpose of paying any of the Bonds hereby secured, either at maturity or by purchase or call for redemption, or for the purpose of paying any maturing coupons appertaining to the Bonds hereby secured shall be held in trust for the respective Holders. All interest on money so set aside or so deposited shall accrue to the benefit of the County and shall be paid to the County annually.

Any money that is so set aside and that remains unclaimed by the Holders for a period of two years after the date on which such Bonds or coupons have become payable shall be paid upon request to the County or to such officer, board or body, as may then be entitled by law to receive the same. Thereafter the Holders shall look only to the County or to such officer, board or body for payment and then only to the extent of the amounts so received, without any interest thereon, and the Trustee shall have no responsibility with respect to such money.

Section 514. Cancellation of Bonds and Coupons. Upon receipt of the same, the Trustee shall cancel (a) all Bonds (and all coupons appertaining thereto) paid, redeemed, or purchased by the Trustee or purchased by the County and delivered to the Trustee, and (b) all registered Bonds without coupons delivered to the Trustee in exchange for other Bonds or delivered to the Trustee upon the transfer of any registered Bond if a new registered Bond is delivered upon such transfer. The Trustee shall certify to the County the details of all Bonds and coupons so cancelled. All Bonds and coupons cancelled under any of the provisions of this Resolution either shall be delivered to the County or destroyed by the Trustee, as the County directs. Upon

destruction of any Bonds and coupons, the Trustee shall execute a certificate in duplicate, describing the Bonds and coupons so destroyed; one executed certificate shall be filed with the County and the other shall be retained by the Trustee.

Section 515. Disposition of Fund Balances. After provision is made for the payment of all Outstanding Bonds issued under this Resolution, including the interest thereon and for the payment of all other obligations, expenses and charges required to be paid under or in connection with this Resolution, and receipt by the Trustee of a certificate of the Chief Financial Officer to the effect that there are other indentures or other agreements that impose a continuing lien on the balances hereinafter mentioned, the Trustee shall pay all amounts in any Fund or Account then held by it under this Resolution to the County. If a continuing lien has been imposed on any such balance by another resolution, any other agreement, by court order or decree, or by law, the Trustee shall pay such balance to such person as is entitled to receive the same by law or under the terms of such resolution, agreement, court order, or decree.

Section 516. Security for the Bonds. As security for the payment of the Bonds and the interest thereon, the County hereby grants to the Trustee a pledge of (a) Net Revenues, (b) its rights to receive Net Revenues, and (c) the money and Investment Obligations in any and all of the Funds and Accounts established under this Resolution and the income from such Investment Obligations and the investment of such money. It is the intent of the County that this pledge shall be effective and operate immediately and that the Trustee shall have the right to collect and receive said Net Revenues in accordance with the provisions hereof at all times during the period from and after the date of the Bonds issued hereunder until the Bonds have been fully paid and discharged, including, without limitation, at all times after the institution and during the pendency of bankruptcy or similar proceedings.

The aforementioned pledge shall not inhibit the sale or disposition of the Airport System in accordance with this Resolution and shall not impair or restrict the ability of the County to invest in securities and other forms of investment, subject to the provisions of this Resolution.

Section 517. Convertible Lien Bonds. Notwithstanding anything to the contrary contained in this Resolution, prior to the Conversion Date for a Series of Convertible Lien Bonds, no amounts shall be required to be deposited into the various Funds and Accounts established under this Resolution and no amounts held in such Funds and Accounts shall be applied to the payment of, or held as security for, such Convertible Lien Bonds. Amounts transferred to the Trustee hereunder from the funds and accounts established under the PFC Bond Resolution pursuant to Section 513 of said PFC Bond Resolution upon the occurrence of the Conversion Date for a Series of Convertible Lien Bonds shall be deposited by the Trustee in the corresponding Funds and Accounts hereunder. The Convertible Lien Bonds maturing on or after the Conversion Date therefor shall be payable and secured as provided in this Resolution.

ARTICLE VI

DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS, INVESTMENT OF FUNDS, AND COVENANT AS TO ARBITRAGE

Section 601. Security for Deposits. Any and all money received by the County under the provisions of this Resolution shall be deposited as received with the Trustee or one or more other Depositories as provided in this Resolution, and shall be trust funds under the terms hereof, and shall not be subject to any lien or attachment by any creditor of the County.

Until money deposited with the Trustee or any other Depository hereunder has been invested in Investment Obligations, the amount of money 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 County and the Holders in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided that it shall not be necessary for the Trustee or any Paying Agent to give security for the deposit of any money with it for the payment of the principal of or the redemption premium or the interest on any Bonds or for the Trustee or any Depository to give security for any money that is represented by Investment Obligations purchased under the provisions of this Article.

All money deposited with the Trustee or any Depository shall be credited to the particular Fund or Account to which such money belongs.

Section 602. Investment of Money. Money held for the credit of all Funds and Accounts shall be continuously invested and reinvested by the County, Trustee, or the Depositories, whichever is applicable, in Investment Obligations to the extent practicable. Except as hereinafter provided with respect to the Reserve Account, Investment Obligations shall mature or be redeemable at the option of the holder thereof not later than the respective dates when the money held for the credit of such Funds or Accounts will be required for the purposes intended. Investment Obligations in the Reserve Account shall mature or be redeemable at the option of the holder thereof as follows: 25% not later than five years after the date of such investment, an additional 50% not later than ten years after the date of such investment, and the balance without limitation. Notwithstanding the foregoing, no Investment Obligations in any Fund or Account may mature on a date beyond the latest maturity date of any Bonds Outstanding at the time such Investment Obligations are deposited. For purposes of this Section, the maturity date of any repurchase agreement shall be deemed to be the stated maturity date of such agreement and not the maturity dates of the underlying Investment Obligations.

The Chief Financial Officer or his designee may at any time give to the Trustee written directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Article, and the Trustee shall then invest such money as so directed. The Trustee may request in writing direction or authorization of the Chief Financial Officer or his designee with respect to the proposed investment or shall give written directions to the Trustee respecting the investment of such money and, in the case of such directions, the Trustee then shall invest, subject to the provisions of this Article, such money in accordance with such directions.

Investment Obligations acquired with money in or credited to any Fund or Account established under this Resolution shall be deemed at all times to be part of such Fund or Account. The interest accruing on Investment Obligations in any Fund or Account and any profit or loss realized upon the disposition or maturity of such Investment Obligations shall be

credited to or charged against such Fund or Account, except that prior to the final Completion Date of the Project the interest income on Investment Obligations in the Construction Fund and the Reserve Account, and the net interest income on Investment Obligations in the Interest Account, and any profit or loss realized upon the maturity or disposition of such Investment Obligations shall be credited to, or charged against, the Construction Fund. The Trustee shall sell at the best price obtainable or reduce to cash a sufficient amount of such Investment Obligations whenever it is necessary so to do to provide money to make any payment from any such Fund or Account. The Trustee shall not be liable or responsible for any loss resulting from any such investment.

Whenever a transfer of money between two or more of the Funds or Accounts established pursuant to Article V of this Resolution is permitted or required, such transfer may be made as a whole or in part by transfer of one or more Investment Obligations at a value determined at the time of such transfer in accordance with this Article VI, provided that the Investment Obligations transferred are those in which money of the receiving Fund or Account could be invested at the date of such transfer.

Section 603. Valuation. For the purpose of determining the amount on deposit in any Fund or Account, Investment Obligations in which money in such Fund or Account is invested shall be valued (a) at face value if such Investment Obligations mature within 12 months from the date of valuation thereof, and (b) if such Investment Obligations mature more than 12 months after the date of valuation thereof, at the price at which such Investment Obligations are redeemable by the holder at his option, if so redeemable, or, if not so redeemable, at the lesser of (i) the cost of such Investment Obligations plus the amortization of any premium or minus the amortization of any discount thereon, and (ii) market value of such Investment Obligations.

All Investment Obligations in all of the Funds and Accounts created hereunder, except the Revenue Account and General Purposes Account, shall be valued no earlier than the 20th day of the second month next preceding a principal payment date and no later than the 21st day of the month next preceding such principal payment date. In addition, Investment Obligations in the Interest Account, the Principal Account, the Sinking Fund Account, and the Reserve Account shall be valued at any time requested by the County on reasonable notice to the Trustee (which period of notice may be waived or reduced by the Trustee); provided, however, that the Trustee shall not be required to value Investment Obligations more than once in any calendar month.

Whenever the value of the cash and Investment Obligations in the Reserve Account, plus interest to the date of valuation, is less than the Reserve Requirement, the Trustee shall compute the amount by which the Reserve Requirement exceeds the balance in Reserve Account and shall immediately give the County notice of such deficiency and the amount necessary to cure the same.

Section 604. Tax Covenants. The County covenants that so long as any of the Bonds remain Outstanding money on deposit in any Fund or Account maintained in connection with the Bonds, regardless of whether such money was derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner that would cause the Bonds (other than Bonds issued as Taxable Bonds) to be "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or Section 148 of the Internal Revenue Code of

1986, as amended, as applicable, and applicable regulations promulgated from time to time thereunder. Nothing provided in this resolution shall prohibit the County from issuing Additional Bonds as Taxable Bonds.

The County further covenants to comply with all other requirements of the Internal Revenue Code of 1986, as amended, and applicable regulations promulgated from time to time thereunder, in order to maintain the exclusion of gross income for federal income tax purposes of interest on the Bonds.

ARTICLE VII

GENERAL COVENANTS AND REPRESENTATIONS

Section 701. Payment of Principal, Interest and Premium. The County shall cause to be paid, when due, the principal of (whether at maturity, by acceleration, by call for redemption or otherwise) and interest on the Bonds at the places, on the dates and in the manner provided herein and in said Bonds and in any coupons appertaining to said Bonds, according to the true intent and meaning thereof. The Bonds are not general obligations of the County but are limited obligations payable solely from Net Revenues, the County's rights to receive the same, and money and Investment Obligations held in the Funds and Accounts created hereunder and the income from such Investment Obligations and the investment of such money. The Bonds shall be secured as provided in Section 516 of this Resolution. The Bonds shall not constitute a debt of the County for which the faith and credit of the County is pledged. The issuance of the Bonds shall not directly or indirectly or contingently obligate the County to levy any tax or to pledge any form of taxation whatever therefor. The Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the County.

Section 702. Construction of Project and Additional Facilities. The County shall construct the Project and any Additional Facilities for the construction of which Bonds are issued or for which money repayable from the proceeds of Bonds is advanced to the County, in accordance with plans approved by the Airport Consultant. Upon the completion of the Project and such Additional Facilities the County shall operate and maintain the same as a part of the Airport System. The County shall require each person, firm or corporation with whom it may contract for construction to (a) furnish a payment and performance bond in the full amount of any contract, or (b) deposit with the Chief Financial Officer marketable securities that have a market value equal to the amount of such contract and that are eligible as security for the deposit of trust funds as provided in Section 601 of this Resolution. The proceeds of any such performance bond or securities shall be deposited in the Construction Fund and applied toward the completion of the Project or Additional Facilities in connection with which such performance bond or securities are furnished; provided, however, that with respect to Additional Facilities that are financed in whole or in part with a Series of Convertible Lien Bonds for which the Conversion Date has not yet occurred at the time that proceeds of any performance bond or securities become available: (a) if no portion of the Additional Facilities has been financed with a Series of Bonds hereunder other than Convertible Lien Bonds, then the entire amount of the proceeds of the performance bond or securities shall be applied as provided in the PFC Bond Resolution and (b) if any portion of such Additional Facilities has been financed with a Series of Bonds other than Convertible Lien Bonds, then the proceeds of the performance bond or securities shall be allocated

between the Construction Fund established hereunder and the application required by the PFC Bond Resolution pro rata, based on the relationship that the original principal amount of each such Series of Bonds bears to the aggregate original principal amount of such Series of Bonds.

Section 703. Operation of Airport System. The County shall establish and enforce reasonable rules and regulations governing the operation and use of the Airport System, operate the Airport System in an efficient and economical manner, maintain the properties constituting the Airport System in good repair and in sound operating condition for so long as the same are necessary to the operation of the Airport System upon a revenue-producing basis, and comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body that are applicable to the Airport System.

For so long as any Bonds are Outstanding, the County shall not construct, maintain, or operate, or cause to be constructed, maintained, or operated, or participate with any person, entity, or governmental unit or subdivision in the construction, operation, or maintenance of, any facilities that would impair the revenue-producing capacity of the Airport System unless prior to such construction, operation or maintenance (a) the construction, maintenance and operation of such facilities are authorized herein or such facilities are incorporated into the Airport System, and (b) the County shall have delivered to the Trustee a statement of the Airport Consultant to the effect that based upon such Consultant's knowledge and analysis of the financial performance and operations of the Airport System, nothing has come to its attention that would lead it to believe that the County would not be able to meet its obligations under Sections 503 and 704 of this Resolution as a result of such construction, operation and maintenance.

Section 704. Rate Covenant. (a) The County shall fix, charge and collect rates, fees, rentals, and charges for the use of the Airport System and shall revise such rates, fees, rentals and charges as often as may be necessary or appropriate to produce Revenues plus any Transfers in each twelve-month period commencing October 1 and ending on the next succeeding September 30 at least equal to the sum of (1) Current Expenses for such period, plus (2) 125% of the amounts required to be deposited in the Interest Account, the Principal Account, and the Sinking Fund Account in such period, plus (3) the amounts required to be deposited in the Reserve Account in such period; provided, however, that for purposes of clause (2) hereof, if Passenger Facilities Charges, state and/or federal grants or other moneys have been irrevocably committed or are held by the Trustee or another fiduciary and are set aside exclusively to be used to pay Principal and Interest Requirements on a Series of Bonds or any portion thereof, then the portion of the Principal and Interest Requirements to be paid from such Passenger Facilities Charges, state and/or federal grants or other moneys or from investment earnings thereon shall be disregarded and not included (unless such Passenger Facilities Charges, state and/or federal grants or other moneys are included in the definition of "Revenues" herein) in calculating the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account.

(b) If, in any such period, Revenues and Transfers are less than the amount required under paragraph (a) of this Section and if the cash and value of the Investment Obligations available within the Funds and Accounts created hereby are not sufficient to make the deposits required to be made pursuant to paragraphs (a), (b), (c), and (d) of Section 503, the County shall take action to revise its rates, fees, rentals and charges, or alter its methods of operation or take other action in such manner as is calculated to produce the amount so required in such period.

(c) If the audit report for any Fiscal Year indicates that the County has not satisfied its obligations under paragraph (a) of this Section 704, then within 15 days of the receipt of the audit report for such Fiscal Year, the County shall employ an Airport Consultant to review and analyze the financial status and the administration and operations of the Airport System, to inspect the properties constituting the Airport System, and to submit to the Board and the Chief Financial Officer, within 60 days thereafter, a written report on the same, including the action taken by the County with respect to the revision of its rates, fees, rentals, and charges, which report may contain recommendations of further revisions of the rates, fees, rentals, charges, and methods of operation of the Airport System that will result in producing the amount so required in the following twelve month period commencing October 1 and ending on the next succeeding September 30. Promptly upon its receipt of the recommendations the County shall transmit copies thereof to the Trustee and each Holder of Record who has requested the same and shall take such further action as is then in the best interests of the Bondholders, the County, and its citizens.

(d) In the event the County fails to take action as required by paragraphs (b) and (c) of this Section, the Trustee may, and upon request of the Holders of not less than 25% in principal amount of all Bonds Outstanding shall, institute and prosecute an action or proceeding in any court or before any board or commission having jurisdiction to compel the County to comply with the requirements of said paragraphs.

Notwithstanding any of the foregoing provisions of this Section, Airport Rate Agreements, contracts, leases and other agreements for the use of the Airport System in effect on the date of the issuance of the initial Series of Project Bonds shall not be subject to revision for purposes of compliance with the provisions of paragraphs (a) and (b) of this Section except in accordance with their terms.

Section 705. Budgets and Covenant as to Current Expenses. On or before the 90th day next preceding the beginning of each Fiscal Year, the County shall prepare a preliminary budget for the ensuing Fiscal Year, the County shall prepare a preliminary budget for the ensuing Fiscal Year for the Airport System in the form of the budget then required by law and shall file copies of each such preliminary budget with the Trustee and mail copies to the Airport Consultant.

Each budget shall be prepared in such manner as to specify Current Expenses and the amounts to be deposited in the various Funds and Accounts created by this Resolution during the Fiscal Year for which such budget was prepared. The budget shall be accompanied by a pro forma statement of Revenues, Transfers, Current Expenses and rates, fees, rentals, and charges estimated to be necessary to meet the requirements of Section 704(a) of this Resolution and shall include or make reference to a Capital Funds Budget that shows separately the amounts to be deposited in the Improvements Account during the Fiscal Year for which the budget is prepared and the amounts to be expended during such Fiscal Year from money in the Improvements Account and the Construction Fund.

On or before the first day of each Fiscal Year, the County shall adopt the budget for the Airport System (which budget together with any amendments thereof or supplements thereto as hereinafter permitted is herein collectively called the "Annual Budget"). Copies of the Annual Budget shall be filed with the Trustee, mailed by County to the Airport Consultant, Moody's

Investors Service, Inc., Standard and Poor's Corporation, and each Holder of Record requesting the same, and made available for inspection at the office of the Chief Financial Officer.

If the County has not adopted the Annual Budget before the first day of any Fiscal Year, the preliminary budget for such Fiscal Year or, if there is none, the budget for the preceding Fiscal Year, shall be deemed to be in force and shall be treated as the Annual Budget under the provisions of this Article until the adoption of the Annual Budget.

The County may at any time adopt an amended or supplemented Annual Budget for the remainder of the then current Fiscal Year, and shall do so when any quarterly financial statement indicates that the County is unable to maintain or operate the Airport System and comply with the requirements of Section 704 hereof within the budgetary guidelines and statements related thereto, and when so adopted the Annual Budget as 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 Trustee, mailed by the County to the Airport Consultant, Moody's Investors Service, Inc., Standard and Poor's Corporation, and each Holder of Record requesting the same, and made available for inspection at the office of the Chief Financial Officer.

If the County has adopted a Capital Funds Budget extending beyond one Fiscal Year, the capital expenditures covered by such Capital Funds Budget need not be covered by the Annual Budget except that such Annual Budget shall contain the same references to any such Capital Fund Budget as are required by the second paragraph of this Section 705.

Section 706. Review of Annual Budget. (a) Prior to the adoption of the Annual Budget the County shall cause the Airport Consultant to review the same (which may be in preliminary form) in light of the historical operation of the Airport System and the obligations of the County under this Resolution. If based upon such review the Airport Consultant determines that Revenues and Transfers, as reflected in the Annual Budget or the statements relating thereto, will not be sufficient to meet the requirements set forth in paragraph (a) of Section 704, the Airport Consultant shall so notify the County and the Trustee and shall deliver to the County and the Trustee a written report recommending revisions of rates, fees, rentals and charges or other action that will result in producing the amount so required. Promptly upon receipt of such recommendations the County shall revise its rates, fees, rentals and charges or take such other action, including amendment of the Annual Budget, as shall result in compliance with Section 704(a).

(b) The requirement of the annual review of the Annual Budget by the Airport Consultant established by paragraph (a) of this Section shall be waived if:

(1) the audited financial statements or accompanying reports for the Airport System for each of the preceding four Fiscal Years indicate that, in each Fiscal Year, Revenues and Transfers for such Fiscal Year were equal to or greater than the level required by Section 704(a) of this Resolution; and

(2) the Airport Consultant has made at least one annual review in the past five Fiscal Years; and

(3) there is submitted to the Trustee a certificate of the Chief Financial Officer and the Aviation Director to the effect that the provisions of sub-paragraphs (1) and (2) of this paragraph (b) have been satisfied.

(c) The County shall be deemed to be in compliance with paragraphs (a) and (b) of this Section if:

(1) there shall be in force and effect Airport Rate Agreements that are in compliance with the requirements of Section 716 hereof and that in the aggregate provide for the payment of rates, fees, rentals, and charges that, together with Transfers, are sufficient to meet the requirements of paragraph (a) and (b) of Section 704 of this Resolution, and

(2) the County shall have caused the Airport Consultant to deliver at least once in every five Fiscal Years a certificate to the effect that the statement set forth in subparagraph (1) of this paragraph (c) is true and correct and will continue to be correct for each of the following five Fiscal Years.

Section 707. Records, Accounts and Audits. The County shall keep the Funds, Accounts, money and investments of the Airport System separate from all other funds, accounts, money and investments of the County or any of its departments and shall keep accurate records and accounts of all items of costs and of all expenditures relating to the Airport System and of the Revenues collected and the application of such Revenues. Such records and accounts shall be open to the inspection of all interested persons.

At least once during each quarter of each Fiscal Year, beginning with the first full Fiscal Year following the date of delivery of the initial Series of Project Bonds pursuant to Section 208 of this Resolution, the County shall cause to be filed with the County Administrator and Trustee copies of a report, signed by the Aviation Director setting forth all revisions of the rates, fees, rentals, and charges for use of the Airport System during the preceding three-month period and an unaudited interim report, signed by the Chief Financial Officer, identifying all Defaults that occurred during the preceding three-month period and setting forth in respect of such period:

(a) a separate income and expense account of the Airport System, showing the Revenues, Transfers and the Current Expenses for such quarter, for all quarters of the current Fiscal Year, including such quarter, and for the corresponding periods in the next preceding Fiscal Year,

(b) a summary of deposits in and withdrawals from each Fund and Account created under the provisions of this Resolution,

(c) the details of all Bonds issued, paid, purchased, redeemed, and cancelled during such period, and

(d) the amounts on deposit at the end of such three-month period in the Funds and Accounts held by each Depository.

Within 120 days after the close of such Fiscal Year the County shall cause the Accountant to prepare an audit of its books and accounts pertaining to the Airport System. Reports of each such audit shall be filed with the Board, the Chief Financial Officer, and the Trustee and each Depository, and copies of each such report shall be mailed to Moody's Investors Service, Inc., Standard and Poor's Corporation and each Holder of Record requesting the same and shall be made available for inspection at the office of the Chief Financial Officer. Each such audit report shall be accompanied by an opinion of the Accountant stating that the examination of the financial statements was conducted in accordance with generally accepted auditing standards and stating whether such financial statements present fairly the financial position of the Airport System and the results of its operations and changes in its financial position for the period covered by such audit report in conformity with generally accepted accounting principles applied on a consistent basis.

If for any reason beyond its control, the County is unable to obtain the foregoing opinion as to compliance with generally accepted accounting principles, the County shall be deemed to be in compliance with this Section if it is taking all reasonable and feasible action to obtain such opinion in subsequent Fiscal Years, and if, in lieu of a statement as to compliance and conformity, such opinion states the reasons for such non-compliance or non-conformity.

Each audit report shall be accompanied by a special report of the Accountant setting forth in respect of said Fiscal Year the same matters as are hereinabove required for the quarterly reports of the Chief Financial Officer and a calculation to determine compliance with Section 704(a) of this Resolution. Such special report shall state (i) whether there existed at the end of the Fiscal Year under audit any violation of any covenants or agreements herein contained and (ii) if at any time during the Fiscal Year under audit any Default occurred and if so, the nature of the Default. Such special report shall be limited to financial matters described in this Resolution.

For purposes of this Resolution each Fund created hereunder shall be a series of accounts within the book of accounts of the Aviation Fund and shall connote a segregation of accounts that will support special purpose disclosure reports, and nothing herein shall be construed as requiring a separate set of books and accounts or separate bank accounts.

The County shall cause any additional reports or audits relating to the Airport System to be made as required by law or by any applicable rules or regulations or any governmental authority having jurisdiction over the Airport System. The cost of such audits shall be treated as a part of the cost of operation of the Airport System.

Section 708. Insurance. The County shall purchase and maintain insurance covering such properties belonging to the Airport System as are customarily insured against loss or damage from such causes as are customarily insured against by enterprises of a similar nature, business interruption insurance, and comprehensive general liability insurance on the Airport System for bodily injury and property damage, provided that the same shall meet the following minimum requirements:

(a) fire (with Uniform Standard Extended Coverage Endorsements or equivalent coverage obtainable through federal or State programs) and vandalism and malicious mischief insurance as may be approved for issuance in the State, including

insurance against loss or damage from lightning, windstorm, hail, explosion, riot, attending a strike, civil commotion, aircraft, vehicles and smoke, subject to deductibles of not more than 50% of the then applicable Renewal and Replacement Account Requirement per accident, at all times in amounts equal to the greater of (1) the principal amount of all Bonds Outstanding and (2) the full replacement cost of the properties constituting the Airport System, which amount shall be sufficient to ensure that the County could not become a co-insurer under the terms and conditions of the applicable policy or policies. The replacement cost of the properties constituting the Airport System shall be determined at least once every five years, or more often upon the request of the insurer or the Trustee, by an appraisal by qualified appraisers or other persons or entities selected by the County shall provide a copy of the appraisal to the Trustee within 30 days after the receipt thereof. To the extent that any contractor for the construction of the Project or Additional Facilities provides an insurance policy or certificate of insurance showing that the same coverage as is herein required is being carried by such contractor and adequately protects the interest of the County and the Holders in the Project or Additional Facilities or any part thereof, the insurance provided for by this subparagraph (a) with respect to all or any part of the Project or Additional Facilities shall not be required for such construction period while all or any part of the Project or Additional Facilities is so covered by such other insurance;

(b) comprehensive general liability insurance with limits of not less than \$50,000,000 combined single limit for bodily injury and property damage occurrence;

(c) use and occupancy insurance, covering loss of anticipated Revenues by reason of the total or partial suspension of, or interruption in, the operation of the Airport System, with such exceptions as are customarily imposed by insurers, in an amount equal to the sum of the Reserve Requirement and 200% of the Operations and Maintenance Requirement; and

(d) workers' compensation insurance in such amounts as are required by law.

If the Insurance Consultant and the County certify to the Trustee that the amount of insurance coverage required by this Section 708 is not available on reasonable terms and conditions, the insurance coverage required by this Section may be modified in accordance with such determination, and the coverage as modified shall constitute the minimum requirements of this Section.

Unless the insurance coverage required by this Section is maintained through Qualified Self Insurance as hereinafter provided, such coverage shall be maintained through policies that (i) are issued by a financially responsible insurer or insurers qualified to write the respective insurance in the State and of recognized standing, (ii) are in such form and contain such provisions (including, without limitation, the loss payable clause, the waiver of subrogation clause, clauses relieving the insurer of liability to the extent of minor claims, and the designation of the named insured parties) as are generally considered customary provisions for the type of insurance involved, and (iii) prohibit cancellation or substantial modification by the insurer without at least 60 days' prior written notice to the County and the Trustee. The insurance policies carried pursuant to paragraphs (a) and (c) of this Section shall name the County and the

Trustee as parties insured thereunder as their respective interests appear. Each policy shall provide that losses thereunder shall be adjusted with the insurer by the County on behalf of the insured parties. Copies of each policy shall be provided to the Trustee upon request.

The County shall, and the Trustee may, demand, collect, sue and receipt for the insurance money that may become due and payable under any policies payable to it. Any appraisal or adjustment of any loss of damages and any settlement or payment of indemnity therefor that may be agreed upon between the County and any insurer shall be evidenced to the Chief Financial Officer by a certificate signed by the Aviation Director.

Notwithstanding the foregoing, the County shall be entitled to provide the coverage required by this Section through Qualified Self Insurance, provided that the requirements hereinafter set forth in this Section are satisfied. "Qualified Self Insurance" means insurance maintained through a program of self insurance or insurance maintained with a fund, company or association in which the County has a material interest or of which the County has control, either singly or with others.

Prior to participation in any plan of Qualified Self Insurance not currently in effect, the County shall deliver to the Trustee (i) a copy of the proposed plan, and (ii) from an Insurance Consultant an evaluation of the proposed plan together with an opinion to the effect that (A) the proposed Qualified Self Insurance will provide the coverage required by this Section and (B) the proposed Qualified Self Insurance plan provides for the creation of fiscally sound reserves.

Each plan of Qualified Self Insurance shall be in written form, shall provide that upon the termination of such plan reserves will be established or insurance acquired in amounts adequate to cover any potential retained liability in respect of the period of Qualified Self Insurance, and shall deliver to the County a report on the adequacy of the reserves established thereunder in light of claims made. If the Insurance Consultant determines that such reserves are inadequate in light of the claims made, he shall make a recommendation as to the amount of reserves that should be established and maintained, and the County shall comply with such recommendation unless it can establish to the satisfaction of the Trustee that such recommendation is unreasonable in light of the nature of the claims or the history of recovery against the County for similar claims.

The Net Proceeds paid in satisfaction of any claim made under policies providing the coverage required by clauses (a) and (c) of this Section shall be applied as provided in Section 710 of this Resolution.

Section 709. Notice of Taking; Cooperation of Parties. If any public authority or entity attempts to take or damage all or any part of the Airport System through Eminent Domain proceedings, the County shall take prompt and appropriate measures to protect and enforce its rights and interests and those of the Trustee and the Holders in connection with such proceedings. Upon receiving notice of the institution of Eminent Domain proceedings by any public instrumentality, body, agency, or officers, the County shall deliver written notice thereof to the Trustee.

Section 710. Insurance and Eminent Domain Proceeds. (a) All Net Proceeds of all insurance required by Section 708(a) of this Resolution and all Net Proceeds resulting from Eminent Domain proceedings shall be delivered to the Trustee for deposit in the Insurance and Condemnation Award Account and shall be applied at the election of the County:

(1) to promptly replace, repair, rebuild or restore the Airport System to substantially the same condition as that which existed prior to such damage or destruction, with such alterations and additions as the County may determine and as will not impair or otherwise adversely affect the revenue-producing capability of the Airport System, provided that prior to the commencement of such replacement, repair, rebuilding or restoration, the County shall deliver to Trustee a report of an Airport Consultant setting forth (A) an estimate of the total cost of the same, (B) the estimated date upon which such replacement, repair, rebuilding or restoration will be substantially complete, and (C) a statement to the effect that Net Proceeds, together with other funds made available or to be made available by the County, will be sufficient to pay the costs of the replacement, repair, rebuilding or restoration of the Airport System; or

(2) to the redemption of Bonds, provided that Bonds may be redeemed only if (A) the Airport System has been restored to substantially the same condition as prior to such damage or destruction, or (B) the County has determined that the portion of the Airport System damaged or destroyed is not necessary to the operation of the Airport System and that the failure of the County to repair or restore the same will not impair or otherwise adversely affect the revenue-producing capability of the Airport System; or (C) the Airport Consultant has been unable to make the statement required by subparagraph (1) (C) of this paragraph (a).

If the County does not apply Net Proceeds or cause them to be applied, to replace, repair, rebuild, or restore the Airport System, the County shall direct the Trustee to redeem Bonds in accordance with Article III of this Resolution and to transfer from the Insurance and Condemnation Award Account to the Redemption Account an amount sufficient to pay the Redemption Price of the Bonds to be redeemed and to the Interest Account an amount that, together with amounts then on deposit therein, is sufficient to pay interest accruing on the Bonds to be redeemed to the date of redemption.

If the County elects to apply Net Proceeds, or cause them to be applied, to replace, repair, rebuild, or restore the Airport System, the Trustee shall create a Proceeds Account in the Construction Fund, shall transfer such Net Proceeds from the Insurance and Condemnation Award Account to the Proceeds Account, and shall make disbursements therefrom, to the extent practicable, in accordance with the procedures and requirements set forth in Section 404 of this Resolution for requisitions from the Construction Fund.

(b) The proceeds of use and occupancy insurance carried pursuant to paragraph (c) of Section 708 of this Resolution shall be applied as follows: (i) an amount equal to 1/3 of the Operations and Maintenance Requirement shall be deposited in the Revenue Account, (ii) an amount equal to the excess of that required to be deposited in the Interest Account, the Principal Account, and the Sinking Fund Account, pursuant to Section 503 hereof in the then current Fiscal Year over the amounts on deposit in said accounts shall be deposited in said Accounts,

and (iii) any balance remaining shall be deposited in the Revenue Account and applied to pay Current Expenses.

Section 711. Compliance with Applicable Law. So long as any Bond is Outstanding, the County shall comply or cause there to be compliance with all applicable laws, orders, rules, regulations and requirements of any municipal or other governmental authority relating to the construction, use and operation of the Airport System. Nothing contained in this section shall prevent the County from contesting in good faith the applicability or validity of any law, ordinance, order, rule, regulation, or requirement, so long as its failure to comply with the same during the period of such contest will not materially impair the operation or the revenue-producing capability of the Airport System.

Section 712. Payment of Charges and Covenant Against Encumbrances. Except as provided herein, the County shall not create or suffer to be created any lien or charge upon the Airport System or any part thereof, or on the Revenues. The County shall pay or cause to be discharged, or shall make adequate provision to satisfy and discharge, within 60 days after the same become due and payable, all lawful costs, expenses, liabilities and charges relating to the maintenance, repair, replacement or improvement of the properties constituting the Airport System and the operation of the Airport System and lawful claims and demands for labor, materials, supplies or other objects that might by law become a lien upon the Airport System or Revenues if unpaid. Nothing contained in this Section shall require the County to pay or cause to be discharged, or make provision for the payment, satisfaction and discharge of, any lien, charge, cost, liability, claim or demand so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Section 713. Disposition of Airport System. Except as provided in this Section 713, the County shall not sell or otherwise dispose of all or any part of the properties constituting the Airport System.

(a) The County shall have the right to sell or dispose of any machinery, fixtures, apparatus, tools, instruments, or other moveable property acquired by it in connection with the Airport System, or any materials used in connection therewith if the County determines that such articles are no longer needed or useful in connection with the construction or maintenance of the properties constituting the Airport System or the operation of the Airport System and that such sale or disposition will not impair the operating efficiency of the Airport System or reduce the revenue-producing capability of the Airport System.

(b) The County, without notice to the Trustee and free of any obligation to make any replacement thereof or substitution therefor, shall have the right to demolish or remove any real property and structures now or hereafter existing as part of the Airport System provided that the Board, by resolution, determines that such removal or demolition does not impair the operating efficiency of the Airport System or reduce the revenue-producing capability of the Airport System.

(c) Notwithstanding the provisions of paragraph (b) of this section, if the County determines that any real property or structure constituting a part of the Airport System has become inadequate, unsuitable or unnecessary, the County shall then have the right to demolish

or remove such property and, to the extent permitted by law, may sell or otherwise dispose of all or a part of the same, if:

(1) prior to such removal or demolition the County gives written notice thereof to the Trustee, which notice shall describe the real property or structures to be demolished or removed, the reason for such demolition or removal, and the estimated fair market value thereof; and

(2) (A) the County shall construct, acquire, replace or substitute real property or structures having a fair market value at least equal to that of the property demolished or removed, or

(B) any such real property and structure now or hereafter existing as part of the Airport System may be demolished or removed by the County from time to time and the County shall not be required to construct or acquire any real property or structures in substitution or in replacement thereof if there shall be filed with the County Administrator and Trustee prior to such demolition or removal, a certificate, signed by the Chief Financial Officer and approved by the Airport Consultant, stating (i) that no Default has occurred and is continuing under this Resolution, or, if any Default then exists, that the same will be cured by action taken pursuant to this Section 713, and (ii) that the Net Revenues and Transfers for the Fiscal Year next succeeding that in which such demolition or removal occurs will be sufficient to enable the County to meet its obligations under Section 704(a) hereof.

The County shall deposit the proceeds resulting from any abandonment, sale or disposition of properties constituting the Airport System to any Account in the Construction Fund if the amount then on deposit therein is insufficient to pay the Costs of the Project or Additional Facilities, as the case may be, or to the Improvements Account if the amount on deposit therein is less than the Improvements Appropriation, as the County may direct. All proceeds remaining after such deposits shall be paid to the Trustee for deposit in the Redemption Account.

Section 714. Additional Facilities; Additions to the Airport System. All buildings, structures, and items of personal property that are constructed, placed or installed in or upon the properties constituting the Airport System as an addition or improvement to, as a substitute for, or in renewal, replacement or alteration of, any buildings, structures, and personal property constituting part of the Airport System, and all real property acquired as an addition to, in replacement of, or as a substitute for real property constituting a part of the Airport System shall thereupon become a part of the Airport System.

Other facilities not financed by the issuance of Bonds under this Resolution may be incorporated in and made a part of the Airport System upon satisfaction of the conditions set forth in Sections 717 and 719 hereof.

Section 715. Contracts, Leases and Other Agreements. Subject to the provisions of Section 604, the County may lease, as lessor, all or any part of the Airport System, or contract or

agree for the performance by others, of operations or services on or in connection with the Airport System or any part thereof, for any lawful purpose, provided, that

(a) each such lease, contract or agreement, or any amendment or rescission thereof, is not inconsistent with the provisions of this Resolution,

(b) the County shall remain fully obligated and responsible under this Resolution to the same extent as if such lease, contract or agreement, or any amendment or rescission thereof, had not been executed,

(c) the obligation of the County under such lease, contract or agreement shall be subordinate to the County's obligations under this Resolution, and

(d) if the amount payable to the County in the then current or any subsequent Fiscal Year under any such lease, contract or agreement or any amendment or rescission thereof, exceeds 5% of the Revenues for the preceding Fiscal Year, then the County shall expressly determine by resolution that it has given due consideration to the provisions of Section 704 hereof prior to the execution of such contract, lease, or agreement, and that such lease, contract or agreement, amendment or rescission thereof, does not materially adversely impair or diminish the rights or security of any Holder. The County shall not be prevented from making the determination required by this paragraph (d) notwithstanding that a particular contract, lease or agreement is not subject to revision except in accordance with its terms and is not subject to revision to comply with the provisions set forth in paragraphs (a) and (b) of Section 704.

Section 716. Airport Rate Agreements. (a) For the purpose of Section 706(c) of this Resolution, Airport Rate Agreements shall have meaning and be deemed in force and effect only if such Agreements: (i) are with air carriers whom the County has reason to believe are financially capable of fulfilling their obligations thereunder and that, during the most recent 12-month period for which information is available, represented not less than 60% of the enplaned passengers for all air carriers at the Airport System; (ii) provide that each air carrier a party thereto shall be obligated to pay charges without limit as to rate or amount, but that such charges may be subject to apportionment among such air carriers by the terms of such Airport Rate Agreements; and (iii) provide that those air carriers that are party to Airport Rate Agreements, collectively, are required to pay such amounts of moneys as will assure that the Revenues derived and Transfers made in each and every year will be sufficient for the County to meet its rate covenant as provided in Section 704 (a) and (b). The foregoing shall not in any way be construed to affect the validity of any adjustable rate agreement that the County may enter into with any air carrier for the use of the Airport System. The County shall perform all of the duties and obligations imposed upon it by the Airport Rate Agreements or similar agreements so as not to give the air carriers that are parties thereto any basis for terminating such Agreements, provided that the County's obligations thereunder are specifically subordinated to the County's obligations under this Resolution. The County shall not enter into or consent to any amendment or modification of any Airport Rate Agreement or similar agreement that does not meet the above-stated requirements or that would materially adversely affect the security of the Bondholders under this Resolution.

Section 717. Financing of Special Purpose Facilities. Nothing in this Resolution shall be construed as prohibiting the County from financing the acquisition or construction of any special purpose facilities permitted by law so long as the following conditions are satisfied:

(a) such special purpose facilities shall either be located on property that constitutes the Airport System and thereby made a part of the same or the documentation relating to the financing for such facilities shall provide that such facilities and the land upon which they are located will become incorporated into the Airport System upon defeasance of the obligations issued to finance the same,

(b) the debt obligations issued to finance the special purpose facilities are not directly or indirectly secured by or payable from Revenues but are secured by and payable from such other sources as are then permitted by the County Code,

(c) the County shall levy upon the user of such facilities charges sufficient to pay the principal of, and the premium, if any, and interest on obligations issued to finance the same,

(d) the County shall have delivered to the Trustee an opinion of General Counsel to the effect that the underlying obligations issued to finance such facilities are not, directly or indirectly, secured by or payable from Revenues or issued under or secured by the provisions of this Resolution and that the financing of such special purpose facilities will not conflict with or constitute on the part of the County a breach of or default under any of the covenants or provisions of this Resolution, and

(e) the County shall have delivered to the Trustee a statement, signed by the Airport Consultant, to the effect that in its opinion the acquisition or construction of such special purpose facilities will not materially reduce Revenues or impair the operating efficiency of the Airport System.

Section 718. Subordinated Debt. The County may incur and issue Subordinated Debt for any lawful airport or aviation-related purposes permitted by law, except for special purpose facilities described in Section 717 hereof, if the following conditions are met:

(a) the County shall adopt a resolution authorizing the issuance of any such Subordinated Debt and setting forth the amount and details thereof;

(b) the principal of, and the redemption premium, if any, and interest on any such Subordinated Debt is payable as a whole or in part solely from the proceeds of other Subordinated Debt, Additional Bonds, any money available therefor in the General Purposes Account, or from any other legally available source provided that such Subordinated Debt shall be payable from Additional Bonds only to the extent such indebtedness was issued for any purpose for which Additional Bonds may be issued under this Resolution; except for payments from the proceeds of Additional Bonds and the General Purposes Account, no money in any other Fund or Account created pursuant to the provisions of this Resolution shall be used to pay the principal of, or the interest or redemption premium, if any, on, any Subordinated Debt; and

(c) simultaneously with the delivery of and payment for any such Subordinated Debt there shall be filed with the Trustee a certificate of the Chief Financial Officer stating that no Default has occurred and is continuing under this Resolution or, if any Default then exists, that the proceeds of such Subordinated Debt will be applied to cure the same.

Section 719. Financing of Other Facilities. Nothing in this Resolution expressed or implied shall be construed as preventing the County, if then authorized or permitted by law, from financing the acquisition or construction at any portion of the Airport System or any other airport property hereafter acquired by the County, of any facility or project through the issuance of obligations that are not issued under or secured by any of the items constituting security for the Bonds under the provisions of this Resolution. Subject to Section 714 hereof, any such facility or project so financed or otherwise acquired by the County and not constituting a part of the Airport System may be added to the Airport System by resolution of the County provided that at the date of inclusion of such facility or project in the Airport System the County shall deliver to the Trustee:

(a) a certificate of the Chief Financial Officer stating that no Default has occurred and is continuing or, if any Default then exists, that action taken pursuant to this Section will cure the same, and

(b) a report of the Airport Consultant stating that based upon its knowledge and analysis of the financial performance and operations of the Airport System, nothing has come to its attention that would lead it to believe that for each of the five Fiscal Years following the inclusion of such facility or project in the Airport System the County would not be able to meet its obligations under Sections 503 and 704 of this Resolution.

Section 720. Employment of Accountant, Insurance Consultant, and Airport Consultant. For the purpose of causing to be performed and carried out the duties imposed on the Accountant under this Resolution, the County shall employ as the Accountant an independent certified public accountant or a firm of independent certified public accountants having a favorable repute for skill and experience in such work.

For the purpose of performing and carrying out the duties imposed upon an Insurance Consultant under this Resolution, the County shall from time to time employ an Insurance Consultant as defined in Section 101 hereof. A signed copy of any reports of any Insurance Consultant required hereby shall be filed with the County, and copies thereof shall be sent to the Trustee.

For the purpose of causing to be performed and carried out the duties imposed on the Airport Consultant under this Resolution, the County will employ one or more airport consultants having a favorable repute for skill and experience for such work. Except for any fees and expenses incurred under the provisions of Section 403 of this Resolution, the cost of employing the Airport Consultant shall be treated as a part of the cost of operation and maintenance of the Airport System.

The Accountant and the Airport Consultant shall at all times have free access to all properties constituting the Airport System for the purposes of inspection and examination, and the books, records and accounts of the County may be examined by the Accountant and the Airport Consultant at all reasonable times.

Section 721. Further Instruments and Actions. The County shall, from time to time, execute and deliver such further instruments or take such further actions as may be required to carry out the purposes of this Resolution.

Section 722. Use of Revenues and Inconsistent Actions. The County covenants and agrees that, so long as any of the Bonds secured hereby are Outstanding, none of the Revenues will be used for any purpose other than as provided in this Resolution, and that no contract or contracts will be entered into or any action taken by which the rights of Holders might be impaired or diminished.

Section 723. Passenger Facilities Charges. If then permitted by law, Passenger Facilities Charges may be pledged by resolution of the Board (a) to secure any Series of Bonds or Subordinated Debt issued hereunder, or (b) to secure any indebtedness incurred for Airport System purposes by the County but not under this Resolution.

ARTICLE VIII

REMEDIES

Section 801. Extension of Interest Payment. If the time for the payment of any coupon or the interest on any registered Bond without coupons is extended, whether or not such extension is by or with the consent of the County, such coupon or interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Resolution and in such case Holder of the Bond for which the time for payment of interest was intended shall be entitled only to the payment in full of the principal of all Bonds then Outstanding and of interest for which the time for payment shall not have been extended.

Section 802. 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 is not made when the same are due and payable, either at maturity or by redemption or otherwise;
- (b) payment of the interest on any of the Bonds is not made when the same is due and payable;
- (c) final judgment for the payment of money is rendered against the County as a result of the ownership, control or operation of the Airport System, and any such judgment is not discharged within sixty (60) days from the entry thereof or an appeal is not taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof;

(d) the County: (i) becomes insolvent or the subject of insolvency proceedings; or (ii) is unable, or admits in writing its inability, to pay its debts as they mature; or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or (iv) files a petition or other pleading seeking reorganization, composition, readjustment, or liquidation of assets, or requesting similar relief; or (v) applies to a court for the appointment of a receiver for it or for the whole or any part of the Airport System; or (vi) has a receiver or liquidator appointed for it or for the whole or any part of the Airport System (with or without the consent of the County) and such receiver is not discharged within 90 consecutive days after his appointment; or (vii) becomes the subject of an "order for relief" within the meaning of United States Bankruptcy Code; or (viii) files an answer to a creditor's petition admitting the material allegations thereof for liquidation, reorganization, readjustment or composition or to effect a plan or other arrangement with creditors or fail to have such petition dismissed within 60 consecutive days after the same is filed against the County;

(e) any court of competent jurisdiction assumes custody or control of the County or of the whole or any substantial part of its property under the provisions of any other law for the relief or aid of debtors, and such custody or control is not terminated within ninety (90) days from the date of assumption of such custody or control; and

(f) the County defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution, and such default continues for 30 days after receipt by the County of a written notice from the Trustee specifying such default and requesting that it be corrected, provided that if prior to the expiration of such 30-day period the County institutes action reasonably designed to cure such default, no "Event of Default" shall be deemed to have occurred upon the expiration of such 30-day period for so long as the County pursues such curative action with reasonable diligence.

Section 803. Acceleration of Maturities. Upon the happening and continuance of any Event of Default specified in Section 802 of this Article, then and in every such case the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall, by a notice in writing to the County, declare the principal of all of the Bonds then Outstanding (if not then due and payable) 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. If the conditions identified in clauses (a), (b), and (c) of this paragraph have been satisfied after the principal of and interest on the Bonds have been 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, then and in every such case the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of the Bonds not then due except by virtue of such declaration and then Outstanding shall, by written notice to the County, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon: (a) money sufficient to pay the principal of all matured Bonds and all arrears

of interest, if any, upon Bonds then Outstanding (except 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) has accumulated in the Interest Account, the Principal Account, and the Sinking Fund Account, (b) all amounts then payable by the County hereunder have been paid or a sum sufficient to pay the same has been deposited by the Chief Financial Officer with the Trustee or the Paying Agents, and (c) 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) has been remedied.

If pursuant to the provisions of this Resolution the obligation of the County to pay the Bonds is accelerated, the County shall pay to the Trustee forthwith but only from Net Revenues, an amount that is sufficient, together with all other funds available therefor, to pay such Bonds in full, and an amount that is sufficient, together with all other funds available therefor, to pay all other expenses of the Trustee incurred or to be incurred under this Resolution.

Section 804. Remedies. In addition to any remedies then available to the Trustee under this Resolution and under State and federal law, upon the occurrence of an Event of Default the Trustee may:

- (a) Require the County to endorse all checks and other negotiable instruments representing Net Revenues to the order of the Trustee immediately upon the receipt thereof and to deliver such endorsed instruments daily to the Trustee.
- (b) Notify any or all account debtors of the County to pay any amounts representing Net Revenues, when due and owing, directly to the Trustee, as Trustee, at the address set forth herein.
- (c) Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Holders under this Resolution, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Airport System and of the Net Revenues pending such proceedings, with such powers as the court making such appointments confers, whether or not the Net Revenues are deemed sufficient ultimately to satisfy the Bonds then Outstanding hereunder.
- (d) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due or to enforce observance or performance of any covenant, condition or agreement of the County under this Resolution.

Section 805. Enforcement of Remedies. Upon the happening and continuance of any Event of Default specified in Section 802 of this Article, then and in every such case the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall, proceed to protect and enforce the rights of the Holders under federal or State 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 legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights.

Section 806. Pro Rata Application of Funds. Anything in this Resolution to the contrary notwithstanding, if at any time the money in the Interest Account, the Principal Account, and the Sinking Fund Account is not sufficient to pay the interest on or the principal of the Bonds as the same become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 803 of this Article), such money, together with any money then available or thereafter becoming available for such purposes, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

first: if the principal of the Bonds has not have become due and payable, to the payment of all installments of interest then due, in the order of the maturity of the installments of such interest;

second: if the principal of less than all of the Bonds has become due and payable, first to the payment of all installments of interest then due on Bonds of which the principal is not overdue, in the order of the maturity of the installments thereof, and next to the payment of interest at the respective rates specified in the Bonds on overdue principal, and next to the payment of the principal of Bonds then due in order of their due dates;

third: if the principal of all Bonds has become due and payable by declaration, redemption or otherwise, first to the payment of all interest due on Bonds of which the principal is not overdue, and next to the payment of interest at the respective rates specified in the Bonds on overdue principal, and next to the payment of the principal of the Bonds in order of their due dates;

fourth: if the principal of all Bonds has become due and payable, and all of the Bonds have been fully paid, together with all interest and premium, if any, thereon, any surplus then remaining shall be applied as set forth in Section 515 hereof; and

fifth: if the principal of all Bonds has been declared due and payable and if such declaration thereafter has been rescinded and annulled under Section 803 of this Resolution, then, subject to the provisions of paragraph third of this section in the event that the principal of all Bonds later becomes due and payable or is declared due and payable, the money then remaining in and thereafter accruing to the Interest Account, the Principal Account, and the Sinking Fund Account shall be applied in accordance with the provisions of paragraph first or second of this Section, whichever is then applicable.

All payments to be made to the Holders pursuant to this Section shall be made ratably to the persons entitled thereto, without discrimination or preference, except that if there are insufficient funds to make any payment of interest or principal then due, the amount to be paid in respect of principal or interest, as the case may be, on each Bond shall be determined by multiplying the aggregate amount of the funds available for such payment by a fraction, the numerator of which is the amount then due as principal or interest, as the case may be, on each

Bond and the denominator of which is the aggregate amount due in respect of all interest or all principal, as the case may be, on all Bonds.

The provisions of this Section are in all respects subject to the provisions of Section 801 of this Article.

Whenever money is to be applied by the Trustee pursuant to the provisions of this Section: (a) such money shall be applied by the Trustee at such times and from time to time as the Trustee in its sole discretion shall determine, having due regard for the amount of such money available for such application and the likelihood of additional money becoming available for such application in the future, (b) the deposit of such money with the Paying Agents or otherwise setting aside such money as provided herein, in trust for the proper purpose shall constitute proper application by the Trustee, and (c) the Trustee shall incur no liability whatsoever to the County, to any Holder or to any other person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee exercises such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) 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 Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to the Holder of any Bond or coupon until such Bond is surrendered to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 807. Effect of Discontinuance of Proceedings. If any proceeding taken by the Trustee or Holders on account of any Event of Default is discontinued or abandoned for any reason, then and in every such case, the County, the Trustee and the Holders shall be restored to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

Section 808. Control of Proceedings by Holders. Anything in this Resolution to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of Bonds at any time Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall be in accordance with law and the provisions of this Resolution.

Section 809. Restrictions Upon Actions by Individual Holders. Except as provided in Section 814 of this Resolution, no Holder shall have any right to institute any suit, action or proceeding in equity or at law on any Bond or for the execution of any trust hereunder or for any other remedy hereunder unless such Holder previously shall (a) have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (b) have requested the Trustee to take action after the right to exercise such powers or right of action, as the case may be, shall have accrued, (c) have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceedings in its or their name, and (d) have offered to the Trustee reasonable

security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Resolution or to any other remedy hereunder. Notwithstanding the foregoing provisions of this Section and without complying therewith, the Holders of not less than 20% in aggregate principal amount of Bonds then Outstanding may institute any such suit, action or proceeding in their own names for the benefit of all Holders hereunder. It is understood and intended that, except as otherwise above provided, no one or more Holders shall have any right in any manner whatsoever 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 provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders and that any individual rights of action or other right given to one or more of such Holders by law are restricted by this Resolution to the rights and remedies herein provided.

Section 810. Enforcement of Rights of Action. All rights of action (including the right to file proof of claim) under this Resolution or under any Bonds may be enforced by the Trustee without the possession of any Bonds or the production thereof in any proceedings relating thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Holders, and any recovery of judgment shall be for the equal benefit of the Holders, subject to the provisions of Section 801 of this Resolution.

Section 811. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Holders 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 or now or hereafter existing at law or in equity.

Section 812. Delay Not a Waiver. No delay or omission by the Trustee or of any Holder in the exercise of 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 any acquiescence therein, and every power or remedy given by this Resolution to the Trustee and to the Holders may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the Holders of not less than a majority in principal amount of the Bonds then Outstanding shall, waive any Event of Default which in its opinion has been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Resolution or before the completion of the enforcement of any other remedies under this Resolution, but no such waiver shall extend to or affect any other existing or subsequent Event of Default or impair any rights or remedies consequent thereon.

Section 813. Notice of Default. The Trustee shall mail to all Holders of registered Bonds, at their addresses as they appear on the registration books maintained by the Trustee, and all Holders of Record requesting the same, written notice of the occurrence of any Event of Default within 30 days after the Trustee has notice of the same. However, the Trustee shall not

be subject to any liability to any Holder or Holder of Record by reason of its failure to mail any such notice.

Section 814. Right to Enforce Payment of Bonds Unimpaired. Nothing in this Article shall affect or impair the right of any Holder to enforce the payment of the principal of and interest on his Bonds or the obligation of the County to pay the principal of and interest on each Bond to the Holder thereof at the time and place specified in said Bond or the coupons appertaining thereto.

ARTICLE IX

THE TRUSTEE

Section 901. Acceptance of Trusts. The Trustee under this Resolution and Paying Agent for the initial Series of Project Bonds shall be designated in the Series Resolution for such Series. The Trustee shall signify its acceptance of the duties and obligations and agree to execute the trusts imposed upon it by this Resolution by executing the certificate of authentication endorsed upon the Bonds, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Resolution, to all of which the County, the Trustee and the respective Holders of the Bonds agree. Unless the Trustee has been given notice or otherwise has notice that an Event of Default has occurred and is continuing, the Trustee shall not be responsible except for the performance of those duties that are expressly set forth in this Resolution, and no implied covenant or duty shall be read into this Resolution against the Trustee; provided, however, that nothing herein shall relieve the Trustee from responsibility for its own negligence or willful misconduct.

If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers as are vested in it by this Resolution and shall use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

Section 902. Indemnification of Trustee as Condition for Remedial Action upon Direction of Holders. The Trustee shall be under no obligation to take any remedial proceeding under this Resolution upon direction of the Holders in accordance with Section 808 hereof until it is indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability, provided that the Trustee shall have no right to indemnification for any costs, expenses, outlays, counsel fees, or disbursements or against any liability resulting from any proceeding or action of the Trustee if the Trustee is determined to have acted negligently with respect to such proceeding or action. However, the Trustee may begin suit, or appear in and defend suit, or take any remedial proceedings under this Resolution, or take any steps in the execution of any of the trusts created hereby or in the enforcement of any rights and powers hereunder, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity and with or without the direction of Holders, and in such case the County, at the request of the Trustee, shall reimburse the Trustee from Revenues for all costs, expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the County fails to make such reimbursement, the Trustee

may reimburse itself from any money in its possession under the provisions of this Resolution and shall be entitled to a preference therefor over any Bonds Outstanding.

Section 903. Limitations on Obligations and Responsibilities of Trustee. The Trustee shall be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the County, or to report, make or file claims or proof of loss for any loss or damage that may occur, or to keep itself informed or advised as to the payment of any premiums or assessments, or to require any such payment to be made. The Trustee shall have no responsibility in respect of the validity or sufficiency of this Resolution or, except as to the authentication thereof, in respect of the validity of Bonds or the due execution or issuance thereof. The Trustee shall be under no obligation to see that any duties herein imposed upon the County, any consultant, any Paying Agent other than itself, any Depositary other than a Trustee Depositary, or any party other than itself are done or performed.

Section 904. Trustee Not Liable for Failure of County to Act. The Trustee shall not be liable or responsible for the failure of the County or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the County or for the loss of any money arising through the insolvency or the act or default or omission of any Depositary other than a Trustee Depositary in which such money is deposited under the provisions of this Resolution. The Trustee shall not be responsible for the application of any of the proceeds of Bonds or any other money deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer is made in accordance with the provisions of this Resolution. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

Section 905. Compensation of Trustee and Paying Agents. Subject to the provisions of any contract between the County and the Trustee or any Paying Agent relating to the compensation of the Trustee or such Paying Agent, the County shall pay to the Trustee or such Paying Agent from Revenues reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and the performance of its powers and duties hereunder. If the County fails to cause any payment required by this Section to be made, the Trustee or any Paying Agent may make such payment from any money in its possession under the provisions of this Resolution and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 906. Monthly Statements from Trustee. On or before the 15th day of each month the Trustee shall file with the County a statement setting forth in respect of the preceding calendar month:

- (a) the amount withdrawn or transferred by it from, and the amount deposited in or credited to, each Fund or Account held by it under the provisions of this Resolution,
- (b) the amount on deposit with it at the end of such month in each such Fund or Account,

(c) a brief description of all obligations held by it as an investment of money in each such Fund or Account and the investment income or loss that was charged to any Fund or Account in such month,

(d) the amount applied to the payment, purchase, or redemption of Bonds under the provisions of Article V of this Resolution and a description of the Bonds so paid, purchased, or redeemed, and

(e) any other information that the County may reasonably request.

All records and files pertaining to the Bonds and the Airport System in the custody of the Trustee shall be available at all reasonable times for inspection by the County, the Holders, and their agents and representatives.

Section 907. Trustee Protected in Relying on Certain Documents. The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith and in accordance with the terms of this Resolution, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document that it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Resolution, or upon the written opinion of any attorney, engineer or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Trustee shall not be under any obligation to see to the recording or filing of this Resolution or otherwise to the giving to any person of notice of the provisions hereof.

Except as otherwise provided in this Resolution, any request, notice, certificate or other instrument from the County to the Trustee shall be deemed to have been signed by the proper party or parties if signed by the Chief Financial Officer or any designee whose signature is on file with the Trustee.

Section 908. Notice of Default. Except upon the happening of any Event of Default specified in clauses (a) and (b) of Section 802 hereof or the reporting of the occurrence of an Event of Default pursuant to Section 707 hereof, the Trustee shall not be obliged to take notice or be deemed to have notice of any Event of Default under this Resolution unless specifically notified in writing of such Event of Default by the County or the Holders of not less than 20% in aggregate principal amount of Bonds then Outstanding.

Section 909. Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the Bonds (excluding the Trustee's certificate of authentication on the Bonds) shall be taken and construed as made by and on the part of the County and not by the Trustee, and the Trustee shall be under no responsibility for the correctness of the same.

Section 910. Trustee May Deal in Bonds. The bank or trust company acting as Trustee under this Resolution, and its directors, officers, employees or agents, may in good faith, to the extent permitted by applicable law, buy, sell, own, hold and deal in any of the Bonds and may

join in any action that any Holder of Bonds may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Resolution.

Section 911. Resignation and Removal of Trustee Subject to Appointment of Successor. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 915.

Section 912. Resignation of Trustee. The Trustee may resign and thereby become discharged from the trusts hereby created by notice in writing given to the County and published once in a Daily Newspaper of general circulation in Broward County, Florida, and in a Financial Journal or a Daily Newspaper of general circulation in the Borough of Manhattan, City and State of New York, not less than 60 days before such resignation is to take effect. Such resignation shall take effect immediately upon the appointment of a new Trustee hereunder if such new Trustee is appointed and accepts the trusts created hereby before the time limited by such notice.

Section 913. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, executed by the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding, filed with the County and the Trustee, and published once in a Daily Newspaper of general circulation in Broward County, Florida, and in a Financial Journal or a Daily Newspaper of general circulation in the Borough of Manhattan, City and State of New York, not less than 60 days before such removal is to take effect as stated in said instrument or instruments.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Resolution with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the County or the Holders of not less than 20% in aggregate principal amount of Bonds then Outstanding.

The Trustee may also be removed and succeeded in its duties hereunder by supplemental resolution of the Board pursuant to Section 1101 hereof.

Section 914. Appointment of Successor Trustee. If at any time hereafter the Trustee resigns, is removed, is dissolved or otherwise becomes incapable of acting, or the bank or trust company acting as Trustee is taken over by any governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee becomes vacant for any reason, the County shall appoint a Trustee to fill such vacancy. A successor Trustee shall not be required if the Trustee sells or assigns substantially all of its trust business and the vendee or assignee continues in the trust business, or if a transfer of the trust department of the Trustee is required by operation of law, provided that such vendee, assignee or transferee qualifies as a successor Trustee under this Section 914. The County shall publish notice of any such appointment made by it once each week for four successive weeks in a Daily Newspaper of general circulation in Broward County, Florida, and in a Financial Journal or a Daily Newspaper of general circulation in the Borough of Manhattan, City and State of New York.

At any time within one year after any vacancy in the office of the Trustee has occurred, the Holders of 20% in principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing, executed by such Holders and filed with the County, may appoint a successor Trustee, which shall supersede any Trustee theretofore appointed by the County. Photographic copies of each such instrument shall be delivered promptly by the County to the predecessor Trustee and to the Trustee so appointed by the Holders.

If no appointment of a successor Trustee is made pursuant to the foregoing provisions of this Section, any Holder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon appoint a successor Trustee.

Any successor Trustee hereafter appointed shall be a bank or trust company within the State that is in good standing and duly authorized to exercise corporate trust powers in the State, that is subject to examination by federal or State authority, and that has a combined capital, surplus and undivided profits aggregating not less than Fifty Million Dollars (\$50,000,000).

Section 915. Vesting of Duties in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the County, an instrument in writing accepting such appointment and the trusts created hereby and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor. Upon receipt of such instrument or upon receipt of a written request of the County and upon payment of the expenses, charges and other disbursements of such predecessor that are payable pursuant to the provisions of Sections 902 and 905 of this Article, such predecessor Trustee shall execute and deliver an instrument transferring to such successor Trustee rights, immunities and powers of such predecessor hereunder and shall deliver all property and money held by it hereunder to its successor. Should any instrument in writing from the County be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby and vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the County.

ARTICLE X

EXECUTION OF INSTRUMENTS BY HOLDERS, PROOF OF OWNERSHIP OF BONDS, AND DETERMINATION OF CONCURRENCE OF HOLDERS

Section 1001. Execution of Instruments by Holders. Any request, direction, consent or other instrument in writing required or permitted by this Resolution to be signed or executed by any Holders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Holders or their 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 Trustee and the County with regard to any action taken by either 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, by 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) The fact of the holding of coupon Bonds hereunder by any Holder and the amount and the number of such Bonds and the date of his holding of the same (unless such Bonds are registered) may be proved by the affidavit of the person claiming to be such Holder, if such affidavit is deemed by the Trustee to be satisfactory, or by a certificate executed by any trust company, bank, banker or any other depository, wherever situated, if such certificate is deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with or exhibited to such trust company, bank, banker or other depository the Bonds described in such certificate. The Trustee may conclusively assume that such ownership continues until written notice to the contrary is served upon it. The ownership of coupon Bonds registered as to principal and of registered Bonds without coupons shall be proved by the registration books kept under the provisions of Section 205 of this Resolution.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of any Holder shall bind every future Holder of the same Bond in respect of anything done by the Trustee in pursuance of such request or consent.

Notwithstanding any of the foregoing provisions of this Section, the Trustee shall not be required to recognize any person as a Holder or to take any action at his request unless such Bonds shall be deposited with it.

ARTICLE XI

SUPPLEMENTAL RESOLUTIONS

Section 1101. Supplemental Resolution Without Bondholder's Consent. The Board, from time to time and at any time and with the consent of the Trustee, may adopt such resolutions supplemental hereto as are consistent with the terms and provisions hereof (which supplemental resolutions shall thereafter form a part hereof) and do not adversely affect the interest of the Holders:

- (a) to cure any ambiguity or formal defect or omission or to correct or supplement any provision herein that may be consistent with any other provision herein, or
- (b) to grant to or confer upon the Trustee, for the benefit of the Holders, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders or the Trustee, or

(c) to add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution or other conditions, limitations and restrictions thereafter to be observed, provided that such conditions, limitations, and restrictions do not impair the security for the Outstanding Bonds,

(d) to add to the covenants and agreements of the County in this Resolution other covenants and agreements thereafter to be observed by the County or to surrender any right or power herein reserved to or conferred upon the County, provided that such covenants and agreements and the surrendering of any right or power do not impair the security for the Outstanding Bonds, or

(e) to comply with the provisions of Sections 208, 209, 210 and 211.

In addition to the foregoing, the County from time to time (i) with the consent of the Trustee, may adopt such resolutions supplemental hereto (which supplemental resolutions shall thereafter form a part hereof) that do not materially adversely affect the interests of the Holders in order to provide for or accommodate the issuance of Additional Bonds hereunder in the form of bonds with a variable, adjustable, convertible, periodic auction reset, or other similar interest rate structure under which the interest rate is not fixed in percentage at the date of issue for the entire term thereof, deferred interest rate bonds, capital appreciation bonds, zero coupon bonds, demand/put bonds, Taxable Bonds, bonds payable or denominated in a foreign currency, or similar types of indebtedness which shall permit the County to take advantage of changes or innovations in capital markets, including, without limitations, supplemental resolutions modifying the terms of Sections 209 to accommodate the issuance of Additional Bonds of such types or to accommodate the County realizing the savings associated with the ability of bond underwriters to structure Bonds so as to facilitate the creation of derivative products, and (ii) without the consent of the Trustee, may adopt such resolutions supplemental hereto (which supplemental resolutions shall thereafter form a part hereof) that do not materially adversely affect the interests of the Holders in order to permit the County to assume the function, duties and obligations of the Trustee and Paying Agent hereunder. No supplemental resolution adopted pursuant to the immediately preceding sentence shall become effective until there is delivered to the Trustee an opinion of Bond Counsel to the effect that the adoption of such a supplemental resolution shall not adversely affect the exclusion of interest from the gross income of the Holders of all Bonds (other than Taxable Bonds) then Outstanding for federal income tax purposes and confirmation from each of the Rating Agencies that the adoption of such Supplemental Resolution will not cause a reduction or withdrawal of any rating of such Rating Agency then assigned to any Bonds Outstanding hereunder. The delivery of such confirmation with respect to any supplemental resolution shall create a conclusive presumption that such supplemental resolution does not materially adversely affect the interests of the Holders of such Outstanding Bonds.

Section 1102. Supplemental Resolution with Bondholder's Consent. Subject to the terms and provisions contained in this Section, and not otherwise, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding that will be affected by a proposed supplemental resolution shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such resolution or resolutions supplemental hereto as are deemed necessary or

desirable by the County 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 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, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of Revenues other than the lien and pledge created by this Resolution, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (e) 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 Holders of the adoption of any supplemental resolution as authorized in Section 1101 of this Article.

If at any time the County determines that it is necessary or desirable to adopt any supplemental resolution for any of the purposes of this Section, the County Administrator shall cause notice of the proposed adoption of such supplemental resolution to be published once in each week for two successive weeks in a Daily Newspaper of general circulation in Broward County, Florida, and in a Financial Journal or a Daily Newspaper of general circulation in the Borough of Manhattan, City and State of New York, and, on or before the date of the first publication of such notice, it shall also cause a similar notice to be mailed, postage pre-paid, to all Holders of registered Bonds, at their addresses as they appear on the registration books maintained by the Trustee, and all Holders of Record. 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 County Administrator for inspection by all Holders. The County shall not, however, be subject to any liability to any Holder or Holder of Record 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.

Whenever, at any time within one year after the date of the first publication of such notice, the County delivers to the Chief Financial Officer an instrument or instruments in writing purporting to be executed by the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding that are affected by a proposed supplemental resolution, which instrument or instruments shall refer to the proposed supplemental resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Board may adopt such supplemental resolution in substantially such form, without liability or responsibility to any Holder whether or not such Holder shall have consented thereto.

If the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such supplemental resolution and that are affected by a proposed supplemental resolution have consented to and approved the adoption thereof as herein provided, no Holder shall have any right to object to the adoption of such supplemental resolution, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the adoption thereof, or to enjoin or restrain the Board from adopting the same or from taking any action pursuant to the provisions thereof.

For purposes of this Resolution, Bonds shall be deemed to be “affected” by a supplemental resolution if the same adversely affects or diminishes the rights of Holders against the County or the rights of the Holders in the security for such Bonds. The Trustee may in its discretion determine whether any Bonds would be affected by any supplemental resolution and any such determination shall be conclusive upon the Holders of all Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

Notwithstanding anything in the foregoing to the contrary, the consent of a Bond Insurer to a Supplemental Resolution shall be deemed to be consent of the Holders of the Bonds insured by the Insurance Policy issued by such Bond Insurer, so long as (i) such Bond Insurer continues to be rated in the highest rating classification by S&P or Moody’s; (ii) such Bond Insurer shall not be in default in the due and punctual performance of its payment obligations under the Bond Insurer’s Insurance Policy; (iii) such Insurance Policy remains enforceable and in full force and effect; or (iv) such Bond Insurer shall not have applied for or consented to the appointment of a receiver, custodian or trustee or liquidator of such Bond Insurer or of all or a substantial part of its assets, or have admitted in writing its inability, or be generally unable, to pay its debts as such debts become due, or have made a general assignment for the benefit of its creditors, or have commenced a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect) or have filed a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or have failed to convert in a timely and appropriate manner, or acquiesce in writing to, any other petition filed against such Bond Insurer in any involuntary case under said Federal Bankruptcy Code, or have taken any other action for the purpose of effecting the foregoing; or (v) if a proceeding or case shall be commenced without the application or consent of a Bond Insurer, in any court of competent jurisdiction seeking the liquidation reorganization, dissolution, winding up or composition or readjustment of debts of the Bond Insurer or the appointment of a trustee, receiver, custodian, or liquidator or the like of the Bond Insurer or of all or a substantial part of its assets, or similar relief with respect to a Bond Insurer under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and the Bond Insurer shall permit such proceeding or case to continue undismissed and an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed in effect for a period of sixty (60) days from the commencement of such proceedings or case, or any order for relief against the Bond Insurer shall be entered in an involuntary case under the Federal Bankruptcy Code.

Section 1103. Supplemental Resolutions Part of Resolution. Any supplemental resolution adopted in accordance with the provisions of this Article and approved as to legality by the General Counsel shall thereafter form a part of this Resolution, and this Resolution shall be and be deemed to be modified and amended in accordance therewith. Thereafter the respective rights, duties and obligations under this Resolution of the County, the Trustee, the Paying Agents, 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. If any supplemental resolution is adopted and approved Bonds issued thereafter may contain an express reference to such supplemental resolution, if deemed necessary or desirable by the County.

Section 1104. Series Resolution Not a Supplemental Resolution. For purposes of this Article XI, a Series Resolution that relates only to a particular Series of Bonds issued 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 1201. Cessation of Interest of Bondholders. When (a) the Bonds secured hereby have become due and payable in accordance with their terms or otherwise as provided in this Resolution, and (b) the whole amount of the principal and the interest and premium, if any, so due and payable upon all Bonds have been paid or if the Escrow Agent or the Escrow Agent and the Paying Agents hold money or Defeasance Obligations, or a combination of both, that are sufficient in the aggregate to pay the principal of, and the interest and redemption premium, if any, on all Bonds then Outstanding to the maturity date or dates of such Bonds or to the date or dates specified for the redemption thereof, and (c) if the Bonds are due and payable by reason of a call for redemption, irrevocable instructions to call the bonds for redemption shall have been given by the County to the Trustee, and (d) sufficient funds shall also have been provided or provision made for paying all other obligations payable hereunder by the County, then and in that case the right, title and interest of the Trustee and Bondholders in the Funds and Accounts created by this Resolution shall thereupon cease, determine and become void, the Board shall repeal and cancel this Resolution, and the Trustee shall apply any surplus in the Funds or Accounts, other than money held for the redemption or payment of Bonds or coupons, as provided in Section 515 hereof. Otherwise this Resolution shall be, continue and remain in full force an effect. Notwithstanding the foregoing, if money, Defeasance Obligations, or a combination of both, are deposited with and held by the Escrow Agent or the Escrow Agent and the Paying Agents, as hereinabove provided, and within 30 days after such money, Defeasance Obligations, or a combination of both have been deposited with such Escrow Agent, the County, in addition to observing the requirements of Article III of this Resolution, causes a notice signed by the Escrow Agent to be published once in a Daily Newspaper of general circulation published in Broward County, Florida, and in a Financial Journal or a Daily Newspaper of general circulation in the Borough of Manhattan, City and State of New York, setting forth (a) the date designated for the redemption of the Bonds, (b) a description of the money and Defeasance Obligations so held by such escrow agent, and (c) that this Resolution has been repealed and canceled in accordance with the provisions of this Section, the Escrow Agent and Paying Agents shall retain such rights, powers and privileges under this Resolution as may be necessary and convenient in respect of the Bonds for the payment of the principal, interest and any premium on which such money and/or Defeasance Obligations have been deposited.

All money and Defeasance Obligations held by the Escrow Agent or any Paying Agent pursuant to this Section shall be held in trust and applied to the payment, when due, of the Bonds and obligations payable therewith.

For purposes of this Article, Defeasance Obligations shall be deemed to be sufficient to pay or redeem bonds on a specified date if the principal of and the interest on such Defeasance

Obligations, when due, will be sufficient to pay on such date the principal of, and the premium, if any, and interest due on such Bonds on such date.

Section 1202. Defeasance of Convertible Lien Bonds. If, prior to the Conversion Date for a Series of Convertible Lien Bonds, the County desires to defease all or a portion of such Convertible Lien Bonds that are stated to mature on or after the Conversion Date, the defeasance of such Convertible Lien Bonds maturing on or after the Conversion Date (including, without limitation, the interest accruing thereon prior to the Conversion Date) shall be effected under the provisions of this Article XII as if such Convertible Lien Bonds were Outstanding Bonds under this Resolution.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1301. Effect of Covenants. All covenants, stipulations, obligations and agreements of the County contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the County and of the Board and of each department and agency of the County to the full extent authorized or permitted by law, and all such covenants, 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 is 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 County or upon the Board by the provisions of this Resolution shall be exercised or performed by the Board, or by such other officer, board, body or commission as may be required by law to exercise such powers or to perform such duties.

No covenant, 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 Board in his individual capacity, and neither the members of the Board 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 1302. 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 County, the Board or the Trustee 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:

- (a) As to the County and the County Administrator:

Broward County, Florida
County Courthouse
Fort Lauderdale, Florida 33301
Attention: County Administrator

- (b) As to the Board:

Board of County Commissioners
County Courthouse
201 S.E. Sixth Street
Fort Lauderdale, Florida 33301
Attention: Chairman

- (c) As to the Chief Financial Officer:

County Courthouse
201 S.E. Sixth Street
Fort Lauderdale, Florida 33301
Attention: Chief Financial Officer

- (d) As to the Aviation Director:

Fort Lauderdale/Hollywood International Airport
290 S.W. 41st Court
Fort Lauderdale, Florida 33315
Attention: Aviation Director

- (e) As to the Trustee at the address set forth in the Series Resolution for the initial Series of Project Bonds.

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telegram or telephone and shall be deemed to be properly given or made at the time of such transmission. Such transmission of notice shall be confirmed in writing not later than one business day following such transmission and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change.

All documents received by the Aviation Director, the Chief Financial Officer, the County Administrator, and the Board under the provisions of this Resolution, or photographic copies thereof, shall be retained in their possession, subject at all reasonable times to the inspection of the County, any Holder, and the agents and representatives thereof.

Section 1303. Successorship of Paying Agents. 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 becomes vacant for any reason, the Board, within 30 days thereafter, shall appoint a bank or trust company located in the same County as Paying Agent to fill such vacancy and shall publish notice of such appointment at the times and in the places as set forth in Section 914 hereof.

Section 1304. Successorship of County Officers. In the event that the office of any officer or official of the County who is vested with responsibility under this Resolution is abolished or any two or more offices are 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 or official becomes incapable of performing the duties of his office by reason of sickness, absence from the County or otherwise, all powers conferred and all obligations and duties imposed upon such officer or official shall be performed by the officer or official succeeding to the principal functions thereof or by the officer or official upon whom such powers, obligations and duties are imposed by law.

Section 1305. Substitute Publication. If, because of the temporary or permanent suspension of publication of any Daily Newspaper or Financial Journal or for any other reason the Chief Financial Officer is unable to publish in a Daily Newspaper or Financial Journal any notice required to be published by any provision of this Resolution, the County shall give such notice in such other manner as in its judgment most effectively approximates such publication, 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 thereof.

Section 1306. Inconsistent Resolutions. All resolutions and parts thereof that are inconsistent with any of the provisions of this Resolution are hereby declared to be inapplicable to the provisions of this Resolution.

Section 1307. Headings Not Part of Resolution. Any headings preceding the texts of the several Articles and Sections hereof, 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 or affect its meaning, construction or effect.

Section 1308. County and Bondholders Alone Have Rights Under Resolution. Except as otherwise expressly provided herein, nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the County, the Trustee, and the Holders of Bonds issued under and secured by this Resolution, any right, remedy or claim, legal or equitable, under or by reason of this Resolution. This Resolution is intended to be for the sole and exclusive benefit of the County, the Trustee, and the Holders.

Section 1309. Validation of Bonds. The proper officers of the County shall bring proper proceedings for the validation of the Bonds.

Section 1310. Effect of Partial Invalidity. If any one or more of the provisions of this Resolution or of any Bonds or coupons issued hereunder is held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of the Bonds or coupons, and this Resolution and the Bonds and coupons shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.

Section 1311. State Law Governs. The Bonds are issued and this Resolution is adopted with the intent that the laws of the State shall govern their construction.

Section 1312. Resolution Effective. This Resolution shall take effect immediately upon its adoption.

Adopted by the Board of County Commissioners of Broward County, Florida, this __ day of _____, 2012.

BROWARD COUNTY, FLORIDA

Mayor, Broward County, Florida

County Administrator and Ex-Officio
Clerk of the Board of County Commissioners

Approved as to form by Co-Bond Counsel
Squire Sanders (US) LLP and
Perry E. Thurston, Jr., P.A.

APPENDIX D-1

FORM OF AMENDED AND RESTATED BOND RESOLUTION REFLECTING PROPOSED AMENDMENTS REQUIRING 51% BONDHOLDER CONSENT

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COMPOSITE
OF
RESOLUTION NO. 2012-_____ADOPTED MAY _____, 2012

AMENDING AND RESTATING

RESOLUTION NO. 82-A-2 ADOPTED NOVEMBER 9, 1982,
AS AMENDED AND SUPPLEMENTED BY
RESOLUTION NO. 82-A-3 ADOPTED MARCH 11, 1983,
AND AS FURTHER AMENDED AND SUPPLEMENTED BY
RESOLUTION NO. 89-1126 ADOPTED APRIL 11, 1989,
RESOLUTION NO. 93-740 ADOPTED JULY 6, 1993,
RESOLUTION NO. 1998-1178 ADOPTED DECEMBER 1, 1998, ~~AND~~ AND
RESOLUTION NO. 2004-857 ADOPTED OCTOBER 5, 2004

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Exhibit A – Form of Bonds

RESOLUTION NO. 2012-

A RESOLUTION AMENDING AND RESTATING IN ITS ENTIRETY RESOLUTION NO. 82-A-2 ADOPTED ON NOVEMBER 9, 1982, AS PREVIOUSLY AMENDED AND SUPPLEMENTED, WHICH RESOLUTION WAS ENTITLED:

“A RESOLUTION AUTHORIZING THE ISSUANCE OF AIRPORT SYSTEM REVENUE BONDS OF BROWARD COUNTY, FLORIDA, INCLUDING AN INITIAL SERIES OF PROJECT BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$350,000,000, FOR THE PURPOSE OF FINANCING THE COST OF AIRPORTS AND AVIATION FACILITIES; PROVIDING FOR THE PAYMENT OF SUCH BONDS AND THE INTEREST THEREON FROM NET REVENUES DERIVED BY THE COUNTY FROM AIRPORT PROPERTIES; AND SETTING FORTH THE RIGHTS AND REMEDIES OF THE HOLDERS OF SUCH BONDS”

: AND PROVING FOR AN EFFECTIVE DATE

WHEREAS, Broward County, Florida (the “County”), owns and operates within the County public airports and aviation facilities known as the Fort Lauderdale-Hollywood International Airport and the North Perry Airport (collectively, together with such additions thereto as may be made from time to time by the County, the “Airport System”); and

WHEREAS, the County has determined that it is necessary to construct certain facilities and improvements to the Airport System; and

WHEREAS, under the authority granted by Article II of the Broward County Code, as amended, the County is authorized, among other things, to

(a) construct, acquire, establish, improve, extend, enlarge, reconstruct, equip, maintain, repair and operate any airports and aviation facilities as therein defined either within or without, the territorial boundaries of the County;

(b) fix, establish and collect rates, fees and charges for the services and facilities furnished by any airports or aviation facilities;

(c) issue revenue bonds payable from the revenues derived by the County from the ownership and operation of such airports and aviation facilities;

(d) pledge all or any part of the revenues arising from the operation of any airports and aviation facilities owned and operated by the County to the payment of the principal of and interest on bonds issued in connection with any such airports and aviation facilities, including reserves therefor, and to the payment of the cost of operation, maintenance, repair, improvement, extension and enlargement of such airports and aviation facilities from the operation of which such revenues are received; and

(e) make and enter into contracts and agreements and to do and perform all acts necessary and incidental to the performance of its duties and the exercise of its powers; and

WHEREAS, the County has determined to provide for the issuance of revenue bonds payable ~~solely~~ and secured from the Net Revenues ~~and, to the extent provided herein, other Available Revenues~~ derived ~~or received~~ by the County, to finance the costs of such airports and aviation facilities; ~~now, therefore,~~

WHEREAS, the Board of County Commissioners (the “Board”) of the County adopted Resolution No. 82-A-2 on November 9, 1982, as amended and supplemented by Resolution No. 82-A-3, adopted by the Board on March 11, 1983, and as further amended and supplemented by Resolution No. 89-1126, adopted by the Board on April 11, 1989, Resolution No. 93-740, adopted by the Board on July 6, 1993, Resolution No. 1998-1178, adopted by the Board on December 1, 1998 and Resolution No. 2004-857, adopted by the Board on October 5, 2004 (collectively, the “Existing ASR Bond Resolution” and, together with the amendments contained in this amended and restated resolution upon their effective date as set forth in Section 1312 hereof, the “Resolution”); and

WHEREAS, pursuant to the existing ASR Bond Resolution, the County has previously issued and has outstanding its (a) \$75,560,000 Airport System Revenue Refunding Bonds, Series E, dated July 15, 1998 (the “Series 1998E Bonds”), of which \$39,480,000 aggregate principal amount is currently Outstanding, (b) \$63,515,000 Airport System Revenue Bonds, Series G, dated December 15, 1998 (the “Series 1998G Bonds”), of which \$38,175,000 aggregate principal amount is currently Outstanding, (c) \$66,620,000 Passenger Facility Charge/Airport System Revenue Convertible Lien Bonds, Series 1998H-1, dated December 15, 1998 (the “Series 1998H-1 Bonds”), of which \$12,095,000 aggregate principal amount will be Outstanding after the Conversion Date (as defined herein), (d) \$60,050,000 Passenger Facility Charge/Airport System Revenue Convertible Lien Bonds, Series 1998H-2, dated December 15, 1998 (the “Series 1998H-2 Bonds” and, together with the Series 1998H-1 Bonds, the “Series 1998H Bonds”), all of which will be Outstanding after the Conversion Date, (e) \$41,855,000 Passenger Facility Charge/Airport System Revenue Convertible Lien Bonds, Series 2001I, dated June 1, 2001 (the “Series 2001I Bonds”), of which \$31,200,000 aggregate principal amount will be Outstanding after the Conversion Date, (f) \$135,970,000 Airport System Revenue Bonds, Series 2001J-1, dated June 1, 2001 (the “Series 2001J-1 Bonds”), of which \$132,165,000 aggregate principal amount is currently Outstanding, (g) \$149,185,000 Airport System Revenue Bonds, Taxable Series 2001J-2, dated June 1, 2001 (the “Series 2001J-2 Bonds” and, together with the Series 2001J-1 Bonds, the “Series 2001J Bonds”), of which \$109,295,000 aggregate principal amount is currently Outstanding, (h) \$142,015,000 Airport System Revenue Bonds, Series 2004L (the “Series 2004L Bonds”), of which \$111,080,000 aggregate principal amount is currently Outstanding and (i) \$101,140,000 Airport System Revenue Refunding Bonds, Series 2009O (the “Series 2009O Bonds”), of which \$97,125,000 aggregate principal amount is currently Outstanding (the Series 1998E Bonds, the Series 1998G Bonds, the Series 1998H Bonds maturing after the Conversion Date, the Series 2001I Bonds maturing after the Conversion Date, the Series 2001J Bonds, the Series 2004L Bonds and the Series 2009O Bonds, together with any Additional Bonds that may be issued and from time to time Outstanding pursuant to the Resolution, are hereinafter collectively referred to as the “Bonds”); and

WHEREAS, the County desires to amend the Existing ASR Bond Resolution as set forth in this amended and restated resolution; and

WHEREAS, the Existing ASR Bond Resolution allows for the amendment thereof (i) pursuant to Section 1101 for certain purposes without the consent of Bondholders, (ii) pursuant to Section 1102 for certain purposes with the consent of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding that will be affected by the proposed amendment and (iii) pursuant to Section 1102 for certain categories of amendments with the consent of the Holders of all the Bonds then Outstanding that will be affected by the proposed amendment; and

WHEREAS, the Existing ASR Bond Resolution provides that Convertible Lien Bonds shall be considered Outstanding thereunder for purposes of determining whether the requisite level of Bondholder consent has been obtained pursuant to Section 1102 thereof in connection with the proposed adoption of a supplemental resolution under Section 1102 prior to the Conversion Date, if such supplemental resolution would have a material adverse effect on the rights of the Holders of such Convertible Lien Bonds after the Conversion Date; and

WHEREAS, the County intends to issue its Airport System Revenue Refunding Bonds, Series 2012P (the "Series 2012P Bonds"), in one or more series, to refund a portion of the Bonds currently Outstanding (the Bonds to be refunded being hereinafter referred to as the "Refunded Bonds"); and

WHEREAS, in connection with the original marketing, sale and issuance of the Series 2012P Bonds, each investor in the Series 2012P Bonds will be required to (i) provide its express and irrevocable written consent, on behalf of itself and all successors in interest in such Series 2012P Bond, to the adoption of this amended and restated resolution and the amendments to the Existing ASR Bond Resolution set forth herein, and (ii) waive certain provisions of Section 1102 of the Existing ASR Bond Resolution; and

WHEREAS, upon the issuance of the Series 2012P Bonds and the concurrent refunding of the Refunded Bonds, the County expects that the Series 2012P Bonds will constitute at least fifty-one percent (51%) of all Bonds then Outstanding under the Resolution; and

WHEREAS, this amended and restated Resolution shall be deemed adopted and the amendments to the existing ASR Bond Resolution contained herein shall become effective as set forth in Section 1312 hereof;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA THAT:

ARTICLE I

DEFINITIONS

Section 101. **Meaning and Words and Terms.** In addition to words or 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:

"Accountant" means the certified public accountant or firm of certified public accountants employed by the County under the provisions of Section 720718 of this Resolution.

"Accreted Value" ~~shall mean~~ means, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Bond (the principal amount on the date of original issuance), plus the interest accrued on such Bond from the date of original issuance to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, compounded periodically at the times provided for in the Series Resolution authorizing the issuance of such Bonds, and if such date of computation is not an Interest Payment Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of original issuance if such date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues during any period in equal daily amounts on the basis of a year of twelve 30-day months.

"Additional Bonds" means the bonds, notes and other evidence of indebtedness of the County authorized to be issued under Sections 209, 210, and 211 of this Resolution.

"Additional Facilities" means (a) any airports and aviation facilities ~~that which have been or which are not a part of to be added to~~ the Airport System ~~as of the date of this Resolution~~, including all land, buildings, structures, equipment and appurtenances constituting a part thereof, (b) all enlargements of and improvements and additions to any existing or future buildings and structures that constitute the Airport System, and (c) all renewals and replacements of any of the foregoing, which airports, aviation facilities, enlargements, improvements, additions, renewals and replacements are financed as a whole or in part through the issuance of Additional Bonds or with money held in the Aviation Fund.

"Additional Facilities Account" means the account in the Construction Fund created and so designated by Section 401 of this Resolution.

"Airport Consultant" means any engineer, engineering firm, firm of certified public accountants, airport consulting firm or corporation, or other qualified person, firm or corporation of favorable repute for skill and experience in performing the duties for which it is employed by the County under Section 720718 of this Resolution.

~~"Airport Rate Agreements" means the adjustable rate agreements, if any, that are described in Section 716 hereof and in effect from time to time between the County and some or all of the air carriers using or proposing to use the Airport System.~~

“Airport System” means the real property and airport and aviation facilities constituting the existing Fort Lauderdale-Hollywood International Airport and the North Perry Airport, the Project, any Additional Facilities, and any airports and aviation facilities added to the Airport System pursuant to this Resolution.

“Annual Budget” means the budget adopted or in effect for each Fiscal Year as provided in Section 705 of this Resolution.

“Appreciated Value” ~~shall mean~~ means (i) as of any date of computation with respect to any Capital Appreciation and Income Bond up to the Interest Commencement Date set forth in the Series Resolution for such Bond or the resolution awarding the same, an amount equal to the principal amount of such Bond (the principal amount on the date of original issuance) plus the interest accrued on such Bond from the date of original issuance of such Bond to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, such increased value to accrue at the stated rate per annum of such Bond computed on the Interest Payment Dates of such year, plus, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Appreciated Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Interest Payment Date calculated based upon ~~at the~~ assumption that Appreciated Value accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months, and (ii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

“Available Grant Account” has the meaning set forth in Section 518.

“Available Grant Revenues” means, for any period of time, the amount of Grant Funds specified in a Series Resolution or other resolution duly adopted by the Board pursuant to Section 518.

“Available PFC Account” has the meaning set forth in Section 518.

“Available PFC Revenues” means, for any period of time, the amount of Passenger Facilities Charges specified in a Series Resolution or other resolution duly adopted by the Board pursuant to Section 518.

“Available Revenues” means for any period of time, (i) the amount of Available Grant Revenues and Available PFC Revenues to be received by the County during such period and (ii) the amount of any other future income or revenue source not then included in the definition of “Revenue” contained in Article I of this Resolution and which the County designates as an “Additional Revenue” in a future Series Resolution or other resolution duly adopted by the Board; provided, however that any such Series Resolution or other resolution adopted by the Board shall also establish a corresponding account and other functional provisions for the receipt, deposit and application of such source of income or revenue substantially similar to what is currently provided in Section 518 for Available Grant Revenues and Available PFC Revenues.

“Aviation Director” means the Director or an Assistant Director of the Aviation Department of the County, the officer succeeding to his/her principal functions, or such other individual who from time to time is designated in writing by the County Administrator to perform the duties of the Director or Assistant Director of the Aviation Department.

“Aviation Fund” means the fund created and designated the Broward County Aviation Fund by Section 501 of this Resolution.

“Balloon Bonds” means, with respect to any Series of Bonds (other than Bonds or other obligations issued as part of a Commercial Paper Program), those Bonds of such Series which (i) mature on the same date or within a 12-month period (with Sinking Fund Requirements on Term Obligations deemed to be payments of matured principal) and which on the date of original issuance constitute at least 25% of the principal amount of the Bonds of such Series and (ii) are expressly designated as “Balloon Bonds” in the Series Resolution providing for the issuance of such Series of Bonds. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such indebtedness which is required, by the applicable Series Resolution, to be amortized by prepayment or redemption prior to its stated maturity date.

“Board” means the Board of County Commissioners of Broward County, Florida, or any successor board or body in which the power to govern the Airport System is vested.

“Bond” or “Bonds” means the Project Bonds and any Additional Bonds.

“Bond Counsel” means nationally recognized counsel experienced in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions appointed by the General Counsel and approved by the Board.

“Bond Fund” means the fund created and designated the Broward County Airport Bond Fund by Section 501 of this Resolution.

“Bond Registrar” means a bank or trust company either within or without the State of Florida that is designated as such by the Board, ~~such~~ Such bank or trust company ~~being~~ may be the same bank or trust company designated to act as Trustee.

“Bondholder” or “Holder” means the holder or registered owner of any Bond Outstanding.

“Capital Appreciation Bonds” ~~shall mean~~ means any Bond or Bonds of a Series issued under this Resolution as to which interest is compounded periodically on the Interest Payment Dates designated for compounding in the Series Resolution for such Bonds and payable in an amount equal to the then current Accreted Value to the date of maturity or redemption prior to maturity as designated in such Series Resolution or award resolution and which may be either Serial Bonds or Term Bonds.

“Capital Appreciation and Income Bonds” ~~shall mean~~ means any Bond or Bonds of a Series issued under this Resolution as to which accruing interest is not payable prior to the Interest Commencement Date specified in the Series Resolution for such Bonds or the resolution

awarding the same and the Appreciated Value for such Bonds is compounded periodically on the Interest Payment Dates on or prior to the Interest Commencement Date for such Capital Appreciation and Income Bonds and which may be either Serial Bonds or Term Bonds.

“Capital Funds Budget” for any Fiscal Year means the amount estimated by the County to be necessary for the extension, improvement, enlargement, renewal, or replacement of the Airport System, whether the same are to be commenced, continued, or completed during such Fiscal Year or thereafter.

“Chairman” means the Chairman of the Board or the officer succeeding to his principal functions.

“Capitalized Interest” means the amount of interest on a Series of Bonds, if any, funded from the proceeds of such or another Series of Bonds or other monies that are deposited with the Trustee in the Bond Fund or the Construction Fund as shall be described or provided for in the corresponding Series Resolution for the Series of Bonds a portion of the proceeds of which are to be used to pay interest on such or another Series of Bonds.

“Chief Financial Officer” means the Chief Financial Officer of the County or the officer succeeding to his or her principal functions.

“Code” ~~shall mean~~ means the Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations promulgated thereunder and under the Internal Revenue Code of 1954, as amended.

“Commercial Paper Program” means a program of short-term obligations having the characteristics of commercial paper in that such obligations have a stated maturity not later than 270 days from their date of issue and that the principal of maturing obligations of such program are expected to be paid with the proceeds of renewal short-term obligations.

“Completion Date” means the date of acquisition or completion of the Project, or of any Additional Facilities, or of any segment of either of the foregoing, as the case may be, as certified by the County pursuant to Section 407 of this Resolution.

“Construction Fund” means the fund created and designated the Broward County Airport Construction Fund by Section 401 of this Resolution.

“Conversion Date” means, with respect to any Series of Convertible Lien Bonds, such date as is specified in the Series Resolution authorizing such Series of Convertible Lien Bonds as the Conversion Date therefor; provided, however, that in no event may the Conversion Date for any Series of Convertible Lien Bonds be prior to October 2, 2012 unless, (i) if any ~~Airport Rate Agreement~~ airport-airline lease and use agreement is to be in effect on the proposed earlier Conversion Date, the County shall have delivered to both the Trustee hereunder and the trustee under the PFC Bond Resolution, (a) the written consent to such earlier Conversion Date of the majority in interest airlines which are signatories to such ~~Airport Rate Agreements~~ airport-airline lease and use agreement, (b) a certificate or certificates evidencing that as of the proposed earlier Conversion Date, the historical and projected additional bonds tests contained in Section 209 hereof shall be satisfied as if the applicable Convertible Lien Bonds were being issued as

Additional Bonds under Section 209 hereof on such earlier Conversion Date, (c) the written consent to such earlier Conversion Date of each Credit Enhancer which has in effect a Credit Enhancement Device with respect to any Bonds to be Outstanding hereunder as of the proposed earlier Conversion Date (provided that such Credit Enhancer is not in default under its Credit Enhancement Device) and (d) in the event that there are any Bonds Outstanding hereunder which are not secured by a Credit Enhancement Device, a letter from each Rating Agency that then has a County requested rating in effect with respect to such unenhanced Bonds, to the effect that the acceleration of the Conversion Date will not, in and of itself, cause such Rating Agency to reduce or withdraw its rating on such unenhanced Bonds; and (ii) if no ~~Airport Rate Agreement~~ airport-airline lease and use agreement is to be in effect on the proposed earlier Conversion Date, the County shall have delivered to both the Trustee hereunder and the trustee under the PFC Bond Resolution the items described in clauses (i)(b) and (i)(c) hereof and, if applicable, the item described in clause (i)(d) hereof.

“Convertible Bonds” ~~shall mean~~ means Bonds issued under this Resolution which are convertible, at the option of the County, into a form of Bonds which are permitted by this Resolution other than the form of such Bonds at the time they were issued.

“Convertible Lien Bonds” means any one or more Series of Bonds, (i) issued under the PFC Bond Resolution and which, pursuant to a Series Resolution adopted hereunder by the Board on or prior to the date of original issuance of such Series of Bonds, is also authorized as a Series of Additional Bonds under this Resolution, (ii) which shall have a stated Conversion Date therefor in the Series Resolution adopted hereunder and in the corresponding series resolution authorizing such Series of Bonds under the PFC Bond Resolution and (iii) which, (a) with respect to the Bonds of such Series that mature prior to the Conversion Date therefor, shall be solely payable from and secured by the sources pledged under the PFC Bond Resolution and, (b) with respect to the Bonds of such Series that mature on or after the Conversion Date therefor, shall be solely payable from and secured by the sources pledged under this Resolution; provided that the interest accruing on such Bonds prior to the Conversion Date shall be payable from the sources pledged under the PFC Bond Resolution.

“Cost,” as applied to the Project or to any Additional Facilities financed with Bonds, means, without intending thereby to limit or restrict any proper definition of such word under the County Code, all items of cost set forth in Section 403 of this Resolution.

“Counterparty” means a financial institution whose senior long-term debt obligations, or whose obligations under any Interest Rate Swap are (a) guaranteed by a financial institution, or subsidiary of a financial institution, whose senior long-term debt obligations, are rated in one of the three highest Rating Categories by the Rating Agencies or (b) fully secured by obligations described in clause I or II of the definition of “Investment Obligations” which are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 105% to the principal amount of the investment, together with the interest accrued and unpaid thereon, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first lien on behalf of the Trustee, and (iv) free and clear from all third-party liens.

“County” means Broward County, Florida, a political subdivision of the State.

“County Administrator” means the County Administrator and ex-officio Clerk of the Board, his or her designee, or any other person succeeding to his principal functions.

“County Code” means the Code of Ordinances of Broward County as the same may be amended from time to time.

“Credit Enhancement Device” means, with respect to any Series of Bonds a municipal bond new issue insurance policy, letter of credit, surety bond or other credit facility issued by a Credit Enhancer to insure or secure the payment, when due, of the principal of and interest on such Series of Bonds.

“Credit Enhancer” means, with respect to any Series of Bonds, the issuer of a municipal bond insurance policy, letter of credit, surety bond or other credit facility insuring or securing the payment, when due, of the principal of and interest on such Series of Bonds.

“Current Expenses” means the County’s current expenses for the operation, maintenance and repair of the Airport System as determined in accordance with generally accepted accounting principles, including, without limiting the generality of the foregoing, all ordinary and usual expenses of operation, maintenance and repair, administrative expenses, salaries, payments to any retirement plan or plans properly chargeable to the Airport System, insurance expenses, engineering expenses relating to the operation, maintenance, or repair of the Airport System, taxes imposed by any governmental authority on the Airport System or its operations, fees and expenses of the Trustee and the Paying Agents, legal expenses, fees of consultants and any other expenses required to be paid by the County under this Resolution (including, without limitation, a Series Resolution) or by law, ~~but Current Expenses shall not include any reserves for extraordinary replacements or repairs, any allowance for amortization, depreciation, any or obsolescence of the Airport System, any extraordinary items arising from the early extinguishment of debt, charges for the payment of principal, payment, redemption price, purchase price, interest or other payments on any Bonds or Subordinated Debt or in respect of capital leases or Subordinated Debt, or, any costs, or charges made therefor, for capital additions, replacements, betterments, extensions or improvements to the Airport System which under generally accepted accounting principles are properly chargeable to a capital account or a reserve for depreciation, any losses from the sale, abandonment, reclassification, revaluation or other disposition of any Airport System properties, any deposits to any Fund or Account created under this Resolution or any loss resulting from changes in valuation of any Interest Rate Swap.~~

For purposes of testing compliance with the rate covenant described in Section 704 and the limitations on the issuance of Additional Bonds contained in Section 209 or Section 211, Current Expenses will be calculated based upon generally accepted accounting principles, except that such calculation will include and exclude those items specifically included or excluded above.

“Current Interest Bonds” ~~shall mean~~ means Bonds the interest on which is periodically payable to the Bondholder on the Interest Payment Dates with respect to the Bonds rather than only at the maturity or redemption thereof.

“Currently Outstanding Insured Bonds” means the Series 1998E Bonds, the Series 1998G Bonds, the Series 1998H Bonds, the Series 2001I Bonds, the Series 2001J Bonds and the Series 2004L Bonds, but with respect to each such Series of Bonds only while any portion of such Series of Bonds remains Outstanding.

“Daily Newspaper” means a newspaper regularly published in the English language on at least five days in each calendar week.

“Default” means any Event of Default and any event that, after notice or lapse of time or both, would become an Event of Default.

“Defeasance Obligations” means ~~(iii) Government~~ (i) obligations described in clause I. or II. of the definition of “Investment Obligations” in this Section 101, and (ii) obligations of states or political subdivisions thereon or thereof or U.S. territories rated in the highest full rating category Rating Category by the Rating Agencies which are not redeemable prior to the maturity thereof and that are fully secured by and payable solely from Government Obligations held pursuant to an escrow agreement satisfactory to the Trustee.

“Depository” means any bank or trust company duly authorized by law to engage in the banking business and selected by the County as a depository of money under this Resolution.

“Eminent Domain” means the eminent domain or condemnation power by which all or any part of the Airport System may be taken for another public use or any agreement that is reached in lieu of proceedings to exercise such power.

“Escrow Agent” ~~shall mean~~ means a bank or trust company, either within or without the State of Florida, designated as Escrow Agent in the Escrow Deposit Agreement, and performing such functions as are required by such Agreement.

“Escrow Deposit Agreement” ~~shall mean~~ means any agreement between the County and an Escrow Agent providing for the application of Bond proceeds and other available funds of the County to the payment and redemption of Outstanding Bonds.

“Event of Bankruptcy” means any of the following with respect to any Person: (a) the commencement by such Person of a voluntary case under the Federal Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency or similar laws; (b) failure by such Person to timely controvert the filing of a petition with a court having jurisdiction over such Person to commence, or an order for relief being entered in, an involuntary case against such Person under the Federal Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency or similar laws; (c) such Person shall admit in writing its inability to pay its debts generally as they become due; (d) a receiver, conservator, trustee, custodian, liquidator or similar official of such Person or such Person’s assets shall be appointed; (e) an assignment for the benefit of creditors shall be made by such Person; or (f) the entry by such Person into an agreement of composition with its creditors.

“Event of Default” means each of those events of default set forth in Section 802 of this Resolution.

“Federal Bankruptcy Code” means Title 11 of the United States Code, as the same may be amended and supplemented, and any successor statute.

“Financial Journal” means a financial news journal regularly published in the English language on at least five days in each week and distributed in the Borough of Manhattan, City and State of New York.

“Fiscal Year” means the period commencing on the first day of October in any year and ending on the last day in September of the following year, unless the Trustee is notified in writing by the County of a change in such period, in which case the Fiscal Year shall be the 12-month period set forth in such notice.

“General Counsel” means the County Attorney, Deputy County Attorney or any Assistant County Attorney of the County.

“General Purposes Account” means the account in the Aviation Fund created and so designated by Section 501 of this Resolution.

“Government Obligations” means direct obligations (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) of, or obligations the payment of the principal of and the interest on which is unconditionally guaranteed by, the United States of America.

“Grant Funds” means grants (including interest earnings thereon) to be provided to the County by the United States or the State pursuant to a written commitment in connection with Airport System facilities or projects, and which grants are permitted by the terms thereof to be used for the payment of Bonds or Subordinated Debt.

“Holder of Record” means any owner of one or more Bonds who shall have filed with the County, in accordance with procedures established thereby, a written request setting forth his name and address and the particular reports, notices and other documents that he desires and is entitled to receive under this Resolution.

“Improvements Account” means the account in the Aviation Fund created and so designated by Section 501 of this Resolution.

“Improvements Appropriation” for any Fiscal Year means that amount designated in the Capital Funds Budget for such Fiscal Year for the extension, improvement, enlargement, renewal, or replacement of the Airport System.

“Insurance and Condemnation Award Account” means the account in the Bond Fund created and so designated by Section 501 of this Resolution.

“Insurance Consultant” means a person or a firm of persons of favorable repute in the State for skill and experience in dealing with the insurance requirements of enterprises similar to the Airport System and in performing the duties to be imposed upon it by this Resolution.

“Interest Account” means the account in the Bond Fund created and so designated by Section 501 of this Resolution.

“Interest Commencement Date” ~~shall mean~~ means with respect to any Capital Appreciation and Income Bonds, the date specified in the Series Resolution for such Bonds or the resolution awarding the same (which date must be prior to the maturity date of such Bonds) after which interest accruing on such Bonds shall be payable semi-annually with the first such payment date being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

“Interest Payment Date” means April 1 or October 1, as the case may be, or such other date or dates as are specified as Interest Payment Dates for a particular Series of Bonds in the corresponding Series Resolution.

“Interest Rate Swap” shall mean an agreement in writing by and between the County and another entity (the “Counterparty”) pursuant to which (i) the County agrees to pay to the Counterparty an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest payable on the debt of the Counterparty specified in such agreement in the period specified in such agreement and (ii) the Counterparty agrees to pay to the County an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest payable on all or a portion of a Series of Bonds or Subordinated Debt specified in such agreement in the period specified in such agreement. The written agreement in the period specified in the preceding sentence shall provide (a) for either one time payment by both parties or for periodic payments by both parties, but not one time payment by one party and periodic payments by the other party, and (b) for immediate termination of such agreement for non payment by the Counterparty. The senior unsecured debt of such Counterparty shall be rated in one of the three highest rating categories without regard to gradations within such categories by the Rating Agencies. No such agreement shall be entered into between the County and a Counterparty unless and until the Rating Agencies have been provided with a copy of such proposed agreement for their review and any Credit Enhancer has consented thereto.

“Interest Rate Swap” means any contract, agreement or arrangement between the County and a Counterparty relating to the Airport System (a) providing for payments based on levels of, or changes in, interest rates or other indices, (b) providing for the exchange of cash flows or a series of payments, or (c) providing for the hedge of payment, rate spread or similar exposure, including but not limited to interest rate exposure. The term “Interest Rate Swap” includes any interest rate swap agreement, a forward purchase contract, any contract providing for payments based on levels of, or changes in, interest rates or other indices, any contract to exchange cash flows or a series of payments, or any contract, including, without limitation, an interest rate floor or cap, or an option, put or call, to hedge payment, rate, spread or similar exposure.

“Interim Bonds or Notes” ~~shall mean~~ means bonds or notes issued by the County with a final maturity not longer than 60 months (or longer period if then so permitted by the provisions of State law relating to the issuance of bond anticipation notes by counties) in anticipation of the refinancing thereof from all or a portion of the proceeds of a Series of Bonds issued under this Resolution.

“Investment Obligations” means, except as may be provided with respect to a particular Series of Bonds in the corresponding Series Resolution, ~~means but only to the extent from time to time permitted by law and the code of ordinances of the County Code (including, without limitation, the County’s investment policy, as the same may be amended from time to time, contained within the County’s administrative code), as amended from time to time:~~

- I. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.
- II. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):
 - U.S. Export - Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
 - Farmers Home Administration (FmHA)
Certificates of beneficial ownership
 - Federal Financing Bank
 - Federal Housing Administration Debentures (FHA)
 - General Services Administration
Participation certificates
 - Government National Mortgage Association (GNMA or “Ginnie Mae”)
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations
 - U.S. Maritime Administration
Guaranteed Title XI financing
 - U.S. Department of Housing and Urban Development (HUD)
 - Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

- III. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

- Federal Home Loan Bank System
Senior debt obligations
- Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”)
Participation Certificates
Senior debt obligations
- Federal National Mortgage Association (FNMA or “Fannie Mae”)
Mortgage-backed securities and senior debt obligations
- Student Loan Marketing Association (SLMA or “Sallie Mae”)
Senior debt obligations
- Resolution Funding Corp. (REFCORP) obligations
- Farm Credit System
Consolidated systemwide bonds and notes

- IV. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard and Poor’s of AAAM-G; AAAM; or AAM and having a rating by Moody’s Investors Service in the highest category assigned by such agency.
- V. Certificates of deposit secured at all times by collateral described in (I) and/or (II) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks which are rated at least A by Moody’s Investors Service. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.
- VI. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC.
- VII. Investment Agreements, including guaranteed investment contracts; ~~provided, however, that in the case of the Currently Outstanding Insured Bonds, the Investment Agreement must be acceptable to each the Credit Facility provider~~ Enhancer which then

has a Credit Facility Enhancement Device outstanding with respect to the applicable Series of Bonds.

- VIII. Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's Investors Service and "A1" or better by Standard and Poor's.
- IX. Bonds or notes issued by any state or municipality which are rated by Moody's Investors Service and Standard and Poor's in one of the two highest rating categories assigned by such agencies.
- X. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's Investors Service and "A-1" or "A" or better by Standard and Poor's.
- XI. Repurchase agreements providing for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

Repurchase Agreements must satisfy the following criteria (or, in the case of the Currently Outstanding Insured Bonds be approved by the Credit Facility provider Enhancer which then has a Credit Facility Enhancement Device outstanding with respect to the applicable Series of Bonds-):

- Repurchase agreements must be between the municipal entity and a domestic bank or securities firm
 - a. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's and Moody's Investor Services, or
 - b. Banks rated "A" or above by Standard & Poor's and Moody's Investor Services.
- The written repurchase agreement contract must include the following:
 - a. Securities which are acceptable for transfer are:
 - (1) Direct U.S. governments, or

- (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)

- b. The term of the repurchase agreement may be up to 30 days
- c. The collateral must be delivered to the municipal entity, before/simultaneously with payment (perfection by possession of certificated securities).
- d. Valuation of Collateral
 - (1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest
 - (a) The value of collateral must be equal to 104% or the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repurchase agreements plus accrued interest if the value of securities held as collateral slips below 104% of the value of the cash transferred by the municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

"Issuing Instrument" means, with respect to any obligations other than Bonds (Bonds shall be issued pursuant to a Series Resolution), the indenture, trust agreement, loan agreement, lease, installment purchase agreement, revolving credit agreement, or other instrument or agreement pursuant to which such obligations are issued or incurred.

"Liquidity Facility" shall mean means a letter of credit, policy of municipal bond insurance, guaranty, purchase agreement or similar facility in which the entity providing such facility agrees to provide funds to pay the purchase price of Optional Tender Bonds upon their tender by the Holders of Optional Tender Bonds or the purchase price of Bonds subject by their terms to mandatory tender, provided that such entity is at the time of providing it issues and delivers such facility of sufficient credit quality to entitle debt backed by its Liquidity Facility to be rated in one of the two highest rating category (without regard to Rating Categories by any graduations within such category) by of the Rating Agencies.

"Mayor" means the Mayor of the County or the officer succeeding to his or her principal functions.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Municipal Obligations" means: (a) obligations of states or political subdivisions thereof or U.S. territories, whether or not the interest thereon is excluded from gross income for federal income tax purposes, which obligations may or may not subject the holders thereof to the alternative minimum tax pursuant to Part VI of Subchapter A of Chapter 1 of the Code, and which are rated in any of the two highest ~~full rating categories~~ Rating Categories by Moody's or S&P, or (b) stock of a qualified regulated investment company within the meaning of paragraph (a)(2) of Internal Revenue Service Advance Notice 87-22, released February 24, 1987, or any related or updated notice, release or regulation, which stock is rated in any of the two highest full rating categories by the ~~Rating Agencies~~ Moody's or S&P.

"Net Payments" means, with respect to an Interest Rate Swap, the amount payable by the County on each scheduled payment date under such Interest Rate Swap net of the amount payable by the Counterparty under such Interest Rate Swap on such scheduled payment date. Under no circumstances shall Net Payments include Termination Payments.

"Net Proceeds" means the gross proceeds derived from insurance or as an award arising from Eminent Domain, less payment of attorneys' fees and expenses properly incurred in the collection of gross proceeds.

"Net Revenues" means the excess of Revenues over Current Expenses.

"Operations and Maintenance Requirement" means, as of the date of determination, 1/66th of the amount shown by the Annual Budget as Current Expenses for the then current Fiscal Year.

"Optional Tender Bonds" ~~shall mean~~ means the portion of a Series of Bonds issued under this Resolution, a feature of which is an option on the part of the Holders of such Bonds to tender such Bonds to the County, a trustee or other fiduciary for such Holders for payment or purchase prior to stated maturity.

"Original Resolution" means Resolution No. 82-A-2 adopted by the Board on November 9, 1982, as amended and supplemented by Resolution No. 82-A-3 adopted by the Board on March 11, 1983.

"Outstanding" when used with reference to Bonds means, as of a particular date, all Bonds theretofore issued under this Resolution except:

(i) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Bonds for the payment of which money, Defeasance Obligations, or a combination of both, in an amount sufficient to pay on the date when such Bonds are to be paid or redeemed the Redemption Price of and the interest accruing to such date on the Bonds to be paid or redeemed, have been deposited with the Trustee or the Paying Agents in trust for the Holders of such Bonds; Defeasance Obligations shall be deemed to be sufficient to pay or redeem Bonds on a specified date if the principal of and the interest on such Defeasance Obligations, when due, will be sufficient to pay on such date the Redemption Price of, and the interest accruing on, such Bonds to such date; and

(iii) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Resolution.

The foregoing notwithstanding, Convertible Lien Bonds shall not be deemed to be Outstanding under this Resolution prior to the Conversion Date therefor for purposes of (a) the application of moneys for the payment of principal of, redemption premium, if any, or interest on Bonds or the calculation of the Reserve Requirement for Bonds, (b) any calculation of Principal and Interest Requirements hereunder and (c) any consents, waivers, requests or similar items under Article VIII or Article XI hereof; provided, however, that Convertible Lien Bonds shall be considered to be Outstanding for purposes of determining whether the requisite level of Bondholder consent has been obtained pursuant to Section 1102 hereof in connection with the proposed adoption of a supplemental resolution under said Section 1102 prior to the Conversion Date, if such supplemental resolution would have a material adverse effect on the rights of the Holders of such Convertible Lien Bonds after the Conversion Date.

~~"Passenger Facilities Charges" shall mean the fees which the Secretary of Transportation may grant a public agency which controls a commercial service airport authority to impose for passengers of an air carrier enplaned at such airport to finance eligible airport related projects pursuant to 49 U.S.C. App. 1513, as amended mean charges collected by the County pursuant to the authority granted by the Aviation Safety and Capacity Expansion Act of 1990, the Aviation Investment Reform Act of 2000 and 14 CFR Part 158, as amended from time to time, in respect of any component of the Airport System and interest earnings thereon, net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting such passenger facility charge revenues, or any similar fee or charge authorized by any amendment thereto or by any successor federal law.~~

"Paying Agents" means, with respect to Bonds of each Series, the Trustee and any other banks or trust companies at which the principal of (unless registered) and interest on the coupon Bonds of each Series are payable.

"Person" means an individual, corporation, firm, association, partnership, trust or other entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"PFC Bond Resolution" means the resolution adopted by the Board on December 1, 1998, as the same may be amended and supplemented from time to time, which resolution provides for the issuance from time to time of bonds by the County payable from and secured by ~~Passenger Facility~~ Facilities Charges, any one or more of which series of bonds may be issued as a Series of Convertible Lien Bonds.

"Principal Account" means the account in the Bond Fund created and so designated by Section 501 of this Resolution.

"Proceeds Account" means the account in the Construction Fund to be created and so designated by Section 408 of this Resolution.

“Principal and Interest Requirements” shall mean the respective amounts which are required in each Fiscal Year to provide:

- (i) for paying the interest (excluding interest accreting on Capital Appreciation Bonds and Capital Appreciation and Income Bonds) accruing in such Fiscal Year on all Bonds then Outstanding, and
- (ii) for paying the principal accruing in such Fiscal Year on all Serial Bonds then Outstanding, and
- (iii) for paying the Sinking Fund Requirements accruing in such Fiscal Year on all Term Bonds then Outstanding.

In determining the amount of the Principal and Interest Requirements for any Fiscal Year, the following rules shall apply:

- (a) with respect to Variable Rate Bonds, the interest rate shall be assumed to be the average rate of interest for all Variable Rate Bonds for the prior Fiscal Year or portion thereof or if there were no Variable Rate Bonds Outstanding during such prior Fiscal Year, then the initial rate of interest on such Variable Rate Bonds; “average rate” shall mean the rate determined by dividing the total annualized amount of interest accrued on Variable Rate Bonds in any Fiscal Year or portion thereof by the average principal amount of Variable Rate Bonds Outstanding during such Fiscal Year or portion thereof;
- (b) with respect to Interim Bonds or Notes, interest only and not the principal shall be included in Principal and Interest Requirements if the Series of Bonds all or a portion of the proceeds of which are expected to be used to refinance such Interim Bonds or Notes have been duly authorized by the County; provided however, none of the interest or principal on Interim Bonds or Notes shall be included in Principal and Interest Requirements if the Board shall determine in the resolution authorizing the issuance of such Interim Bonds or Notes that (A) such Interim Bonds or Notes (i) shall be Subordinated Indebtedness/Debt hereunder, or (ii) shall not be secured by a pledge of Net Revenues or (B) the Series of Bonds expected to be used to refinance such Interim Bonds or Notes have been duly authorized by the County as Subordinated Debt;
- (c) with respect to Optional Tender Bonds, Principal and Interest Requirements shall not include the principal portion of the purchase price of such Optional Tender Bonds payable upon exercise by the holders thereof of the option to tender such Bonds for purchase to the extent and for so long as a Liquidity Facility shall be in full force and effect with respect to such Optional Tender Bonds but shall include the regularly scheduled principal payments on such Optional Tender Bonds, either upon payment at maturity or redemption in satisfaction of the ~~Amortization Requirements~~Sinking Fund Requirement for such Optional Tender Bonds; provided, however, that during any period of time after the issuer of the Liquidity Facility has advanced funds thereunder 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 Liquidity Facility;

(d) with respect to Capital Appreciation Bonds, only the principal and interest portions of the Accreted Value becoming due at maturity or by virtue of a Sinking Fund Requirement shall be included in the calculations of accrued and unpaid interest and principal requirements;

(e) with respect to Capital Appreciation and Income Bonds, only the principal and interest portions of the Appreciated Value becoming due at maturity or by virtue of a Sinking Fund Requirement shall be included in the calculations of accrued and unpaid interest and principal requirements;

(f) if moneys or Defeasance Obligations have been irrevocably deposited with and are held by the Trustee or another fiduciary or Capitalized Interest has been set aside exclusively to be used to pay principal and/or interest on a Series of specified Bonds is payable, then the principal and/or interest to be paid from the proceeds of such Bonds, moneys, Defeasance Obligations or 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, the earnings thereon shall be disregarded and not included in calculating Principal and Interest Requirements only in proportion to the amount of interest payable in the then current Fiscal Year from amounts other than amounts so funded to pay such interest;

(g) Principal and Interest Requirements shall not include the principal of, redemption premium, if any, and interest on Subordinated ~~Indebtedness; and Debt;~~

(h) notwithstanding anything to the contrary contained in this Resolution, with respect to Convertible Lien Bonds, prior to the Conversion Date for such Convertible Lien Bonds, the principal of, redemption premium, if any, and interest on such Convertible Lien Bonds will not constitute Principal and Interest Requirements hereunder and will not be included in any calculation of Principal and Interest Requirements for any purpose whatsoever under this Resolution. Additionally, interest accruing prior to the Conversion Date on Convertible Lien Bonds that are stated to mature on or after such Conversion Date shall not constitute Principal and Interest Requirements hereunder and will not be included in any calculation of Principal and Interest Requirements for any purpose whatsoever under this Resolution-;

(i) if all or any portion or portions of an Outstanding Series of Bonds constitute Balloon Bonds, then, for purposes of determining Principal and Interest Requirements, each maturity which constitutes Balloon Bonds shall, unless otherwise provided in the Series Resolution pursuant to which such Balloon Bonds are issued or unless paragraph (j) of this definition then applies to such maturity, be treated as if it were to be amortized over a period of no more than 30 years and with substantially level annual debt service funding payments commencing not later than the year following the year in which such Balloon Bonds were issued, and extending not later than the stated or deemed, as the case may be, final maturity of such Balloon Bonds, but in no event later

than 30 years from the date such Balloon Bonds were originally issued; and the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or its successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the County, or if the County fails to select a replacement index, that rate determined by a banking institution or an investment banking institution selected by the County knowledgeable in airport finance as the interest rate or rates at which the County could reasonably expect to borrow by incurring indebtedness with the same term as assumed above, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; with respect to any Series of Bonds only a portion of which constitutes Balloon Bonds, the remaining portion shall be treated as described in such other provision of this definition as shall be applicable and, with respect to any Series of Bonds or that portion of a Series thereof which constitutes Balloon Bonds, all funding requirements of principal and interest becoming due prior to the year of the stated maturity of the Balloon Bonds shall be treated as described in such other provision of this definition as shall be applicable;

(j) any maturity of Bonds which constitutes Balloon Bonds as described in paragraph (i) of this definition and for which the stated maturity date occurs within 12 months from the date such calculation of Principal and Interest Requirements is made, shall be assumed to become due and payable on the stated maturity date and paragraph (i) above shall not apply thereto unless there is delivered to the person making the calculation of Principal and Interest Requirements a certificate of the Aviation Director and the Chief Financial Officer confirming the County's intent to refinance such maturity and stating the probable terms of such refinancing; upon the receipt of such certificate, such Balloon Bonds shall be assumed to be refinanced in accordance with the probable terms set out in such commitment and such terms shall be used for purposes of calculating Principal and Interest Requirements, provided that such assumption shall not result in an interest rate lower than that which would be assumed under paragraph (i) above and shall be amortized over a term of not more than 30 years from the date of refinancing;

(k) with respect to any obligations which are part of a Commercial Paper Program, it shall be assumed that the authorized amount of such Commercial Paper Program will be amortized over a term certified by the Aviation Director and the Chief Financial Officer at the time the initial obligations of such Commercial Paper Program are issued or, if such expectations have changed, over a term certified by the Aviation Director and the Chief Financial Officer at the time the calculation of Principal and Interest Requirements is made, but not to exceed 30 years from the date the initial obligations of such Commercial Paper Program are issued and it shall be assumed that debt service with respect to such Commercial Paper Program shall be paid in substantially level annual debt service payments over such assumed term; the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or its successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the County, or if the County fails to select a

replacement index, that rate determined by a banking institution or an investment banking institution selected by the County knowledgeable in airport finance as the interest rate or rates at which the County could reasonably expect to borrow by incurring indebtedness with the same term as assumed above, with no credit enhancement and taking into consideration whether such obligations bear interest which is or is not excluded from gross income for federal income tax purposes;

(l) With respect to any Variable Rate Bonds in connection with which there exists an Interest Rate Swap that obligates the County to pay a fixed interest rate or a different variable interest rate (for the period during which such Interest Rate Swap is reasonably expected to remain in effect), such Bonds shall be deemed to bear interest at the effective fixed annual rate or different variable rate thereon as a result of such Interest Rate Swap; in the case of any Bonds that bear interest at a fixed rate in connection with which there exists an Interest Rate Swap that obligates the County to pay a floating rate, Principal and Interest Requirements shall (for the period during which such Interest Rate Swap is reasonably expected to remain in effect) be deemed to include the interest payable on such Bonds, less the fixed amounts received by the County under the Interest Rate Swap, plus the amount of the floating payments (using the assumptions described in (a) above) to be made by the County under the Interest Rate Swap;

(m) if Available Revenues or moneys other than Revenues have been irrevocably committed pursuant to a Series Resolution or other resolution duly adopted by the Board, or amounts have been actually deposited with the Trustee for the purpose of paying debt service on Bonds, then the debt service to be paid from such Available Revenues or moneys other than Revenues which have been irrevocably committed or such amounts which have been actually deposited with the Trustee, including any investment earnings thereon, shall be disregarded and not included in calculating Principal and Interest Requirements; and

(n) if all or any portion of the interest or principal due or coming due on Bonds is paid or expected to be paid from cash subsidy payments or other similar payments made or expected to be made by the United States Treasury or other federal or state governmental entity to or on behalf of the County, the amount of interest or principal so paid or expected to be paid shall not be included in calculating Principal and Interest Requirements.

"Project" means the airport and aviation facilities generally described in the plans and specifications on file in the office of the Aviation Director, as the same may be amended or supplemented from time to time with the concurrence of the Board.

"Project Account" means the account in the Construction Fund created and so designated by Section 401 of this Resolution.

"Project Bonds" means the bonds of the County authorized to be issued under Section 208 of this Resolution.

“Qualifying Credit Enhancer” means a Credit Enhancer, but only for so long as (i) such Credit Enhancer continues to be rated in one of the three highest Rating Categories by each Rating Agency; (ii) such Credit Enhancer is not in default in the due and punctual performance of its payment obligations under its Credit Enhancement Device; (iii) such Credit Enhancement Device remains enforceable and in full force and effect; and (iv) no Event of Bankruptcy has occurred and is continuing with respect to such Credit Enhancer.

“Rating Agencies” means, collectively, Moody’s, S&P and any other nationally recognized bond rating agency which shall at the time have a County requested rating in effect with respect to one or more Series of Outstanding Bonds.

“Rating Category” means (i) with respect to any long-term rating category of a Rating Agency, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier and (ii) with respect to any short-term or commercial paper rating category of a Rating Agency, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

“Rating Confirmation” means written evidence from each Rating Agency then rating Outstanding Bonds at the request of the County to the effect that, following the event which requires the Rating Confirmation, the then current rating for each Outstanding Bond shall not be lowered or withdrawn solely as a result of the occurrence of such event. If no rating is in effect with respect to any Series of Bonds, references to “Rating Confirmation” herein shall be considered deleted and none shall be required with respect to such Series.

“Redemption Account” means the account in the Bond Fund created and so designated by Section 501 of this Resolution.

“Redemption Price” means the principal amount of a Bond called for redemption plus the applicable premium, if any, payable upon redemption thereof in the manner provided by this Resolution.

“Renewal and Replacement Account” means the account in the Aviation Fund created and so designated by Section 501 of this Resolution.

“Renewal and Replacement Account Requirement” for any Fiscal Year means that amount established as such from time to time by the Board, which amount shall not be less than \$1,000,000 and shall not exceed 1% of the replacement cost of the Airport System, as such cost is determined in accordance with Section 708 hereof, or such greater amount as the Airport Consultant certifies is necessary for the purposes of the Renewal and Replacement Account for such Fiscal Year.

“Reserve Account” means the account in the Bond Fund created and so designated by Section 501 of this Resolution.

“Reserve Product” means bond insurance, a surety bond or a letter of credit or other credit facility used in lieu of a cash deposit in the Reserve Account and meeting the terms and conditions of Section 507 of this Resolution.

“Reserve Product Provider” means a reputable and nationally recognized bond insurance provider or a bank or other financial institution providing a Reserve Product, whose bond insurance policies insuring, or whose letters of credit, surety bonds or other credit facilities securing, the payment, when due, of the principal of and interest on bond issues by public entities results in such issues (as of the date the Reserve Product provided by such Reserve Product Provider is issued) being rated in one of the two highest full rating category Rating Categories by ~~any of the~~ Rating Agencies.

“Reserve Requirement” shall mean as, unless otherwise provided with respect to each particular Series of Bonds in the corresponding Series Resolution therefor, the lesser of (i) maximum Principal and Interest Requirements on account of the Bonds of such Series, in the current or any subsequent Fiscal Year for all Series of Bonds secured by the Reserve Account, (ii) one hundred twenty-five percent (125%) of the average annual Principal and Interest Requirements on account of such for all Series of Bonds secured by the Reserve Account, or (iii) ten percent (10%) of the proceeds of such Series of Bonds initial offering price to the public (as determined under the Code) for all Series of Bonds secured by the Reserve Account; provided, however, that (a) all Series of Bonds shall be secured by the Reserve Account unless the Series Resolution for a particular Series of Bonds expressly provides that such Series of Bonds is not to be secured by the Reserve Account, (b) as to any one or more Series of Bonds the Reserve Requirement may be such lesser amount as the County may establish in the Series Resolution authorizing such Series of Bonds, (b) the County shall be permitted to provide all or a portion of the Reserve Requirement by the execution and delivery of a Reserve Product or other similar arrangement which, after its issuance and delivery, will permit the County to receive the full amount covered by such arrangement without further conditions, financial or otherwise, (c) unless otherwise provided by a Series Resolution with the consent of the Credit Enhancer which has a Credit Enhancement Device then outstanding and is not in default thereunder, with respect to all or any portion of a Series of Bonds which are Variable Rate Bonds, the County shall provide for a Reserve Requirement which is computed based upon (i) interest calculated at the lesser of the 30 year Revenue Bond Index published by The Bond Buyer no more than two weeks prior to the date of sale of such Variable Rate Bonds or the maximum allowable rate established for such Series and (ii) the principal payment requirements set forth in the Series Resolution authorizing such Series of Bonds, and (d) with respect to a Series of Bonds or portion thereof which is supported by a Credit Enhancement Device, the County shall provide for a Reserve Requirement which is based only on the principal and interest due on the Bonds of such Series and not on the repayment provisions of such Credit Enhancement Device. If the County does not establish separate Reserve Account Subaccounts, the Reserve Requirement shall be calculated based on all Outstanding Bonds. Notwithstanding anything to the contrary contained in this definition, if the County simultaneously issues more than one Series of Bonds, the Reserve Requirement may be established on an aggregate basis for two or more of such Series of Bonds being simultaneously issued to the extent so provided in the corresponding Series Resolution; provided, however, that which Series Resolution may also provide that no Reserve Requirement shall be established for any specific Series of Bonds and, in that case, such Series of Bonds shall not be secured by the Reserve Account or any subaccount established therein, (c) if a lesser Reserve Requirement is established for one or more Series of Bonds, then one or more separate subaccounts within the Reserve Account shall be established solely for such Series of Bonds and such Series of Bonds shall not be secured by any other amounts in the Reserve Account or by any other subaccount in the Reserve Account established for such Series of

Bonds; provided further, however, that two or more Series of Bonds whether issued at the same or different time may be secured by the same subaccount so long as the Reserve Account Requirement for each such Series of Bonds is calculated in the same manner, and (d) in computing the Reserve Requirement under clauses (i), (ii) and (iii) of this definition for all Series of Bonds secured by the Reserve Account any Series of Bonds secured by separate subaccounts in the Reserve Account shall be disregarded and the Reserve Requirement for such Series of Bonds secured by separate subaccounts in the Reserve Account shall be computed separately for each subaccount. In determining the Reserve Requirement, if any, with respect to any Variable Rate Bonds, the interest rate on such Bonds for any period as to which such interest rate has not been established shall be assumed to be such rate as set forth or provided for in the Series Resolution relating to such Series of Variable Rate Bonds. Notwithstanding anything to the contrary contained in this definition of "Reserve Requirement" or in the Resolution or any Series Resolution, with respect to each Series of Bonds being issued as a Series of Bonds the interest on which is to be excluded from gross income for federal income tax purposes, the amount of proceeds of such Series of Bonds used to fund the aggregated Reserve Requirement or a separate Reserve Requirement, as applicable, shall not exceed the lesser of the amounts described in clauses (i), (ii) and (iii) of this definition.

"Revenue Account" means the account in the Aviation Fund created and so designated by Section 501 of this Resolution.

"Revenues" means (a) except to the extent hereinafter excluded, all income earned by receipts, earnings and revenues received by or accrued to the County from the operation and use of and for the services furnished or to be furnished at the Airport System and all income earned from the ownership and rental of the Airport System and properties financed by Subordinated Debt, and (b) any proceeds of business interruption insurance. There shall not be included in Revenues (i) any grants, contributions or donations, receipts, earnings and revenues received by or accrued to the County from the ownership and rental of the Airport System and properties financed by Subordinated Debt, (b) any proceeds of business interruption insurance, (c) all income, receipts and earnings from the investment of moneys held by or on behalf of the County in any Funds and Accounts established by this Resolution and the income and gains realized upon the maturity or sale of securities held by or on behalf of the County in such Funds and Accounts, except for investment earnings, income or realized gains on or from (i) moneys deposited in escrow or trust to defease Bonds, (ii) any Capitalized Interest deposited in the Bond Fund or any account within the Construction Fund unless otherwise provided in the corresponding Series Resolution, (iii) moneys deposited in any account within the Construction Fund unless otherwise provided in the corresponding Series Resolution, (iv) moneys deposited in any rebate fund or account therein, and (v) moneys deposited in any account established pursuant to Section 518 hereof, unless otherwise provided in the corresponding Series Resolution or other resolution duly adopted by the Board and (d) amounts received by the County from any Person, including, without limitation, the federal or state government, as reimbursement of Current Expenses or other costs paid by the County under a contractual or other arrangement between the County and such Person. There shall not be included in Revenues (i) any grants, contributions or donations otherwise included in this definition of "Revenues" which are restricted by their terms to purposes inconsistent with the payment of Current Expenses or the payment of Bonds or Subordinated Debt, (ii) proceeds from the sale and disposition of the Airport System, (iii) income from the operation of any facilities to which reference is made in Section 74715 and 74917

hereof for so long as such facilities are not part of the Airport System, (iv) to the extent and for so long as such income is pledged to secure the financing for the same, rental income from the leasing of any land used in connection with, or income from the operation of, any facilities to which reference is made in Sections 715 and 717 and 719 hereof, (v) the investment income on, and the income and any unrealized gains realized upon the maturity or sale of, on securities held for investment by or on behalf of the County in any Funds and Accounts established by this Resolution, (vi) any proceeds of insurance other than as mentioned above, (vii) the proceeds of any borrowing, and (viii) any Passenger Facilities Charges (viii) any Transfers, (ix) cash subsidy payments or other similar payments made or expected to be made by the United States Treasury or other federal or state governmental entity to or on behalf of the County for the payment of all or any portion of the interest or principal due or coming due on Bonds, except to the extent otherwise provided in the Series Resolution corresponding to a Series of Bonds, (x) any gains resulting from changes in valuation of any Interest Rate Swap, (xi) any Passenger Facilities Charges, except to the extent that Passenger Facilities Charges are expressly included as "Revenues" for one or more Series of Bonds pursuant to the corresponding Series Resolution or other resolution duly adopted by the Board, (xii) any Grant Funds except to the extent that Grant Funds are expressly included as "Revenues" for one or more Series of Bonds pursuant to the corresponding Series Resolution or other resolution duly adopted by the Board and (xiii) any other income revenue source described in clause (ii) of the definition of "Available Revenues" contained in Article I of this Resolution, except to the extent that such other income or revenue source is expressly included as "Revenues" for one or more Series of Bonds pursuant to the corresponding Series Resolution or other resolution duly adopted by the Board.

For purposes of testing compliance with the rate covenant described in Section 704 and the limitations on the issuance of Additional Bonds contained in Section 209 or Section 211, Revenues will be calculated based upon generally accepted accounting principles, except that such calculation will include and exclude those items specifically included or excluded above or in the definition of Principal and Interest Requirements, as applicable.

"Serial Bonds" means Bonds of any Series that are designated as such in the Series Resolution for such Series.

"Series" means any series of Bonds issued at any one time under Sections 208, 209, 210, or 211 of this Resolution.

"Series Resolution" means the resolution of the Board that is required by Article II of this Resolution to be adopted prior to the issuance of any Series of Bonds under this Resolution. The Series Resolution shall (a) determine the details of the Bonds of such Series, including, among other things, the maximum principal amount of such Series, the date thereof, the method of payment of interest thereon, the maximum maturity thereof, types of Bonds to be issued including Capital Appreciation Bonds, Capital Appreciation and Income Bonds, Variable Rate Bonds, Interim Bonds or Notes, Convertible Bonds, Optional Tender Bonds and Current Interest Bonds, the redemption provisions relating thereto, including the Sinking Fund Requirements for the Term Bonds, if any, and the Bond Registrar therefor, (b) define any Additional Facilities to be financed with the proceeds of such Series (unless such Bonds are Refunding Bonds), (c) provide for the application of the proceeds of the Bonds to which such Series Resolution relates, (d) create separate subaccounts within the Aviation Fund and the Bond Fund for such Series, (e)

determine the Reserve Requirement, if any, applicable to such Series of Bonds and the manner of meeting such Reserve Requirement either through (i) a deposit of Bond proceeds, (ii) the monthly deposit of Net Revenues at such times and in such equal amounts as therein determined, (iii) the obtaining of a Reserve Product, or (iv) any combination of the foregoing, and (f) set forth additional covenants and provisions with respect to such Series required in connection with the obtaining of a Credit Enhancement Device, a Liquidity Facility, a Swap Agreement or a Reserve Product, including any special provisions designed to comply with repayment requirements under reimbursement or repayment agreements with the entities providing such credit enhancement facilities, and such other matters as the Board shall determine.

“SIFMA Index” means the Securities Industry & Financial Markets Association (“SIFMA”) Swap Index as of the most recent date for which such index was published or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes produced by Municipal Market Data, Inc., or its successor, or otherwise designated by SIFMA.

“Sinking Fund Account” means the account in the Bond Fund created and so designated by Section 501 of this Resolution.

“Sinking Fund Requirement” means, with respect to Term Bonds of any Series and for any Fiscal Year, the principal amount fixed in the Series Resolution or computed as hereinafter provided for the retirement of such Term Bonds of any Series by purchase prior to, or redemption on, October 1 (or other principal payment date) of the following Fiscal Year. The aggregate amount of such Sinking Fund Requirements for the Term Bonds of each Series, together with the amount due upon the final maturity of such Term Bonds, shall be equal to the aggregate principal amount of the Term Bonds of such Series. The Sinking Fund Requirements for the Term Bonds of the same maturity of each Series shall begin in the Fiscal Year determined in accordance with the provisions of the Series Resolution for such Series and shall end with the Fiscal Year immediately preceding the maturity of such Term Bonds (such final installment being payable at maturity and not redeemed).

If on or before the 45th day next preceding any October 1 (or other principal payment date) on which Term Bonds are to be retired pursuant to the Sinking Fund Requirement, the County delivers to the Trustee, or the Trustee applies money in the Sinking Fund Account to the purchase of, Term Bonds required to be redeemed on such October 1, ~~with all unmatured coupons, if any, attached,~~ (or other principal payment date), the County shall receive a credit against amounts required to be transferred from the Sinking Fund Account on account of such Term Bonds in the amount of 100% of the principal amount of any such Term Bonds delivered to the Trustee or so purchased by the Trustee. Any principal amount of such Term Bonds so delivered to the Trustee or purchased by the Trustee that is in excess of the principal amount required to be redeemed on such October 1 (or other principal payment date) shall be credited against and reduce future Sinking Fund Requirements and future payments on Term Bonds at maturity in such manner as shall be specified in a certificate of the Chief Financial Officer filed with the Trustee pursuant to Section 506 of this Resolution or, if no such certificate is filed, in the inverse order of the scheduled retirement of such Term Bonds.

If in any Fiscal Year the County fails to deliver to the Trustee an amount equal to the Sinking Fund Requirement for such Fiscal Year, the Sinking Fund Requirement for the subsequent Fiscal Year shall be increased by the amount of the deficiency.

It shall be the duty of the Trustee, on or before the 15th day of October (or the month in which such other principal payment date occurs) in each Fiscal Year, to re-compute, if necessary, the Sinking Fund Requirement for such Fiscal Year and all subsequent Fiscal Years for the Term Bonds Outstanding of each Series. The Sinking Fund Requirement for such Fiscal Year as so recomputed shall continue to be applicable during the balance of such Fiscal Year and no adjustment shall be made therein by reason of Term Bonds purchased or redeemed or called for redemption during such Fiscal Year.

If any Term Bonds of the same maturity of any Series are paid or redeemed by operation of the Redemption Account, the Trustee shall reduce future Sinking Fund Requirements therefor by an amount equal to the principal amount of such Term Bonds paid or redeemed in such manner as shall be specified in a certificate of the Chief Financial Officer filed with the Trustee pursuant to Section 511 of this Resolution or, if no such certificate is filed, in the inverse order of the scheduled retirement of such Term Bonds.

“S&P” means Standard & Poor’s ~~Corporation~~ Ratings Services and its successors.

“State” means State of Florida.

“Subordinated Debt” means the indebtedness of the County authorized by Section ~~718~~ 716 of this Resolution.

“Subordinated Debt Debt Service Reserve Account” means any Debt Service Reserve Account created by the County pursuant to a Subordinated Debt Issuing Instrument in connection with the issuance of any Subordinated Debt and that is required to be funded for the purpose of providing additional security for such Subordinated Debt as specified in the Subordinated Debt Issuing Instrument.

“Subordinated Debt Issuing Instrument” means, with respect to any Subordinated Debt, the indenture, trust agreement, resolution, loan agreement, lease, installment purchase agreement, revolving credit agreement or other instrument or agreement pursuant to which such Subordinated Debt is issued or incurred.

“Subordinated Debt Trustee” means the entity named and serving as the trustee under any Subordinated Debt Issuing Instrument, and any successor entity thereto.

“Taxable Bonds” means Bonds the interest on which is not intended at the time of the issuance thereof to be excluded from the gross income of the holders thereof for federal tax purposes.

“Tax-Exempt Bonds” means Bonds the interest on which is excludable from the gross income of the Holders thereof for federal income tax purposes.

“Term Bonds” means the Bonds of any Series that are designated as such in the Series Resolution for such Series.

“Termination Payment” means, with respect to an Interest Rate Swap, the amount payable by the County or the Counterparty as a result of the termination of such Interest Rate Swap prior to its scheduled expiration date.

“Time Deposits” means time deposits, certificates of deposit or similar arrangements with any bank or trust company that is a member of the Federal Deposit Insurance Corporation, and any federal or State of Florida savings and loan association that is a member of the Federal Savings and Loan Insurance Corporation and that are secured in the manner provided in Section 601 of this Resolution.

“Transfer” means any transfer of money from the General Purposes Account to the Revenue Account pursuant to clause (5) of the second paragraph of Section 510 hereof.

“Trustee” means the Trustee at the time serving as such under this Resolution, whether original or successor.

“Variable Rate Bonds” shall mean any Bonds issued under this Resolution the interest rate on which is not established at the time of issuance at a single numerical rate.

Section 102. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number. The word “person” shall include corporations, firms, associations, partnerships, joint ventures, joint stock companies, trusts, unincorporated organizations, and public bodies, as well as natural persons. The word “registered” shall have no application to bonds registered to bearer. When used in connection with the amounts on deposit in or to be deposited in any Fund or Account created hereunder, the word “money” shall include Investment Obligations or Defeasance Obligations, as the case may be.

References to a section number, without further reference or identification, shall refer to the corresponding section of this Resolution. For example, a reference to “Section 101,” means Section 101 of this Resolution.

[END OF ARTICLE I]

ARTICLE II

DETAILS OF BONDS

Section 201. Limitation of Issuance of Bonds. No Bonds may be issued under this Resolution except in accordance with the provisions of this Article. All covenants, agreements and provisions of this Resolution shall be for the equal benefit and security of all present and future Bondholders without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided, of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or otherwise.

Section 202. Details of Bonds. The definitive Bonds are issuable in coupon form, registrable as to principal only, in the denomination of Five Thousand Dollars (\$5,000) each and in fully registered form without coupons in denominations of \$5,000 or any whole multiple thereof. Coupon Bonds of each Series shall be numbered consecutively from 1 upwards and fully registered Bonds shall be numbered consecutively from R-1 upwards. Bonds of each Series shall be dated, shall bear interest until their payment at a rate or rates not exceeding the maximum rate then permitted by law, such interest to the respective maturities of the Bonds being payable semi-annually on the first days of April and October in each year, shall be stated to mature on October 1, and shall be subject to redemption prior to their respective maturities, all as provided in the Series Resolution for such Series; provided, however, that the Series Resolution for a Series of Bonds may specify different principal and/or interest payment dates for such Series of Bonds. The Bonds of each Series issued under the provisions of this Article shall be designated “Airport System Revenue Bonds, Series _____,” in each case inserting an identifying Series letter.

Each coupon Bond shall bear interest from its date. Each registered Bond without coupons shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (a) authenticated upon any Interest Payment Date in which event it shall bear interest from such Interest Payment Date or (b) authenticated prior to the first Interest Payment Date in which event it shall bear interest from its date; provided, however, that if at the time of authentication of any registered Bond without coupons interest is in default, such Bond shall bear interest from the date to which interest has been paid.

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. The principal of coupon Bonds, unless registered, and the interest on coupon Bonds shall be payable at the principal offices of the Paying Agents designated for the Bonds of such Series. Payment of the interest on coupon Bonds shall be made only upon presentation and surrender of the coupons representing such interest as the same respectively become due and payable. The payment of interest on each registered Bond without coupons shall be made by the Trustee on each Interest Payment Date to the person appearing on the registration books of the Bond Registrar as the registered owner thereof by check or draft mailed to the registered owner at his address as it appears on such registration books. Payment of the principal of all Bonds shall be made upon the presentation and surrender of such Bonds as the same become due and payable (whether at maturity or by redemption, acceleration, or otherwise). Such presentation and surrender shall be at the offices

of the Paying Agents in the case of coupon Bonds not registered as to principal and at the principal office of the Trustee in the case of coupon Bonds registered as to principal and fully registered Bonds.

Section 203. Execution and Form of Bonds. The Bonds shall be signed by, or bear the facsimile signatures of, the ~~Chairman~~Mayor and the County Administrator, and a facsimile of the official seal of the County shall be imprinted on the Bonds; provided that each Bond shall be manually signed by at least one of said officers if then required by law. The interest coupons to be attached to the Bonds shall bear the facsimile signature of the County Administrator. In case any officer whose signature or a facsimile of whose signature appears on any Bonds or coupons ceases to be such officer before the delivery of such Bonds or coupons, such signature or such facsimile nevertheless shall be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond are the proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers. The definitive Bonds issued under this Article ~~and the interest coupons to be attached thereto~~ shall be substantially in the ~~following forms~~form attached hereto as Exhibit A, with such appropriate variations, omissions and insertions as may be required or permitted by this Resolution or the applicable Series Resolution, and shall have endorsed thereon such legends or text as may be necessary or appropriate to conform to the applicable rules and regulations of any governmental authority or any securities exchange on which the Bonds may be listed or to any requirement of law with respect thereto.

[Form of Coupon Bonds]

**UNITED STATES OF AMERICA
STATE OF FLORIDA
BROWARD COUNTY AIRPORT SYSTEM REVENUE BOND
SERIES _____**

No. _____ \$5,000

Broward County (the "County"), a political subdivision of the State of Florida, for value received, promises to pay, but solely from the sources and in the manner described below, to bearer on the 1st day of October, _____ (or earlier as hereinafter referred to), upon the presentation and surrender hereof, the principal sum of FIVE THOUSAND DOLLARS (\$5,000). The County also promises to pay, solely from such sources, interest thereon from the date hereof at the rate of _____ percent (____%) per annum until said principal sum is paid, such interest being payable _____ and semi-annually thereafter on April 1 and October 1 in each year upon the presentation and surrender of the coupons representing such interest as the same become due. The County shall pay principal and interest in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof.

The principal of this Bond (unless registered) and the interest hereon are payable at the principal _____ office _____ of _____ in _____, _____, trustee (said bank, together with any

successor appointed to act as such, is hereinafter referred to as the "Trustee"), or, at the option of the holder, at the corporate trust office of _____ in the Borough of Manhattan, City and State of New York. The principal of this Bond (if registered) is payable at the principal office of the Trustee.

This Bond is one of a duly authorized series of airport system revenue bonds of the County, each of which bears the designation "United States of America, State of Florida, Broward County Airport System Revenue Bond, Series _____" (the "Series _____ Bonds"), initially issued in an aggregate principal amount of _____ Dollars (\$_____). The Series _____ Bonds are dated _____, 19____, and are of like tenor and effect except as to number, interest rate, stated maturity, and redemption. The County will use the proceeds of the Series _____ Bonds to ~~Insert Uses~~.

The Series _____ Bonds are issued under a resolution duly adopted by the Board of Commissioners of the County on November 9, 1982, as amended and supplemented on _____, 1983 (said resolution, together with all supplements thereto, is hereinafter referred to as the "Resolution"). The Resolution provides for the issuance from time to time of additional bonds on a parity with the Series _____ Bonds, under the conditions, limitations and restrictions and for the purposes set forth in the Resolution (the Series _____ Bonds, together with all such additional bonds, are herein after referred to as the "Bonds").

This Bond is a limited obligation of the County secured by a pledge of, and payable solely from, Net Revenues (as defined in the Resolution), the County's rights to receive Net Revenues, and the money and Investment Obligations (as defined in the Resolution) in the funds and accounts established under the Resolution and the income derived from such Investment Obligations and the investment of such money.

This Bond shall not be deemed to constitute a debt of the County for which the faith and credit of the County are pledged, and the County is not obligated to pay this Bond or the premium, if any, or the interest hereon except from the aforementioned sources. The issuance of this Bond shall not directly or indirectly or contingently obligate the County to levy or to pledge any form of taxation whatever therefor, and the holder of this Bond shall have no recourse to the power of taxation. This Bond does not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the County.

Reference is made to the Resolution for a more complete statement of the provisions thereof and of the rights of the County, the Trustee, and the holders of the Bonds. Copies of the Resolution are on file and may be inspected at the principal office of the Trustee. By the purchase and acceptance of this Bond the holder or owner hereof signifies assent to all of the provisions of the Resolution.

This Bond is issued and the Resolution was adopted under and pursuant to the Constitution and laws of the State of Florida, particularly the Broward County Charter and Chapter 2 of the Broward County Code, as amended.

The Series _____ Bonds are issuance in coupon form, registrable as to principal alone, in the denomination of \$5,000 and in registered form without coupons in denominations of \$5,000

or any whole multiple thereof. At the principal office of the Trustee, in the manner and subject to the limitations and conditions provided in the Resolution, this Bond and all coupons appertaining thereto representing all unpaid interest due or to become due thereon may be exchanged for an equal aggregate principal amount of registered Series _____ Bonds without coupons of the same maturity, of authorized denominations, and bearing interest at the same rate. This Bond may be registered as to principal alone in accordance with the provisions endorsed hereon, subject to the terms and conditions set forth in the Resolution.

Any holder requesting any exchange, registration, or registration of transfer of this Bond shall pay any tax or other governmental charge required to be paid with respect thereto and any charge for shipping and out of pocket costs incurred by the County and the Trustee in connection with such exchange, registration, or registration of transfer. The Trustee shall not be required to make any exchange or to register or register the transfer of this Bond during the period of 15 days next preceding any interest payment date or after notice of redemption of this Bond or any portion thereof has been given pursuant to the Resolution.

[Insert redemption provisions applicable to the Series _____ Bonds]

All Bonds are subject to redemption as a whole at any time or in part, on any interest payment date at the option of the County, at a redemption price equal to the principal amount thereof without premium, plus accrued interest to the redemption date, if all or any part of the Airport System (as defined in the Resolution) is damaged, destroyed, or condemned or if the County disposes of any portion of the Airport System.

If less than all of the Bonds are called for redemption, the particular Bonds to be redeemed shall be selected by the County as provided in the Resolution. If the County fails to select the Bonds to be redeemed, the Trustee shall redeem Bonds bearing the highest rate of interest, and if Bonds of more than one maturity bear the same rate of interest, the Trustee will redeem Bonds in the inverse order of maturities and by lot within a maturity as the Trustee, in its discretion, may determine.

Any such redemption, either as a whole or in part, may be made upon at least 30 days' prior notice by publication and otherwise as provided in the Resolution.

On the date fixed for redemption, notice having been mailed or published in the manner provided in the Resolution, the Bonds called for redemption will be due and payable at the redemption price provided therefor, plus accrued interest to such date. If there has been delivered to the Trustee, and the Trustee is then holding in trust, money or Government Obligations of the United States, or a combination of both, sufficient to pay the redemption price of the Bonds to be redeemed plus accrued interest to the date of redemption, interest on the Bonds called for redemption will cease to accrue; the coupons for interest payable subsequent to the redemption date on any coupon Bonds so called for redemption will be void; such Bonds will cease to be entitled to any benefits or security of, or to be deemed outstanding under the Resolution; and the holders of such Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption. In addition, this Bond will not be deemed to be outstanding under the Resolution and will cease to be entitled to the security of or any rights under the Resolution, and the holder hereof shall have

no rights other than to be given notice of redemption and to receive payment of the redemption price hereof and accrued interest hereon to the date of redemption, if irrevocable instructions to pay this Bond on one or more specified dates or to call the same for redemption at the earliest redemption date have been given to the Trustee and money or Government Obligations, or a combination of both, sufficient to pay the redemption price of this Bond, together with accrued interest hereon to such date, are held by the Trustee in trust for the holder hereof. Government Obligations will be deemed to be sufficient to redeem or pay this Bond on a specified date if the principal of and the interest on such Government Obligations, when due, will be sufficient to pay on such date the redemption price of and the interest accruing on this Bond to such date.

The holder of this Bond shall have no right to enforce the provisions of the Resolution, to institute action to enforce the covenants therein, to take any action with respect to any event of default under the Resolution, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Resolution.

Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Resolution, the principal of this Bond may become or may be declared due and payable before its stated maturity, together with the interest accrued hereon.

Modifications or alterations of the Resolution or of any resolution supplemental thereto may be made only to the extent and in the circumstances permitted by the Resolution.

Subject to the provisions for registration endorsed hereon and contained in the Resolution nothing contained in this Bond or in the Resolution shall affect or impair the negotiability of this Bond, and this Bond shall have, as between successive holders, all the qualities and incidents of a negotiable instrument under the uniform commercial code investment securities law of the State of Florida and shall be understood to be an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of Florida. This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions, and things required to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed as so required.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until the certificate of authentication endorsed hereon has been executed by the Trustee.

IN WITNESS WHEREOF, Broward County has caused this Bond to be signed by [bear the facsimile signature of] the Chairman of its Board of County Commissioners and to be signed by [bear the facsimile signature of] its County Administrator and ex officio Clerk of its Board of County Commissioners, and a facsimile of its official seal to be imprinted hereon, and the interest coupons attached hereto to be executed with the facsimile signature of said County Administrator and ex officio Clerk of the Board of County Commissioners all as of the 1st day of _____, 19____.

BROWARD COUNTY

BY _____

Chairman of the Board of
County Commissioners

(SEAL)

County Administrator and
ex officio Clerk of the Board
of County Commissioners

PROVISIONS FOR REGISTRATION AND REGISTRATION OF TRANSFER

This Bond may be registered as to principal alone on books kept by the Trustee as Bond Registrar, upon presentation hereof to the Trustee, which, as Bond Registrar, shall make a notation of such registration in the registration blank below, and thereafter the transfer of this Bond may be registered only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon receipt of such assignment the Trustee, as Bond Registrar, shall register the transfer of this Bond on its books and endorse the same hereon. Such registration of transfer may be to bearer and thereby transferability by delivery shall be restored, but this Bond shall again be subject to successive registrations and registrations of transfer as before. The principal of this Bond, if registered, unless registered to bearer, shall be payable only to the registered owner or his legal representative. Notwithstanding the registration of this Bond as to principal alone, the coupons shall remain payable to bearer and shall continue to be transferable by delivery.

Date of Registration or Transfer	Name of Registered Owner	Signature of Bond Registrar
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

{Form of Coupon}

No. _____ \$ _____

On _____, _____, Broward County, Florida will pay to bearer (unless the Bond mentioned below has previously become payable as provided in the Resolution to which reference is made in said Bond and provisions for payment thereof have been duly made) at the principal office of _____, or, at the option of the bearer, at the corporate trust office of _____, in the Borough of Manhattan, City and State of New York, upon presentation and surrender hereof, the sum of _____ DOLLARS (\$ _____) in any coin or currency of the United States of America that is legal tender for the payment of public and private debts at the time of such payment, but solely from the sources referred to in, and for the interest then due upon, its Airport System Revenue Bond, Series _____, dated the 1st day of _____, 19____, No. _____.

County Administrator and
ex officio Clerk of the Board
of County Commissioners

STATEMENT OF VALIDATION

This Bond is one of a series of bonds that were validated by judgment of the Circuit Court for Broward County, rendered on _____, 19__.

CERTIFICATE OF AUTHENTICATION

This Bond is a Bond of the Series designated therein and issued under the provisions of the within mentioned Resolution.

Trustee

By _____
Authorized Signatory

[Form of Registered Bonds Without Coupons]

**UNITED STATES OF AMERICA
STATE OF FLORIDA
BROWARD COUNTY AIRPORT SYSTEM REVENUE BOND
SERIES _____**

No. R _____

\$ _____

Broward County (the "County"), a political subdivision of the State of Florida, for value received, promises to pay, but solely from the sources and in the manner described below, to _____, or registered assigns or legal representative, on the 1st day of October, ____ (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the principal office of _____, in _____, trustee (said bank, together with any successor appointed to act as such, is herein after referred to as the "Trustee"), the principal sum of _____ DOLLARS (\$ _____). The County also promises to pay, but solely from such sources, to the registered owner at his address as it appears on the bond registration books maintained by the Trustee as Bond Registrar, interest thereon on each October 1 and April 1 from the interest payment date next preceding the date on which it is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or it is authenticated prior to _____ 1, 19__, in which event it shall bear interest from its date, at the rate of _____ percent (____%) per annum until the principal sum hereof is paid. The County shall pay principal and interest in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof.

This Bond is one of a duly authorized series of airport system revenue bonds of the County, each of which bears the designation "United States of America, State of Florida, Broward County Airport System Revenue Bond, Series _____" (the "Series _____ Bonds"), initially issued in an aggregate principal amount of _____ Dollars (\$ _____). The Series Bond are dated _____ 1, 19__, and are of like tenor and effect except as to number, interest rate, stated maturity and redemption. The County will use the proceeds of the Series _____ Bonds to [Insert Uses].

The Series _____ Bonds are issued under a resolution duly adopted by the Board of Commissioners of the County on November 9, 1982, as amended and supplemented on _____, 1982 (said resolution, together with all supplements thereto, is hereinafter referred to as the "Resolution"). The Resolution provides for the issuance from time to time of additional bonds on a parity with the Series _____ Bonds, under the conditions, limitations and restrictions and for the purposes set forth in the Resolution (the Series _____ Bonds, together with all such additional bonds, are heretofore referred to as the "Bonds").

This Bond is a limited obligation of the County secured by a pledge of, and payable solely from, Net Revenues (as defined in the Resolution), the County's rights to receive Net Revenues, and the money and Investment Obligations (as defined in the Resolution) in the funds and accounts established under the Resolution and the income derived from such Investment Obligations and the investment of such money.

This Bond shall not be deemed to constitute a debt of the County for which the faith and credit of the County are pledged, and the County is not obligated to pay this Bond or the premium, if any, or the interest hereon except from the aforementioned sources. The issuance of this Bond shall not directly or indirectly or contingently obligate the County to levy or to pledge any form of taxation whatever therefor, and the holder of this Bond shall have no recourse to the power of taxation. This Bond does not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the County.

Reference is made to the Resolution for a more complete statement of the provisions thereof and of the rights of the County, the Trustee, and the holders of the Bonds. Copies of the Resolution are on file and may be inspected at the principal office of the Trustee. By the purchase and acceptance of this Bond the holder or owner hereof signifies assent to all of the provisions of the Resolution.

This Bond is issued and the Resolution was adopted under and pursuant to the Constitution and laws of the State of Florida, particularly the Broward County Charter and Chapter 2 of the Broward County Code, as amended.

The Series _____ Bonds are issuable in coupon form, registrable as to principal alone, in the denomination of \$5,000 and in registered form without coupons in denominations of \$5,000 or any whole multiple thereof. At the principal office of the Trustee, in the manner and subject to the limitations and conditions provided in the Resolution, this Bond may be exchanged for an aggregate principal amount of coupon Series _____ Bonds of the same maturity, bearing interest at the same rate, and having attached thereto coupons representing all unpaid interest due or to become due thereon, or for other registered Series _____ Bonds without coupons of the same maturity, of other authorized denominations, and bearing interest at the same rate.

The transfer of this Bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the principal office of the Trustee, but only upon presentation hereof to the Trustee, as Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative, and the Trustee, as Bond Registrar, shall make a notation of such transfer on the books maintained for such purpose and shall endorse the same hereon.

Any holder requesting any exchange or registration of transfer of this Bond shall pay any tax or other governmental charge required to be paid with respect thereto and any charge for shipping and out of pocket costs incurred by the County and the Trustee in connection with such exchange or registration of transfer. The Trustee shall not be required to make any exchange or to register the transfer of this Bond during the period of 15 days next preceding any interest payment date or after notice of redemption of this Bond or any portion thereof has been given pursuant to the Resolution.

[Insert redemption provisions applicable to the Series _____ Bonds]

All Bonds are subject to redemption as a whole at any time or in part, on any interest payment date at the option of the County, at a redemption price equal to the principal amount thereof without premium, plus accrued interest to the redemption date, if all or any part of the

Airport System (as defined in the Resolution) is damaged, destroyed, or condemned or if the County disposes of any portion of the Airport System.

If less than all of the Bonds are called for redemption, the particular Bonds to be redeemed shall be selected by the County as provided in the Resolution. If the County fails to select the Bonds to be redeemed, the Trustee shall redeem Bonds bearing the highest rate of interest, and if Bonds of more than one maturity bear the same rate of interest, the Trustee will redeem Bonds in the inverse order of maturities and by lot within a maturity as the Trustee, in its discretion, may determine.

Any such redemption, either as a whole or in part, may be made upon at least 30 days' prior notice by publication and otherwise as provided in the Resolution.

On the date fixed for redemption, notice having been mailed or published in the manner provided in the Resolution, the Bonds or portions thereof called for redemption will be due and payable at the redemption price provided therefor, plus accrued interest to such date. If there has been delivered to the Trustee and the Trustee is then holding in trust money or Government Obligations of the United States, or a combination of both, sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed plus accrued interest to the date of redemption, interest on the Bonds or portions thereof called for redemption will cease to accrue; such Bonds or portions thereof will cease to be entitled to any benefits or security of or to be deemed outstanding under this Resolution; and the holders of such Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption. In addition, this Bond or any portion hereof will not be deemed to be outstanding under the Resolution and will cease to be entitled to the security of or any rights under the Resolution, and the registered owner hereof shall have no rights other than to be given notice of redemption, to receive payment of the redemption price of this Bond or the portion hereof to be redeemed and accrued interest hereon or on such portion to the date of redemption, and, to the extent provided in the Resolution, to receive other Series _____ Bonds for any unredeemed portion hereof, if irrevocable instructions to pay all or a portion of this Bond on one or more specified dates or to call the same for redemption at the earliest redemption date have been given to the Trustee and money or Government Obligations, or a combination of both, sufficient to pay the redemption price of this Bond or the portion hereof to be redeemed, together with accrued interest hereon or on such portion to such date, are held by the Trustee in trust for the registered owner hereof. Government Obligations will be deemed to be sufficient to redeem or pay this Bond or a portion hereof on a specified date if the principal of and the interest on such Government Obligations, when due, will be sufficient to pay on such date the redemption price hereof or of the portion hereof to be redeemed and the interest accruing on this Bond or on such portion to such date. If a portion of this Bond is called for redemption, a new Series _____ Bond or Series _____ Bonds in principal amount equal to the unredeemed portion hereof will be issued to the registered owner upon the surrender hereof.

The holder of this Bond shall have no right to enforce the provisions of the Resolution, to institute action to enforce the covenants therein, to take any action with respect to any event of default under the Resolution, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Resolution.

Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Resolution, the principal of this Bond or a portion hereof may become or may be declared due and payable before its stated maturity, together with the interest accrued hereon.

Modifications or alterations of the Resolution or of any resolution supplemental thereto may be made only to the extent and in the circumstances permitted by the Resolution.

Notwithstanding the provisions for registration of transfer stated herein and contained in the Resolution this Bond shall be understood to be an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of Florida. This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed as so required.

This Bond shall not be valid or become obligatory under the Resolution for any purpose or be entitled to any benefit or security until the certificate of authentication endorsed hereon has been executed by the Trustee.

IN WITNESS WHEREOF, Broward County has caused this Bond to be signed by [bear the facsimile signature of] the Chairman of its Board of County Commissioners and to be signed by [bear the facsimile signature of] its County Administrator and ex-officio Clerk of its Board of County Commissioners, and a facsimile of its official seal to be imprinted hereon, all as of the 1st day of _____, 19__.

BROWARD COUNTY

BY _____
Chairman of the Board of
County Commissioners

(SEAL)

County Administrator and
ex-officio Clerk of the Board
of County Commissioners

PROVISIONS FOR REGISTRATION OF TRANSFER

The transfer of this Bond may be registered only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon receipt of such assignment the Trustee, as Bond Registrar, shall register the transfer of the Bond on its books and endorse the same hereon. The principal of this Bond shall be payable only to the registered owner or his legal representative.

<u>Date of Registration or Transfer</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

STATEMENT OF VALIDATION

This Bond is one of a series of bonds that were validated by judgment of the Circuit Court for Broward County, rendered on _____, 19__.

CERTIFICATE OF AUTHENTICATION

This Bond is a Bond of the Series designated therein and issued under the provisions of the within mentioned Resolution.

Trustee

By _____
Authorized Signatory

Date of authentication:

The foregoing notwithstanding, prior to the Conversion Date therefor, any Convertible Lien Bonds shall be issued in such form as set forth in the Series Resolution adopted hereunder authorizing such Series of Convertible Lien Bonds; with such appropriate variations, omissions and insertions as may be required or permitted by this Resolution and as may be required as a result of such Bonds being issued as Convertible Lien Bonds.

Section 204. Exchange of Bonds. Registered Bonds without coupons may be exchanged at the option of the registered owner thereof and upon surrender thereof at the principal office of the Trustee, together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, for an equal aggregate principal amount of coupon Bonds of the same Series and maturity, bearing interest at the same

rate, having attached thereto coupons representing all unpaid interest due or to become due thereon, and except for differences between the form of coupon Bonds and the form of registered Bonds without coupons, in the same form as the registered Bonds surrendered for exchange, or for other registered Bonds without coupons of the same Series and maturity, of any denomination or denominations authorized by this Resolution, bearing interest at the same rate, and in the same form as the registered Bonds surrendered for exchange. Coupon Bonds may be exchanged, at the option of the Holder or registered owner thereof and upon surrender thereof at the principal office of the Trustee, together with all unmatured coupons and all matured coupons in default, if any, appertaining thereto, for an equal aggregate principal amount of registered Bonds without coupons of the same Series and maturity, of any denomination or denominations authorized by this Resolution, bearing interest at the same rate, and, except for differences between the form of coupon Bonds and the form of registered Bonds without coupons, in the same form as the coupon Bonds surrendered for exchange. If such coupon Bonds are registered as to principal alone, they shall be accompanied by an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee.

The County shall make provision for the exchange of Bonds at the principal office of the Trustee.

Section 205. Negotiability, Registration, and Registration of Transfer of Bonds. The Trustee is hereby appointed as Bond Registrar and as such shall keep books for the registration and the registration of transfer of the Bonds as provided in this Resolution.

Title to any coupon Bond, unless such Bond is registered in the manner hereinafter provided, and to any interest coupon shall pass by delivery in the same manner as a negotiable instrument payable to bearer.

At the option of the bearer, any coupon Bond (but not any temporary Bond unless the Board shall so provide) may be registered as to principal alone on such books upon presentation thereof to the Trustee which, as Bond Registrar, shall make notation of such registration thereon. The principal of any coupon Bond registered as to principal alone, unless registered to bearer, and the principal of any registered Bond without coupons shall be payable only to or upon the order of the registered owner or his legal representative, but the coupons appertaining to any Bond registered as to principal alone shall remain payable to bearer notwithstanding such registration.

The transfer of any fully registered Bond or any coupon Bond registered as to principal alone may be registered only upon presentation thereof to the Trustee together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, and the Trustee as Bond Registrar shall make a notation of such registration of transfer on the books maintained for such purposes and shall endorse such notation on the Bond. The registration of transfer of any coupon Bond may be to bearer and thereby transferability by delivery shall be restored, subject, however, to successive registrations and registrations of transfer. No transfer of any fully registered Bond or any coupon Bond registered as to principal alone (unless as to bearer) shall alter the ownership of such Bond for purposes of this Resolution unless such transfer is registered with the Trustee.

No charge shall be made to any Bondholder for the privilege of exchange, registration, or registration of transfer hereinabove granted, but any Bondholder requesting any such exchange, registration, or registration of transfer shall pay any tax or other governmental charge required to be paid with respect thereto and any charge for shipping and out-of-pocket costs incurred by the County and the Trustee in connection with such exchange, registration, or registration of transfer. The Trustee shall not be required to make any exchange and the Bond Registrar shall not be required to register or register the transfer of any Bond during the period of 15 days next preceding any Interest Payment Date or after notice of redemption of such Bond or any portion thereof has been given pursuant to Article III of this Resolution.

In all cases in which Bonds are exchanged, a portion of a registered Bond is redeemed, or a transferor or transferee of a Bond requests that a new Bond be issued, the County shall execute and the Trustee shall authenticate and deliver, upon the presentation or surrender to the Trustee of the Bond to be exchanged, redeemed, or transferred and at the earliest practicable time, Bonds in accordance with the provisions of this Resolution. All registered Bonds without coupons surrendered in any such exchange or in connection with any such redemption or transfer shall forthwith be cancelled by the Trustee. All coupon Bonds and unmatured coupons surrendered in any exchange or in connection with any redemption or transfer shall be retained by the Trustee in its custody.

Section 206. Ownership of Bonds. The person in whose name any registered Bond without coupons or any coupon Bond registered as to principal alone is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. 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. The County, the Bond Registrar, and the Paying Agents may deem and treat the bearer of any coupon Bond not registered as to principal alone (unless registered to bearer) and the bearer of any coupon appertaining to any coupon Bond, whether such Bond is registered as to principal alone or not, as the absolute owner of such Bond or coupon, as the case may be, whether such Bond or coupon is overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and the County, the Bond Registrar, and the Paying Agents shall not be affected by any notice to the contrary.

Section 207. Authentication of Bonds. Only such Bonds as have endorsed thereon a certificate of authentication substantially in the form hereinabove set forth, duly executed by the Trustee, shall be entitled to any benefit or security under this Resolution. No Bonds and no coupons appertaining thereto shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Bond has been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Trustee, 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. Before authenticating or delivering any coupon Bonds the Trustee shall detach and cancel all matured coupons, if any, appertaining thereto, except any coupons that represent unpaid interest.

With respect to a Series of Convertible Lien Bonds, the requirements of this Section 207 shall be satisfied if the Bonds of such Series of Convertible Lien Bonds that are stated to mature on or after the Conversion Date therefor bear a certificate of authentication substantially in the form described hereinabove and such Bonds are authenticated by the Trustee as provided herein. The Bonds of a Series of Convertible Lien Bonds that are stated to mature prior to the Conversion Date for such Series of Convertible Lien Bonds shall bear a certificate of authentication in substantially the form provided in the PFC Bond Resolution and shall be authenticated by the trustee under the PFC Bond Resolution as provided therein. The foregoing notwithstanding, the requirements of this Section 207 shall be deemed satisfied with respect to any Convertible Lien Bond if such Bond, regardless of whether its stated maturity is prior to, on, or subsequent to the Conversion Date therefor, bears dual certificates of authentication substantially in the respective forms described hereinabove and in the PFC Bond Resolution and such certificates of authentication are authenticated by the Trustee hereunder and the trustee under the PFC Bond Resolution, respectively, as provided herein and therein.

Section 208. Authorization of Project Bonds. One or more Series of Project Bonds may be issued under and secured by this Resolution at one time or from time to time, subject to the conditions hereinafter provided in this Section, for the purpose of providing funds, together with other available funds, to (a) pay the Cost of the Project, (b) fund the Reserve Account in an amount equal to the Reserve Requirement, (c) pay interest accruing on the Project Bonds as specified in the Series Resolution relating thereto, and (d) pay certain expenses incurred in connection with the issuance of the Project Bonds. The County hereby authorizes the issuance of an initial Series of Project Bonds in an aggregate principal amount not to exceed \$350,000,000.

Before any Project Bonds are issued under this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Project Bonds, fixing the amount and the details thereof, and describing in brief and general terms the purposes for which the Project Bonds are to be issued. The Bonds of each Series issued under this Section shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on October 1, (or such other maturity date specified in the Series Resolution) in such year or years, shall have such Paying Agents, shall bear interest, and shall have such Sinking Fund Requirements and redemption provisions, all as are then permitted by law and as are provided in the Series Resolution authorizing the issuance of such Project Bonds. Such Project Bonds shall be executed in substantially the form hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provisions of the Series Resolution.

Except as to any differences in the rate or rates of interest, the maturities, or the provisions for redemption, each Series of Bonds issued under this Section 208 shall be on a parity with and shall be entitled to the same benefit and security of this Resolution as all other Bonds issued under this Resolution.

The Project Bonds shall be deposited with the Trustee for authentication and delivery, but before such Project Bonds shall be delivered the following shall be filed with the Trustee:

(a) a copy, certified by the County Administrator to be a true and correct copy, of this Resolution;

(b) a copy, certified by the County Administrator to be a true and correct copy, of the Series Resolution, which Resolution shall also award the Project Bonds and direct the authentication and delivery of said Project Bonds to or upon the order of the purchasers named in said Series Resolution upon payment of the purchase price therein set forth, plus the accrued interest on the Project Bonds;

(c) an opinion of the General Counsel to the effect that (i) the County has obtained from such governmental authorities, boards, agencies or commissions having jurisdiction over the Airport System all approvals, consents, authorizations, certifications, and other orders that are necessary for the acquisition and construction of the Project and that reasonably could have been obtained as of the date of delivery of the Project Bonds and that if further approvals, consents, authorizations, certifications, or orders are necessary for the acquisition and construction of the Project, such counsel has no reason to believe that the County will not be able to obtain the same when required, (ii) this Resolution, the Series Resolution, and all other resolutions relating to the issuance of the Project Bonds have been duly adopted at meetings of the Board duly called and held in accordance with law and at which quorums were present and acting throughout, (iii) the issuance of the Project Bonds has been duly authorized, and (iv) all conditions precedent to the delivery of the Project Bonds have been fulfilled; and

(d) an opinion of bond counsel of suitable reputation and experience to the effect that the issuance of the Project Bonds has been duly authorized, that all legal conditions precedent to the delivery of the Project Bonds have been fulfilled, and, with respect to the initial Series of Project Bonds, that interest on the Project Bonds is exempt from all present federal income tax.

When the documents described in paragraphs (a) through (d) of this Section have been filed with the Trustee and when the Project Bonds have been executed and authenticated as required by this Resolution, the Trustee shall deliver said Project Bonds to or upon the order of the purchasers named in the Series Resolution, but only upon payment to the Trustee of the purchase price of said Project Bonds and the accrued interest thereon. The Trustee shall be entitled to rely upon the resolutions mentioned in paragraphs (a) and (b) of this Section as to all matters stated therein.

The proceeds (including accrued interest and any premium) of the Project Bonds, together with other funds made available by the County, shall be applied as provided in the Series Resolution for the Project Bonds.

Section 209. Additional Bonds for Additional Facilities. One or more Series of Additional Bonds may be issued under and secured by this Resolution at one time or from time to time, subject to the conditions hereinafter provided in this Section, for the purpose of providing funds to (a) pay all or any part of the Cost of any Additional Facilities, (b) pay any debt obligations issued by the County, or repay any advances made from any source, to finance temporarily such Cost, (c) increase the amount on deposit in the Reserve Account, (d) pay interest accruing on the Additional Bonds as specified in the Series Resolution relating thereto, and (e) pay certain expenses incurred in connection with the issuance of the Additional Bonds.

Any Series of Additional Bonds issued pursuant to this Section 209, if so provided in the Series Resolution authorizing such Additional Bonds, may be issued as Convertible Lien Bonds.

Before any Additional Bonds shall be issued under this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Additional Bonds, fixing the amount and the details thereof, and describing in brief and general terms the purposes for which the Bonds are to be issued. The Bonds of each Series issued under this Section shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on October 1 (or such other maturity date specified in the Series Resolution) in such year or years, shall have such Paying Agents, shall bear interest, and shall have such Sinking Fund Requirements and redemption provisions, all as then permitted by law and as provided in the Series Resolution authorizing the issuance of such Additional Bonds. Such Additional Bonds shall be executed in the form hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provision of the Series Resolution.

Except as to any difference in the rate or rates of interest, the maturities, ~~or the provisions for redemption, or the Reserve Requirement, if any,~~ each Series of Bonds issued under this Section 209 shall be on a parity with and shall be entitled to the same benefit and security of this Resolution as all other Bonds issued under this Resolution; provided, however, that with respect to a Series of Convertible Lien Bonds, only such Convertible Lien Bonds as are stated to mature on or after the Conversion Date shall be so secured by this Resolution.

Such Bonds shall be deposited with the Trustee for authentication and delivery, but before such Additional Bonds shall be delivered the following shall be filed with the Trustee:

(a) a copy, certified by the County Administrator to be a true and correct copy, of the Series Resolution for such Series, which Resolution shall also award or provide for the awarding of the Additional Bonds and direct the delivery of such Additional Bonds to or upon the order of the purchasers named in said Series Resolution upon payment of the purchase price therein set forth, plus accrued interest on the Additional Bonds;

(b) a certificate sign by Evidence of compliance with the requirements of clause (i) or clause (ii) of this subsection (b), as follows:

~~(b) —the Aviation Director and the Chief Financial Officer setting forth:~~

~~(1) —(A) have provided to the Trustee a certificate stating that Net Revenues plus any Transfer for each of either the three most recent Fiscal Years Year for which audited financial statements were filed under the provisions of Section 707 of this Resolution, as such Net Revenues were shown on the certificate accompanying such statements, or if such statements were filed under Section 707 for a shorter period of time, for the three most recent Fiscal Years for which audited financial statements were either filed or are otherwise Airport System are available; and (B) the Transfers made in each of the corresponding years;~~

~~(2) —the amount, if any, that is then available or will be made available for paying the Cost of such Additional Facilities and the source or sources from which such amount has been or will be received; for purposes of this certificate, the Chief Financial Officer shall indicate Additional Bonds issued pursuant to Section 210 hereof as a source if it is anticipated that not all costs of the Additional Facilities will be paid from the proceeds of Additional Bonds issued pursuant to this Section and that to pay the same it will be necessary to issue Additional Bonds pursuant to Section 210 hereof; and~~

~~(3) —for each of the Fiscal Years for which information is required in clause (1) above (A) the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account pursuant to Section 503 hereof; provided, however, that if Passenger Facilities Charges, state and/or federal grants or other moneys have been irrevocably committed or are held by the Trustee or another fiduciary and are set aside exclusively to be used to pay Principal and Interest Requirements on a Series of Bonds or any portion thereof, then the portion of the Principal and Interest Requirements to be paid from such Passenger Facilities Charges, state and/or federal grants or other moneys or from investment earnings thereon shall be disregarded and not included (unless such Passenger Facilities Charges, state and/or federal grants or other moneys are included in the definition of "Revenues" herein) in calculating the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account; and (B) the amount required to be deposited in the Reserve Account pursuant to Section 503 hereof;~~

~~(c) —a certificate signed by an Airport Consultant and approved by the Aviation Director setting forth:~~

(i) an estimate of the total Cost of the 12 consecutive months out of the most recent 18 consecutive months immediately preceding the month of issuance of the proposed Additional Facilities to be financed as a whole or in part by the issuance of Additional Bonds, and Bonds were sufficient to satisfy the rate covenant set forth in Section 704 for each of the next five full Fiscal Years following issuance of the Additional Bonds, or each of the next two full Fiscal Years from the issuance of the Additional Bonds during which there is no Capitalized Interest, whichever is later, including the Principal and Interest Requirements during such Fiscal Years on such proposed Additional Bonds; or

~~(2) —the estimated date upon which such Additional Facilities are to be placed in use and operation;~~

~~(d) —a statement signed by an Airport Consultant and approved by the Chief Financial Officer setting forth for each of the five Fiscal Years immediately succeeding the earlier of (i) the last Fiscal Year in which the interest on the proposed Series of Additional Bonds is to be paid from the proceeds of such Series of Additional Bonds or other amounts set aside irrevocably with the has provided to the Trustee for the payment~~

of interest at the time such Additional Bonds are issued and (ii) the Fiscal Year in which the Additional Facilities are to be placed in use and operation its estimate of:

(1) ~~a certificate stating that, based upon assumptions the Airport Consultant signing the certificate deems reasonable, projected Net Revenues and plus Transfers;~~

(2) ~~the amount required to be deposited in the Reserve Account pursuant to will be sufficient to satisfy the rate covenant set forth in Section 503 hereof; and~~

~~(i)(ii) assuming a schedule of level debt service payments on the Additional Bonds to be issued, the amounts required to be deposited in the 704 for each of the next five full Fiscal Years following issuance of the Additional Bonds, or each of the next two full Fiscal Years from issuance of the Additional Bonds during which there is no Capitalized Interest Account, whichever is later, including the Principal Account, and the Sinking Fund Account pursuant to Section 503 hereof; provided, however, that if Passenger Facilities Charges, state and/or federal grants or other moneys have been irrevocably committed or are held by the Trustee or another fiduciary are to be set aside exclusively to be used to pay Principal and Interest Requirements on a Series of Bonds or any portion thereof, then the portion of the Principal and Interest Requirements to be paid from such Passenger Facilities Charges, state and/or federal grants or other moneys or from investment earnings thereon shall be disregarded and not included (unless such Passenger Facilities Charges, state and/or federal grants or other moneys are included in the definition of "Revenues" herein) in calculating the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account during such Fiscal Years on such proposed Additional Bonds.~~

For purposes of (b)(i) above, the County shall be allowed to adjust Net Revenues for earnings arising from any increase in the rates, charges and fees for the use of the Airport System which has become effective prior to the issuance of such proposed Additional Bonds but which, during the Fiscal Year or 12-month period utilized by the County for purposes of (b)(i) above, was not in effect for the entire Fiscal Year or 12-month period under consideration, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in rates, charges and fees had been in effect during the whole Fiscal Year or 12-month period under consideration, as determined by the Aviation Director and the Chief Financial Officer.

For purposes of (b)(ii) above, in estimating Net Revenues, the Person signing the certificate required by such clause may take into account (1) Revenues from new Airport System facilities or other new capital improvements reasonably expected to become available during the period for which the estimates are provided, (2) any increase in fees, rates, charges, rentals or other sources of Revenues which has been approved by the Board and will be in effect during the period for which the estimates are provided or (3) any other increases in Revenues which the Person signing the certificate believes to be a reasonable assumption for such period. With respect to Current Expenses of the County, the Person signing the certificate required by (b)(ii) above shall use such assumptions as such Person believes to be reasonable, taking into account:

(i) historical Current Expenses of the County, (ii) Current Expenses associated with the capital improvements to be funded with the proceeds of the Additional Bonds proposed to be issued and any other new capital improvements and Airport System facilities and (iii) such other factors, including inflation and changing operations or policies of the County, as the Person signing such certificate believes to be appropriate. The Person signing the certificate required by (b)(ii) above shall include in such certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Net Revenues and shall also set forth the calculations of Principal and Interest Requirements, which calculations may be based upon information provided by the County.

For purposes of preparing the certificate or certificates described above, the Aviation Director and the Chief Financial Officer or Airport Consultant, as applicable, may rely upon financial statements prepared by the County which have not been subject to audit by an Accountant if audited financial statements for the Fiscal Year or period are not available; provided, however, that the Aviation Director and the Chief Financial Officer shall certify as to their accuracy and that such financial statements were prepared substantially in accordance with generally accepted accounting principles.

~~(e)(c)~~ a certificate of the Chief Financial Officer and the Trustee to the effect that no Default has occurred and is continuing under the Resolution or, if a Default then exists, that such Default shall be cured upon issuance of such Additional Bonds and the application of the proceeds thereof as described or provided for in the Series Resolution therefor;

~~(f)(d)~~ an opinion of the General Counsel to the effect that (i) the County has obtained from such governmental authorities, boards, agencies or commissions having jurisdiction over the Airport System all approvals, consents, authorizations, certifications, and other orders that are necessary for the acquisition and construction of the Additional Facilities and that if further approvals, consents, authorizations, certifications, or orders are necessary for the acquisition and construction of the Additional Facilities, such Counsel has no reason to believe that the County will not be able to obtain the same when required, (ii) this Resolution, the Series Resolution, and all other resolutions relating to the issuance of the Additional Bonds have been duly adopted at meetings of the Board duly called and held in accordance with law and at which quorums were present and acting throughout, (iii) the issuance of such Additional Bonds has been duly authorized, and (iv) all conditions precedent to the delivery of such Additional Bonds have been fulfilled; and

~~(g)(e)~~ an opinion of bond counsel of suitable reputation and experience to the effect that the issuance of such Additional Bonds has been duly authorized and that all legal conditions precedent to the delivery of such Additional Bonds have been fulfilled.

When the documents described in paragraphs (a) through (g) of this Section have been filed with the Trustee and when such Additional Bonds have been executed and authenticated as required by this Resolution, the Trustee shall deliver such Additional Bonds to or upon the order of the purchasers named in the Series Resolution, but only upon payment of the purchase price of such Additional Bonds and the accrued interest thereon. The Trustee shall be entitled to rely

upon the Series Resolution and the other documents described in paragraphs (a) through (e) of this Section as to all matters stated therein ~~but shall not deliver the Additional Bonds unless,~~

~~(1) the proceeds (excluding accrued interest) of such Additional Bonds, together with the other funds that have been or will be made available for such purpose as shown in (b)(2) above, are not less than the estimated Cost of the Additional Facilities to be financed as a whole or in part by the issuance of such Bonds as estimated by the Airport Consultant in (c)(1) above, and~~

~~(2) the sum of the amounts shown in (b)(1) above is not less than the sum of 125% of the amount shown in (b)(3)(A) above, plus the amounts shown in (b)(3)(B) above for the corresponding period; and~~

~~(3) the sum of the amounts shown in (d)(1) above is not less than the sum of the amount shown in (d)(2) above, plus 125% of the lesser of (i) the maximum amount of deposits to be made pursuant to the terms of this Resolution into the Principal Account, Interest Account and Sinking Fund Account during any Fiscal Year with respect to all Outstanding Bonds and assuming, for such purposes, that such Additional Bonds are Outstanding; provided, however, that if Passenger Facilities Charges, state and/or federal grants or other moneys have been irrevocably committed or are held by the Trustee or another fiduciary and are to be set aside exclusively to be used to pay Principal and Interest Requirements on a Series of Bonds or any portion thereof, then the portion of the Principal and Interest Requirements to be paid from such Passenger Facilities Charges, state and/or federal grants or other moneys or from investment earnings thereon shall be disregarded and not included (unless such Passenger Facilities Charges, state and/or federal grants or other moneys are included in the definition of "Revenues" herein) in calculating the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account, or (ii) the amount shown in (d)(3) above for the period corresponding to the period covered by (d)(1) and (d)(2); and~~

~~(4) the Airport Consultant has delivered to the County and the Trustee a statement to the effect that based upon its knowledge and analysis of the financial performance and operations of the Airport System, nothing has come to its attention that would lead it to believe that for the term of such Additional Bonds the County would not be able to meet its obligations under Sections 503 and 704 of this Resolution.~~

The proceeds (including accrued interest and any premium) of said Additional Bonds shall be applied by the Trustee as provided in the Series Resolution for such Additional Bonds.

Notwithstanding anything to the contrary contained in this Resolution, for purposes of applying the additional bonds tests contained in this Section 209 in connection with the issuance of a Series of Convertible Lien Bonds as Additional Bonds hereunder or a Series of Additional Bonds subsequent to the issuance of Convertible Lien Bonds hereunder, the Principal and Interest Requirements for Convertible Lien Bonds shall be taken into account in the required

calculations only on and after the Conversion Date for such Convertible Lien Bonds. Without limiting the generality of the foregoing, interest accruing prior to the Conversion Date on Convertible Lien Bonds that are stated to mature on or after the Conversion Date shall not be taken into account as part of the Principal and Interest Requirements in the required calculations.

Notwithstanding anything to the contrary contained in this Resolution, a Series of Convertible Lien Bonds (or the applicable portion thereof, as the case may be) shall be deposited with the Trustee solely for purposes of authentication as provided in Section 207 hereof, and after such authentication shall be deposited with the trustee under the PFC Bond Resolution for delivery as provided in the PFC Bond Resolution; provided, however, that on or prior to the date of delivery of such Convertible Lien Bonds there shall have been filed with the Trustee hereunder the documents, certificates and opinions required by this Section 209. The proceeds (including accrued interest and any premium) of a Series of Convertible Lien Bonds shall be applied as provided in the series resolution adopted under the PFC Bond Resolution authorizing such Series of Convertible Lien Bonds.

Section 210. Additional Bonds for Completion Purposes. If and to the extent necessary (as shown by the documents described in paragraphs (a) and (b) of this Section) to provide additional funds for completing the payment of the Cost of the Project or any Additional Facilities, one or more Series of Additional Bonds may be issued under and secured by this Resolution, at one time or from time to time, in an amount, together with any other available funds, sufficient to (a) complete payment of such Cost, (b) pay any debt obligations issued by the County or repay any advances made from any source, to finance temporarily such Cost, (c) increase the amount on deposit in the Reserve Account, (d) pay interest accruing on the Additional Bonds as specified in the Series Resolution relating ~~hereto~~ thereto, and (e) pay certain expenses incurred in connection with the issuance of the Additional Bonds.

Before any Additional Bonds shall be issued under this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Additional Bonds, fixing the amount and the details thereof, and determining that it is desirable to complete the Project or Additional Facilities, as the case may be. The Bonds of each Series issued under this Section shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on October 1 (or such other maturity date specified in the Series Resolution) in such year or years, shall have such Paying Agents, shall bear interest, and shall have such Sinking Fund Requirements and redemption provisions, all as then permitted by law and as provided in the Series Resolution authorizing the issuance of such Additional Bonds. Such Additional Bonds shall be executed in the form hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provisions of the Series Resolution for such Additional Bonds.

Except as to any difference in the rate or rates of interest, the maturities, ~~or the provisions for redemption, or the Reserve Requirement, if any,~~ each Series of Bonds issued under this Section 210 shall be on a parity with, and shall be entitled to the same benefit and security of this Resolution as, all other Bonds issued under this Resolution.

Such Additional Bonds shall be deposited with the Trustee for authentication and delivery but before such Additional Bonds shall be delivered the following shall be filed with the Trustee:

(a) a copy, certified by the County Administrator to be a true and correct copy, of the Series Resolution for such Series, which resolution shall also award or provide for the awarding of the Additional Bonds and direct the delivery of such Additional Bonds to or upon the order of the purchasers named in said Series Resolution upon payment of the purchase price therein set forth, plus accrued interest on the Additional Bonds;

(b) a statement, signed by the Airport Consultant, setting forth its estimate of the date on which the Project or the Additional Facilities being financed with the Additional Bonds to be issued will be placed in operation and certifying that, according to its estimate the total amount required to pay the balance of the Cost of the Project or Additional Facilities, the proceeds of such Additional Bonds will be sufficient to pay such balance;

(c) the documents and opinions set forth in paragraphs (e) and (g) of Section 209 of this Resolution; and

(d) an opinion of the General Counsel to the effect that (i) the County ~~as has~~ obtained from such governmental authorities, boards, agencies or commissions having jurisdiction over the Airport System all approvals, consents, authorizations, certifications, and other orders that are necessary for the acquisition and construction of the Project or the Additional Facilities, as the case may be, and that reasonably could have been obtained as of the date of such opinion and that if further approvals, consents, authorizations, certifications, or orders are necessary for the acquisition and construction of the Project or the Additional Facilities, as the case may be, such Counsel has no reason to believe that the County will not be able to obtain the same when required, (ii) this Resolution, the Series Resolution, and all other resolutions relating to the issuance of the Additional Bonds have been duly adopted at meetings of the Board duly called and held in accordance with law and at which quorums were present and acting throughout, (iii) the issuance of such Additional Bonds has been duly authorized, and (iv) that all conditions precedent to the delivery of such Additional Bonds have been fulfilled.

When the documents mentioned in clauses (a) through (d) of this Section have been filed with the Trustee and when the Additional Bonds have been executed and authenticated as required by this Resolution, the Trustee shall deliver such Additional Bonds to or upon the order of the purchasers named in the Series Resolution, but only upon payment of the purchase price of such Additional Bonds and accrued interest thereon. The Trustee shall be entitled to rely upon the Series Resolution as to all matters stated therein.

The proceeds (including accrued interest and any premium) of said Additional Bonds shall be applied as provided in the Series Resolution for such Additional Bonds.

Section 211. Additional Bonds for Refunding Purposes. Additional Bonds may be issued under and secured by this Resolution, at one time or from time to time, subject to the conditions hereinafter provided in this Section, for the purpose of providing funds for paying at maturity or redeeming prior to maturity all or any part of the Outstanding Bonds of any one or more Series, including the payment of any redemption premium thereon and any interest that

will accrue on such Bonds to the redemption date or stated maturity dates and any expenses incurred in connection with such refunding. Any Series of Additional Bonds issued pursuant to this Section 211, if so provided in the Series Resolution authorizing such Additional Bonds, may be issued as Convertible Lien Bonds.

Before any such Additional Bonds shall be issued under this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Additional Bonds, fixing the amount and details thereof, and describing the Bonds to be refunded, paid and redeemed. The Bonds of each Series issued under this Section shall be appropriately designated with the inclusion of the term "refunding" in the designation, shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on the October 1 (or such other maturity date specified in the Series Resolution) in such year or years, shall have such Paying Agents, shall bear interest, and shall have such Sinking Fund Requirements and redemption provisions, all as then permitted by law and as provided in the Series Resolution authorizing the issuance of such Additional Bonds.

Except as to any difference in the maturities thereof or the rate or rates of interest, the maturities, ~~or the provisions for redemption, or the Reserve Requirement, if any,~~ each series of Bonds issued under this Section 211 shall be on a parity with and shall be entitled to the same benefits and security under this Resolution as all other then Outstanding Bonds issued under this Resolution; provided, however, that with respect to a Series of Convertible Lien Bonds, only such Convertible Lien Bonds as are stated to mature on or after the Conversion Date shall be so secured by this Resolution.

Such Additional Bonds shall be deposited with the Trustee for authentication and delivery, but before such Additional Bonds shall be delivered the following shall be filed with the Trustee:

(a) a copy, certified by the County Administrator to be a true and correct copy, of the Series Resolution for such Series, which Resolution shall also award or provide for the awarding of the Additional Bonds and direct the delivery of such Additional Bonds to or upon the order of the purchasers named in said Series Resolution upon payment of the purchase price therein set forth, plus accrued interest on the Additional Bonds;

(b) a certificate of the Chief Financial Officer and the Trustee to the effect that no Default has occurred and is continuing under the Resolution or, if a Default then exists, that such Default shall be cured upon issuance of such Additional Bonds and the application of the proceeds thereof as described or provided for in the Series Resolution therefor;

(c) an opinion of the General Counsel to the effect that (i) this Resolution, the Series Resolution, and all other resolutions relating to the issuance of the Additional Bonds have been duly adopted at meetings of the Board duly called and held in accordance with law and at which quorums were present and acting throughout, (ii) the issuance of such Additional Bonds has been duly authorized, and (iii) all conditions precedent to the delivery of such Additional Bonds have been fulfilled;

(d) an opinion of bond counsel of suitable reputation and experience to the effect that the issuance of such Additional Bonds has been duly authorized and that all legal conditions precedent to the delivery of such Additional Bonds have been fulfilled;

(e) a certificate of the Aviation Director and the Chief Financial Officer evidencing compliance with the requirements of Section 209(b) or stating that, assuming the issuance of such Additional Bonds and the refunding of the Bonds to be refunded, the Principal and Interest Requirements for the Additional Bonds proposed to be issued in each Fiscal Year through the last Fiscal Year in which the Bonds to be refunded would otherwise be Outstanding are not more than one hundred five percent (105%) of the Principal and Interest Requirements which would be due in each such year for the Outstanding Bonds to be refunded if such refunding did not occur; and

~~(e)(f)~~ such documents as shall be required by the Trustee to show that provision has been duly made in accordance with the provisions of this Resolution for the payment or redemption of all of the Bonds to be paid or redeemed.

When the documents described in paragraph (a) through (e) of this Section have been filed with the Trustee and when the Additional Bonds have been executed and authenticated as required by this Resolution, the Trustee shall deliver such Additional Bonds to or upon the order of the purchasers named in the Series Resolution, but only upon payment of the purchase price of such Additional Bonds and the accrued interest thereon. The Trustee shall be entitled to rely upon the Series Resolution as to all matters stated therein, but shall not deliver such Additional Bonds unless in the determination of the Trustee, the proceeds (excluding accrued interest) of such Additional Bonds, together with any other money deposited with the Trustee for such purpose and the interest to accrue upon any ~~Government Obligation~~ Defeasance Obligations acquired pursuant to clause (1) below of this Section, shall be not less than an amount sufficient to pay the principal of, and the redemption premium, if any, on the Bonds to be refunded, the interest that will accrue thereon to the redemption date or to the respective maturity dates, and the expenses incident to such refunding.

The Trustee, after making provision for payment of the expenses incident to such refunding, shall apply the proceeds of such Additional Bonds (including accrued interest) and any other money provided for such purpose, as follows:

(i) an amount that, together with the interest accruing on the ~~Government~~ Defeasance Obligations acquired pursuant to this clause (1), shall be sufficient to pay the principal and redemption premium of and the interest on the Bonds to be refunded hereunder, shall be deposited by the Trustee in trust for the sole and exclusive purpose of paying such principal, redemption premium and interest; and money so held shall, as nearly as may be practicable and reasonable, be invested by the Trustee in ~~Government~~ Defeasance Obligations that shall mature or that shall be subject to redemption by the holder thereof at the option of such holder not later than the respective dates when the money so held will be required for the purposes intended,

(ii) such amount shall be deposited in or credited to any Fund or Account established under Section 501 of this Resolution as shall be required by reason of the

issuance of the Additional Bonds then requested to be authenticated and delivered and the Series Resolution authorizing the issuance of the Additional Bonds, and

(iii) the balance of such proceeds shall be ~~deposited~~ applied as provided in or credited to the Redemption Account corresponding Series Resolution.

Notwithstanding anything to the contrary contained in this Resolution, a Series of Convertible Lien Bonds (or the applicable portion thereof, as the case may be) shall be deposited with the Trustee solely for purposes of authentication as provided in Section 207 hereof, and after such authentication shall be deposited with the trustee under the PFC Bond Resolution for delivery as provided in the PFC Bond Resolution; provided, however, that on or prior to the date of delivery of such Convertible Lien Bonds there shall have been filed with the Trustee hereunder the documents, certificates and opinions required by this Section 211. The proceeds (including accrued interest and any premium) of a Series of Convertible Lien Bonds shall be applied as provided in the series resolution adopted under the PFC Bond Resolution authorizing such Series of Convertible Lien Bonds.

Section 212. Temporary Bonds. Until the definitive Bonds of any Series are ready for delivery, there may be executed, and upon direction of the County Administrator, the Trustee shall deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, except as to identifying numbers, printed, engraved, lithographed or typewritten temporary Bonds in the denomination of Five Thousand Dollars (\$5,000) or any whole multiple thereof, substantially of the tenor hereinabove set forth, with or without coupons and with or without the privilege of registration as to principal, as the Board may provide, and with such appropriate omissions, insertions and variations as may be required. The County shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it of any temporary Bond and all unmatured coupons appertaining thereto, shall cancel the same or cause the same to be cancelled and shall deliver, in exchange therefor, at the place designated by the Holder, without expense to the Holder, 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. Upon any such exchange all coupons appertaining to the definitive Bonds and representing interest theretofore paid shall be detached and cancelled by the Trustee. Until so exchanged, the temporary Bonds shall be entitled to the same benefit of this Resolution as the definitive Bonds to be issued and authenticated hereunder, including the privilege of registration if so provided. Until definitive Bonds are ready for exchange, interest on temporary Bonds shall be paid when due and payable upon presentation of such temporary Bonds, and notation of such payment shall be endorsed thereon, or such interest shall be paid upon the surrender of the appropriate coupons if interest coupons are attached to such temporary Bonds.

Section 213. Mutilated, Destroyed, Lost, or Stolen Bonds. The County shall cause to be executed, and the Trustee shall deliver a new Bond of like date, number and tenor in exchange and substitution for and upon the cancellation of any mutilated Bond, or in lieu of and in substitution for any destroyed, lost, or stolen Bond or any Bond the coupons of which are destroyed, lost, or stolen, and the Holder shall pay the reasonable expenses and charges of the County in connection therewith. Prior to the delivery of a substitute Bond the Holder of any Bond which was destroyed, lost, or stolen, or the coupons of which were destroyed, lost, or

stolen, shall file with the Trustee evidence satisfactory to it of the destruction, loss, or theft of such Bond or coupons, and of the Holder's ownership thereof and shall furnish to the County and the Trustee such security or indemnity as may be required by them to save each of them harmless from all risks, however remote.

Every Bond issued pursuant to the provisions of this Section 213 in exchange or substitution for any Bond which is mutilated, destroyed, lost or stolen or the coupons of which are mutilated, destroyed, lost, or stolen shall constitute an additional contractual obligation of the County, whether or not the destroyed, lost or stolen Bond or coupons are found at any time or are enforceable by anyone, and shall be entitled to all the benefits and security hereof equally and proportionately with any and all other Bonds and coupons duly issued under this Resolution. All Bonds and coupons shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost

or stolen Bonds and coupons and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

[END OF ARTICLE III]

ARTICLE III

REDEMPTION

Section 301. Redemption Generally. Except as hereinafter provided, the Bonds of each Series issued under this Resolution shall be subject to redemption, as a whole ~~at any time~~ or in part ~~on any Interest Payment Date~~, at such times and prices, and in such order as may be provided by the Series Resolution authorizing the issuance of such Bonds.

Section 302. Extraordinary Redemption of all Bonds. The Bonds shall be redeemed as a whole ~~at any time~~ or in part on any ~~Interest Payment Date~~ date upon payment of 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, if the County exercises its option to redeem the Bonds pursuant to Section ~~740709~~ of this Resolution or disposes of any portion of the Airport System.

Section 303. Selection of Bonds or Portions thereof to be Redeemed. ~~The~~ Unless otherwise provided in the Series Resolution for a Series of Bonds, the Bonds shall be redeemed only in whole multiples of \$5,000. The Trustee shall select the Bonds or portions thereof to be redeemed in accordance with the terms and provisions of Section 511 of this Resolution and the Series Resolution relating to such Bonds.

Section 304. Redemption Notice. ~~At~~ Unless otherwise provided in the Series Resolution for a Series of Bonds, at least thirty (30) but not more than sixty (60) days before the redemption date, a notice of any such redemption, either in whole or in part, signed by the Chief Financial Officer, (a) shall be filed with the Bond Registrar, and (b) shall be mailed, first class mail, postage prepaid, to all registered owners of Bonds to be redeemed at their addresses as they appear on the registration books hereinabove provided for, but failure so to mail any such notice shall not affect the validity of the proceedings for such redemption of Bonds with respect to which notice of such redemption was duly mailed. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds of a Series then ~~outstanding~~ Outstanding shall be called for redemption, the numbers of such Bonds. Each notice of redemption mailed to a registered owner of a Bond to be redeemed shall, if less than the entire principal amount thereof is to be redeemed, also state the principal amount thereof to be redeemed and that such Bond must be surrendered to the Bond Registrar in exchange for the payment of the principal amount thereof to be redeemed and the issuance of a new Bond or Bonds equaling in principal amount that portion of the principal sum not to be redeemed of the Bonds to be surrendered, as provided in Section 304 hereof.

In the case of an optional redemption of Bonds, the redemption notice may state that (a) it is conditioned upon the deposit of moneys with the Trustee or with a bank, trust company or other appropriate fiduciary institution acting as escrow agent (the "escrow agent"), in amounts necessary to effect the redemption, no later than the redemption date, or (b) the County retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this Section. Any such notice of Conditional Redemption shall be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time prior to the redemption date if the County

delivers a written direction to the Trustee directing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the County to make such moneys available shall constitute an Event of Default.

The provisions concerning the manner of giving notice of redemption may be changed or varied or supplemented with respect to any Series of Bonds in any Series Resolution applicable to such Series of Bonds issued under this Resolution.

In addition to the foregoing notice, further notice shall be given by the County as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus the (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least 35 days before the Redemption Date by telecopy, registered or certified mail or overnight delivery service to:

(1) The Depository Trust Company
711 Stewart Avenue
Garden City, New York 11530
Fax (516) 227-4039

(2) Midwest Securities Trust Company
Capital Structures - Call Notification
440 South LaSalle Street
Chicago, Illinois 60605
Fax (312) 663-2343

(3) Philadelphia Depository Trust Company
Reorganization Division
1900 Market Street
Philadelphia, Pennsylvania 19103
Attention: Bond Department
Fax (215) 496-5058

and to all other registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds designated by the County, and to

(i) Moody's Municipal and Government
99 Church Street

New York, New York 10007
Fax (212) 233-6263

(ii) Standard & Poor's Corporation, Publishers
25 Broadway
New York, New York 10004
Attention: Called Bond Record Department
Fax (212) 208-8284

and to any other nationally recognized information services as designated by the County.

Section 305. Effect of Calling for Redemption. Except for a redemption of Bonds in accordance with the Sinking Fund Requirement therefor, on or before the date upon which Bonds are to be redeemed in accordance with this Article III the County shall deposit with the Trustee money or Government Defeasance Obligations, or a combination of both, that will be sufficient to pay on the redemption date the Redemption Price of, and interest accruing on, the Bonds to be redeemed to such redemption date.

On the date fixed for redemption, notice having been mailed or published in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the Redemption Price provided therefor, plus accrued interest to such date. If money or Government Defeasance Obligations, or a combination of both, sufficient to pay the Redemption Price of the Bonds or portions thereof to be redeemed plus accrued interest thereon to the date of redemption are held by the Trustee or by the Paying Agents in trust for the Holders of Bonds to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue; the coupons for interest payable subsequent to the redemption date on coupon Bonds called for redemption shall be void; such Bonds or portions thereof shall cease to be entitled to any benefits or security under this Resolution or to be deemed Outstanding; and the Holders of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the Redemption Price thereof, plus accrued interest to the date of redemption. Bonds and portions of Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption at the earliest redemption date have been given to the Trustee in form satisfactory to it shall not thereafter be deemed to be Outstanding under this Resolution and shall cease to be entitled to the security of or any rights under this Resolution, and the Holders shall have no rights in respect of the same other than to receive payment of the Redemption Price thereof and accrued interest thereon, to be given notice of redemption in the manner provided in Section 304, and to the extent hereinafter provided, to receive Bonds for any unredeemed portions of registered Bonds without coupons if money or Government Defeasance Obligations, or a combination of both, sufficient to pay the Redemption Price of such Bonds or portions thereof, together with accrued interest thereon to the date upon which such Bonds are to be paid or redeemed, are held in separate accounts by the Trustee or the Paying Agents in trust for the Holders of such Bonds.

Section 306. Redemption of Portion of Registered Bonds Without Coupons. If less than all of an Outstanding registered Bond without coupons is selected for redemption, the registered owner thereof or his legal representative shall present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the County shall execute

and the Trustee shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge, for the unredeemed portion of the principal amount of the registered Bond without coupons so surrendered, a new registered Bond without coupons, of the same Series and maturity, bearing interest at the same rate and of any denomination or denominations authorized by this Resolution.

Section 307. Use of Government Defeasance Obligations to Redeem Bonds. For purposes of all Sections in this Article, Government Defeasance Obligations shall be deemed to be sufficient to pay or redeem Bonds on a specified date if the principal of and the interest on such Government Defeasance Obligations, when due, will be sufficient to pay on such date the Redemption Price of, and the interest accruing on, such Bonds or portions to such date.

Section 308. Cancellation. Bonds called for redemption and all unmatured coupons appertaining thereto shall be cancelled upon the surrender thereof.

Section 309. Matured Coupons. All unpaid coupons that appertain to coupon Bonds called for redemption and that have become due and payable on or prior to the date of redemption designated in such notice shall continue to be payable to the bearers severally and respectively upon the presentation and surrender of such coupons.

Section 310. Bonds Called for Redemption or Defeased Not Outstanding. If (a) (1) Bonds shall have been duly called for redemption under the provisions of this Article, or (2) irrevocable instructions have been given by the County to the Bond Registrar or the Escrow Agent to (i) call Bonds for redemption under the provisions of this Article, (ii) pay Bonds at their maturity or maturities, or (iii) both call Bonds for redemption under the provisions of this Article and pay Bonds at their maturity or maturities in any combination (the Bonds described in clauses (a)(1) and (a)(2) are herein collectively called the "Bonds to be Paid"), and (b) cash or Sufficient Defeasance Obligations are held in separate accounts by the Bond Registrar or Escrow Agent solely for the holders of the Bonds to be Paid, then the Bonds to be Paid shall not be deemed to be Outstanding under the provisions of this Resolution and shall cease to be entitled to any benefit or security under this Resolution other than to receive payment of principal, redemption premium, if any, and interest from such moneys.

For purposes of this Section 310, 'Sufficient Defeasance Obligations' shall mean Defeasance Obligations which are in such principal amounts, bear interest at such rate or rates and mature (without the option of prior redemption) on such date or dates so that the proceeds to be received upon payment of such Defeasance Obligations at their maturity and the interest to be received thereon will provide sufficient amounts in cash on the dates required to pay the principal of and redemption premium, if any, and the interest on the Bonds to be Paid to the dates of their maturity or redemption.

Section 311. Mandatory Tenders for Purchase and Call Options. In addition, the County may, by Series Resolution, provide that (1) the Bonds of any Series issued hereunder shall be subject to mandatory tender for purchase under the same terms and conditions and with the same notice requirements as shall be fixed for the redemption of the Bonds of such Series, except that any Bonds so purchased will remain Outstanding under this Resolution, and (2) the

right to call Series of Bonds for mandatory tender for purchase may be sold by the County under terms and conditions set forth in the Series Resolution relating to such Series of Bonds.

[END OF ARTICLE III]

ARTICLE IV

CONSTRUCTION FUND

Section 401. Construction Fund. A special fund is hereby established with the Trustee and designated the "Broward County Airport Construction Fund," and within said Construction Fund there are hereby established two special accounts designated the "Project Account" and the "Additional Facilities Account," respectively. Any money received by the Trustee or the County from a source for construction of the Project shall be deposited immediately upon its receipt in the Project Account. Any money received by the Trustee or the County from any source for construction of Additional Facilities financed as a whole or in part with proceeds of Additional Bonds (other than Additional Bonds consisting of Convertible Lien Bonds) shall be deposited upon the delivery of such Additional Bonds in the Additional Facilities Account. The proceeds received by or on behalf of the County from any Additional Bonds consisting of Convertible Lien Bonds issued to finance, in whole or in part, the construction of Additional Facilities shall be deposited upon the delivery of such Convertible Lien Bonds with the trustee under the PFC Bond Resolution, for application as provided in the series resolution adopted under the PFC Bond Resolution authorizing such Series of Convertible Lien Bonds. The provisions of this Article IV shall not apply to any Series of Additional Bonds consisting of Convertible Lien Bonds, unless the Conversion Date for such Series of Convertible Lien Bonds occurs while amounts allocable to such Convertible Lien Bonds remain on deposit to the credit of the "construction fund" established under the PFC Bond Resolution or any account therein, and then only to the extent that amounts are transferred to the Trustee hereunder for deposit into the Additional Facilities Account as provided in Section 401 of the PFC Bond Resolution.

The money in the Construction Fund shall be held by the Trustee in trust and, pending application to the payment of the Cost of the Project or Additional Facilities, as the case may be, or transfer as provided herein, shall be subject to a lien and charge in favor of the Holders of Bonds issued and Outstanding under this Resolution and shall be held for the security of such Holders.

Section 402. Payments from Construction Fund. Payment of the Cost of the Project shall be made from the Project Account and payment of the Cost of Additional Facilities shall be made from the Additional Facilities Account. All payments from the Construction Fund shall be subject to the provisions and restrictions set forth in this Article, and the County shall not cause or agree to permit to be paid from the Construction Fund any sums except in accordance with such provisions and restrictions.

Section 403. Cost of Project and Additional Facilities. For the purpose of this Resolution, the Cost of the Project and Additional Facilities, as the case may be, shall include such costs as are eligible costs within the purview of the County Code, and, without intending to limit or restrict any proper definition of such Cost, shall include the following:

- (a) obligations incurred labor, materials, services provided by contractors, builders, and materialmen in connection with the construction, acquisition, and equipping of the Project or Additional Facilities, machinery, and equipment, for the restoration of

property damaged or destroyed in connection with such construction and acquisition, for the demolition, removal, or relocation of any structures, and for the clearing of lands;

- (b) interest accruing upon any Bonds prior to the commencement of and during construction or for any additional period as may be authorized by law and provided in the Series Resolution authorizing the issuance of such Bonds;

- (c) the cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding, to acquire by condemnation, such land, structures and improvements, property rights, rights-of-way, franchises, easements, and other interests in lands as may be deemed necessary or convenient in connection with such construction or operation of the Airport System, and the amount of any damages incident thereto;

- (d) expenses of administration properly chargeable to such construction, legal, architectural and engineering expenses and fees, cost of audits and of preparing and issuing the Bonds, fees and expenses of consultants, financing charges, premiums of insurance in connection with construction, bond insurance premiums, the cost of funding the Reserve Account, and all other items of expense not elsewhere in this Section specified that are incident to the financing, construction, or acquisition of the Project or any Additional Facilities and the placing of the same in operation; and

- (e) any obligation or expense incurred by the County for any of the foregoing purposes within five years prior to the date of delivery of the Bonds, including the cost of materials, supplies or equipment furnished by the County in connection with the construction of the Project or any Additional Facilities and paid for by the County out of the funds other than money in the Construction Fund.

Section 404. Requisitions from Construction Fund. Payments from the Construction Fund shall be made in accordance with the provisions of this Section.

Upon receipt of a requisition of the County signed by the Chief Financial Officer, the Trustee shall pay from the Construction Fund to the County at one time or from time to time, a sum or sums aggregating at any point in time not more than \$8,000,000, exclusive of reimbursements as hereinafter authorized in this Section, to be used by the County as a revolving fund for the payment of items of Cost referred to in Section 403 of this Article. Such money shall be deemed to be a part of the Construction Fund until paid out. The Trustee shall apply money in the Construction Fund to reimburse the revolving fund from time to time for items of Cost paid with money in the revolving fund upon receipt from the County of a requisition that is signed by the Chief Financial Officer. The requisition shall specify the payee, the amount and the purpose by general classification of each payment from the revolving fund for which such reimbursement is requested and state that each such item of Cost so paid was a necessary item of Cost within said Section 403, and, if such item of Cost is directly related to construction, there shall be attached to such requisition a certificate that is signed by the architect in which he certifies to his approval thereof.

Upon request of the County, the Trustee shall pay Costs directly from the Construction Fund, but before any payment shall be made there shall be filed with the Trustee a requisition, signed by the Chief Financial Officer, stating:

- (i) the item number of such payment,
- (ii) the name of the person to whom such payment is due,
- (iii) the amount to be paid, ~~excluding any applicable sales tax,~~
- (iv) the purpose by general classification for which the obligation to be paid was incurred,
- (v) that the obligation in the stated amount has been incurred by the County, is presently due and payable, and is a proper charge against the Construction Fund that has not been paid,
- (vi) that no notice of any lien, right to lien or attachment upon, or claim affecting the right of any such person to receive payment of, the amount stated in such requisition has been filed or attached or, if any of the foregoing has been filed or attached, that the same either has been or will be satisfied or discharged or that provisions have been made (which shall be specified) to adequately protect the Trustee and the Holders from incurring any loss as a result of the same, and
- (vii) that such requisition contains no item representing payment on account of any retainage to which the County is entitled at the date of such requisition.

Upon receipt of each requisition, the Trustee shall pay the obligations set forth in such requisition out of money in the applicable Account in the Construction Fund, and each such obligation shall be paid by check signed by one or more officers or employees of the Trustee designated for such purpose by the Trustee. If for any reason the County should decide prior to the payment of any item in a requisition not to pay such item, it shall give written notice of such decision to the Trustee and thereupon the Trustee shall not make such payment.

Section 405. Requisition for Land Costs. If any requisition contains any item for the payment of the purchase price or cost of any lands, property, rights, rights-of-way, easements, franchises, or interests in or relating to lands other than lands, property, rights-of-way, easements, franchises, or interests in or relating to land constituting a part of the Airport System, there shall be attached to such requisition, in addition to the certificate mentioned in Section 404 of this Article:

- (a) a certificate, signed by the Aviation Director, stating that such lands, property, rights, rights-of-way, easements, franchises, or interests are being acquired by the County in furtherance of the construction of the Project or Additional Facilities, as the case may be; and
- (b) (1) an opinion of General Counsel to the effect that upon the payment of such item the County will have title in fee simple to, or perpetual easements or title or

rights sufficient for the needs and purposes of the County in, such lands, free from all liens, encumbrances and defects of title that would have a materially adverse effect upon the County's right to use such lands or properties for the purposes intended or if such liens, encumbrances, or defects of title exist that the County is adequately guarded against the same by a bond or other form of indemnity; or (2) if such payment is for an option or contract to purchase, a quit-claim deed to a lease or a release of, or the acquisition of a right or interest in, lands less than a fee simple or a perpetual easement, or if such payment is a partial payment for any such purpose, a certificate of the Chief Financial Officer approving the acquisition of such lesser right or interest or of such part payment.

Section 406. Reliance upon Requisitions. All requisitions and opinions received by the Trustee as conditions of payment from the Construction Fund may be relied upon by the Trustee. Such requisitions and opinions shall be retained by the Trustee for a period of time not less than that required by the law of the State for the retention of County records and shall be subject at all reasonable times to examination by the County and the Holders of Bonds then Outstanding.

Section 407. Completion of the Project or Additional Facilities and Disposition of Construction Fund Balance. The Completion Date for the Project and any Additional Facilities or any segment of either shall be evidenced to the Trustee by (a) a certificate, signed by the Chief Financial Officer, setting forth the Cost of the Project, the Additional Facilities, or such segment, whichever is applicable, and stating that, except for amounts then due and payable or the liability for the payment of which is being contested or disputed by the County, all costs and expenses incurred in connection therewith have been paid, and (b) a certificate signed by the Aviation Director, stating that (i) the acquisition, construction and equipping of the Project, the Additional Facilities, or such segment, whichever is applicable have been completed substantially in accordance with the plans and specifications therefor and the Cost of the same has been paid and (ii) all other facilities necessary in connection with the Project or Additional Facilities or such segment have been acquired, constructed and installed in accordance with the plans and specifications therefor. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or that may subsequently come into being.

Upon receipt of such certificate, together with an opinion of General Counsel to the effect that there are no the mechanics', workmen's, repairmen's, architects', engineers', surveyors', carriers', laborers', contractors' or material men's liens on any property constituting a part of the Project or Additional Facilities, as the case may be, on file in any public office where the same should be filed to be perfected and that the time within which such liens can be filed has expired, the Trustee shall withdraw all money then remaining in the relevant Account in Construction Fund, including any balance in the revolving fund, in excess of the amount then needed for completion of the remainder of the Project or Additional Facilities and apply the same, subject to Section 604 hereof, for such of the following purposes: (a) first, deposit in any other Account in the Construction Fund an amount not exceeding that by which the Costs to be paid from such Account exceed the amounts on deposit therein, (b) second, deposit in the Principal Account and the Sinking Fund Account, in that order, the amounts by which the sums of money required to be paid by the County to said Accounts in the then current Fiscal Year pursuant to Section 503 hereof exceed the amounts on deposit in said Accounts, (c) third, deposit

in the Reserve Account the amount by which the Reserve Requirement exceeds the amount on deposit therein, (d) fourth, transfer to the County for deposit in the Improvements Account the amount by which the Improvements Appropriation for such Fiscal Year exceeds the amount on deposit therein, and (e) fifth, deposit in the Redemption Account such amount as the County designates to be applied to the redemption of Bonds in accordance with Section 511 hereof. The application by the County of money remaining in the Construction Fund after payment of the Cost of the Project or Additional Facilities, as the case may be, shall be modified to the extent necessary to assure that such application will not cause the ~~loss of the federal exemption from taxation of interest on the Bonds issued as Tax-Exempt Bonds to be included in gross income for federal income tax purposes.~~

Section 408. Proceeds Account. If and when Net Proceeds are received and designated for use in the repair or replacement of the Airport System, the Trustee shall create a new account in the Construction Fund to be designated the Proceeds Account into which Net Proceeds shall be deposited. Payment of the Cost of repairing or replacing the Airport System shall be made from the Proceeds Account. All the provisions of this Article that relate to the Construction Fund shall apply to all Accounts within such Fund, including the Proceeds Account.

[END OF ARTICLE IV]

ARTICLE V REVENUES AND FUNDS

Section 501. Establishment of Funds. In addition to the Construction Fund, there are hereby established the following funds:

(a) Broward County Airport Bond Fund, in which there are established six special accounts to be known as the Interest Account, the Principal Account, the Sinking Fund Account, the Reserve Account, the Redemption Account, and the Insurance and Condemnation Award Account; and

(b) Broward County Aviation Fund, in which there are established four special accounts to be known as the Revenue Account, the Renewal and Replacement Account, the Improvements Account, and the General Purposes Account.

The Bond Fund and the Accounts therein shall be established with and held by the Trustee. The Aviation Fund and the Accounts therein shall be established with and held by a Depository selected by the County.

Additional Accounts or subaccounts may be established pursuant to a Series Resolution in any Fund or Account created herein, ~~and with~~ With respect to any Series of Additional Bonds, ~~as to which the County has irrevocably committed the use of Passenger Facilities Charges, state and/or federal grants or other moneys~~ any Available Revenues for the payment of all or a portion of the Principal and Interest Requirements thereon, the County shall, in such Series Resolution create separate subaccounts within the Interest Account, Principal Account and Sinking Fund Account, as applicable.

The money in all of said Funds and Accounts shall be held in trust and applied as hereinafter provided and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Bonds issued and Outstanding under this Resolution and for the further security of such Holders.

Section 502. Revenues Received by the County. Except as hereinafter provided, all Revenues shall be deposited when received in the Revenue Account. The County may also deposit other moneys in the Revenue Account as approved by the Board.

Section 503. Application of Money in Revenue Account. The County shall apply funds on deposit in the Revenue Account to the payment of Current Expenses ~~and, to~~ To the extent hereinafter provided in this Section 503, ~~the County may also apply funds on deposit in the Revenue Account~~ to the purchase of Bonds. On or before the 20th day of each month the County shall withdraw from the Revenue Account all amounts on deposit therein in excess of the Operations and Maintenance Requirement for such month and shall apply the same in the following manner and order:

(a) Beginning in the April or October next preceding an Interest Payment Date on which less than all of the interest to be paid to a Bondholder will be paid from the proceeds of Bonds, the County shall deliver to the Trustee for deposit in the Interest

Account in the Bond Fund the amount specified in the Series Resolution relating to such Bonds;

(b) Beginning in the April or October next preceding any Interest Payment Date on which none of the interest to be paid to a Bondholder will be paid from the proceeds of Bonds, and continuing until the amount on deposit in the Interest Account is equal to the interest payable on the Bonds on the next Interest Payment Date, the County shall deliver to the Trustee for deposit in the Interest Account in the Bond Fund, one-sixth (1/6) of the interest payable on the Bonds on the next ensuing Interest Payment Date, provided, however, that with respect to Bonds not dated on an Interest Payment Date and for which funded or accrued interest to the first Interest Payment Date is not available, until the next ensuing Interest Payment Date each monthly payment shall be equal to the interest to accrue on such Bonds in each month;

(c) Beginning in the October next preceding any October 1 on which principal of Serial Bonds is to be paid to a Bondholder and continuing until the amount on deposit in the Principal Account is equal to the principal of the Serial Bonds to be paid on such October 1, the County shall ~~deposit~~ transfer to the Trustee for deposit in the Principal Account in the Bond Fund, one-twelfth (1/12) of the principal of all Serial Bonds due on such October 1, provided that with respect to any Serial Bonds, the first principal installment of which matures less than one year from the date of such Serial Bonds, such monthly payments shall commence in the month after the delivery of such Serial Bonds and, prior to the next succeeding October 1, shall be in amounts equal to the principal amount of such Serial maturity divided by the number of months from the date of delivery of such Serial Bonds to the next succeeding October 1;

(d) Beginning in the October next preceding any October 1 on which Term Bonds are to be redeemed pursuant to a Sinking Fund Requirement therefor or are to be paid at maturity and continuing until the amount on deposit in the Sinking Fund Account is equal to the Sinking Fund Requirement due, or amount to be paid at final maturity on such Term Bonds on, such October 1, the County shall deliver to the Trustee for deposit in the Sinking Fund Account in the Bond Fund, one-twelfth (1/12) of the amount required to retire the Term Bonds to be called by mandatory redemption pursuant to a Sinking Fund Requirement or to be paid at maturity on such October 1, provided that with respect to any Term Bonds on which the first payment of a Sinking Fund Requirement is due less than one year from the date of such Term Bonds, such monthly payments shall commence in the month after the delivery of such Term Bonds and, prior to the next succeeding October 1, shall be in amounts equal to the amount of such Sinking Fund Requirement divided by the number of months after the delivery of such Term Bonds and prior to the next succeeding October 1;

(e) In any month in which the amount on deposit in the Reserve Account (or any subaccount therein) is less than the Reserve Requirement due to the application of money therein in accordance with Section 507 of this Resolution or the loss on Investment Obligations therein, the County shall deliver to the Trustee for deposit in the Reserve Account (or one or more subaccounts therein, as applicable) the amount of such deficiency;

~~(f) Beginning~~ A sufficient amount of Revenues next shall be transferred by the County to the Subordinated Debt Trustee or the paying agent for Subordinated Debt in ~~the~~ such amounts and at such times as are sufficient to pay the principal and interest becoming due in the next succeeding month in which the initial Project Bonds are delivered if such delivery occurs before the 20th day of on any month or Subordinated Debt in the following month if such delivery occurs after the 20th day of manner set forth in any month, and continuing until the amount on deposit in Renewal and Replacement Subordinated Debt Issuing Instrument;

~~(g)~~ A sufficient amount of Revenues next shall be transferred by the County to the Subordinated Debt Debt Service Reserve Account ~~equals, if any, as specified in the Subordinated Debt Issuing Instrument to be used in the manner provided therein;~~

~~(h)~~ To the Renewal and Replacement Account, one-twelfth (1/12) of the Renewal and Replacement Account Requirement for such Fiscal Year, but only to the extent such deposit is required to make the amount on deposit in the Renewal and Replacement Account one-twelfth (1/12) of such equal to the Renewal and Replacement Account Requirement;

~~(i)~~ Beginning in the month in which the initial Project Bonds are delivered if such delivery occurs before the 20th day of any month or in the following month if such delivery occurs after the 20th day of any month, and continuing until the amount on deposit in ~~the~~ To the Improvements Account equals, one-twelfth (1/12) of the Improvements Appropriation for such Fiscal Year, the County shall but only to the extent such deposit is required to make the amount on deposit in the Improvements Account one-twelfth (1/12) of such equal to the Improvements Appropriation; and

~~(j)~~ ~~the~~ The County shall deposit any amount remaining after making the deposits required by paragraphs (a) through ~~(g)~~ above in the General Purposes Account.

In each month following a month in which the County has failed to make any deposit or payment required by paragraphs (a) through ~~(g)~~ of this Section 503, the County shall deposit or pay, in addition to the amounts then due, an amount sufficient to cure the deficiency in deposit or payment in the prior month unless such deficiency is cured by a transfer, pursuant to the terms of this Resolution, of money or Investment Obligations to such Fund or Account from other Funds and Accounts created hereby.

Except as otherwise provided herein, in determining the amount of money to be deposited to each Fund and Account there shall be taken into consideration the investment earnings or losses that are to be charged to such Fund or Account in accordance with Section 602, the amounts on deposit in any subaccounts in such Fund or Account from the deposit of ~~Passenger Facilities Charges, state and/or federal grants or other moneys~~ Available Revenues and the amounts then on deposit therein resulting from the application of Bond proceeds or the transfers as hereinafter provided.

Whenever the amount on deposit in the Revenue Account is insufficient to pay Current Expenses, the County shall transfer an amount necessary to pay the same to the Revenue

Account, drawing upon funds available in the General Purposes Account, the Renewal and Replacement Account, and the Improvements Account in that order.

On or before the 45th day next preceding any October 1 on which Serial Bonds are to mature or Term Bonds are to be redeemed pursuant to the Sinking Fund Requirement or are to mature, the County may satisfy all or a portion of its obligation to make the payments required by paragraphs (c) and (d) of this Section 503 by delivering to the Trustee Serial Bonds maturing or Term Bonds maturing or required to be redeemed on such October 1. The price paid to purchase any such Bond shall not exceed the Redemption Price applicable to such Bonds at the next redemption date. Upon such delivery the County shall receive a credit against amounts required to be deposited into the Principal Account on account of such Serial Bonds or into the Sinking Fund Account on account of such Term Bonds in the amount of 100% of the principal amount of any such Serial Bonds or Term Bonds so delivered.

Section 504. Application of Money in Interest Account. Not earlier than the first business day next preceding each Interest Payment Date or date upon which Bonds are to be redeemed the Trustee shall withdraw from the Interest Account and any applicable subaccount relating to such Series of Bonds and (a) remit by mail to each owner of registered Bonds without coupons the amounts required for paying interest on such Bonds when due and payable, and (b) set aside or deposit in trust with the Paying Agents of coupon Bonds of each Series amounts sufficient to pay interest on the Bonds of such Series when due and payable.

If the County fails to make any deposit to the Interest Account, or any applicable subaccount therein, that is required by Section 503 hereof or otherwise or if the balance in the Interest Account, or any subaccount therein, on the 20th day of the month next preceding an Interest Payment Date is insufficient to pay interest becoming due on the Bonds on such Interest Payment Date, the Trustee shall notify the County of the amount of the deficiency. Upon notification, the County immediately shall deliver to the Trustee an amount sufficient to cure the same, drawing upon funds available in the General Purposes Account, the Improvements Account, and the Renewal and Replacement Account in that order. If the amount so delivered is not sufficient to cure the deficiency in the Interest Account, or any subaccount therein, the Trustee shall transfer to said Account such amount as may be necessary to remedy such deficiency from the Reserve Account.

Section 505. Application of Money in Principal Account. Not earlier than the business day next preceding each October 1, the Trustee shall withdraw from the Principal Account, and any applicable subaccount relating to such Series of Bonds and (a) set aside the amount necessary to pay the principal of all coupon Serial Bonds registered as to principal alone and all registered Serial bonds without coupons at their respective maturities and (b) set aside or deposit in trust with the Paying Agents of each Series the amount necessary to pay the principal of all coupon Serial Bonds not registered as to principal at their respective maturities.

If at any date there is money in the Principal Account or any applicable subaccount relating to a Series of Bonds and no Serial Bonds are then Outstanding (or with respect to any subaccount, no Serial Bonds are then Outstanding relating to such Series of Bonds for which such subaccount was created) or if on any principal payment date money remains therein after the payment of the principal of Serial Bonds then due, the Trustee shall withdraw such money

therefrom and shall apply the same as follows: (a) deposit in the Sinking Fund Account (or with respect to any subaccount, in the corresponding subaccount in the Sinking Fund Account for such Series of Bonds, if any) and the Reserve Account, in that order, the amounts then required to be paid thereto by the County pursuant to Section 503 hereof and (b) deliver all remaining amounts to the County; provided, however, with respect to any excess moneys in any subaccount for a Series of Bonds which were deposited by the County from the PFC Capital Improvements Fund created under the PFC Bond Resolution, such excess amounts shall not be applied to the Reserve Account, but shall be paid to the County for deposit to the PFC Capital Improvements Fund. Except as otherwise provided above with respect to excess moneys in a subaccount, upon receipt thereof, the County shall deposit (i) in the Renewal and Replacement Account the amount then required to be paid thereto by the County pursuant to Section 503 hereof, (ii) in the Improvements Account such amount as is necessary to make the amount on deposit therein equal to the Improvements Appropriation, and (iii) all remaining amounts in the General Purposes Account.

If the County fails to make any deposit to the Principal Account, or any subaccount therein, that is required by Section 503 hereof or otherwise or if the balance in the Principal Account, or any subaccount therein, on the 20th day of the month next preceding a principal payment date is insufficient to pay principal becoming due on such payment date, the Trustee shall notify the County of the amount of the deficiency. Upon notification, the County immediately shall deliver to the Trustee an amount sufficient to cure the same, drawing upon funds available in the General Purposes Account, the Improvements Account, and the Renewal and Replacement Account, in that order. If the amount so delivered is not sufficient to cure the deficiency in the Principal Account or any subaccount therein, the Trustee shall transfer from the Reserve Account to such Account such amount as may be necessary to remedy such deficiency.

Section 506. Application of Money in Sinking Fund Account. Money held for the credit of the Sinking Fund Account and any subaccount created therein shall be applied during each Fiscal Year to the retirement, purchase or payment of Term Bonds of each Series then Outstanding as follows:

- (a) The Trustee shall endeavor to purchase Term Bonds subject to redemption by operation of the Sinking Fund Account or maturing on the next ensuing October 1 at the most advantageous price obtainable with reasonable diligence. The purchase price of each such Term Bond shall not exceed par plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such Term Bonds to the date of settlement ~~therefor~~ ~~therefor~~ from the Interest Account and any applicable subaccount therein and the purchase price from the Sinking Fund Account or any applicable subaccount with respect to such Series of Bonds within the period of 45 days immediately preceding the next October 1 on which such Term Bonds are to mature or be redeemed by operation of a Sinking Fund Requirement. The aggregate purchase price for Term Bonds of each Series purchased during any Fiscal Year shall not exceed the amount deposited in the Sinking Fund Account and any applicable subaccount relating to such Series of Term Bonds in such Fiscal Year on account of the Sinking Fund Requirement for the Term Bonds of such Series. If in any Fiscal Year the sum of the amount on deposit in the Sinking Fund Account or any applicable subaccount for the payment of any Series of Term Bonds and the principal amount of the Term Bonds of such Series that were

purchased pursuant to the provisions of this paragraph (a) or delivered to the Trustee by the County during such Fiscal Year exceeds the Sinking Fund Requirement for the Outstanding Term Bonds of such Series for such Fiscal Year, at the direction of the County, the Trustee shall endeavor to purchase Outstanding Term Bonds of such Series with such excess money;

(b) On each October 1 on which Term Bonds are to be paid or redeemed in accordance with a Sinking Fund Requirement the Trustee shall pay or call for redemption in accordance with Section 301 of this Resolution, such Term Bonds in a principal amount equal to the aggregate principal amount of Term Bonds maturing on such October 1 or the Sinking Fund Requirement for the Term Bonds of each Series for the Fiscal Year next preceding such October 1, less the principal amount of any such Term Bonds retired by purchase pursuant to clause (a) of this Section or delivered to the Trustee by the County during such Fiscal Year. If the amount available in the Sinking Fund Account, and any applicable subaccount therein, on such October 1 is not equal to the Sinking Fund Requirement for the Term Bonds of each such Series for the preceding Fiscal Year less the principal amount of any such Term Bonds so delivered or purchased, the Trustee shall apply the amount available in the Sinking Fund Account, and any applicable subaccount for such Series of Bonds, to the redemption of all Term Bonds then subject to redemption in proportion to the Sinking Fund Requirement for such Fiscal Year for the Term Bonds of each such Series then Outstanding; provided, however, any amounts in any subaccount created for a Series of Bonds shall only be applied to such Series of Bonds. Such redemption shall be made pursuant to the provisions of Article III of this Resolution. Not earlier than the business day next preceding each October 1 on which Term Bonds are to be paid at maturity or redeemed in accordance with a Sinking Fund Requirement, the Trustee shall withdraw from the Sinking Fund Account and any applicable subaccount and set aside in a separate account or deposit with the Paying Agents, in the manner set forth in Section 505 for the payment of Serial Bonds, the amount required to pay or redeem such Term Bonds.

If at any date there is money in the Sinking Fund Account or any applicable subaccount therein and no Term Bonds are then Outstanding (or with respect to any subaccount no Term Bonds are then Outstanding relating to such Series of Bonds for which such subaccount was created) or if on any principal payment date money remains therein after Term Bonds have been paid at maturity or redeemed in accordance with the Sinking Fund Requirement ~~therefore~~^{therefor}, the Trustee shall withdraw such money therefrom and shall apply the same as follows: (a) deposit in the Reserve Account the amount then required to be paid thereto by the County pursuant to Section 503 hereof and (b) deliver all remaining amount to the County; provided, however, with respect to any excess moneys in any subaccount for a Series of Bonds which were deposited by the County from the PFC Capital Improvements Fund created under the PFC Bond Resolution, such excess amounts shall not be applied to the Reserve Account, but shall be paid to the County for deposit to the PFC Capital Improvements Fund. Except as otherwise provided above with respect to excess moneys in a subaccount, upon receipt thereof the County shall deposit (i) in the Renewal and Replacement Account the amount then required to be paid thereto by the County pursuant to Section 503 hereof, (ii) in the Improvements Account such amount as is necessary to make the amount on deposit therein equal to the Improvements Appropriation, and (iii) all remaining amounts in the General Purposes Account.

If the County fails to make any deposit to the Sinking Fund Account, or any subaccount therein, that is required by Section 503 hereof or otherwise or if the balance in the Sinking Fund Account, or any subaccount therein, on the 20th day of the month next preceding a payment date upon which Term Bonds are to be paid at maturity or redeemed in accordance with the Sinking Fund Requirements ~~therefore~~^{therefor} is insufficient to make such payment or satisfy such Sinking Fund Requirement, the Trustee shall notify the County of the amount of the deficiency. Upon notification, the County immediately shall deliver to the Trustee an amount sufficient to cure the same, drawing upon funds available in the General Purposes Account, the Improvements Account, and the Renewal and Replacement Account in that order. If the amount so delivered is not sufficient to cure the deficiency in the Sinking Fund Account, or any subaccount therein, the Trustee shall transfer from the Reserve Account to such Account such amount as may be necessary to remedy such deficiency.

If, in any Fiscal Year, by the application of money in Sinking Fund Account the Trustee should purchase and cancel or receive from the County and cancel Term Bonds in excess of the aggregate Sinking Fund Requirements for such Fiscal Year, the Trustee shall file with the County not later than the 20th day prior to the next October 1 on which Term Bonds are to be redeemed a statement identifying the Term Bonds purchased or delivered during such Fiscal Year and the amount of such excess. The County shall thereafter cause a certificate of the Chief Financial Officer to be filed with the Trustee not later than the 10th day prior to such October 1, setting forth with respect to the amount of such excess the years in which the Sinking Fund Requirements with respect to Term Bonds are to be reduced and the amount by which the Sinking Fund Requirements so determined are to be reduced.

Upon the retirement of any Term Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the County a statement identifying such Bonds and setting forth the date of purchase or redemption, the amount paid to purchase or redeem such Term Bonds and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such Term Bonds are required to be paid by the County from the General Purposes Account.

Section 507. Application of Money in Reserve Account. An amount equal to the Reserve Requirement for the initial Series of Project Bonds shall be deposited in the Reserve Account on the date of issuance of such Project Bonds. If additional Project Bonds or Additional Bonds are issued, the supplement to this Resolution, if any, or the Series Resolution relating to the same shall provide for the deposit into the Reserve Account of an amount that will cause the amount then on deposit therein to equal the Reserve Requirement on all Bonds Outstanding which are secured by the Reserve Account after the issuance of such Bonds; provided, however, that the County shall not be required to fully fund the Reserve Account at the time of issuance of such additional Project Bonds or Additional Bonds hereunder if (i) it elects, by resolution adopted prior to the issuance of any such Bonds, subject to the limits described below, to fully fund the Reserve Account over a period specified in such resolution not to exceed twelve (12) months, during which it shall make substantially equal monthly installments in order that the amounts on deposit therein at the end of such period shall equal the Reserve Requirement for all Bonds Outstanding, or (ii) it provides a Reserve Product issued by a Reserve Product Provider in an amount which, together with amounts then on deposit in the Reserve Account or to be

deposited therein pursuant to periodic deposits as provided in (i) above, shall equal the Reserve Requirement.

In addition to the foregoing the County may at any time elect to provide a Reserve Product to fund all or any portion of the Reserve Requirement in replacement of any cash, investments or Reserve Product then used to fund the Reserve Requirement. Any Reserve Product must provide for payment on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held hereunder for a payment with respect to Bonds which cannot be cured by funds in any other account held pursuant to this resolution and available for such purpose, and shall name the Trustee as the beneficiary thereof. In no event shall the use of such Reserve Product be permitted if it would cause an impairment in any existing rating on any Bonds Outstanding hereunder. If a disbursement is made from a Reserve ~~product~~Product, the County shall be obligated to reinstate the maximum limits of such Reserve Product immediately following such disbursement or to replace such Reserve Product by depositing into the Reserve Account from the first Net Revenues available for deposit pursuant to Section 503(e) above, funds in the maximum amount originally payable under such Reserve Product, plus amounts necessary to reimburse the Reserve Product Provider for previous disbursements made pursuant to such Reserve Product, or a combination of such alternatives and for purposes of Section 503(e) above, amounts necessary to satisfy such reimbursement obligation and other obligations of the County to such a Reserve Product Provider shall be deemed required deposits into the Reserve Account, but shall be used by the County to satisfy its obligations to the Reserve Product Provider.

The Trustee shall use amounts in the Reserve Account, including proceeds of any Reserve ~~product~~Product, to make transfers, in the following order, to the Interest Account, the Principal Account and the Sinking Fund Account to remedy any deficiency in any; deposit required to be made to said Accounts by Section 503 hereof or to pay the interest on or the principal of (whether at maturity, by acceleration or in satisfaction of the Sinking Fund Requirement therefor) the Bonds when due, whenever and to the extent that the money on deposit in any or all of said Accounts, together with transfers thereto from the General Purposes Account, the Improvements Account, and the Renewal and Replacement Account, is insufficient for such purposes. The Trustee shall also use moneys in the Reserve Account to pay the interest on April 1 next preceding the final maturity of all Bonds Outstanding and the principal of and the interest on such Bonds on the final maturity date of the same.

If at any time the aggregate of the money held in the Reserve Account and the aggregate amounts available under any Reserve Products exceeds the Reserve Requirement, the Trustee shall withdraw moneys in an amount equal to such excess therefrom and shall deliver the same to the County. Upon receipt thereof the County shall deposit (a) in the Renewal and Replacement Account the amount then required to be paid thereto by the County pursuant to Section 503 hereof, (b) in the Improvements Account such amount as is necessary to make the amount on deposit therein equal to the Improvement Appropriation, and (c) all remaining amounts in the General Purposes Account.

Whenever the aggregate of the moneys on deposit in the Reserve Account and the aggregate amounts available under any Reserve Products is less than the Reserve Requirement, the Trustee shall notify the County of the amount of the deficiency. Upon notification, the

County immediately shall deliver to the Trustee either an amount sufficient to cure the same, drawing upon funds available in the General Purposes Account, the Improvements Account, and the Renewal and Replacement Account, in that order or a Reserve Product in an amount sufficient to cure such deficiency.

~~Section 507~~Section 508. Application of Money in the Renewal and Replacement Account. The County shall apply money in the Renewal and Replacement Account to the payment of the cost of renewals and replacements of and unusual or extraordinary repairs to the Airport System and of engineering and other expenses incurred in connection therewith. All disbursements of money in the Renewal and Replacement Account shall be made in accordance with procedures established by the Board from time to time.

The County shall also use amounts in the Renewal and Replacement Account to make transfers, in the following order, to (a) the Revenue Account to pay Current Expenses whenever and to the extent that the amount on deposit therein, together with transfers ~~Purposes Account to pay Current Expenses, whenever and to the extent that the amount on deposit therein, together with transfers~~ thereto from the General Purposes Account, is insufficient for such purpose, (b) the Interest Account, the Principal Account, and the Sinking Fund Account, in that order, upon receipt of a request from the Trustee, to remedy any deficiency in any deposit required to be made to said Accounts by Section 503 hereof or to pay the interest on and the principal of (whether at maturity, by acceleration, or in satisfaction of the Sinking Fund Requirement) the Bonds when due, whenever and to the extent that the money on deposit in any or all of such Accounts, together with transfers thereto from the General Purposes Account and Improvements Account, is insufficient for such purposes, and (c) the Reserve Account, upon receipt of a request from the Trustee, to the extent necessary to cure a deficiency therein whenever and to the extent that money transferred to the Reserve Account from the General Purposes Account is insufficient for such purpose.

If at any time the money held in the Renewal and Replacement Account exceeds the Renewal and Replacement Account Requirement, the County shall withdraw an amount equal to such excess therefrom and (a) deposit in the Improvements Account such amount as is necessary to make the amount on deposit therein equal to the Improvements Appropriation, and (b) shall deposit all remaining amounts in the General Purposes Account.

~~Section 508~~Section 509. Application of Money in the Improvements Account. The County shall apply money in the Improvements Account to the payment of the cost of additions, extensions and improvements to and enlargements and replacements of the Airport System, including engineering and other expenses incurred in connection therewith. Prior to making any disbursement from the Improvements Account, the County shall cause a notation substantially in the form of the requisition required for disbursements from the Construction Fund pursuant to Section 404 of this Resolution to be made and filed in a record book maintained for such purpose. A copy of such notation shall be delivered to the Trustee.

The County shall also use amounts in the Improvements Account to make transfers, in the following order, to (a) the Construction Fund, upon receipt of a request from the Trustee, to the extent that the amount on deposit therein is insufficient to pay the Cost of the Project or Additional Facilities, (b) the Proceeds Account, upon receipt of a request from the Trustee, to the

extent that the amount on deposit therein is insufficient to pay the cost of repairing or replacing the Airport System, (c) the Revenue Account to the extent necessary to pay Current Expenses whenever and to the extent that the amount on deposit therein, together with transfers thereto from the General Purposes Account and the Renewal and Replacement Account, is insufficient for such purpose, (d) the Interest Account, the Principal Account, and the Sinking Fund Account, in that order, upon receipt of a request from the Trustee, to remedy any deficiency in any deposit required to be made to said Accounts by Section 503 hereof or to pay the interest on and the principal of (whether at maturity, by acceleration, or in satisfaction of the Sinking Fund Requirement) the Bonds when due, whenever and to the extent that the money on deposit in any or all of said Accounts, together with transfers thereto from the General Purposes Account, is insufficient for such purposes, and (e) the Reserve Account, upon receipt of a request from the Trustee, to the extent necessary to cure a deficiency therein whenever and to the extent that money transferred thereto from the General Purposes Account is insufficient for such purpose.

If at any time the money held in the Improvements Account, including any excess created as a whole or in part by interest earnings on such Account, exceeds the Improvements Appropriation, all or a portion of such excess may be retained therein at the option of the County. The County shall withdraw any amount not designated by the County for retention therein and shall deposit the same in the General Purposes Account.

~~Section 509.~~ Section 510. Application of Money in the General Purposes Account. The County shall apply money on deposit in the General Purposes Account to make transfers, in the following order, to (a) the Revenue Account to the extent necessary to pay Current Expenses whenever the amount on deposit therein is insufficient for such purpose, (b) the Interest Account, Principal Account, and Sinking Fund Account, in that order, upon receipt of a request from the Trustee, to remedy any deficiency in any deposit required to be made pursuant to Section 503 hereof and pay the principal of (whether at maturity, by acceleration or in satisfaction of the Sinking Fund Requirement) and interest on the Bonds when due, whenever and to the extent that the money on deposit in any or all of said Accounts is insufficient for such purposes, ~~and (c) the Reserve Account upon receipt of a request from the Trustee, to the extent necessary to cure a deficiency therein, and (d) the Subordinated Debt Trustee or other paying agent for Subordinated Debt upon a request from the Subordinated Debt Trustee to pay debt service on Subordinated Debt, whenever and to the extent that amounts previously transferred pursuant to Section 503 hereof to the Subordinated Debt Trustee or paying agent are insufficient for such purpose, (e) the Renewal and Replacement Account to the extent necessary to cure a deficiency therein, and (f) any Counterparty to which the County then owes a Termination Payment in connection with an Interest Rate Swap.~~

The County, at its option, may apply any amounts remaining in the General Purposes Account after making the aforementioned transfers for any one or more of the following purposes: (1) for any purpose for which money in the Construction Fund, the Renewal and Replacement Account, the Revenue Account, or the Improvements Account may be used, (2) to the purchase or redemption of Bonds, (3) to pay the cost of any airport or aviation facilities authorized by the County Code, (4) to make required payments to air carriers, (5) to make ~~transfers~~ transfers to the Revenue Account, ~~(6) to secure and pay Subordinated Debt, and (7) (6)~~ with an approving opinion of Bond Counsel, for any lawful aviation purpose of the County.

If the County elects to redeem Bonds from money in the General Purposes Account, it shall deliver to the Trustee written notice of its intent to effect such redemption at least 45 days but not more than 60 days before the anticipated redemption date. Such notice shall refer to this Section 510, shall state the principal amount of Bonds to be redeemed pursuant to Section 301 of this Resolution, and shall direct the Trustee to redeem such principal amount of Bonds ~~on the next ensuing Interest Payment Date if such redemption is in part or on a date not later than 60 days following the date of such notice if such notice is as a whole.~~

To redeem all of the Outstanding Bonds, on or before the date upon which notice of redemption is given in accordance with Section 304 hereof, the County shall deposit with the Trustee money or Government Obligations, or a combination thereof, in an amount sufficient to cause the defeasance of this Resolution pursuant to Section 1201 hereof, take such other actions as are required by said Section to effect such defeasance, and pay to the Trustee all of the fees and expenses incurred or to be incurred by it through the date of redemption. To redeem the Bonds in part, on or before the date upon which notice of redemption is given in accordance with Article III hereof, the County shall deliver to the Trustee the amount necessary to redeem the Bonds in accordance with said Article III and shall pay directly to the Trustee all of the fees and expenses incurred and to be incurred by it through the date of redemption. The amount of any redemption payment attributable to principal and redemption premium, if any, shall be deposited by the Trustee in the Redemption Account for application in accordance with Section 511 of this Resolution and the amount attributable to interest shall be deposited by the Trustee in the Interest Account and applied to pay interest to the date of redemption.

The County shall have the right to purchase any Outstanding Bonds on the open market with money on deposit in the General Purposes Account and to surrender the same to the Trustee (with all unmatured coupons attached in the case of coupon Bonds). The principal amount thereof consisting of Serial Bonds shall be credited against transfers to the Principal Account in the Fiscal Year or Years in which such Serial Bonds would have matured in accordance with their terms. The principal amount consisting of Term Bonds shall be credited against and reduce the Sinking Fund Requirements for such Term Bonds in such manner as shall be specified in a certificate of the Chief Financial Officer that is substantially in the form of the certificate filed pursuant to Section 506 hereof and that is filed with the Trustee.

~~Section 510.~~ Section 511. Application of Money in the Redemption Account. The Trustee shall apply money in the Redemption Account to the purchase or redemption of Bonds as follows:

- (a) Subject to the provisions of paragraph (c) of this Section, the Trustee shall endeavor to purchase and cancel Bonds or portions thereof, regardless of whether such Bonds or portions thereof are then subject to redemption, at the most advantageous price obtainable with reasonable diligence, provided that the purchase price of each Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Holder of such Bond under the provisions of Article III of this Resolution if such Bond or such portion thereof should be called for redemption on such date from the money in the Redemption Account. The Trustee shall pay the interest accrued on such Bonds or portions thereof to the date of settlement from the Interest Account and the purchase price from the Redemption Account, but no such purchase shall be made by the

Trustee from money in the Redemption Account within the period of 45 days immediately preceding any Interest Payment Date on which such Bonds or portions thereof are to be redeemed.

(b) Subject to the provisions of paragraph (c) of this Section, the Trustee shall call for redemption on each Interest Payment Date such amount of Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Redemption Account as nearly as may be; provided, however, that not less than Two Hundred Fifty Dollars (\$250,000) principal amount of Bonds or such lesser amount if less than \$250,000 in principal amount of Bonds is then Outstanding, shall be called for redemption at any one time. Such redemption shall be made pursuant to the provisions of Article III of this Resolution. The Trustee shall pay the accrued interest on the Bonds or portions thereof to be redeemed to the date of redemption from the Interest Account and the Redemption Price of such Bonds or portions thereof from the Redemption Account. The Trustee shall withdraw from the Redemption Account and, in the manner provided in Section 505 hereof, set aside in separate accounts or deposit with the Paying Agents the respective amounts required to pay the Redemption Price of the Bonds or portions thereof so called for redemption.

(c) Money in the Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of Bonds of any one or more Series then Outstanding in accordance with the latest certificate filed by the Chief Financial Officer with the Trustee (i) designating the one or more Series of Bonds to be purchased or redeemed, (ii) if more than one Series of Bonds is so designated, setting forth the aggregate principal amount of Bonds of each Series to be purchased or redeemed, which amount shall be determined (as nearly as practicable) by a ratio of the aggregate principal amount of Bonds of each Series, as originally issued, to the aggregate principal amount of Bonds of all such Series, as originally issued, and (iii) unless the Series Resolution relating to the Bonds to be redeemed specifies the order of redemption, designating the Bonds to be redeemed within each Series and if such Bonds are Term Bonds, the years in which future Sinking Fund Requirements are to be reduced as a result of such redemption and the amount of such reduction in each such year. In the event no such certificate is filed and unless the Series Resolution relating to the Bonds to be redeemed specifies otherwise, (i) the Trustee shall apply such money to the purchase of one or more Series of Bonds as it shall determine or to the redemption of Bonds bearing the highest rate of interest, (ii) if Bonds of more than one maturity bear the same interest rate, the Trustee shall redeem such Bonds in the inverse order of maturities, and (iii) if the Bonds bearing the highest rate of interest are Term Bonds, the Trustee shall reduce Sinking Fund Requirements for such Term Bonds in inverse order of the scheduled redemption of such Term Bonds. All Bonds shall be redeemed by lot within maturities as the Trustee, in its discretion, may determine. For purposes of this paragraph (c), Term Bonds shall be considered to mature on October 1 in amounts equal to the aggregate Sinking Fund Requirements therefor.

Upon the retirement of any Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the County a statement identifying such Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the

Redemption Price of such Bonds and the amount paid as interest thereon. The expenses incurred by the Trustee in connection with the purchase or redemption of any such Bonds shall be paid by the County from the General Purposes Account.

~~Section 511~~ Section 512. Insurance and Condemnation Award Account. The Trustee shall deposit Net Proceeds into the Insurance and Condemnation Award Account, when and as received by the Trustee. Upon direction of the County the Trustee shall use money in the Insurance and Condemnation Award Account for the following purposes:

(a) to transfer to the Proceeds Account in the Construction Fund, the creation of which is authorized by Section 408 hereof, and thereafter to disburse the same to pay the costs of repairing or replacing the Airport System; and

(b) to transfer to the Redemption Account and the Interest Account to redeem Bonds.

~~Section 512~~ Section 513. Escheat. All money that the Trustee shall have withdrawn from the Bond Fund or shall have received from any other source and set aside or deposited with the Paying Agents for the purpose of paying any of the Bonds hereby secured, either at maturity or by purchase or call for redemption, or for the purpose of paying any maturing coupons appertaining to the Bonds hereby secured shall be held in trust for the respective Holders. All interest on money so set aside or so deposited shall accrue to the benefit of the County and shall be paid to the County annually.

Any money that is so set aside and that remains unclaimed by the Holders for a period of two years after the date on which such Bonds or coupons have become payable shall be paid upon request to the County or to such officer, board or body, as may then be entitled by law to receive the same. Thereafter the Holders shall look only to the County or to such officer, board or body for payment and then only to the extent of the amounts so received, without any interest thereon, and the Trustee shall have no responsibility with respect to such money.

~~Section 513~~ Section 514. Cancellation of Bonds and Coupons. Upon receipt of the same, the Trustee shall cancel (a) all Bonds (and all coupons appertaining thereto) paid, redeemed, or purchased by the Trustee or purchased by the County and delivered to the Trustee, and (b) all registered Bonds without coupons delivered to the Trustee in exchange for other Bonds or delivered to the Trustee upon the transfer of any registered Bond if a new registered Bond is delivered upon such transfer. The Trustee shall certify to the County the details of all Bonds and coupons so cancelled. All Bonds and coupons cancelled under any of the provisions of this Resolution either shall be delivered to the County or destroyed by the Trustee, as the County directs. Upon destruction of any Bonds and coupons, the Trustee shall execute a certificate in duplicate, describing the Bonds and coupons so destroyed; one executed certificate shall be filed with the County and the other shall be retained by the Trustee.

~~Section 514~~ Section 515. Disposition of Fund Balances. After provision is made for the payment of all Outstanding Bonds issued under this Resolution, including the interest thereon and for the payment of all other obligations, expenses and charges required to be paid under or in connection with this Resolution, and receipt by the Trustee of a certificate of the Chief Financial

Officer to the effect that there are other indentures or other agreements that impose a continuing lien on the balances hereinafter mentioned, the Trustee shall pay all amounts in any Fund or Account then held by it under this Resolution to the County. If a continuing lien has been imposed on any such balance by another resolution, any other agreement, by court order or decree, or by law, the Trustee shall pay such balance to such person as is entitled to receive the same by law or under the terms of such resolution, agreement, court order, or decree.

~~Section 515.~~Section 516. Security for the Bonds. As security for the payment of the Bonds and the interest thereon, the County hereby grants to the Trustee a pledge of (a) Net Revenues, (b) its rights to receive Net Revenues,~~and~~ (c) the money and Investment Obligations in any and all of the Funds and Accounts established under this Resolution and the income from such Investment Obligations and the investment of such money;~~and (d) as and to the extent provided in a Series Resolution or other resolution duly adopted by the Board, Available Revenues; provided however, that Available Grant Revenues and Available PFC Revenues, and the amounts on deposit in the Available Grant Account and the Available PFC Account shall secure only the Bonds that are specified in the applicable Series Resolution or other resolution duly adopted by the Board to be secured thereby.~~ It is the intent of the County that this pledge shall be effective and operate immediately and that the Trustee shall have the right to collect and receive said Net Revenues and, if applicable, Available Revenues, in accordance with the provisions hereof at all times during the period from and after the date of the Bonds issued hereunder until the Bonds have been fully paid and discharged, including, without limitation, at all times after the institution and during the pendency of bankruptcy or similar proceedings.

The aforementioned pledge shall not inhibit the sale or disposition of the Airport System in accordance with this Resolution and shall not impair or restrict the ability of the County to invest in securities and other forms of investment, subject to the provisions of this Resolution.

~~Section 516.~~Section 517. Convertible Lien Bonds. Notwithstanding anything to the contrary contained in this Resolution, prior to the Conversion Date for a Series of Convertible Lien Bonds, no amounts shall be required to be deposited into the various Funds and Accounts established under this Resolution and no amounts held in such Funds and Accounts shall be applied to the payment of, or held as security for, such Convertible Lien Bonds. Amounts transferred to the Trustee hereunder from the funds and accounts established under the PFC Bond Resolution pursuant to Section 513 of said PFC Bond Resolution upon the occurrence of the Conversion Date for a Series of Convertible Lien Bonds shall be deposited by the Trustee in the corresponding Funds and Accounts hereunder. The Convertible Lien Bonds maturing on or after the Conversion Date therefor shall be payable and secured as provided in this Resolution.

Section 518. Available Revenues.

(a) At any time and from time to time, the County, without the consent of the Owner of any Bond or Subordinated Debt and without the consent of any Credit Enhancer, may adopt a resolution (which may be a Series Resolution) or enter into an Issuing Instrument that (i) specifies the amount of Passenger Facilities Charges that shall constitute Available PFC Revenues, the amount of Grant Funds that shall constitute Available Grant Revenues and the amount of such other income or revenue source that shall constitute Available Revenues during each Fiscal Year as specified in such resolution (which may be a Series Resolution) or Issuing

Instrument or (ii) specifies Bonds or Subordinated Debt that shall be secured by Available Revenues. More than one Series of Bonds or Subordinated Debt may be secured by Available Revenues, and no consent from any Owner of any Bond or Subordinated Debt that is secured by any Available Revenues, or from any Credit Enhancer, shall be required as a condition to the issuance or incurring of any subsequently-issued Bonds or Subordinated Debt that is secured by any Available Revenues. Notwithstanding any other provision of this Resolution or any Issuing Instrument, the County and the Trustee may amend (including reduce) the amount of Available Revenues, specified pursuant to clause (i) of this Section 518(a) with respect to any Fiscal Year without the consent of any Owner of any Bond or Subordinated Debt or any Credit Enhancer.

(b) The Accounts set forth in clauses (i) and (ii) below are hereby established with and to be held by the County.

(i) Available Grant Account; and

(ii) Available PFC Account.

(c) The County shall, promptly upon receipt, deposit, or cause to be deposited, all Available Grant Revenues in the Available Grant Account and all Available PFC Revenues in the Available PFC Account. Unless otherwise provided in the Series Resolution or other resolution of the County which specifies Available Revenues for one or more Series of Bonds or Subordinated Debt, simultaneously with the County's withdrawal of amounts from the Revenue Fund for deposit into the Funds and Accounts as set forth in Section 503 hereof, the County shall withdraw amounts on deposit in the Available Grant Account, the Available PFC Account or such other account as has been established for a different source of Available Revenues, as applicable, and shall transfer the amounts so withdrawn to the Trustee for deposit in the subaccounts established in the Interest Account, Principal Account or Sinking Fund Account of the Bond Fund for the applicable Series of Bonds, in such amounts as are specified or provided for in the corresponding Series Resolution or other resolution of the County specifying Available Revenues for such Series of Bonds.

(d) Notwithstanding any other provision of this Resolution or any Issuing Instrument, (i) the Available Grant Account and the Available Grant Revenues shall secure on a pari passu basis all Bonds and Subordinated Debt, whenever issued, that are specified in the applicable resolution (which may be a Series Resolution) or Issuing Instrument to be secured by the Available Grant Account and the Available Grant Revenues; and (ii) Available Grant Revenues held in the Available Grant Account shall be applied by the Trustee as follows:

The Available Grant Revenues, including any investment earnings thereon, on deposit in the Available Grant Account shall be applied to the payment of such Bonds and Subordinated Debt secured thereby and such amount shall be accounted for as a credit against the amounts required to be deposited in the accounts and subaccounts of the Bond Fund for such purpose pursuant to Section 503.

(e) Notwithstanding any other provision of this Resolution or any Issuing Instrument, (i) the Available PFC Account and the Available PFC Revenues shall secure on a pari passu basis all Bonds and Subordinated Debt, whenever issued, that are specified in the applicable

resolution (which may be a Series Resolution) or Issuing Instrument to be secured by the Available PFC Account and the Available PFC Revenues; and (ii) Available PFC Revenues held in the Available PFC Account shall be applied by the Trustee as follows:

The Available PFC Revenues, including any investment earnings thereon, on deposit in the Available PFC Account shall be applied to the payment of such Bonds and Subordinated Debt secured thereby and such amount shall be accounted for as a credit against the amounts required to be deposited in the accounts and subaccounts of the Bond Fund for such purpose pursuant to Section 503.

Section 519. Interest Rate Swaps.

(a) A resolution (which may be a Series Resolution) authorizing an Interest Rate Swap with respect to any Series of Bonds, including, without limitation, any Outstanding Bonds and any Bonds hereafter issued under this Resolution, may provide for deposits to the credit of the Interest Account (or a subaccount therein) in the Bond Fund under the provisions of clause (b) of Section 503 hereof for the payment of Net Payments (but not Termination Payments) to be made at such time and in such amounts, and to be set aside and held for the account of and for disposition by the County, all as shall be provided in such resolution.

(b) Under no circumstances shall a Counterparty be granted a pledge of Net Revenues ranking prior to or on a parity with the lien or pledge created by this Resolution.

(c) Termination Payments shall only be payable from the General Purpose Account.

[END OF ARTICLE VI]

ARTICLE VI

DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS,
INVESTMENT OF FUNDS, AND COVENANT AS TO ARBITRAGE

Section 601. Security for Deposits. Any and all money received by the County under the provisions of this Resolution shall be deposited as received with the Trustee or one or more other Depositaries as provided in this Resolution, and shall be trust funds under the terms hereof, and shall not be subject to any lien or attachment by any creditor of the County.

Until money deposited with the Trustee or any other Depositary hereunder has been invested in Investment Obligations, the amount of money 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 County and the Holders in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided that it shall not be necessary for the Trustee or any Paying Agent to give security for the deposit of any money with it for the payment of the principal of or the redemption premium or the interest on any Bonds or for the Trustee or any Depositary to give security for any money that is represented by Investment Obligations purchased under the provisions of this Article.

All money deposited with the Trustee or any Depositary shall be credited to the particular Fund or Account to which such money belongs.

Section 602. Investment of Money. Money held for the credit of all Funds and Accounts shall be continuously invested and reinvested by the County, Trustee, or the Depositaries, whichever is applicable, in Investment Obligations to the extent practicable. Except as hereinafter provided with respect to the Reserve Account, Investment Obligations shall mature or be redeemable at the option of the holder thereof not later than the respective dates when the money held for the credit of such Funds or Accounts will be required for the purposes intended. Investment Obligations in the Reserve Account shall mature or be redeemable at the option of the holder thereof as follows: 25% not later than five years after the date of such investment, an additional 50% not later than ten years after the date of such investment, and the balance without limitation. Notwithstanding the foregoing, no Investment Obligations in any Fund or Account may mature on a date beyond the latest maturity date of any Bonds Outstanding at the time such Investment Obligations are deposited. For purposes of this Section, the maturity date of any repurchase agreement shall be deemed to be the stated maturity date of such agreement and not the maturity dates of the underlying Investment Obligations.

The Chief Financial Officer or his designee may at any time give to the Trustee written directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Article, and the Trustee shall then invest such money as so directed. The Trustee may request in writing direction or authorization of the Chief Financial Officer or his designee with respect to the proposed investment or shall give written directions to the Trustee respecting the investment of such money and, in the case of such directions, the Trustee then shall invest, subject to the provisions of this Article, such money in accordance with such directions.

Investment Obligations acquired with money in or credited to any Fund or Account established under this Resolution shall be deemed at all times to be part of such Fund or Account. The interest accruing on Investment Obligations in any Fund or Account and any profit or loss realized upon the disposition or maturity of such Investment Obligations held in any Fund or Account shall be credited to the Revenue Account and upon receipt thereof such interest earnings shall be deposited to the credit of the Revenue Account, except that (i) interest earnings on Investment Obligations held in escrow or trust to defease Bonds shall be credited to and retained in such defeasance escrow or trust, (ii) interest earnings on any Capitalized Interest deposited in the Bond Fund or any account within the Construction Fund shall be credited to and retained in the Bond Fund or Construction Fund, as applicable, unless otherwise provided in the corresponding Series Resolution; (iii) interest earnings on Investment Obligations held in any account within the Construction Fund shall be credited to and retained in such account unless otherwise provided in the corresponding Series Resolution; (iv) interest earnings in the Available Grant Account, the Available PFC Account or any account established for a different source of Available Revenues shall be credited to and retained in the Available Grant Account, the Available PFC Account or the account established for a different source of Available Revenues, as applicable; and (v) interest earnings on Investment Obligations held in any rebate fund or account shall be retained therein. The profit or loss realized upon the disposition or maturity of Investment Obligations in any Fund or Account shall be credited to or charged against such Fund or Account, except that prior to the final Completion Date of the Project any Additional Facilities the interest income on Investment Obligations in the corresponding account of the Construction Fund and the Reserve Account, and the net interest income on Investment Obligations in the Interest Account, and any profit or loss realized upon the maturity or disposition of such Investment Obligations shall be credited to, or charged against, the corresponding account in the Construction Fund. The Trustee shall sell at the best price obtainable or reduce to cash a sufficient amount of such Investment Obligations whenever it is necessary so to do to provide money to make any payment from any such Fund or Account. The Trustee shall not be liable or responsible for any loss resulting from any such investment.

Whenever a transfer of money between two or more of the Funds or Accounts established pursuant to Article V of this Resolution is permitted or required, such transfer may be made as a whole or in part by transfer of one or more Investment Obligations at a value determined at the time of such transfer in accordance with this Article VI, provided that the Investment Obligations transferred are those in which money of the receiving Fund or Account could be invested at the date of such transfer.

Section 603. Valuation. For the purpose of determining the amount on deposit in any Fund or Account, Investment Obligations in which money in such Fund or Account is invested shall be valued (a) at face value if such Investment Obligations mature within 12 months from the date of valuation thereof, and (b) if such Investment Obligations mature more than 12 months after the date of valuation thereof, at the price at which such Investment Obligations are redeemable by the holder at his option, if so redeemable, or, if not so redeemable, at the lesser of (i) the cost of such Investment Obligations plus the amortization of any premium or minus the amortization of any discount thereon, and (ii) market value of such Investment Obligations.

All Investment Obligations in all of the Funds and Accounts created hereunder, except the Revenue Account and General Purposes Account, shall be valued no earlier than the 20th day

of the second month next preceding a principal payment date and no later than the 21st day of the month next preceding such principal payment date. In addition, Investment Obligations in the Interest Account, the Principal Account, the Sinking Fund Account, and the Reserve Account shall be valued at any time requested by the County on reasonable notice to the Trustee (which period of notice may be waived or reduced by the Trustee); provided, however, that the Trustee shall not be required to value Investment Obligations more than once in any calendar month.

Whenever the value of the cash and Investment Obligations in the Reserve Account, plus interest to the date of valuation, is less than the Reserve Requirement, the Trustee shall compute the amount by which the Reserve Requirement exceeds the balance in Reserve Account and shall immediately give the County notice of such deficiency and the amount necessary to cure the same.

Section 604. Tax Covenants. The County covenants that so long as any of the Bonds remain Outstanding money on deposit in any Fund or Account maintained in connection with the Bonds, regardless of whether such money was derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner that would cause the Bonds (other than Bonds issued as Taxable Bonds) to be "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or Section 148 of the Internal Revenue Code of 1986, as amended, as applicable, and applicable regulations promulgated from time to time thereunder. Nothing provided in this resolution shall prohibit the County from issuing Additional Bonds as Taxable Bonds.

The County further covenants to comply with all other requirements of the Internal Revenue Code of 1986, as amended, and applicable regulations promulgated from time to time thereunder, in order to maintain the exclusion of gross income for federal income tax purposes of interest on ~~the Bonds issued as Tax-Exempt~~ Bonds.

[END OF ARTICLE VII]

ARTICLE VII

GENERAL COVENANTS AND REPRESENTATIONS

Section 701. Payment of Principal, Interest and Premium. The County shall cause to be paid, when due, the principal of (whether at maturity, by acceleration, by call for redemption or otherwise) and interest on the Bonds at the places, on the dates and in the manner provided herein and in said Bonds and in any coupons appertaining to said Bonds, according to the true intent and meaning thereof. The Bonds are not general obligations of the County but are limited obligations payable solely from Net Revenues, the County's rights to receive the same, and money and Investment Obligations held in the Funds and Accounts created hereunder and the income from such Investment Obligations and the investment of such money, and, as to the extent provided in a Series Resolution or other resolution duly adopted by the Board, Available Revenues; provided however, that Available Grant Revenues and Available PFC Revenues, and the amounts on deposit in the Available Grant Account and the Available PFC Account shall be applied to pay only such Bonds as are specified in the applicable Series Resolution or other resolution duly adopted by the Board. The Bonds shall be secured as provided in Section 516 of this Resolution. The Bonds shall not constitute a debt of the County for which the faith and credit of the County is pledged. The issuance of the Bonds shall not directly or indirectly or contingently obligate the County to levy any tax or to pledge any form of taxation whatever therefor. The Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the County.

Section 702. Construction of Project and Additional Facilities. The County shall construct the Project and any Additional Facilities for the construction of which Bonds are issued or for which money repayable from the proceeds of Bonds is advanced to the County, in accordance with plans approved by the Airport Consultant. Upon the completion of the Project and such Additional Facilities the County shall operate and maintain the same as a part of the Airport System. The County shall require each person, firm or corporation with whom it may contract for construction to (a) furnish a payment and performance bond in the full amount of any contract, or (b) deposit with the Chief Financial Officer marketable securities that have a market value equal to the amount of such contract and that are eligible as security for the deposit of trust funds as provided in Section 601 of this Resolution. The proceeds of any such performance bond or securitiesThe proceeds of any performance bond or securities furnished to the County, if any, shall be deposited in the Construction Fund and applied toward the completion of the Project or Additional Facilities in connection with which such performance bond or securities are furnished; provided, however, that with respect to Additional Facilities that are financed in whole or in part with a Series of Convertible Lien Bonds for which the Conversion Date has not yet occurred at the time that proceeds of any performance bond or securities become available: (a) if no portion of the Additional Facilities has been financed with a Series of Bonds hereunder other than Convertible Lien Bonds, then the entire amount of the proceeds of the performance bond or securities shall be applied as provided in the PFC Bond Resolution and (b) if any portion of such Additional Facilities has been financed with a Series of Bonds other than Convertible Lien Bonds, then the proceeds of the performance bond or securities shall be allocated between the Construction Fund established hereunder and the application required by the PFC Bond Resolution pro rata, based on the relationship that the original principal amount of each such Series of Bonds bears to the aggregate original principal amount of such Series of Bonds.

Section 703. Operation of Airport System. The County shall establish and enforce reasonable rules and regulations governing the operation and use of the Airport System, operate the Airport System in an efficient and economical manner, maintain the properties constituting the Airport System in good repair and in sound operating condition for so long as the same are necessary to the operation of the Airport System upon a revenue-producing basis, and comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body that are applicable to the Airport System.

For so long as any Bonds are Outstanding, the County shall not construct, maintain, or operate, or cause to be constructed, maintained, or operated, or participate with any person, entity, or governmental unit or subdivision in the construction, operation, or maintenance of, any facilities that would impair the revenue-producing capacity of the Airport System unless prior to such construction, operation or maintenance (a) the construction, maintenance and operation of such facilities are authorized herein or such facilities are incorporated into the Airport System, and (b) the County shall have delivered to the Trustee a statement of the Airport Consultant to the effect that based upon such Consultant's knowledge and analysis of the financial performance and operations of the Airport System, nothing has come to its attention that would lead it to believe that the County would not be able to meet its obligations under Sections 503 and 704 of this Resolution as a result of such construction, operation and maintenance.

Section 704. Rate Covenant. (a) The County shall, while any of the Bonds remain Outstanding, fix, charge and collect rates, fees, rentals, and charges for the use in connection with the ownership and operation of the Airport System and for services rendered in connection therewith, and shall revise such rates, fees, rentals and charges as often as may be necessary or appropriate to produce so that Net Revenues plus any TransfersTransfer in each twelve-month period commencing October 1 and ending on the next succeeding September 30 Fiscal Year will be at least equal to the sum of (1) Current Expenses for such period, plus (2) 125100% of the amounts aggregate amount required to be applied and/or deposited in the Interest Account, the Principal Account, and the Sinking Fund Account in such period, plus (3) the amounts required to be deposited in the Reserve Account in such period; provided, however, that for purposes of clause (2) hereof, if Passenger Facilities Charges, state and/or federal grants or other moneys have been irrevocably committed or are held by the Trustee or another fiduciary and are set aside exclusively to be used to pay Principal and Interest Requirements on County pursuant to Section 503(a Series of Bonds or any portion thereof, then the portion of the Principal and Interest Requirements to be paid from such Passenger Facilities Charges, state and/or federal grants or other moneys or from investment earnings thereon shall be disregarded and not included (unless such Passenger Facilities Charges, state and/or federal grants or other moneys are included in the definition of "Revenues" herein) in calculating the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account) through (i) during such Fiscal Year.

(b) If, in any such period, Revenues and Transfers are less than the amount required under paragraph (a) of this Section and if the cash and value of the Investment Obligations available within the Funds and Accounts created hereby are not sufficient to make the deposits required to be made pursuant to paragraphs (a), (b), (c), and (d) of Section 503, theThe County shall take action to revise its further agrees that it will fix, charge and collect rates, fees, rentals and charges, or alter its methods of, in connection with the ownership and operation or take other action in such manner as is calculated to produce the amount so required in such period.

(e) If the audit report for any Fiscal Year indicates that the County has not satisfied its obligations under paragraph (a) of this Section 704, then within 15 days of the receipt of the audit report for such Fiscal Year, the County shall employ an Airport Consultant to review and analyze the financial status and the administration and operations of the Airport System, to inspect the properties constituting the Airport System, and to submit to the Board and the Chief Financial Officer, within 60 days thereafter, a written report on the same, including the action taken by the County with respect to the revision of its rates, fees, rentals, and charges, which report and for services rendered in connection therewith and shall revise such rates, fees, rentals and charges as often as may contain recommendations of further revisions of the rates, fees, rentals, charges, and methods of operation of the Airport System be necessary or appropriate, so that will result in producing the amount so required in the following twelve month period commencing October 1 and ending on the next succeeding September 30. Promptly upon its receipt of the recommendations the County shall transmit copies thereof to the Trustee and for each Holder of Record who has requested the same and shall take such further action as is then in the best interests of the Bondholders, the County, and its citizens.

~~(d)(b)~~ In the event the County fails to take action as required by paragraphs (b) and (c) of this Section, the Trustee may, and upon request of the Holders of not less than 25% in principal amount of Fiscal Year the Net Revenues plus any Transfer for such Fiscal Year will be equal to at least 125% of Principal and Interest Requirements on all Bonds Outstanding shall, institute and prosecute an action or proceeding in any court or before any board or commission having jurisdiction to compel the County to comply with the requirements of said paragraphs Bonds for such Fiscal Year.

Notwithstanding any of the foregoing provisions of this Section, Airport Rate Agreements, contracts, leases and other agreements for the use of the Airport System in effect on the date of the issuance of the initial Series of Project Bonds shall not be subject to revision for purposes of compliance with the provisions of paragraphs (a) and (b) of this Section except in accordance with their terms.

(c) The County covenants that if Net Revenues plus any Transfer in any Fiscal Year are less than the amount specified in subsection (a) of this Section, or that if Net Revenues together with any Transfer in any Fiscal Year are less than the amount specified in subsection (b) of this Section, the County will retain and direct an Airport Consultant to make recommendations as to the revision of the County's business operations and its schedule of rates, fees, rentals and charges for the use of the Airport System and for services rendered by the County in connection with the Airport System. After receiving such recommendations, the County shall, subject to applicable requirements or restrictions imposed by law, and subject to a good faith determination of the Board that such recommendations, in whole or in part, are in the best interests of the County, take all lawful measures to comply with the recommendations of the Airport Consultant as to revisions of the County's business operations and schedule of rates, fees, rentals and charges as may be necessary to produce Net Revenues, together with any Transfer, in the amounts specified in subsection (a) and (b) of this Section in the next Fiscal Year.

In the event that Net Revenues together with any Transfer for any Fiscal Year (referred to in this paragraph as "Fiscal Year One") are less than the amount specified in subsection (a) or (b)

of this Section but, prior to or during the next succeeding Fiscal Year (referred to in this paragraph as "Fiscal Year Two"), the County has taken all lawful measures to comply with the recommendations of the Airport Consultant as to revisions of the County's business operations and schedule of rates, fees, rentals and charges as required by this subsection (c) such deficiency in Net Revenues for Fiscal Year One shall not constitute an Event of Default under the provisions of Section 802(f). Nevertheless, even if the measures required by this subsection (c) to revise the schedule of rates, fees, rentals and charges have been taken by the County, in the event the Net Revenues in Fiscal Year Two (as evidenced by the audited financial statements of the County for such Fiscal Year), together with any Transfer, are less than the amounts specified in subsection (a) or (b) of this Section, such deficiency in Net Revenues for Fiscal Year Two, as the second successive year of deficiencies in Net Revenues, shall, with the applicable notice, constitute an Event of Default under the provisions of Section 802(f).

(d) The County shall file with the Trustee within one hundred twenty (120) days after the end of each Fiscal Year a calculation or other evidence from the Aviation Director and the Chief Financial Officer or an Accountant demonstrating compliance (or non-compliance) with the coverage requirements of this Section 704.

Section 705. Budgets and Covenant as to Current Expenses. On or before the 90th day next preceding the beginning of each Fiscal Year, the County shall prepare a preliminary budget for the ensuing Fiscal Year, the County shall prepare a preliminary budget for the ensuing Fiscal Year for the Airport System in the form of the budget then required by law and shall file copies of each such preliminary budget with the Trustee and mail copies to the Airport Consultant.

Each budget shall be prepared in such manner as to specify Current Expenses and the amounts to be deposited in the various Funds and Accounts created by this Resolution during the Fiscal Year for which such budget was prepared. The budget shall be accompanied by a pro forma statement of Revenues, Transfers, Current Expenses and rates, fees, rentals, and charges estimated to be necessary to meet the requirements of Section 704(a) of this Resolution and shall include or make reference to a Capital Funds Budget that shows separately the amounts to be deposited in the Improvements Account during the Fiscal Year for which the budget is prepared and the amounts to be expended during such Fiscal Year from money in the Improvements Account and the Construction Fund.

On or before the first day of each Fiscal Year, the County shall adopt the budget for the Airport System (which budget together with any amendments thereof or supplements thereto as hereinafter permitted is herein collectively called the "Annual Budget"). Copies of the Annual Budget shall be filed with the Trustee, mailed by County to the Airport Consultant, Moody's Investors Service, Inc., Standard and Poor's Corporation, and each Holder of Record requesting the same, and made available for inspection at the office of the Chief Financial Officer.

If the County has not adopted the Annual Budget before the first day of any Fiscal Year, the preliminary budget for such Fiscal Year or, if there is none, the budget for the preceding Fiscal Year, shall be deemed to be in force and shall be treated as the Annual Budget under the provisions of this Article until the adoption of the Annual Budget.

The County may at any time adopt an amended or supplemented Annual Budget for the remainder of the then current Fiscal Year, and shall do so when any quarterly financial statement indicates that the County is unable to maintain or operate the Airport System and comply with the requirements of Section 704 hereof within the budgetary guidelines and statements related thereto, and when so adopted the Annual Budget as 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 Trustee, mailed by the County to the Airport Consultant, Moody's Investors Service, Inc., Standard and Poor's Corporation, and each Holder of Record requesting the same, and made available for inspection at the office of the Chief Financial Officer.

If the County has adopted a Capital Funds Budget extending beyond one Fiscal Year, the capital expenditures covered by such Capital Funds Budget need not be covered by the Annual Budget except that such Annual Budget shall contain the same references to any such Capital Funds Budget as are required by the second paragraph of this Section 705.

Section 706. Review of Annual Budget. Prior to the adoption of the Annual Budget the County shall cause the Airport Consultant to review the same (which may be in preliminary form) in light of the historical operation of the Airport System and the obligations of the County under this Resolution. If based upon such review the Airport Consultant determines that Revenues and Transfers, as reflected in the Annual Budget or the statements relating thereto, will not be sufficient to meet the requirements set forth in paragraph (a) of Section 704, the Airport Consultant shall so notify the County and the Trustee and shall deliver to the County and the Trustee a written report recommending revisions of rates, fees, rentals and charges or other action that will result in producing the amount so required. Promptly upon receipt of such recommendations the County shall revise its rates, fees, rentals and charges or take such other action, including amendment of the Annual Budget, as shall result in compliance with Section 704(a).

(b) The requirement of the annual review of the Annual Budget by the Airport Consultant established by paragraph (a) of this Section shall be waived if:

(i) the audited financial statements or accompanying reports for the Airport System for each of the preceding four Fiscal Years indicate that, in each Fiscal Year, Revenues and Transfers for such Fiscal Year were equal to or greater than the level required by Section 704(a) of this Resolution; and

(ii) the Airport Consultant has made at least one annual review in the past five Fiscal Years; and

(iii) there is submitted to the Trustee a certificate of the Chief Financial Officer and the Aviation Director to the effect that the provisions of sub paragraphs (1) and (2) of this paragraph (b) have been satisfied.

(c) The County shall be deemed to be in compliance with paragraphs (a) and (b) of this Section if:

(i) there shall be in force and effect Airport Rate Agreements that are in compliance with the requirements of Section 716 hereof and that in the aggregate provide for the payment of rates, fees, rentals, and charges that, together with Transfers, are sufficient to meet the requirements of paragraph (a) and (b) of Section 704 of this Resolution; and

(ii) the County shall have caused the Airport Consultant to deliver at least once in every five Fiscal Years a certificate to the effect that the statement set forth in subparagraph (1) of this paragraph (c) is true and correct and will continue to be correct for each of the following five Fiscal Years.

Section 707. Section 706. Records, Accounts and Audits. The County shall keep the Funds, Accounts, money and investments of the Airport System separate from all other funds, accounts, money and investments of the County or any of its departments and shall keep accurate records and accounts of all items of costs and of all expenditures relating to the Airport System and of the Revenues collected and the application of such Revenues. Such records and accounts shall be open to the inspection of all interested persons.

At least once during each quarter of each Fiscal Year, beginning with the first full Fiscal Year following the date of delivery of the initial Series of Project Bonds pursuant to Section 208 of this Resolution, the County shall cause to be filed with the County Administrator and Trustee copies of a report, signed by the Aviation Director setting forth all revisions of the rates, fees, rentals, and charges for use of the Airport System during the preceding three-month period and an unaudited interim report, signed by the Chief Financial Officer, identifying all Defaults that occurred during the preceding three-month period and setting forth in respect of such period:

(a) a separate income and expense account of the Airport System, showing the Revenues, Transfers and the Current Expenses for such quarter, for all quarters of the current Fiscal Year, including such quarter, and for the corresponding periods in the next preceding Fiscal Year,

(b) a summary of deposits in and withdrawals from each Fund and Account created under the provisions of this Resolution,

(c) the details of all Bonds issued, paid, purchased, redeemed, and cancelled during such period, and

(d) the amounts on deposit at the end of such three-month period in the Funds and Accounts held by each Depository.

Within 120 days after the close of such Fiscal Year the County shall cause the Accountant to prepare an audit of its books and accounts pertaining to the Airport System. Reports of each such audit shall be filed with the Board, the Chief Financial Officer, and the Trustee and each Depository, and copies of each such report shall be mailed to Moody's Investors Service, Inc., Standard and Poor's Corporation and each Holder of Record requesting the same and shall be made available for inspection at the office of the Chief Financial Officer. Each such audit report shall be accompanied by an opinion of the Accountant stating that the examination of the financial statements was conducted in accordance with generally accepted

auditing standards and stating whether such financial statements present fairly the financial position of the Airport System and the results of its operations and changes in its financial position for the period covered by such audit report in conformity with generally accepted accounting principles applied on a consistent basis.

If for any reason beyond its control, the County is unable to obtain the foregoing opinion as to compliance with generally accepted accounting principles, the County shall be deemed to be in compliance with this Section if it is taking all reasonable and feasible action to obtain such opinion in subsequent Fiscal Years, and if, in lieu of a statement as to compliance and conformity, such opinion states the reasons for such non-compliance or non-conformity.

~~Each audit report shall also be accompanied by a special report of filed with the Accountant setting forth in respect of said Trustee within 120 days after the end of each Fiscal Year the same matters as are hereinabove required for a certificate of the quarterly reports of Aviation Director and the Chief Financial Officer and a calculation stating to determine compliance with Section 704(a) of this Resolution. Such special report shall state the best of their knowledge, (i) whether there existed at the end of the Fiscal Year under audit, any violation of any covenants or agreements herein contained and (ii) whether at any time during the Fiscal Year under audit, any Event of Default occurred, and if so, the nature of the such Event of Default. Such special report shall be limited to financial matters described in this Resolution.~~

For purposes of this Resolution each Fund created hereunder shall be a series of accounts within the book of accounts of the Aviation Fund and shall connote a segregation of accounts that will support special purpose disclosure reports, and nothing herein shall be construed as requiring a separate set of books and accounts or separate bank accounts.

The County shall cause any additional reports or audits relating to the Airport System to be made as required by law or by any applicable rules or regulations or any governmental authority having jurisdiction over the Airport System. The cost of such audits shall be treated as a part of the cost of operation of the Airport System.

~~Section 708, Section 707.~~ Insurance. The County shall purchase and maintain insurance covering such properties belonging to the Airport System as are customarily insured against loss or damage from such causes as are customarily insured against by enterprises of a similar nature, business interruption insurance, and comprehensive general liability insurance on the Airport System for bodily injury and property damage, provided that the same shall meet the following minimum requirements:

- (a) fire (with Uniform Standard Extended Coverage Endorsements or equivalent coverage obtainable through federal or State programs) and vandalism and malicious mischief insurance as may be approved for issuance in the State, including insurance against loss or damage from lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles and smoke, subject to deductibles of not more than 50% of the then applicable Renewal and Replacement Account Requirement per accident, at all times in amounts equal to the greater of (1) the principal amount of all Bonds Outstanding and (2) the full replacement cost of the properties constituting the Airport System, which amount shall be sufficient to ensure that the

County could not become a co-insurer under the terms and conditions of the applicable policy or policies. The replacement cost of the properties constituting the Airport System shall be determined at least once every five years, or more often upon the request of the insurer or the Trustee, by an appraisal by qualified appraisers or other persons or entities selected by the County. The County shall provide a copy of the appraisal to the Trustee within 30 days after the receipt thereof. To the extent that any contractor for the construction of the Project or Additional Facilities provides an insurance policy or certificate of insurance showing that the same coverage as is herein required is being carried by such contractor and adequately protects the interest of the County and the Holders in the Project or Additional Facilities or any part thereof, the insurance provided for by this subparagraph (a) with respect to all or any part of the Project or Additional Facilities shall not be required for such construction period while all or any part of the Project or Additional Facilities is so covered by such other insurance;

- (b) comprehensive general liability insurance with limits of not less than \$50,000,000 combined single limit for bodily injury and property damage occurrence;

- (c) use and occupancy insurance, covering loss of anticipated Revenues by reason of the total or partial suspension of, or interruption in, the operation of the Airport System, with such exceptions as are customarily imposed by insurers, in an amount equal to the sum of the Reserve Requirement and 200% of the Operations and Maintenance Requirement; and

- (d) workers' compensation insurance in such amounts as are required by law.

If the Insurance Consultant and the County certify to the Trustee that the amount of insurance coverage required by this Section ~~708~~707 is not available on reasonable terms and conditions, the insurance coverage required by this Section may be modified in accordance with such determination, and the coverage as modified shall constitute the minimum requirements of this Section.

Unless the insurance coverage required by this Section is maintained through Qualified Self Insurance as hereinafter provided, such coverage shall be maintained through policies that (i) are issued by a financially responsible insurer or insurers qualified to write the respective insurance in the State and of recognized standing, (ii) are in such form and contain such provisions (including, without limitation, the loss payable clause, the waiver of subrogation clause, clauses relieving the insurer of liability to the extent of minor claims, and the designation of the named insured parties) as are generally considered customary provisions for the type of insurance involved, and (iii) prohibit cancellation or substantial modification by the insurer without at least 60 days' prior written notice to the County and the Trustee. The insurance policies carried pursuant to paragraphs (a) and (c) of this Section shall name the County and the Trustee as parties insured thereunder as their respective interests appear. Each policy shall provide that losses thereunder shall be adjusted with the insurer by the County on behalf of the insured parties. Copies of each policy shall be provided to the Trustee upon request.

The County shall, and the Trustee may, demand, collect, sue and receipt for the insurance money that may become due and payable under any policies payable to it. Any appraisal or

adjustment of any loss of damages and any settlement or payment of indemnity therefor that may be agreed upon between the County and any insurer shall be evidenced to the Chief Financial Officer by a certificate signed by the Aviation Director.

Notwithstanding the foregoing, the County shall be entitled to provide the coverage required by this Section through Qualified Self Insurance, provided that the requirements hereinafter set forth in this Section are satisfied. "Qualified Self Insurance" means insurance maintained through a program of self insurance or insurance maintained with a fund, company or association in which the County has a material interest or of which the County has control, either singly or with others.

Prior to participation in any plan of Qualified Self Insurance not currently in effect, the County shall deliver to the Trustee (i) a copy of the proposed plan, and (ii) from an Insurance Consultant an evaluation of the proposed plan together with an opinion to the effect that (A) the proposed Qualified Self Insurance will provide the coverage required by this Section and (B) the proposed Qualified Self Insurance plan provides for the creation of fiscally sound reserves.

Each plan of Qualified Self Insurance shall be in written form, shall provide that upon the termination of such plan reserves will be established or insurance acquired in amounts adequate to cover any potential retained liability in respect of the period of Qualified Self Insurance, and shall deliver to the County a report on the adequacy of the reserves established thereunder in light of claims made. If the Insurance Consultant determines that such reserves are inadequate in light of the claims made, he shall make a recommendation as to the amount of reserves that should be established and maintained, and the County shall comply with such recommendation unless it can establish to the satisfaction of the Trustee that such recommendation is unreasonable in light of the nature of the claims or the history of recovery against the County for similar claims.

The Net Proceeds paid in satisfaction of any claim made under policies providing the coverage required by clauses (a) and (c) of this Section shall be applied as provided in Section ~~710~~709 of this Resolution.

~~Section 709~~Section 708, Notice of Taking; Cooperation of Parties. If any public authority or entity attempts to take or damage all or any part of the Airport System through Eminent Domain proceedings, the County shall take prompt and appropriate measures to protect and enforce its rights and interests and those of the Trustee and the Holders in connection with such proceedings. Upon receiving notice of the institution of Eminent Domain proceedings by any public instrumentality, body, agency, or officers, the County shall deliver written notice thereof to the Trustee.

~~Section 710~~Section 709, Insurance and Eminent Domain Proceeds. (a) All Net Proceeds of all insurance required by Section ~~708~~707(a) of this Resolution and all Net Proceeds resulting from Eminent Domain proceedings shall be delivered to the Trustee for deposit in the Insurance and Condemnation Award Account and shall be applied at the election of the County:

- (i) to promptly replace, repair, rebuild or restore the Airport System to substantially the same condition as that which ~~existed~~existed prior to such damage or

destruction, with such alterations and additions as the County may determine and as will not impair or otherwise adversely affect the revenue-producing capability of the Airport System, provided that prior to the commencement of such replacement, repair, rebuilding or restoration, the County shall deliver to Trustee a report of an Airport Consultant setting forth (A) an estimate of the total cost of the same, (B) the estimated date upon which such replacement, repair, rebuilding or restoration will be substantially complete, and (C) a statement to the effect that Net Proceeds, together with other funds made available or to be made available by the County, will be sufficient to pay the costs of the replacement, repair, rebuilding or restoration of the Airport System; or

- (ii) to the redemption of Bonds, provided that Bonds may be redeemed only if (A) the Airport System has been restored to substantially the same condition as prior to such damage or destruction, or (B) the County has determined that the portion of the Airport System damaged or destroyed is not necessary to the operation of the Airport System and that the failure of the County to repair or restore the same will not impair or otherwise adversely affect the revenue-producing capability of the Airport System; or (C) the Airport Consultant has been unable to make the statement required by subparagraph ~~(i)~~(i) (C) of this paragraph (a).

If the County does not apply Net Proceeds or cause them to be applied, to replace, repair, rebuild, or restore the Airport System, the County shall direct the Trustee to redeem Bonds in accordance with Article III of this Resolution and to transfer from the Insurance and Condemnation Award Account to the Redemption Account an amount sufficient to pay the Redemption Price of the Bonds to be redeemed and to the Interest Account an amount that, together with amounts then on deposit therein, is sufficient to pay interest accruing on the Bonds to be redeemed to the date of redemption.

If the County elects to apply Net Proceeds, or cause them to be applied, to replace, repair, rebuild, or restore the Airport System, the Trustee shall create a Proceeds Account in the Construction Fund, shall transfer such Net Proceeds from the Insurance and Condemnation Award Account to the Proceeds Account, and shall make disbursements therefrom, to the extent practicable, in accordance with the procedures and requirements set forth in Section 404 of this Resolution for requisitions from the Construction Fund.

- (b) The proceeds of use and occupancy insurance carried pursuant to paragraph (c) of Section ~~708~~707 of this Resolution shall be applied as follows: (i) an amount equal to 1/3 of the Operations and Maintenance Requirement shall be deposited in the Revenue Account, (ii) an amount equal to the excess of that required to be deposited in the Interest Account, the Principal Account, and the Sinking Fund Account, pursuant to Section 503 hereof in the then current Fiscal Year over the amounts on deposit in said accounts shall be deposited in said Accounts, and (iii) any balance remaining shall be deposited in the Revenue Account and applied to pay Current Expenses.

~~Section 711~~Section 710, Compliance with Applicable Law. So long as any Bond is Outstanding, the County shall comply or cause there to be compliance with all applicable laws, orders, rules, regulations and requirements of any municipal or other governmental authority relating to the construction, use and operation of the Airport System. Nothing contained in this

section shall prevent the County from contesting in good faith the applicability or validity of any law, ordinance, order, rule, regulation, or requirement, so long as its failure to comply with the same during the period of such contest will not materially impair the operation or the revenue-producing capability of the Airport System.

Section 712-Section 711. Payment of Charges and Covenant Against Encumbrances.

Except as provided herein, the County shall not create or suffer to be created any lien or charge upon the Airport System or any part thereof, or on the Revenues. The County shall pay or cause to be discharged, or shall make adequate provision to satisfy and discharge, within 60 days after the same become due and payable, all lawful costs, expenses, liabilities and charges relating to the maintenance, repair, replacement or improvement of the properties constituting the Airport System and the operation of the Airport System and lawful claims and demands for labor, materials, supplies or other objects that might by law become a lien upon the Airport System or Revenues if unpaid. Nothing contained in this Section shall require the County to pay or cause to be discharged, or make provision for the payment, satisfaction and discharge of, any lien, charge, cost, liability, claim or demand so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Section 713-Section 712. Disposition of Airport System. Except as provided in this Section ~~713~~712, the County shall not sell or otherwise dispose of all or any part of the properties constituting the Airport System.

(a) The County shall have the right to sell or dispose of any machinery, fixtures, apparatus, tools, instruments, or other moveable property acquired by it in connection with the Airport System, or any materials used in connection therewith if the County determines that such articles are no longer needed or useful in connection with the construction or maintenance of the properties constituting the Airport System or the operation of the Airport System and that such sale or disposition will not impair the operating efficiency of the Airport System or reduce the revenue-producing capability of the Airport System.

(b) The County, without notice to the Trustee and free of any obligation to make any replacement thereof or substitution therefor, shall have the right to demolish or remove any real property and structures now or hereafter existing as part of the Airport System provided that the Board, by resolution, determines that such removal or demolition does not impair the operating efficiency of the Airport System or reduce the revenue-producing capability of the Airport System.

(c) Notwithstanding the provisions of paragraph (b) of this section, if the County determines that any real property or structure constituting a part of the Airport System has become inadequate, unsuitable or unnecessary, the County shall then have the right to demolish or remove such property and, to the extent permitted by law, may sell or otherwise dispose of all or a part of the same, if:

(i) prior to such removal or demolition the County gives written notice thereof to the Trustee, which notice shall describe the real property or structures to be demolished or removed, the reason for such demolition or removal, and the estimated fair market value thereof; and

(ii) (A) the County shall construct, acquire, replace or substitute real property or structures having a fair market value at least equal to that of the property demolished or removed, or

(B) any such real property and structure now or hereafter existing as part of the Airport System may be demolished or removed by the County from time to time and the County shall not be required to construct or acquire any real property or structures in substitution or in replacement thereof if there shall be filed with the County Administrator and Trustee prior to such demolition or removal, a certificate, signed by the Chief Financial Officer and approved by the Airport Consultant, stating (i) that no Default has occurred and is continuing under this Resolution, or, if any Default then exists, that the same will be cured by action taken pursuant to this Section ~~713~~712, and (ii) that the Net Revenues and Transfers for the Fiscal Year next succeeding that in which such demolition or removal occurs will be sufficient to enable the County to meet its obligations under Section 704(a) and (b) hereof.

The County shall deposit the proceeds resulting from any abandonment, sale or disposition of properties constituting the Airport System to any Account in the Construction Fund if the amount then on deposit therein is insufficient to pay the Costs of the Project or Additional Facilities, as the case may be, or to the Improvements Account if the amount on deposit therein is less than the Improvements Appropriation, as the County may direct. All proceeds remaining after such deposits shall be paid to the Trustee for deposit in the Redemption Account.

Section 714-Section 713. Additional Facilities: Additions to the Airport System. All buildings, structures, and items of personal property that are constructed, placed or installed in or upon the properties constituting the Airport System as an addition or improvement to, as a substitute for, or in renewal, replacement or alteration of, any buildings, structures, and personal property constituting part of the Airport System, and all real property acquired as an addition to, in replacement of, or as a substitute for real property constituting a part of the Airport System shall thereupon become a part of the Airport System.

Other facilities not financed by the issuance of Bonds under this Resolution may be incorporated in and made a part of the Airport System upon satisfaction of the conditions set forth in Sections ~~717~~715 and ~~719~~717 hereof.

Section 715-Section 714. Contracts, Leases and Other Agreements. Subject to the provisions of Section 604, the County may lease, as lessor, all or any part of the Airport System, or contract or agree for the performance by others, of operations or services on or in connection with the Airport System or any part thereof, for any lawful purpose, provided, that:

(a) each such lease, contract or agreement, or any amendment or rescission thereof, is not inconsistent with the provisions of this Resolution,

(b) the County shall remain fully obligated and responsible under this Resolution to the same extent as if such lease, contract or agreement, or any amendment or rescission thereof, had not been executed, and

(c) the obligation of the County under such lease, contract or agreement shall be subordinate to the County's obligations under this Resolution, and

(d) ~~if the amount payable to the County in the then current or any subsequent Fiscal Year under any such lease, contract or agreement or any amendment or rescission thereof, exceeds 5% of the Revenues for the preceding Fiscal Year, then the County shall expressly determine by resolution that it has given due consideration to the provisions of Section 704 hereof prior to the execution of such contract, lease, or agreement, and that such lease, contract or agreement, amendment or rescission thereof, does not materially adversely impair or diminish the rights or security of any Holder. The County shall not be prevented from making the determination required by this paragraph (d) notwithstanding that a particular contract, lease or agreement is not subject to revision except in accordance with its terms and is not subject to revision to comply with the provisions set forth in paragraphs (a) and (b) of Section 704.~~

~~Section 716. Airport Rate Agreements. (a) For the purpose of Section 706(e) of this Resolution, Airport Rate Agreements shall have meaning and be deemed in force and effect only if such Agreements: (i) are with air carriers whom the County has reason to believe are financially capable of fulfilling their obligations thereunder and that, during the most recent 12-month period for which information is available, represented not less than 60% of the enplaned passengers for all air carriers at the Airport System; (ii) provide that each air carrier a party thereto shall be obligated to pay charges without limit as to rate or amount, but that such charges may be subject to apportionment among such air carriers by the terms of such Airport Rate Agreements; and (iii) provide that those air carriers that are party to Airport Rate Agreements, collectively, are required to pay such amounts of moneys as will assure that the Revenues derived and Transfers made in each and every year will be sufficient for the County to meet its rate covenant as provided in Section 704 (a) and (b). The foregoing shall not in any way be construed to affect the validity of any adjustable rate agreement that the County may enter into with any air carrier for the use of the Airport System. The County shall perform all of the duties and obligations imposed upon it by the Airport Rate Agreements or similar agreements so as not to give the air carriers that are parties thereto any basis for terminating such Agreements, provided that the County's obligations thereunder are specifically subordinated to the County's obligations under this Resolution. The County shall not enter into or consent to any amendment or modification of any Airport Rate Agreement or similar agreement that does not meet the above-stated requirements or that would materially adversely affect the security of the Bondholders under this Resolution.~~

~~Section 717.~~ Section 715. Financing of Special Purpose Facilities. Nothing in this Resolution shall be construed as prohibiting the County from financing the acquisition or construction of any special purpose facilities permitted by law so long as the following conditions are satisfied:

(a) such special purpose facilities shall either be located on property that constitutes the Airport System and thereby made a part of the same or the documentation relating to the financing for such facilities shall provide that such facilities and the land upon which they are located will become incorporated into the Airport System upon defeasance of the obligations issued to finance the same,

(b) the debt obligations issued to finance the special purpose facilities are not directly or indirectly secured by or payable from Revenues but are secured by and payable from such other sources as are then permitted by the County Code,

(c) the County shall levy upon the user of such facilities charges sufficient to pay the principal of, and the premium, if any, and interest on obligations issued to finance the same,

(d) the County shall have delivered to the Trustee an opinion of General Counsel to the effect that the underlying obligations issued to finance such facilities are not, directly or indirectly, secured by or payable from Revenues or issued under or secured by the provisions of this Resolution and that the financing of such special purpose facilities will not conflict with or constitute on the part of the County a breach of or default under any of the covenants or provisions of this Resolution, and

(e) the County shall have delivered to the Trustee a statement, signed by the Airport Consultant, to the effect that in its opinion the acquisition or construction of such special purpose facilities will not materially reduce Revenues or impair the operating efficiency of the Airport System.

~~Section 718.~~ Section 716. Subordinated Debt. The County may incur and issue Subordinated Debt for any lawful airport or aviation-related purposes permitted by law, except for special purpose facilities described in Section ~~717~~ 715 hereof, if the following conditions are met:

(a) the County shall adopt a resolution authorizing the issuance of any such Subordinated Debt ~~and, setting forth the amount and details thereof and approving the execution and delivery of any corresponding Subordinated Debt Issuing Instrument;~~

(b) Subordinated Debt may consist of bonds, notes or other debt instruments issued or otherwise entered into by the County, must rank junior and subordinate to the Bonds issued and outstanding under this Resolution and may be paid from moneys constituting Net Revenues only if all amounts of principal and interest which have become due and payable on the Bonds whether by maturity, redemption or acceleration have been paid in full and the County is current on all payments, if any, required to be made to replenish the Reserve Account and any separate sub-accounts therein. In all cases Subordinated Debt shall be secured on a junior and subordinate basis to the Bonds by the pledge of the Net Revenues or shall be secured by assets that are not Net Revenues or shall be unsecured. No Bond, note or other instrument of indebtedness shall be deemed to be "Subordinated Debt" for purposes of this Resolution and payable on a subordinated basis from Net Revenues unless specifically designated by the County as a

"Subordinated Debt" in the authorizing resolution and Subordinated Debt Issuing Instrument;

~~(b)(c)~~ the principal of, and the redemption premium, if any, and interest on any such Subordinated Debt is payable as a whole or in part solely from the proceeds of other Subordinated Debt, Additional Bonds, Net Revenues transferred to the Subordinated Debt Trustee pursuant to the provisions of Section 503 hereof, any money available therefor in the General Purposes Account, or from any other legally available source, provided that such Subordinated Debt shall be payable from Additional Bonds only to the extent such indebtedness was issued for any purpose for which Additional Bonds may be issued under this Resolution; except for payments from the proceeds of Additional Bonds, Net Revenues transferred to the Subordinated Debt Trustee pursuant to the provisions of Section 503 hereof, and the General Purposes Account, no money in any other Fund or Account created pursuant to the provisions of this Resolution shall be used to pay the principal of, or the interest or redemption premium, if any, on, any Subordinated Debt; and

~~(e)(d)~~ simultaneously with the delivery of and payment for any such Subordinated Debt there shall be filed with the Trustee a certificate of the Chief Financial Officer stating that no Default has occurred and is continuing under this Resolution or, if any Default then exists, that the proceeds of such Subordinated Debt will be applied to cure the same.

~~Section 719~~Section 717. Financing of Other Facilities. Nothing in this Resolution expressed or implied shall be construed as preventing the County, if then authorized or permitted by law, from financing the acquisition or construction at any portion of the Airport System or any other airport property hereafter acquired by the County, of any facility or project through the issuance of obligations that are not issued under or secured by any of the items constituting security for the Bonds under the provisions of this Resolution. Subject to ~~Section 744~~Section 713 hereof, any such facility or project so financed or otherwise acquired by the County and not constituting a part of the Airport System may be added to the Airport System by resolution of the County provided that at the date of inclusion of such facility or project in the Airport System the County shall deliver to the Trustee:

(a) a certificate of the Chief Financial Officer stating that no Default has occurred and is continuing or, if any Default then exists, that action taken pursuant to this Section will cure the same, and

(b) a report of the Airport Consultant stating that based upon its knowledge and analysis of the financial performance and operations of the Airport System, nothing has come to its attention that would lead it to believe that for each of the five Fiscal Years following the inclusion of such facility or project in the Airport System the County would not be able to meet its obligations under Sections 503 and 704 of this Resolution.

~~Section 720~~Section 718. Employment of Accountant, Insurance Consultant, and Airport Consultant. For the purpose of causing to be performed and carried out the duties imposed on the Accountant under this Resolution, the County shall employ as the Accountant an independent

certified public accountant or a firm of independent certified public accountants having a favorable repute for skill and experience in such work.

For the purpose of performing and carrying out the duties imposed upon an Insurance Consultant under this Resolution, the County shall from time to time employ an Insurance Consultant as defined in Section 101 hereof. A signed copy of any reports of any Insurance Consultant required hereby shall be filed with the County, and copies thereof shall be sent to the Trustee.

For the purpose of causing to be performed and carried out the duties imposed on the Airport Consultant under this Resolution, the County will employ one or more airport consultants having a favorable repute for skill and experience for such work. Except for any fees and expenses incurred under the provisions of Section 403 of this Resolution, the cost of employing the Airport Consultant shall be treated as a part of the cost of operation and maintenance of the Airport System.

The Accountant and the Airport Consultant shall at all times have free access to all properties constituting the Airport System for the purposes of inspection and examination, and the books, records and accounts of the County may be examined by the Accountant and the Airport Consultant at all reasonable times.

~~Section 721~~Section 719. Further Instruments and Actions. The County shall, from time to time, execute and deliver such further instruments or take such further actions as may be required to carry out the purposes of this Resolution.

~~Section 722~~Section 720. Use of Revenues and Inconsistent Actions. The County covenants and agrees that, so long as any of the Bonds secured hereby are Outstanding, none of the Revenues will be used for any purpose other than as provided in this Resolution, and that no contract or contracts will be entered into or any action taken by which the rights of Holders might be impaired or diminished.

~~Section 723. Passenger Facilities Charges.~~ If then permitted by law, ~~Passenger Facilities Charges may be pledged by resolution of the Board (a) to secure any Series of Bonds or Subordinated Debt issued hereunder, or (b) to secure any indebtedness incurred for Airport System purposes by the County but not under this Resolution.~~

[END OF ARTICLE VIII]

ARTICLE VIII

REMEDIES

Section 801. Extension of Interest Payment. If the time for the payment of any coupon or the interest on any registered Bond without coupons is extended, whether or not such extension is by or with the consent of the County, such coupon or interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Resolution and in such case ~~the~~ Holder of the Bond for which the time for payment of interest was ~~intended~~extended shall be entitled only to the payment in full of the principal of all Bonds then Outstanding and of interest for which the time for payment shall not have been extended.

Section 802. 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 is not made when the same are due and payable, either at maturity or by redemption or otherwise;

(b) payment of the interest on any of the Bonds is not made when the same is due and payable;

(c) final judgment for the payment of money is rendered against the County as a result of the ownership, control or operation of the Airport System, and any such judgment is not discharged within sixty (60) days from the entry thereof or an appeal is not taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof;

(d) the County: (i) becomes insolvent or the subject of insolvency proceedings; or (ii) is unable, or admits in writing its inability, to pay its debts as they mature; or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or (iv) files a petition or other pleading seeking reorganization, composition, readjustment, or liquidation of assets, or requesting similar relief; or (v) applies to a court for the appointment of a receiver for it or for the whole or any part of the Airport System; or (vi) has a receiver or liquidator appointed for it or for the whole or any part of the Airport System (with or without the consent of the County) and such receiver is not discharged within 90 consecutive days after his appointment; or (vii) becomes the subject of an “order for relief” within the meaning of ~~United States~~Federal Bankruptcy Code; or (viii) files an answer to a creditor’s petition admitting the material allegations thereof for liquidation, reorganization, readjustment or composition or to effect a plan or other arrangement with creditors or ~~fails~~fails to have such petition dismissed within 60 consecutive days after the same is filed against the County;

(e) any court of competent jurisdiction assumes custody or control of the County or of the whole or any substantial part of its property under the provisions of any

other law for the relief or aid of debtors, and such custody or control is not terminated within ninety (90) days from the date of assumption of such custody or control; and

(f) the County defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution, and such default continues for 30 days after receipt by the County of a written notice from the Trustee specifying such default and requesting that it be corrected, provided that if prior to the expiration of such 30-day period the County institutes action reasonably designed to cure such default, no “Event of Default” shall be deemed to have occurred upon the expiration of such 30-day period for so long as the County pursues such curative action with reasonable diligence.

Section 803. Acceleration of Maturities. Upon the happening and continuance of any Event of Default specified in Section 802 of this Article, then and in every such case the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall, by a notice in writing to the County, declare the principal of all of the Bonds then Outstanding (if not then due and payable) 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. If the conditions identified in clauses (a), (b), and (c) of this paragraph have been satisfied after the principal of and interest on the Bonds have been 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, then and in every such case the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of the Bonds not then due except by virtue of such declaration and then Outstanding shall, by written notice to the County, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon: (a) money sufficient to pay the principal of all matured Bonds and all arrears of interest, if any, upon Bonds then Outstanding (except 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) has accumulated in the Interest Account, the Principal Account, and the Sinking Fund Account, (b) all amounts then payable by the County hereunder have been paid or a sum sufficient to pay the same has been deposited by the Chief Financial Officer with the Trustee or the Paying Agents, and (c) 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) has been remedied.

If pursuant to the provisions of this Resolution the obligation of the County to pay the Bonds is accelerated, the County shall pay to the Trustee forthwith but only from Net Revenues and, if applicable for a Series of Bonds as provided in a Series Resolution or other resolution duly adopted by the Board as provided in Section 518 hereof, from Available Revenues, an amount that is sufficient, together with all other funds available therefor, to pay such Bonds in full, and an amount that is sufficient, together with all other funds available therefor, to pay all other expenses of the Trustee incurred or to be incurred under this Resolution.

Section 804. Remedies. In addition to any remedies then available to the Trustee under this Resolution and under State and federal law, upon the occurrence of an Event of Default the Trustee may:

(a) Require the County to endorse all checks and other negotiable instruments representing Net Revenues and, if applicable, Available Revenues to the order of the Trustee immediately upon the receipt thereof and to deliver such endorsed instruments daily to the Trustee.

(b) Notify any or all account debtors of the County to pay any amounts representing Net Revenues and, if applicable, the Available Revenues, when due and owing, directly to the Trustee, as Trustee, at the address set forth herein.

(c) Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Holders under this Resolution, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Airport System and of the Net Revenues and, if applicable, the Available Revenues pending such proceedings, with such powers as the court making such appointments confers, whether or not the Net Revenues and the Available Revenues are deemed sufficient ultimately to satisfy the Bonds then Outstanding hereunder.

(d) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due or to enforce observance or performance of any covenant, condition or agreement of the County under this Resolution.

Section 805. Enforcement of Remedies. Upon the happening and continuance of any Event of Default specified in Section 802 of this Article, then and in every such case the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall, proceed to protect and enforce the rights of the Holders under federal or State 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 legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights.

Section 806. Pro Rata Application of Funds. Anything in this Resolution to the contrary notwithstanding, if at any time the money in the Interest Account, the Principal Account, and the Sinking Fund Account is not sufficient to pay the interest on or the principal of the Bonds as the same become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 803 of this Article), such money, together with any money then available or thereafter becoming available for such purposes: (other than Available Revenues), whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

first: if the principal of the Bonds has not ~~have~~ become due and payable, to the payment of all installments of interest then due, in the order of the maturity of the installments of such interest;

second: if the principal of less than all of the Bonds has become due and payable, first to the payment of all installments of interest then due on Bonds of which the principal is not overdue, in the order of the maturity of the installments thereof, and next to the payment of interest at the respective rates specified in the Bonds on overdue principal, and next to the payment of the principal of Bonds then due in order of their due dates;

third: if the principal of all Bonds has become due and payable by declaration, redemption or otherwise, first to the payment of all interest due on Bonds of which the principal is not overdue, and next to the payment of interest at the respective rates specified in the Bonds on overdue principal, and next to the payment of the principal of the Bonds in order of their due dates;

fourth: if the principal of all Bonds has become due and payable, and all of the Bonds have been fully paid, together with all interest and premium, if any, thereon, any surplus then remaining shall be applied as set forth in Section 515 hereof; and

fifth: if the principal of all Bonds has been declared due and payable and if such declaration thereafter has been rescinded and annulled under Section 803 of this Resolution, then, subject to the provisions of paragraph third of this section in the event that the principal of all Bonds later becomes due and payable or is declared due and payable, the money then remaining in and thereafter accruing to the Interest Account, the Principal Account, and the Sinking Fund Account shall be applied in accordance with the provisions of paragraph first or second of this Section, whichever is then applicable.

All payments to be made to the Holders pursuant to this Section shall be made ratably to the persons entitled thereto, without discrimination or preference, except that if there are insufficient funds to make any payment of interest or principal then due, the amount to be paid in respect of principal or interest, as the case may be, on each Bond shall be determined by multiplying the aggregate amount of the funds available for such payment by a fraction, the numerator of which is the amount then due as principal or interest, as the case may be, on each Bond and the denominator of which is the aggregate amount due in respect of all interest or all principal, as the case may be, on all Bonds.

The provisions of this Section are in all respects subject to the provisions of Section 801 of this Article.

Whenever money is to be applied by the Trustee pursuant to the provisions of this Section: (a) such money shall be applied by the Trustee at such times and from time to time as the Trustee in its sole discretion shall determine, having due regard for the amount of such money available for such application and the likelihood of additional money becoming available for such application in the future, (b) the deposit of such money with the Paying Agents or otherwise setting aside such money as provided herein, in trust for the proper purpose shall

constitute proper application by the Trustee, and (c) the Trustee shall incur no liability whatsoever to the County, to any Holder or to any other person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee exercises such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) 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 Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to the Holder of any Bond or coupon until such Bond is surrendered to the Trustee for appropriate endorsement or for cancellation if fully paid.

Notwithstanding the foregoing, Available Revenues shall be applied solely as provided in Section 518; provided, however, that if the ratable distribution provisions of this Section 806 are applicable, the amounts that would otherwise be distributed pursuant to such provisions to Bonds that are secured by Available Revenues shall be reduced by the amount of Available Revenues that are available for distribution to such Bonds pursuant to Section 518, and the moneys that become available as a result of such reduction shall then be distributed pursuant to this Section 806 without regard to this paragraph.

Section 807. Effect of Discontinuance of Proceedings. If any proceeding taken by the Trustee or Holders on account of any Event of Default is discontinued or abandoned for any reason, then and in every such case, the County, the Trustee and the Holders shall be restored to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

Section 808. Control of Proceedings by Holders. Anything in this Resolution to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of Bonds at any time Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall be in accordance with law and the provisions of this Resolution.

Section 809. Restrictions Upon Actions by Individual Holders. Except as provided in Section 814 of this Resolution, no Holder shall have any right to institute any suit, action or proceeding in equity or at law on any Bond or for the execution of any trust hereunder or for any other remedy hereunder unless such Holder previously shall (a) have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (b) have requested the Trustee to take action after the right to exercise such powers or right of action, as the case may be, shall have accrued, (c) have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceedings in its or their name, and (d) have offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers

and trusts of this Resolution or to any other remedy hereunder. Notwithstanding the foregoing provisions of this Section and without complying therewith, the Holders of not less than 20% in aggregate principal amount of Bonds then Outstanding may institute any such suit, action or proceeding in their own names for the benefit of all Holders hereunder. It is understood and intended that, except as otherwise above provided, no one or more Holders shall have any right in any manner whatsoever 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 provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders and that any individual rights of action or other right given to one or more of such Holders by law are restricted by this Resolution to the rights and remedies herein provided.

Section 810. Enforcement of Rights of Action. All rights of action (including the right to file proof of claim) under this Resolution or under any Bonds may be enforced by the Trustee without the possession of any Bonds or the production thereof in any proceedings relating thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Holders, and any recovery of judgment shall be for the equal benefit of the Holders, subject to the provisions of Section 801 of this Resolution.

Section 811. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Holders 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 or now or hereafter existing at law or in equity.

Section 812. Delay Not a Waiver. No delay or omission by the Trustee or of any Holder in the exercise of 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 any acquiescence therein, and every power or remedy given by this Resolution to the Trustee and to the Holders may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the Holders of not less than a majority in principal amount of the Bonds then Outstanding shall, waive any Event of Default which in its opinion has been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Resolution or before the completion of the enforcement of any other remedies under this Resolution, but no such waiver shall extend to or affect any other existing or subsequent Event of Default or impair any rights or remedies consequent thereon.

Section 813. Notice of Default. The Trustee shall mail to all Holders of registered Bonds, at their addresses as they appear on the registration books maintained by the Trustee, and all Holders of Record requesting the same, written notice of the occurrence of any Event of Default within 30 days after the Trustee has notice of the same. However, the Trustee shall not be subject to any liability to any Holder or Holder of Record by reason of its failure to mail any such notice.

Section 814. Right to Enforce Payment of Bonds Unimpaired. Nothing in this Article shall affect or impair the right of any Holder to enforce the payment of the principal of and interest on his Bonds or the obligation of the County to pay the principal of and interest on each Bond to the Holder thereof at the time and place specified in said Bond or the coupons appertaining thereto.

[END OF ARTICLE VIII]

ARTICLE IX

THE TRUSTEE

Section 901. Acceptance of Trusts. The Trustee under this Resolution and Paying Agent for the initial Series of Project Bonds shall be designated in the Series Resolution for such Series. The Trustee shall signify its acceptance of the duties and obligations and agree to execute the trusts imposed upon it by this Resolution by executing the certificate of authentication endorsed upon the Bonds, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Resolution, to all of which the County, the Trustee and the respective Holders of the Bonds agree. Unless the Trustee has been given notice or otherwise has notice that an Event of Default has occurred and is continuing, the Trustee shall not be responsible except for the performance of those duties that are expressly set forth in this Resolution, and no implied covenant or duty shall be read into this Resolution against the Trustee; provided, however, that nothing herein shall relieve the Trustee from responsibility for its own negligence or willful misconduct.

If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers as are vested in it by this Resolution and shall use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

Section 902. Indemnification of Trustee as Condition for Remedial Action upon Direction of Holders. The Trustee shall be under no obligation to take any remedial proceeding under this Resolution upon direction of the Holders in accordance with Section 808 hereof until it is indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability, provided that the Trustee shall have no right to indemnification for any costs, expenses, outlays, counsel fees, or disbursements or against any liability resulting from any proceeding or action of the Trustee if the Trustee is determined to have acted negligently with respect to such proceeding or action. However, the Trustee may begin suit, or appear in and defend suit, or take any remedial proceedings under this Resolution, or take any steps in the execution of any of the trusts created hereby or in the enforcement of any rights and powers hereunder, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity and with or without the direction of Holders, and in such case the County, at the request of the Trustee, shall reimburse the Trustee from Revenues for all costs, expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the County fails to make such reimbursement, the Trustee may reimburse itself from any money in its possession under the provisions of this Resolution and shall be entitled to a preference therefor over any Bonds Outstanding.

Section 903. Limitations on Obligations and Responsibilities of Trustee. The Trustee shall be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the County, or to report, make or file claims or proof of loss for any loss or damage that may occur, or to keep itself informed or advised as to the payment of any premiums or assessments, or to require any such payment to be made. The Trustee shall have no responsibility in respect of the validity or sufficiency of this Resolution or, except as to the authentication thereof, in respect of the validity

of Bonds or the due execution or issuance thereof. The Trustee shall be under no obligation to see that any duties herein imposed upon the County, any consultant, any Paying Agent other than itself, any Depositary other than a Trustee Depositary, or any party other than itself are done or performed.

Section 904. Trustee Not Liable for Failure of County to Act. The Trustee shall not be liable or responsible for the failure of the County or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the County or for the loss of any money arising through the insolvency or the act or default or omission of any Depositary other than a Trustee Depositary in which such money is deposited under the provisions of this Resolution. The Trustee shall not be responsible for the application of any of the proceeds of Bonds or any other money deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer is made in accordance with the provisions of this Resolution. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

Section 905. Compensation of Trustee and Paying Agents. Subject to the provisions of any contract between the County and the Trustee or any Paying Agent relating to the compensation of the Trustee or such Paying Agent, the County shall pay to the Trustee or such Paying Agent from Revenues reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and the performance of its powers and duties hereunder. If the County fails to cause any payment required by this Section to be made, the Trustee or any Paying Agent may make such payment from any money in its possession under the provisions of this Resolution and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 906. Monthly Statements from Trustee. On or before the 15th day of each month the Trustee shall file with the County a statement setting forth in respect of the preceding calendar month:

- (a) the amount withdrawn or transferred by it from, and the amount deposited in or credited to, each Fund or Account held by it under the provisions of this Resolution,
- (b) the amount on deposit with it at the end of such month in each such Fund or Account,
- (c) a brief description of all obligations held by it as an investment of money in each such Fund or Account and the investment income or loss that was charged to any Fund or Account in such month,
- (d) the amount applied to the payment, purchase, or redemption of Bonds under the provisions of Article V of this Resolution and a description of the Bonds so paid, purchased, or redeemed, and
- (e) any other information that the County may reasonably request.

All records and files pertaining to the Bonds and the Airport System in the custody of the Trustee shall be available at all reasonable times for inspection by the County, the Holders, and their agents and representatives.

Section 907. Trustee Protected in Relying on Certain Documents. The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith and in accordance with the terms of this Resolution, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document that it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Resolution, or upon the written opinion of any attorney, engineer or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Trustee shall not be under any obligation to see to the recording or filing of this Resolution or otherwise to the giving to any person of notice of the provisions hereof.

Except as otherwise provided in this Resolution, any request, notice, certificate or other instrument from the County to the Trustee shall be deemed to have been signed by the proper party or parties if signed by the Chief Financial Officer or any designee whose signature is on file with the Trustee.

Section 908. Notice of Default. Except upon the happening of any Event of Default specified in clauses (a) and (b) of Section 802 hereof or the reporting of the occurrence of an Event of Default pursuant to Section ~~707~~706 hereof, the Trustee shall not be obliged to take notice or be deemed to have notice of any Event of Default under this Resolution unless specifically notified in writing of such Event of Default by the County or the Holders of not less than 20% in aggregate principal amount of Bonds then Outstanding.

Section 909. Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the Bonds (excluding the Trustee's certificate of authentication on the Bonds) shall be taken and construed as made by and on the part of the County and not by the Trustee, and the Trustee shall be under no responsibility for the correctness of the same.

Section 910. Trustee May Deal in Bonds. The bank or trust company acting as Trustee under this Resolution, and its directors, officers, employees or agents, may in good faith, to the extent permitted by applicable law, buy, sell, own, hold and deal in any of the Bonds and may join in any action that any Holder of Bonds may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Resolution.

Section 911. Resignation and Removal of Trustee Subject to Appointment of Successor. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 915.

Section 912. Resignation of Trustee. The Trustee may resign and thereby become discharged from the trusts hereby created by notice in writing given to the County and published once in a Daily Newspaper of general circulation in Broward County, Florida, and in a Financial Journal or a Daily Newspaper of general circulation in the Borough of Manhattan, City and State of New York, not less than 60 days before such resignation is to take effect. Such resignation shall take effect immediately upon the appointment of a new Trustee hereunder if such new Trustee is appointed and accepts the trusts created hereby before the time limited by such notice.

Section 913. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, executed by the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding, filed with the County and the Trustee, and published once in a Daily Newspaper of general circulation in Broward County, Florida, and in a Financial Journal or a Daily Newspaper of general circulation in the Borough of Manhattan, City and State of New York, not less than 60 days before such removal is to take effect as stated in said instrument or instruments.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Resolution with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the County or the Holders of not less than 20% in aggregate principal amount of Bonds then Outstanding.

The Trustee may also be removed and succeeded in its duties hereunder by supplemental resolution of the Board pursuant to Section 1101 hereof.

Section 914. Appointment of Successor Trustee. If at any time hereafter the Trustee resigns, is removed, is dissolved or otherwise becomes incapable of acting, or the bank or trust company acting as Trustee is taken over by any governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee becomes vacant for any reason, the County shall appoint a Trustee to fill such vacancy. A successor Trustee shall not be required if the Trustee sells or assigns substantially all of its trust business and the vendee or assignee continues in the trust business, or if a transfer of the trust department of the Trustee is required by operation of law, provided that such vendee, assignee or transferee qualifies as a successor Trustee under this Section 914. The County shall publish notice of any such appointment made by it once each week for four successive weeks in a Daily Newspaper of general circulation in Broward County, Florida, and in a Financial Journal or a Daily Newspaper of general circulation in the Borough of Manhattan, City and State of New York.

At any time within one year after any vacancy in the office of the Trustee has occurred, the Holders of 20% in principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing, executed by such Holders and filed with the County, may appoint a successor Trustee, which shall supersede any Trustee theretofore appointed by the County. Photographic copies of each such instrument shall be delivered promptly by the County to the predecessor Trustee and to the Trustee so appointed by the Holders.

If no appointment of a successor Trustee is made pursuant to the foregoing provisions of this Section, any Holder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon appoint a successor Trustee.

Any successor Trustee hereafter appointed shall be a bank or trust company within the State that is in good standing and duly authorized to exercise corporate trust powers in the State, that is subject to examination by federal or State authority, and that has a combined capital, surplus and undivided profits aggregating not less than Fifty Million Dollars (\$50,000,000).

Section 915. Vesting of Duties in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the County, an instrument in writing accepting such appointment and the trusts created hereby and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor. Upon receipt of such instrument or upon receipt of a written request of the County and upon payment of the expenses, charges and other disbursements of such predecessor that are payable pursuant to the provisions of Sections 902 and 905 of this Article, such predecessor Trustee shall execute and deliver an instrument transferring to such successor Trustee rights, immunities and powers of such predecessor hereunder and shall deliver all property and money held by it hereunder to its successor. Should any instrument in writing from the County be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby and vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the County.

[END OF ARTICLE IX]

ARTICLE X

EXECUTION OF INSTRUMENTS BY HOLDERS,
PROOF OF OWNERSHIP OF BONDS, AND
DETERMINATION OF CONCURRENCE OF HOLDERS

Section 1001. Execution of Instruments by Holders. Any request, direction, consent or other instrument in writing required or permitted by this Resolution to be signed or executed by any Holders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Holders or their 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 Trustee and the County with regard to any action taken by either 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, by 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) The fact of the holding of coupon Bonds hereunder by any Holder and the amount and the number of such Bonds and the date of his holding of the same (unless such Bonds are registered) may be proved by the affidavit of the person claiming to be such Holder, if such affidavit is deemed by the Trustee to be satisfactory, or by a certificate executed by any trust company, bank, banker or any other depository, wherever situated, if such certificate is deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with or exhibited to such trust company, bank, banker or other depository the Bonds described in such certificate. The Trustee may conclusively assume that such ownership continues until written notice to the contrary is served upon it. The ownership of coupon Bonds registered as to principal and of registered Bonds without coupons shall be proved by the registration books kept under the provisions of Section 205 of this Resolution.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of any Holder shall bind every future Holder of the same Bond in respect of anything done by the Trustee in pursuance of such request or consent.

Notwithstanding any of the foregoing provisions of this Section, the Trustee shall not be required to recognize any person as a Holder or to take any action at his request unless such Bonds shall be deposited with it.

[END OF ARTICLE X]

ARTICLE XI

SUPPLEMENTAL RESOLUTIONS

Section 1101. Supplemental Resolution Without Bondholder's Consent. The Board, from time to time and at any time and with the consent of the Trustee, may adopt such resolutions supplemental hereto as are consistent with the terms and provisions hereof (which supplemental resolutions shall thereafter form a part hereof) and do not adversely affect the interest of the Holders:

- (a) to cure any ambiguity or formal defect or omission or to correct or supplement any provision herein that may be consistent with any other provision herein, or
- (b) to grant to or confer upon the Trustee, for the benefit of the Holders, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders or the Trustee, or
- (c) to add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution or other conditions, limitations and restrictions thereafter to be observed, provided that such conditions, limitations, and restrictions do not impair the security for the Outstanding Bonds,
- (d) to add to the covenants and agreements of the County in this Resolution other covenants and agreements thereafter to be observed by the County or to surrender any right or power herein reserved to or conferred upon the County, provided that such covenants and agreements and the surrendering of any right or power do not impair the security for the Outstanding Bonds, or
- (e) to comply with the provisions of Sections 208, 209, 210 and 211.

In addition to the foregoing, the County from time to time (i) with the consent of the Trustee, may adopt such resolutions supplemental hereto (which supplemental resolutions shall thereafter form a part hereof) that do not materially adversely affect the interests of the Holders in order to provide for or accommodate the issuance of Additional Bonds hereunder in the form of bonds with a variable, adjustable, convertible, periodic auction reset, or other similar interest rate structure under which the interest rate is not fixed in percentage at the date of issue for the entire term thereof, deferred interest rate bonds, capital appreciation bonds, zero coupon bonds, demand/put bonds, Taxable Bonds, bonds payable or denominated in a foreign currency, or similar types of indebtedness which shall permit the County to take advantage of changes or innovations in capital markets, including, without limitations, supplemental resolutions modifying the terms of Sections 209, 210 or 211 to accommodate the issuance of Additional Bonds of such types or to accommodate the County realizing the savings associated with the ability of bond underwriters to structure Bonds so as to facilitate the creation of derivative products, and (ii) without the consent of the Trustee, may adopt such resolutions supplemental hereto (which supplemental resolutions shall thereafter form a part hereof) that do not materially adversely affect the interests of the Holders in order to permit the County to assume the function,

duties and obligations of the Trustee and Paying Agent hereunder. No supplemental resolution adopted pursuant to the immediately preceding sentence shall become effective until there is delivered to the Trustee an opinion of Bond Counsel to the effect that the adoption of such a supplemental resolution shall not adversely affect the exclusion of interest from the gross income of the Holders of all Bonds (other than Taxable Bonds) then Outstanding for federal income tax purposes and confirmation from each of the Rating Agencies that the adoption of such Supplemental Resolution will not cause a reduction or withdrawal of any rating of such Rating Agency then assigned to any Bonds Outstanding hereunder. The delivery of such confirmation with respect to any supplemental resolution shall create a conclusive presumption that such supplemental resolution does not materially adversely affect the interests of the Holders of such Outstanding Bonds.

Section 1102. Supplemental Resolution with Bondholder's Consent. Subject to the terms and provisions contained in this Section, and not otherwise, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding that will be affected by a proposed supplemental resolution shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such resolution or resolutions supplemental hereto as are deemed necessary or desirable by the County 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 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, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of Revenues other than the lien and pledge created by this Resolution, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (e) 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 Holders of the adoption of any supplemental resolution as authorized in Section 1101 of this Article.

If at any time the County determines that it is necessary or desirable to adopt any supplemental resolution for any of the purposes of this Section, the County Administrator shall cause notice of the proposed adoption of such supplemental resolution to be published ~~once in each week for two successive weeks in a Daily Newspaper of general circulation in Broward County, Florida, and in a Financial Journal or a Daily Newspaper of general circulation in the Borough of Manhattan, City and State of New York, and, on or before the date of the first publication of such notice, it shall also cause a similar notice to be mailed, postage pre-paid, to all Holders of registered Bonds, at their addresses as they appear on the registration books maintained by the Trustee, and all Holders of Record. 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 County Administrator for inspection by all Holders. The County shall not, however, be subject to any liability to any Holder or Holder of Record 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.~~

Whenever, ~~at any time within one year after the date of the first publication of such notice,~~ the County delivers to the Chief Financial Officer an instrument or instruments in writing purporting to be executed or deemed executed by the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding that are affected by a proposed supplemental resolution, which instrument or instruments shall refer to the proposed supplemental resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Board may adopt and/or make effective such supplemental resolution in substantially such form, without liability or responsibility to any Holder whether or not such Holder shall have consented thereto. The provisions of this paragraph and the immediately succeeding paragraph shall not be read or interpreted to require that the consents of Holders be received by the County prior to the adoption of the proposed supplemental resolution. The provisions of this paragraph and the immediately succeeding paragraph shall be satisfied if the County receives the consents of the Holders prior to the effective date of the proposed supplemental resolution.

If the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such a supplemental resolution becomes effective and that are affected by asuch proposed supplemental resolution have consented to and approved the adoption thereof, supplemental resolution as herein provided, no Holder shall have any right to object to the adoption or effectiveness of such supplemental resolution, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the adoption thereof, or to enjoin or restrain the Board from adopting the same or making the same effective or from taking any action pursuant to the provisions thereof.

For purposes of this Resolution, Bonds shall be deemed to be "affected" by a supplemental resolution if the same adversely affects or diminishes the rights of Holders against the County or the rights of the Holders in the security for such Bonds. The Trustee may in its discretion determine whether any Bonds would be affected by any supplemental resolution and any such determination shall be conclusive upon the Holders of all Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

Notwithstanding anything in the foregoing to the contrary, with respect to the Currently Outstanding Insured Bonds, the consent of a ~~Bond Insurer~~ Credit Enhancer to a Supplemental Resolution shall be deemed to be consent of the Holders of the Bonds insured by the ~~Insurance Policy~~ Credit Enhancement Device issued by such ~~Bond Insurer~~ Credit Enhancer, so long as (i) such ~~Bond Insurer~~ Credit Enhancer continues to be rated in the highest rating classification by S&P or Moody's; (ii) such ~~Bond Insurer~~ Credit Enhancer shall not be in default in the due and punctual performance of its payment obligations under the ~~Bond Insurer's Insurance Policy~~ Credit Enhancer's Credit Enhancement Device; (iii) such ~~Insurance Policy~~ Credit Enhancement Device remains enforceable and in full force and effect; or (iv) such ~~Bond Insurer~~ Credit Enhancer shall not have applied for or consented to the appointment of a receiver, custodian or trustee or liquidator of such ~~Bond Insurer~~ Credit Enhancer or of all or a substantial part of its assets, or have admitted in writing its inability, or be generally unable, to pay its debts as such debts become due, or have made a general assignment for the benefit of its creditors, or have commenced a voluntary case under the Federal Bankruptcy Code (as now or hereafter in

effect) or have filed a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or have failed to convert in a timely and appropriate manner, or acquiesce in writing to, any other petition filed against such ~~Bond Insurer~~ Credit Enhancer in any involuntary case under said Federal Bankruptcy Code, or have taken any other action for the purpose of effecting the foregoing; or (v) if a proceeding or case shall be commenced without the application or consent of a ~~Bond Insurer~~ Credit Enhancer, in any court of competent jurisdiction seeking the liquidation reorganization, dissolution, winding up or composition or readjustment of debts of the ~~Bond Insurer~~ Credit Enhancer or the appointment of a trustee, receiver, custodian, or liquidator or the like of the ~~Bond Insurer~~ Credit Enhancer or of all or a substantial part of its assets, or similar relief with respect to a ~~Bond Insurer~~ Credit Enhancer under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and the ~~Bond Insurer~~ Credit Enhancer shall permit such proceeding or case to continue undismissed and an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed in effect for a period of sixty (60) days from the commencement of such proceedings or case, or any order for relief against the ~~Bond Insurer~~ Credit Enhancer shall be entered in an involuntary case under the Federal Bankruptcy Code.

Notwithstanding anything in the foregoing to the contrary, with respect to a Series of Bonds other than a Series of Currently Outstanding Insured Bonds, the consent of a Credit Enhancer to a Supplemental Resolution shall be deemed to be consent of the Holders of the Bonds insured or secured by the Credit Enhancement Device issued by such Credit Enhancer, so long as such Credit Enhancer is a Qualifying Credit Enhancer.

Section 1103. Supplemental Resolutions Part of Resolution. Any supplemental resolution adopted in accordance with the provisions of this Article and approved as to legality by the General Counsel shall thereafter form a part of this Resolution, and this Resolution shall be and be deemed to be modified and amended in accordance therewith. Thereafter the respective rights, duties and obligations under this Resolution of the County, the Trustee, the Paying Agents, 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. If any supplemental resolution is adopted and approved Bonds issued thereafter may contain an express reference to such supplemental resolution, if deemed necessary or desirable by the County.

Section 1104. Series Resolution Not a Supplemental Resolution. For purposes of this Article XI, a Series Resolution that relates only to a particular Series of Bonds issued 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.

[END OF ARTICLE XI]

ARTICLE XII

DEFEASANCE

Section 1201. Cessation of Interest of Bondholders. When (a) the Bonds secured hereby have become due and payable in accordance with their terms or otherwise as provided in this Resolution, and (b) the whole amount of the principal and the interest and premium, if any, so due and payable upon all Bonds have been paid or if the Escrow Agent or the Escrow Agent and the Paying Agents hold money or Defeasance Obligations, or a combination of both, that are sufficient in the aggregate to pay the principal of, and the interest and redemption premium, if any, on all Bonds then Outstanding to the maturity date or dates of such Bonds or to the date or dates specified for the redemption thereof, and (c) if the Bonds are due and payable by reason of a call for redemption, irrevocable instructions to call the bonds for redemption shall have been given by the County to the Trustee, and (d) sufficient funds shall also have been provided or provision made for paying all other obligations payable hereunder by the County, then and in that case the right, title and interest of the Trustee and Bondholders in the Funds and Accounts created by this Resolution shall thereupon cease, determine and become void, the Board shall repeal and cancel this Resolution, and the Trustee shall apply any surplus in the Funds or Accounts, other than money held for the redemption or payment of Bonds or coupons, as provided in Section 515 hereof. Otherwise this Resolution shall be, continue and remain in full force an effect. Notwithstanding the foregoing, if money, Defeasance Obligations, or a combination of both, are deposited with and held by the Escrow Agent or the Escrow Agent and the Paying Agents, as hereinabove provided, and within 30 days after such money, Defeasance Obligations, or a combination of both have been deposited with such Escrow Agent, the County, in addition to observing the requirements of Article III of this Resolution, causes a notice signed by the Escrow Agent to be ~~published once in a Daily Newspaper mailed by first class mail, postage prepaid, to all registered owners of general circulation published in Broward County, Florida, and in a Financial Journal or a Daily Newspaper of general circulation in~~ Bonds at their addresses as they appear on the Borough of Manhattan, City and State of New York registration books maintained by the Bond Registrar, setting forth (a) the date designated for the redemption of the Bonds, (b) a description of the money and Defeasance Obligations so held by such ~~escrow agent~~ Escrow Agent, and (c) that this Resolution has been repealed and canceled in accordance with the provisions of this Section, the Escrow Agent and Paying Agents shall retain such rights, powers and privileges under this Resolution as may be necessary and convenient in respect of the Bonds for the payment of the principal, interest and any premium on which such money and/or Defeasance Obligations have been deposited.

All money and Defeasance Obligations held by the Escrow Agent or any Paying Agent pursuant to this Section shall be held in trust and applied to the payment, when due, of the Bonds and obligations payable therewith.

For purposes of this Article, Defeasance Obligations shall be deemed to be sufficient to pay or redeem ~~bonds~~ Bonds on a specified date if the principal of and the interest on such Defeasance Obligations, when due, will be sufficient to pay on such date the principal of, and the premium, if any, and interest due on such Bonds on such date.

Section 1202. Defeasance of Convertible Lien Bonds. If, prior to the Conversion Date for a Series of Convertible Lien Bonds, the County desires to defease all or a portion of such Convertible Lien Bonds that are stated to mature on or after the Conversion Date, the defeasance of such Convertible Lien Bonds maturing on or after the Conversion Date (including, without limitation, the interest accruing thereon prior to the Conversion Date) shall be effected under the provisions of this Article XII as if such Convertible Lien Bonds were Outstanding Bonds under this Resolution.

END OF ARTICLE XIII

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1301. Effect of Covenants. All covenants, stipulations, obligations and agreements of the County contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the County and of the Board and of each department and agency of the County to the full extent authorized or permitted by law, and all such covenants, 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 is 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 County or upon the Board by the provisions of this Resolution shall be exercised or performed by the Board, or by such other officer, board, body or commission as may be required by law to exercise such powers or to perform such duties.

No covenant, 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 Board in his individual capacity, and neither the members of the Board 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 1302. 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 County, the Board or the Trustee 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:

- (a) As to the County and the County Administrator:

Broward County, Florida
~~County Courthouse~~ 115 South Andrews Avenue
Room 409
 Fort Lauderdale, Florida 33301
 Attention: County Administrator

- ~~(b) As to the Board:~~

~~Board of County Commissioners~~
~~County Courthouse~~
~~201 S.E. Sixth Street~~
~~Fort Lauderdale, Florida 33301~~
~~Attention: Chairman~~

As with copies to the Chief Financial Officer and
the County Attorney, as follows:

Broward County Courthouse
201 S.E. Sixth Street, Florida
Room 513
 Fort Lauderdale, Florida 33301
 Attention: Chief Financial Officer

Broward County, Florida
Room 423
Fort Lauderdale, Florida 33301
Attention: County Attorney

- ~~(e)(b)~~ As to the Aviation Director:

Fort Lauderdale/Hollywood International Airport
290 S.W. 41st Court 320 Terminal Drive
 Fort Lauderdale, Florida 33315
 Attention: Aviation Director

- ~~(d)(c)~~ As to the Trustee at the address set forth or provided for in the then latest
Series Resolution for the initial Series of Project Bonds.

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by ~~telegram~~ facsimile, electronic transmission or telephone and shall be deemed to be properly given or made at the time of such transmission. Such transmission of notice shall be confirmed in writing not later than one business day following such transmission and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change.

All documents received by the Aviation Director, the Chief Financial Officer, the County Administrator, and the Board under the provisions of this Resolution, or photographic copies thereof, shall be retained in their possession, subject at all reasonable times to the inspection of the County, any Holder, and the agents and representatives thereof.

Section 1303. Successorship of Paying Agents. 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 becomes vacant for any reason, the Board, within 30 days thereafter, shall appoint a bank or trust company located in the same County as Paying Agent to fill such vacancy and shall publish notice of such appointment at the times and in the places as set forth in Section 914 hereof.

Section 1304. Successorship of County Officers. In the event that the office of any officer or official of the County who is vested with responsibility under this Resolution is abolished or any two or more offices are 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 or official becomes incapable of performing the duties of his office by reason of sickness, absence from the County or otherwise, all powers conferred and all obligations and duties imposed upon such officer or official shall be performed by the officer or official succeeding to the principal functions thereof or by the officer or official upon whom such powers, obligations and duties are imposed by law.

Section 1305. Substitute Publication. If, because of the temporary or permanent suspension of publication of any Daily Newspaper or Financial Journal or for any other reason the Chief Financial Officer is unable to publish in a Daily Newspaper or Financial Journal any notice required to be published by any provision of this Resolution, the County shall give such notice in such other manner as in its judgment most effectively approximates such publication, 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 thereof.

Section 1306. Inconsistent Resolutions. All resolutions and parts thereof that are inconsistent with any of the provisions of this Resolution ~~are~~ hereby declared to be inapplicable to the provisions of this Resolution.

Section 1307. Headings Not Part of Resolution. Any headings preceding the texts of the several Articles and Sections hereof, 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 or affect its meaning, construction or effect.

Section 1308. County and Bondholders Alone Have Rights Under Resolution. Except as otherwise expressly provided herein, nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the County, the Trustee, and the Holders of Bonds issued under and secured by this Resolution, any right, remedy or claim, legal or equitable, under or by reason of this Resolution. This Resolution is intended to be for the sole and exclusive benefit of the County, the Trustee, and the Holders.

Section 1309. Validation of Bonds. The proper officers of the County ~~shall may, if necessary,~~ bring proper proceedings for the validation of the Bonds.

Section 1310. Effect of Partial Invalidity. If any one or more of the provisions of this Resolution or of any Bonds ~~or coupons~~ issued hereunder is held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of the Bonds ~~or coupons~~, and this Resolution and the Bonds ~~and coupons~~ shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.

Section 1311. State Law Governs. The Bonds are issued and this Resolution is adopted with the intent that the laws of the State shall govern their construction.

Section 1312. Resolution Effective. This Resolution shall take effect immediately upon ~~its adoption.~~

~~Section 1312. Adopted.~~ Adoption and Effective Date of Amended and Restated Resolution. Pursuant to Section 1102 of the Existing ASR Bond Resolution, this amended and restated Resolution and the amendments set forth herein shall be deemed adopted and become

effective only upon the County's receipt of the written consent of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding. As a condition to its purchase of a Series 2012P Bond in the initial offering thereof, each purchaser of the Series 2012P Bonds will be required to provide its express and irrevocable written consent, on behalf of itself and all successors in interest in such Bonds, to this amended and restated Resolution and the amendments to the Resolution contained herein. Upon issuance and delivery of the Series 2012P Bonds (and the refunding of the Refunded Bonds), the County expects that the Series 2012P Bonds will constitute at least fifty-one percent (51%) of the Bonds then Outstanding under the Resolution. Accordingly, upon issuance and delivery of the Series 2012P Bonds, the County expects to have satisfied the Bondholder consent requirements of Section 1102 of the Existing ASR Bond Resolution in order to effect the deemed adoption of this amended and restated Resolution by the Board and make effective the amendments contained herein. The Existing ASR Bond Resolution shall remain in full force and effect until such time as the County has received the written consents described in this Section 1312 from the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding.

By virtue of its purchase of a Series 2012P Bond in the initial offering thereof, each purchaser of the Series 2012P Bonds will be deemed to have waived, on behalf of itself and all successors in interest in such Bonds, the provisions of Section 1102 of the Existing ASR Bond Resolution requiring publication of notice of the proposed amendments to the Existing ASR Bond Resolution contained herein.

[END OF ARTICLE XIII]

Passed by the Board of County Commissioners of Broward County, Florida, this —1st day of —May, 2012, but deemed adopted and effective only in accordance with the provisions of Section 1312 hereof.

BROWARD COUNTY, FLORIDA

Mayor, Broward County, Florida

County Administrator and Ex-Officio
Clerk of the Board of County Commissioners

Approved as to form by Co-Bond Counsel
Squire Sanders (US) LLP and
Perry E. Thurston, Jr., P.A.

D-1-67

EXHIBIT A

FORM OF BONDS

UNITED STATES OF AMERICA
STATE OF FLORIDA

BROWARD COUNTY AIRPORT SYSTEM REVENUE [REFUNDING] BOND
SERIES

No. R- _____ \$ _____

Broward County (the "County"), a political subdivision of the State of Florida, for value received, promises to pay, but solely from the sources and in the manner described below, to _____, or registered assigns or legal representative, on the 1st day of October, _____ (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the principal office of _____, in _____, trustee (said bank, together with any successor appointed to act as such, is hereinafter referred to as the "Trustee"), the principal sum of _____ DOLLARS (\$ _____). The County also promises to pay, but solely from such sources, to the registered owner at his address as it appears on the bond registration books maintained by the Trustee as Bond Registrar, interest thereon on each October 1 and April 1 from the interest payment date next preceding the date on which it is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or it is authenticated prior to _____ 1, 20____, in which event it shall bear interest from its date, at the rate of _____ percent (_____ %) per annum until the principal sum hereof is paid. The County shall pay principal and interest in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof.

This Bond is one of a duly authorized series of airport system revenue [refunding] bonds of the County, each of which bears the designation "United States of America, State of Florida, Broward County Airport System Revenue [Refunding] Bond, Series _____" (the "Series Bonds"), initially issued in an aggregate principal amount of _____ Dollars (\$ _____). The Series _____ Bonds are dated _____ 1, 20____, and are of like tenor and effect except as to number, interest rate, stated maturity and redemption. The County will use the proceeds of the Series _____ Bonds to [insert proposed uses of Bond proceeds].

The Series _____ Bonds are issued under Resolution No. 2012-____ duly adopted by the Board of Commissioners of the County (the "Board") on May 1, 2012, which resolution amends and restates in its entirety Resolution No. 82-A-2 adopted by the Board on November 9, 1982, as amended and supplemented (said Resolution No. 2012-____, together with all amendments and supplements thereto, is hereinafter referred to as the "Resolution"). The Resolution provides for the issuance from time to time of additional bonds on a parity with the Series _____ Bonds, under the conditions, limitations and restrictions and for the purposes set forth in the Resolution (the Series _____ Bonds, together with all such additional bonds, are heretofore referred to as the "Bonds").

This Bond is a limited obligation of the County secured by a pledge of, and payable solely from, Net Revenues (as defined in the Resolution), the County's rights to receive Net Revenues, and the money and Investment Obligations (as defined in the Resolution) in the funds and accounts established under the Resolution and the income derived from such Investment Obligations and the investment of such money. [Describe any Available Revenues, if applicable.]

This Bond shall not be deemed to constitute a debt of the County for which the faith and credit of the County are pledged, and the County is not obligated to pay this Bond or the premium, if any, or the interest hereon except from the aforementioned sources. The issuance of this Bond shall not directly or indirectly or contingently obligate the County to levy or to pledge any form of taxation whatever therefor, and the holder of this Bond shall have no recourse to the power of taxation. This Bond does not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the County.

Reference is made to the Resolution for a more complete statement of the provisions thereof and of the rights of the County, the Trustee, and the holders of the Bonds. Copies of the Resolution are on file and may be inspected at the principal office of the Trustee. By the purchase and acceptance of this Bond the holder or owner hereof signifies assent to all of the provisions of the Resolution.

This Bond is issued and the Resolution was adopted under and pursuant to the Constitution and laws of the State of Florida, particularly the Broward County Charter and Chapter 2 of the Broward County Code, as amended.

The Series _____ Bonds are issuable as registered bonds without coupons in denominations of \$5,000 or any whole multiple thereof. At the principal office of the Trustee, in the manner and subject to the limitations and conditions provided in the Resolution, this Bond may be exchanged for an aggregate principal amount of other registered Series _____ Bonds without coupons of the same maturity, of other authorized denominations, and bearing interest at the same rate.

The transfer of this Bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the principal office of the Trustee, but only upon presentation hereof to the Trustee, as Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative, and the Trustee, as Bond Registrar, shall make a notation of such transfer on the books maintained for such purpose and shall endorse the same hereon.

Any holder requesting any exchange or registration of transfer of this Bond shall pay any tax or other governmental charge required to be paid with respect thereto and any charge for shipping and out-of-pocket costs incurred by the County and the Trustee in connection with such exchange or registration of transfer. The Trustee shall not be required to make any exchange or to register the transfer of this Bond during the period of 15 days next preceding any interest payment date or after notice of redemption of this Bond or any portion thereof has been given pursuant to the Resolution.

[Insert redemption provisions applicable to the Series _____ Bonds]

All Bonds are subject to redemption as a whole or in part at any time, at the option of the County, at a redemption price equal to the principal amount thereof without premium, plus accrued interest to the redemption date, if all or any part of the Airport System (as defined in the Resolution) is damaged, destroyed, or condemned or if the County disposes of any portion of the Airport System.

If less than all of the Bonds are called for redemption, the particular Bonds to be redeemed shall be selected by the County as provided in the Resolution. If the County fails to select the Bonds to be redeemed, the Trustee shall redeem Bonds bearing the highest rate of interest, and if Bonds of more than one maturity bear the same rate of interest, the Trustee will redeem Bonds in the inverse order of maturities and by lot within a maturity as the Trustee, in its discretion, may determine.

Any such redemption, either as a whole or in part, may be made upon at least 30 days' prior notice by publication and otherwise as provided in the Resolution.

On the date fixed for redemption, notice having been mailed or published in the manner provided in the Resolution, the Bonds or portions thereof called for redemption will be due and payable at the redemption price provided therefor, plus accrued interest to such date. If there has been delivered to the Trustee and the Trustee is then holding in trust money or Defeasance Obligations, or a combination of both, sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed plus accrued interest to the date of redemption, interest on the Bonds or portions thereof called for redemption will cease to accrue; such Bonds or portions thereof will cease to be entitled to any benefits or security of or to be deemed outstanding under the Resolution; and the holders of such Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption. In addition, this Bond or any portion hereof will not be deemed to be outstanding under the Resolution and will cease to be entitled to the security of or any rights under the Resolution, and the registered owner hereof shall have no rights other than to be given notice of redemption, to receive payment of the redemption price of this Bond or the portion hereof to be redeemed and accrued interest hereon or on such portion to the date of redemption, and, to the extent provided in the Resolution, to receive other Series _____ Bonds for any unredeemed portion hereof, if irrevocable instructions to pay all or a portion of this Bond on one or more specified dates or to call the same for redemption at the earliest redemption date have been given to the Trustee and money or Defeasance Obligations, or a combination of both, sufficient to pay the redemption price of this Bond or the portion hereof to be redeemed, together with accrued interest hereon or on such portion to such date, are held by the Trustee in trust for the registered owner hereof. Defeasance Obligations will be deemed to be sufficient to redeem or pay this Bond or a portion hereof on a specified date if the principal of and the interest on such Defeasance Obligations, when due, will be sufficient to pay on such date the redemption price hereof or of the portion hereof to be redeemed and the interest accruing on this Bond or on such portion to such date. If a portion of this Bond is called for redemption, a new Series _____ Bond or Series _____ Bonds in principal amount equal to the unredeemed portion hereof will be issued to the registered owner upon the surrender hereof.

The holder of this Bond shall have no right to enforce the provisions of the Resolution, to institute action to enforce the covenants therein, to take any action with respect to any event of default under the Resolution, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Resolution.

Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Resolution, the principal of this Bond or a portion hereof may become or may be declared due and payable before its stated maturity, together with the interest accrued hereon.

Modifications or alterations of the Resolution or of any resolution supplemental thereto may be made only to the extent and in the circumstances permitted by the Resolution.

Notwithstanding the provisions for registration of transfer stated herein and contained in the Resolution this Bond shall be understood to be an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of Florida. This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed as so required.

This Bond shall not be valid or become obligatory under the Resolution for any purpose or be entitled to any benefit or security until the certificate of authentication endorsed hereon has been executed by the Trustee.

IN WITNESS WHEREOF, Broward County has caused this Bond to be signed by [bear the facsimile signature of] its Mayor and to be signed by [bear the facsimile signature of] its County Administrator and ex-officio Clerk of its Board of County Commissioners, and a facsimile of its official seal to be imprinted hereon, all as of the _____ day of _____, 20____.

BROWARD COUNTY

BY: _____
Mayor
Broward County, Florida

(SEAL)

County Administrator and
ex officio Clerk of the Board
of County Commissioners

CERTIFICATE OF AUTHENTICATION

This Bond is a Bond of the Series designated therein and issued under the provisions of the within-mentioned Resolution.

Trustee

By _____
Authorized Signatory

Date of authentication:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to register the transfer of the within bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

Please insert social security or other identifying number of Assignee.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation ("DTC"), to the County or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

ABBREVIATIONS

The following abbreviations, when used in inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

COM - as tenants in common	UNIF GIFT MIN ACT -	Custodian for
ENT - as tenants by the entireties	(Cust)	(Minor)
TEN - as joint tenants with	under Uniform Gifts to Minors	
right of survivorship	Act of	
and not as tenants	(State)	
in common		

Additional abbreviations may also be used though not in the above list.

APPENDIX D-2

RESOLUTION REFLECTING PROPOSED AMENDMENTS REQUIRING 100% BONDHOLDER CONSENT

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RESOLUTION NO. 2012-__

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA AMENDING RESOLUTION NO. 82-A-2 OF THE COUNTY, AS SUPPLEMENTED AND AMENDED, AND AS PARTICULARLY AMENDED BY RESOLUTION NO. 2012-__ WHICH RESOLUTION AMENDS AND RESTATES SUCH RESOLUTION IN ITS ENTIRETY; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners (the "Board") of Broward County, Florida (the "County"), adopted Resolution No. 82-A-2 on November 9, 1982, as amended and supplemented by Resolution No. 82-A-3, adopted by the Board on March 11, 1983, and as further amended and supplemented by Resolution No. 89-1126, adopted by the Board on April 11, 1989, Resolution No. 93-740, adopted by the Board on July 6, 1993, Resolution No. 1998-1178, adopted by the Board on December 1, 1998, Resolution No. 2004-857, adopted by the Board on October 5, 2004 (collectively, the "Existing ASR Bond Resolution") and a resolution approved by the Board on May 1, 2012 amending and restating in its entirety the Existing ASR Bond Resolution (collectively, with the Existing ASR Bond Resolution, the "Amended and Restated ASR Bond Resolution" and, together with the amendments contained herein upon their effective date as set forth in Section 4 hereof, the "ASR Bond Resolution"); and

WHEREAS, pursuant to the Existing ASR Bond Resolution, the County has previously issued its (a) \$75,560,000 Airport System Revenue Refunding Bonds, Series E, dated July 15, 1998 (the "Series 1998E Bonds"), of which \$39,480,000 aggregate principal amount is currently Outstanding, (b) \$63,515,000 Airport System Revenue Bonds, Series G, dated December 15, 1998 (the "Series 1998G Bonds"), of which \$38,175,000 aggregate principal amount is currently Outstanding, (c) \$66,620,000 Passenger Facility Charge/Airport System Revenue Convertible Lien Bonds, Series 1998H-1, dated December 15, 1998 (the "Series 1998H-1 Bonds"), of which \$12,095,000 aggregate principal amount will be Outstanding after the Conversion Date (as defined in the ASR Bond Resolution), (d) \$60,050,000 Passenger Facility Charge/Airport System Revenue Convertible Lien Bonds, Series 1998H-2, dated December 15, 1998 (the "Series 1998H-2 Bonds" and, together with the Series 1998H-1 Bonds, the "Series 1998H Bonds"), all of which will be Outstanding after the Conversion Date, (e) \$41,855,000 Passenger Facility Charge/Airport System Revenue Convertible Lien Bonds, Series 2001I, dated June 1, 2001 (the "Series 2001I Bonds"), of which \$31,200,000 aggregate principal amount will be Outstanding after the Conversion Date, (f) \$135,970,000 Airport System Revenue Bonds, Series 2001J-1, dated June 1, 2001 (the "Series 2001J-1 Bonds"), of which \$132,165,000 aggregate principal amount is currently Outstanding, (g) \$149,185,000 Airport System Revenue Bonds, Taxable Series 2001J-2, dated June 1, 2001 (the "Series 2001J-2 Bonds" and, together with the Series 2001J-1 Bonds, the "Series 2001J Bonds"), of which \$109,295,000 aggregate principal amount is currently Outstanding, (h) \$142,015,000 Airport System Revenue Bonds, Series 2004L (the "Series 2004L Bonds"), of which \$111,080,000 aggregate principal amount is currently Outstanding and (i) \$101,140,000 Airport System Revenue Refunding Bonds, Series 2009O (the "Series 2009O Bonds"), of which \$97,125,000 aggregate principal amount is

currently Outstanding (the Series 1998E Bonds, the Series 1998G Bonds, the Series 1998H Bonds maturing after the Conversion Date, the Series 2001I Bonds maturing after the Conversion Date, the Series 2001J Bonds, the Series 2004L Bonds and the Series 2009O Bonds, together with any Additional Bonds that may be issued and from time to time Outstanding pursuant to the ASR Bond Resolution, are hereinafter collectively referred to as the "Bonds"); and

WHEREAS, the Existing ASR Bond Resolution allows for the amendment thereof pursuant to Section 1102 for certain categories of amendments with the consent of the Holders of all the Bonds then Outstanding that will be affected by the proposed amendment; and

WHEREAS, the County has determined to issue its Airport System Revenue Refunding Bonds, Series 2012P-1 (AMT), in an aggregate principal amount not exceeding \$275,000,000 (the "Series 2012P-1 Bonds") and its Airport System Revenue Refunding Bonds, Series 2012P-2 (Non-AMT), in an aggregate principal amount not exceeding \$200,000,000 (the "Series 2012P-2 Bonds" and, together with the Series 2012P-1 Bonds, the "Series 2012P Bonds"), as Additional Bonds under Section 211 of the Existing ASR Bond Resolution for the purpose of providing funds, together with any other available moneys, to (i) refund on a current or advance basis all or a portion of its Outstanding (a) Series 1998E Bonds; (b) Series 1998G Bonds; (c) Series 1998H-1 Bonds; (d) Series 1998H-2 Bonds; (e) Series 2001I Bonds; (f) Series 2001J-1 Bonds; and (g) Series 2004L Bonds (collectively, the "Refunded Bonds"); and

WHEREAS, in connection with the original marketing, sale and issuance of the Series 2012P Bonds, each investor in the Series 2012P Bonds will be required to (i) provide its express and irrevocable written consent, on behalf of itself and all successors in interest in such Series 2012P Bond, to the adoption of this resolution and the amendments to the Existing ASR Bond Resolution as amended by the Amended and Restated ASR Bond Resolution set forth herein, and (ii) waive certain provisions of Section 1102 of the Existing ASR Bond Resolution; and

WHEREAS, upon the issuance of the Series 2012P Bonds and the concurrent refunding of Refunded Bonds, the County expects that the Series 2012P Bonds will constitute at least fifty-one percent (51%) of all Bonds then Outstanding under the Existing ASR Bond Resolution and upon receipt of such consents the Amended and Restated ASR Bond Resolution will be deemed adopted and the amendments contained therein will become effective; and

WHEREAS, the County desires to make additional amendment to the Existing ASR Bond Resolution beyond the amendments contained in the Amended and Restated ASR Bond Resolution as described in Section 3 hereof, but such amendments require the unanimous consent of all Holders of Bonds then Outstanding; and

WHEREAS, this resolution is intended to be a supplemental resolution under Section 1102 of the Amended and Restated ASR Bond Resolution and, in accordance with the provisions of said Section 1102, the amendments contained herein shall become effective as set forth in Section 4 hereof;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA THAT:

Section 1. Authority. This resolution is adopted pursuant to the Constitution of the State of Florida, Chapter 125, Florida Statutes, Chapter 166, Florida Statutes, the Charter of the County, the Existing ASR Bond Resolution and other applicable provisions of law.

Section 2. Definitions. Capitalized terms used in the preambles hereof and elsewhere in this resolution without definitions shall have the meanings ascribed thereto in the Amended and Restated ASR Bond Resolution, unless some other meaning is clearly intended.

Section 3. Amendment(s) to Amended and Restated ASR Bond Resolution Requiring Consent of All Bondholders. The amendments to the Amended and Restated ASR Bond Resolution set forth in this Section 3 shall become effective as set forth in Section 4 hereof. The Amended and Restated ASR Bond Resolution is hereby amended as follows:

- (a) The following definition is added in alphabetical order to Section 101:

“Released Revenues” means a category of income, receipts and other revenues of the Airport System which are excluded from the definition of “Revenues” in this Section 101 pursuant to Section 214.

(b) The definition of “Revenues” is amended by deleting at the end thereof: “and (xii) any other revenues as set forth in (ii) of the definition of “Available Revenues” contained in Article I of this Resolution except to the extent that Available Revenues are expressly included as “Revenues” for one or more Series of Bonds pursuant to the corresponding Series Resolution or other resolution duly adopted by the Board” and inserting in lieu thereof: “(xii) any other revenues as set forth in (ii) of the definition of “Available Revenues” contained in Article I of this Resolution except to the extent that Available Revenues are expressly included as “Revenues” for one or more Series of Bonds pursuant to the corresponding Series Resolution or other resolution duly adopted by the Board, and (xiii) any Released Revenues.”

- (c) The following new Section 214 is added at the end of Article II:

Section 214. Released Revenues. The County may cause a category of income, receipts or other revenues then included in the definition of “Revenues” in Section 101 hereof to be excluded from such definition for all purposes of this Resolution, which exclusion shall be effective from the date the County satisfies the conditions of this Section, by filing the following with the Trustee:

(a) a written request of the Airport Director to release such category of Revenues, accompanied by a written certificate of the Airport Director and the Chief Financial Officer certifying that the County is in compliance with all requirements of this Resolution; and

(b) a certificate of the Airport Director and the Chief Financial Officer to the effect that Net Revenues, excluding the category of Revenues proposed to become Released Revenues, for each of the two audited Fiscal Years prior to the date of such report were equal to at least 150% of maximum Principal and Interest Requirements;

(c) a certificate of the Airport Consultant or other consultant retained by the County to the effect that based upon current knowledge of the operations of the Airport System, Net Revenues, excluding the category of Revenues proposed to become “Released Revenues, for the current Fiscal Year will be equal to at least 150% of maximum Principal and Interest Requirements;

(d) Rating Agency confirmation that the rating then assigned to any Bonds by such Rating Agency will not be reduced or withdrawn as a result of such withdrawal of Released Revenues; and

(e) an opinion of Bond Counsel to the effect that the exclusion of such revenues from the definition of Revenues and from the pledge, charge and lien of this Resolution will not in and of itself cause the interest on any Outstanding Bond issued as Tax-Exempt Bonds to be included in gross income for purposes of federal income tax.

- (d) Section 516 is amended by adding the following paragraph at the end thereof:

“Notwithstanding anything to the contrary contained in this Section 516 or elsewhere in the Resolution, the Bonds shall not be secured by any Net Revenues which have become Released Revenues pursuant to Section 214 hereof.”

Section 4. Amendment Effective Date.

(a) As a condition to their purchase of a Series 2012P Bond in the initial offering thereof, the purchasers of the Series 2012P Bonds on behalf of themselves and all successors in interest in such Bonds will irrevocably provide written consent to the proposed amendments to the Existing ASR Bond Resolution as amended by the Amended and Restated ASR Bond Resolution contained in Section 3 hereof and by virtue of its purchase of a Series 2012P Bond in the initial offering thereof, each purchaser will be deemed to have waived, on behalf of itself and all successors in interest in such Series 2012P Bond, the provisions of Section 1102 of the Existing ASR Bond Resolution requiring publication of notice of the proposed amendments contained herein.

(b) Pursuant to Section 1102 of the Existing ASR Bond Resolution, this Amending Resolution shall be deemed adopted and the amendments set forth in Section 3 herein shall become effective only upon the County’s receipt of the written consent of the Holders of one hundred percent (100%) of the Bonds then Outstanding.

Section 5. Ratification and Confirmation of the Amended and Restated ASR Bond Resolution. The Amended and Restated ASR Bond Resolution as amended by this resolution is in all respects ratified and confirmed, and the Amended and Restated ASR Bond Resolution as so amended by this resolution upon the effective date hereof shall be read, taken and construed as one and the same instrument. All of the rights, remedies, terms, conditions, covenants and agreements contained in the Amended and Restated ASR Bond Resolution as amended by this resolution shall apply and remain in full force and effect with respect to all

Bonds issued and Outstanding under the Existing ASR Bond Resolution and the Amended and Restated ASR Bond Resolution.

Section 6. Severability. If any one or more of the covenants, agreements or provisions of this resolution should be held contrary to any express provision of law or contrary to the policy of express law, though 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 separate from the remaining covenants, agreements or provisions of this resolution.

Passed by the Board of County Commissioners of Broward County, Florida, this 1st day of May, 2012, but deemed adopted and effective only in accordance with the provisions of Section 4(b) hereof.

BROWARD COUNTY, FLORIDA

Mayor

Attest:

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County Administrator and Ex Officio Clerk
of the Board of County Commissioners

Approved as to form by:

Squire Sanders (US) LLP and
Perry E. Thurston, Jr., P.A., Co-Bond Counsel

D-2-3

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APPENDIX E

FORM OF WRITTEN CONSENT TO PROPOSED AMENDMENTS

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ISSUER REQUEST FOR WRITTEN CONSENT TO PROPOSED AMENDMENTS

BROWARD COUNTY, FLORIDA

\$_____ Airport System Revenue Refunding Bonds, Series 2012P-1 (AMT)

\$_____ Airport System Revenue Refunding Bonds, Series 2012P-2 (Non-AMT)

Anticipated Sale Date: May __, 2012

Anticipated Delivery Date: May __, 2012

TO: Prospective purchaser of the above bonds (the "Series 2012P Bonds")

You have indicated your intention to purchase Series 2012P Bonds of certain maturities and amounts.

Broward County, Florida (the "County") requests your consent to certain amendments the County has proposed to the Bond Resolution (as defined in the Preliminary Official Statement (the "POS") for the Series 2012P Bonds) under which the Series 2012P Bonds will be issued. As explained in the POS under "AMENDMENTS TO BOND RESOLUTION," the sale of the Series 2012P Bonds by the County to the underwriters and the subsequent sale of the Series 2012P Bonds by the underwriters to you is conditioned upon your consent to the proposed amendments to the Bond Resolution (the "Proposed Amendments"). The text of the Proposed Amendments is in Appendices D-1 and D-2 to the POS and a general description of the Proposed Amendments is provided under "AMENDMENTS TO BOND RESOLUTION". As described in the POS under "AMENDMENTS TO BOND RESOLUTION," the majority of the Proposed Amendments require the consent of the Holders of not less than 51% of the Bonds then Outstanding; these amendments are incorporated in an Amended and Restated Bond Resolution (as defined in the POS and included as Appendix D-1 to the POS). One set of amendments requires the consent of the Holders of 100% of the Bonds then Outstanding; these amendments are incorporated in a separate amending resolution (and included as Appendix D-2 to the POS). The underwriters have not been requested to provide, nor will they provide, consent to any resolution amendment on behalf of any Series 2012P Bond purchaser. Capitalized words used herein without definition have the meaning set forth in the Bond Resolution.

By signing in the space provided below:

(a) you acknowledge you have read and understand the foregoing, and

(b) you hereby provide your express and irrevocable written consent to the Proposed Amendments and you approve adoption of the Amended and Restated Bond Resolution and the separate amending resolution implementing such Proposed Amendments, such consent and approval to be effective immediately upon, and simultaneously with, the delivery of Series 2012P Bonds to your custodial account with your DTC Participant.

[BROWARD COUNTY – ISSUER REQUEST FOR WRITTEN CONSENT TO PROPOSED
AMENDMENTS]

If you are in agreement with the foregoing, please so indicate by signing and dating in the spaces provided below, and returning this letter to J.P. Morgan's Syndicate Desk via Fax (212-834-6739) or Email (spencer.barton@jpmorgan.com).

Very truly yours,

Broward County, Florida

ACKNOWLEDGED AND AGREED:

Print name of Purchaser or Managing Firm (having authority to consent on behalf of the Purchaser):

Purchaser or Authorized Employee of Managing Firm:

_____ (Print Name)

_____ (Sign Name)

Date: May ___, 2012

APPENDIX F

FORMS OF THE AIRLINE AGREEMENTS

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AIRLINE-AIRPORT LEASE AND USE AGREEMENT
BETWEEN
BROWARD COUNTY
AND

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AIRLINE-AIRPORT
LEASE AND USE AGREEMENT

THIS AIRLINE-AIRPORT LEASE AND USE AGREEMENT, hereinafter referred to as "Agreement" or "Signatory Agreement", is entered into between Broward County, a political subdivision of the State of Florida, hereinafter referred to as "County," and _____ a corporation organized and existing under the laws of the State of _____, and either qualified to do business in the State of Florida or legally authorized to do business in the State of Florida without having so qualified, hereinafter referred to as "Airline";

W I T N E S S E T H:

WHEREAS, County is the owner of the Fort Lauderdale-Hollywood International Airport, located in Broward County, state of Florida ("Airport"); and

WHEREAS, County has the right to lease and license the use of the property on the Airport and has full power and authority to enter into this Agreement in respect thereof; and

WHEREAS, Airline, as duly authorized by governmental authority, is engaged in the business of air transportation with respect to persons, property and mail at the Airport and elsewhere; and

WHEREAS, Airline requires the use of certain specific premises, facilities, rights and privileges in connection with its use of the Airport; and

WHEREAS, the County and certain airlines have entered into Airline-Airport Lease and Use Agreements that are scheduled to expire on September 30, 2011(collectively, the "Existing Lease and Use Agreements"); and

WHEREAS, County and Airline acknowledge that during the term of this Agreement County may adopt a new bond resolution (referred to herein as the "Subordinate Bond Resolution") pursuant to which County may issue airport revenue bonds to finance and refinance the planning, design, acquisition, construction, installation and equipping of one or more Airport-related projects, with such bonds being issued on a subordinate basis to the Revenue Bonds issued and outstanding under the "Bond Resolution," (as defined herein), and County and Airline desire to provide hereunder for such Subordinate Bond Resolution to the greatest extent possible; and

WHEREAS, the County and the Airline desire to enter into this Agreement in order to, among other things: (i) replace the corresponding Existing Lease and Use Agreement to which the County and the Airline are parties upon the expiration of the term thereof, (ii) provide for the planning, design, construction, installation and equipping of the "Runway Program" (as defined herein) and (iii) allow for the financing of the Runway Program, in whole or in part, through the issuance by the County of "Non-AMT Bonds" (as defined herein); and

WHEREAS, the Airline acknowledges and agrees to execute a Signatory Terminal Building Lease Agreement ("TBLA") contemporaneously herewith;

NOW, THEREFORE, for and in consideration of the agreements set forth herein, County and Airline agree as follows:

ARTICLE I
DEFINITIONS

The following words, terms and phrases wherever used in this Agreement shall, for the purpose of this Agreement have the following meanings:

- 1.1 **Affiliate** shall mean, as the context allows, both a "Wholly Owned Affiliate" of Airline, and a "Non-Wholly Owned Affiliate" of Airline, so long as Airline remains a "Signatory Airline," as defined below. A "Wholly Owned Affiliate" is defined as a Scheduled Air Carrier that is (i) one hundred percent (100%) directly or indirectly owned by a Signatory Airline, or (ii) one hundred percent (100%) directly or indirectly owned by a parent company which also has a one hundred percent (100%) direct or indirect ownership in a Signatory Airline. A "Non-Wholly Owned Affiliate" is defined as any Scheduled Air Carrier that operates at the Airport under essentially the same trade name as a Signatory Airline and uses essentially the same livery as the Signatory Airline. The foregoing ownership interests and relationships must be established by the Airline to the reasonable satisfaction of the Aviation Department.
 - a. So long as Airline is a Signatory Airline, a Wholly Owned Affiliate of Airline will be treated as a Signatory Airline for the purposes of calculating landing fees, as prescribed by **Exhibit B** of this Agreement; and
 - b. So long as Airline is a Signatory Airline, both a Wholly Owned Affiliate of Airline and a Non-Wholly Owned Affiliate of Airline will be treated as a Signatory Airline for the purposes of calculating terminal rental rates as prescribed by **Exhibit B** of this Agreement.
 - c. For the purposes of this Agreement and the TBLA, as defined below, Airline shall guarantee to the County, and be responsible for, all payments, rates and fees of its Affiliates to County.
- 1.2 **Airfield** shall mean those portions of the Airport provided for landing, take-off and taxiing of aircraft, including without limitation approach and turning zones, aviation or other easements, runways, taxiways, runway and taxiway lights, and other appurtenances related to the aeronautical use of the Airport, including any property purchased for noise mitigation purposes as well as the fuel farm and hydrant system used for fuel at the Airport, as may be revised from time to time by County in its reasonable discretion.
- 1.3 **Airline** shall mean the air transportation company executing this Agreement.
- 1.4 **Airline Fees and Charges Sub-Account** shall mean the airline fees and charges sub-account established by Article IX of this Agreement within the General Purposes Account in the Aviation Fund, together with separate sub sub-accounts to be established therein for the Terminal and the Airfield.
- 1.5 **Airline's Parties** shall mean the officers, agents, employees, partners, contractors, subcontractors, sublessees, guests and invitees of Airline and its Affiliates.

- 1.6 Airline Premises Leased Premises or Premises shall mean the space leased by Airline from County as described in the TBLA.
- 1.7 Airport shall mean the Fort Lauderdale-Hollywood International Airport, which is owned and operated by County.
- 1.8 Airport Debt Service Requirement shall mean, for any Fiscal Year, (i) an amount equal to one hundred twenty-five percent (125%) of the amount required by the Bond Resolution and Subordinate Bond Resolution to be paid in such Fiscal Year into the Interest, Principal and Sinking Fund Accounts of the Bond Fund (or such other fund and account names as may be established in the Subordinate Bond Resolution for corresponding funds and accounts) in respect of Revenue Bonds issued and outstanding under the Bond Resolution and the Subordinate Bond Resolution; (ii) plus one hundred percent (100%) of any principal, interest, premium, and other fees and amounts either paid or accrued for, or required under applicable documents to be paid or accrued for Other Indebtedness in such Fiscal Year; and (iii) plus one hundred percent (100%) of any required deposits to the Reserve Account established under the Bond Resolution and any debt service reserve account established under the Subordinate Bond Resolution in such Fiscal Year: provided, however, that the percentage coverage requirement stated in clause (i) shall be adjusted as necessary to reflect the actual debt service coverage percentage requirement of the Subordinate Bond Resolution.
- 1.9 Airport Discretionary Sub-Account shall mean the airport discretionary sub-account established by Article IX of this Agreement within the General Purposes Account in the Aviation Fund, together with separate sub sub-accounts to be established therein for the Terminal and the Airfield.
- 1.10 Airport System shall mean the real property and airport and aviation facilities constituting the existing Fort Lauderdale-Hollywood International Airport and the North Perry Airport and any airports and aviation facilities added to the Airport System pursuant to this Agreement and the Bond Resolution.
- 1.11 Annual Budget shall mean the annual budget of the Airport System.
- 1.12 Applicable Laws shall mean all "Environmental Laws," as defined below in Section 1.25, and all other laws, codes, advisory circulars, rules, regulations and ordinances of any governmental or quasi-governmental entity having jurisdiction over the Airport or activities on the Airport, including federal, state, County, local and any quasi-governmental agencies, laws, codes, advisory circulars, rules, regulations and ordinances.
- 1.13 Aviation Department shall mean the County's Aviation Department or such other named County organization that from time to time may exercise functions equivalent or similar to those now exercised by the Aviation Department.
- 1.14 Board of Commissioners shall mean the Board of County Commissioners of Broward County, Florida, which is the governing body of the Broward County government created by the Broward County Charter.
- 1.15 Bond Fund shall mean the fund established by the Bond Resolution and held by the Trustee to provide for the segregation of the accounts contained therein, and any

corresponding fund (by whatever name given thereto) established for similar purposes pursuant to the Subordinate Bond Resolution.

- 1.16 Bond Resolution shall mean the Airport System Revenue Bond Resolution #82-A-2 authorizing Broward County Airport System Revenue Bonds as the same has and may, from time to time, be amended and supplemented pursuant to the provisions of said Bond Resolution; provided that no such amendment or supplement be inconsistent with the rights or obligations of the parties under this Agreement or the TBLA.
- 1.17 Capital Expenditure shall mean an expenditure equal to or greater than \$150,000.00 made to acquire, purchase, install or construct a single capital item or project for the purposes of improving, maintaining or developing the Airport System.
- 1.18 Capital Improvement Plan shall mean certain capital improvements to be constructed, acquired, installed or equipped at the Airport, including, without limitation, the Runway Program, all as more specifically set forth in **Exhibit A**, attached hereto and by this reference made a part hereof.
- 1.19 Code shall mean the Internal Revenue Code of 1986, as from time to time amended, and any regulations promulgated there under, including, without limitation, any Treasury Regulations or temporary or proposed regulations, as the same shall from time to time be amended including (until modified, amended or superseded) Treasury Regulations or temporary or proposed regulations under the Internal Revenue Code of 1954, as amended.
- 1.20 Commencement Date shall be October 1, 2011.
- 1.21 County shall mean Broward County, a political subdivision of the State of Florida.
- 1.22 Debt Service Reserve Requirement shall mean the amounts required to be maintained by the County in the Reserve Account pursuant to the Bond Resolution and in any debt service reserve account pursuant to the Subordinated Bond Resolution.
- 1.23 Director of Aviation or Director shall mean the person designated Director of Aviation by the Board of Commissioners or such other person, division, department, bureau, or agency as may be designated by the Board of Commissioners from time to time to exercise functions equivalent or similar to those now exercised by the Director of Aviation; the term also includes any person expressly designated by the Director of Aviation to exercise rights and/or obligations empowered in the "Director" under this Agreement.
- 1.24 Effective Date shall mean that date upon which this Agreement is executed by or on behalf of the Board of Commissioners.
- 1.25 Environmental Laws shall mean all applicable federal, state, and local statutes, ordinances, regulations, rules, laws, permits, and orders relating to the generation, use, storage, transportation, or disposal of Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resources Conservation and Recovery Act of 1976 (42 U.S.C. Section 9601, et seq.), the Clean Water Act (33 U.S.C. Section 1251, et seq.), the Safe Drinking Water Act (14 U.S.C. Section 401, et seq.), the

Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.), and the Toxic Substance Control Act (15 U.S.C. Section 2601, et seq.).

- 1.26 Environmental Site Assessment or ESA shall mean a document based on one or more environmental site assessments, examinations, inspections, tests, inquiries and surveys necessary to identify Recognized Environmental Conditions, contamination, and the presence of any Hazardous Materials in, on, or under the surface of the Leased Premises.
- 1.27 Equipment and Capital Outlay shall mean any single item not included in "Operation and Maintenance Expenses," as defined below, or defined as a Capital Expenditure.
- 1.28 FAA shall mean the Federal Aviation Administration, an agency of the United States government, or any successor agency.
- 1.29 Fiscal Year shall mean the then current annual accounting period of the County for its general accounting purposes which period, at the time of entering into this Agreement, is the period of twelve (12) consecutive calendar months ending with the last day of September of any year.
- 1.30 General Purposes Account shall mean the General Purposes Account in the Aviation Fund established by Section 501 of the Bond Resolution, and any corresponding account (by whatever name given thereto) established by the Subordinate Bond Resolution.
- 1.31 Hazardous Material shall mean any material or substance identified, listed, or defined as a "hazardous waste," "hazardous substance," "pollutant," or "contaminant" under applicable Environmental Laws, which term shall include asbestos and asbestos-containing materials, petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids.
- 1.32 Interest Account shall mean the interest account in the Bond Fund established by Section 501 of the Bond Resolution and the corresponding account (by whatever name given thereto) established by the Subordinate Bond Resolution.
- 1.33 Improvements Account shall mean the improvements account in the Aviation Fund established by Section 501 of the Bond Resolution and any corresponding account (by whatever name given thereto) established by the Subordinate Bond Resolution.
- 1.34 Majority in Interest of Airlines or MII shall mean at least fifty percent (50%) in number of the Signatory Airlines not currently in default of this Agreement and actively engaged in providing air transportation to and from Airport. As of the time when approval of a particular undertaking is requested, such Majority in Interest of Airlines shall have collectively paid more than one-half (1/2) of the following:
- A. Terminal fees and charges payable directly to County by all Signatory Airlines, including Affiliates during the most recent six (6) month period; and
 - B. Landing fees payable directly to County by all Signatory Airlines, including Affiliates during the most recent six (6) month period during which none of the

Signatory Airlines experienced schedule reductions at Airport because of labor disputes.

- 1.35 Maximum Gross Landing Weight shall mean the standard maximum gross certificated landing weight in one thousand pound units for each aircraft operated at the Airport by Airline as certified by the FAA or its successor.
- 1.36 Non-AMT Bonds or Non-AMT Debt shall mean tax-exempt bonds or debt the interest on which are not treated as an item of tax preference for individuals and corporations under Section 57 of the Code for purposes of the alternative minimum tax imposed by Section 55 of the Code and any successor thereto.
- 1.37 Non-Revenue Landing shall mean any aircraft landing by Airline at the Airport for a flight for which the Airline receives no revenue, which shall include any flight, that after having taken off from the Airport and without making a landing at any other airport, returns to land at the Airport because of meteorological conditions, mechanical or operating causes, or any other reason of emergency or precaution.
- 1.38 Operation and Maintenance Expenses shall mean the County's current expenses for the operation, maintenance, and repair of the Airport System as determined in accordance with generally accepted accounting principles, including, without limiting the generality of the foregoing, all ordinary and usual expenses of operation, maintenance, and repair, administrative expenses, salaries, payments to any retirement plan or plans properly chargeable to the Airport System, insurance expenses, engineering expenses relating to the operation, maintenance, or repair of the Airport System, taxes imposed by any governmental authority on the Airport System or its operations, fees and expenses of the Trustee and the paying agents, legal expenses, security expenses, fees of consultants, and any other expenses required to be paid by the County under the Bond Resolution or Subordinate Bond Resolution or by law, but Operation and Maintenance Expenses shall not include any reserves for extraordinary replacements or repairs, any allowance for depreciation, any principal payment in respect of capital leases or subordinated debt, or any deposits to any fund or account created under the Bond Resolution or Subordinate Bond Resolution.
- 1.39 Operation and Maintenance Requirement shall mean as of the date of determination one-sixth (1/6) of the amount shown by the Annual Budget as Operation and Maintenance Expenses for the then current Fiscal Year.
- 1.40 Other Indebtedness shall mean any debt incurred by County for Airport System purposes which is outstanding and not authenticated and delivered under and pursuant to the Bond Resolution or any Subordinate Bond Resolution.
- 1.41 Passenger Facility Charge or PFC shall mean the fees authorized by 49 USC 40117 and regulated by 14 CFR Part 158 as such statute and regulations currently exist or as they may be amended during the Term of this Agreement.
- 1.42 Preferential Use Premises shall mean those portions of the Terminal and preferentially leased gates assigned to Airline, to which Airline shall have priority over other users, subject to the provisions of the TBLA.
- 1.43 Prior Agreements shall include the following agreements between the Airline and the

County that are in existence immediately prior to the Effective Date of this Signatory Agreement: any Airline-Airport Lease and Use Agreement, Airline-Airport Lease and Use Agreement and Addendum, Terminal Building Lease Agreement and Field Usage Agreement, all as amended modified or revised, prior to the Effective Date. The provisions of the Prior Agreements are terminated as of the Effective Date of this Agreement, except as provided in Section 23.5.

- 1.44 Principal Account shall mean the principal account in the Bond Fund established by Section 501 of the Bond Resolution and any corresponding account (by whatever name given thereto) established by the Subordinate Bond Resolution.
- 1.45 Rate Stabilization Sub-Account shall mean the rate stabilization sub-account established by Article IX of this Agreement within the General Purposes Account in the Aviation Fund, together with separate sub sub-accounts to be established therein for the Terminal and for the Airfield.
- 1.46 Release shall mean any spilling, leaking or discharging into the environment.
- 1.47 Renewal and Replacement Account shall mean the renewal and replacement account established by Section 501 of the Bond Resolution and any corresponding account (by whatever name given thereto) established by the Subordinate Bond Resolution. Said account shall include Equipment and Capital Outlay.
- 1.48 Renewal and Replacement Account Requirement shall mean that amount necessary to maintain the level of the Renewal and Replacement Account as required under the Bond Resolution or Subordinate Bond Resolution, as applicable.
- 1.49 Reserve Account shall mean the reserve account in the Bond Fund established by Section 501 of the Bond Resolution and any corresponding account (by whatever name given thereto) established by the Subordinate Bond Resolution.
- 1.50 Revenue Bonds shall mean (i) the revenue bonds authorized and issued by the County pursuant to the Bond Resolution and (ii) the subordinate revenue bonds authorized and issued by the County pursuant to the Subordinate Bond Resolution.
- 1.51 Revenues shall mean those revenues as defined in the Bond Resolution or Subordinate Bond Resolution, as applicable.
- 1.52 Revenue Landing shall mean an aircraft landing by Airline at the Airport for which Airline receives revenue.
- 1.53 Scheduled Air Carrier shall mean any airline providing scheduled air transportation services to and from Airport, at any relevant point in time, which airline shall hold any necessary authority to provide such transportation from the appropriate federal or state agencies having jurisdiction to grant such authority, if required under applicable law.
- 1.54 Sinking Fund Account shall mean the sinking fund account in the Bond Fund established by Section 501 of the Bond Resolution and any corresponding account (by whatever name given thereto) established by the Subordinate Bond Resolution.

- 1.55 Signatory Airline shall mean any Scheduled Air Carrier that: (i) leases at least one gate and the associated hold room; and (ii) leases a minimum of 4,000 square feet of Type 1, Type 2 or Type 3 space, as described in **Exhibit B**, which consists of any combination of the following: (1) Ticket Counter, (2) Airline Ticket Office, (3) Other Terminal Office Space, (4) Baggage Service Office, (5) Baggage Makeup Device, or (6) Curbside and/or Operations Space, as described in **Exhibit B**; and (iii) simultaneously executes both: (1) an agreement substantially similar to this Agreement, and (2) a Signatory Terminal Building Lease Agreement.
- 1.56 Signatory Agreement shall mean, as the context requires, this Agreement or any agreement executed by the County and another airline that is substantially similar to this Agreement.
- 1.57 South Runway Expansion Program or Runway Program shall mean the planning, design, acquisition, construction, installation and equipping required for or in connection with the extension of the south runway, (27L/9R) at the Airport, including all associated actions, including but not limited to, land acquisition.
- 1.58 Special Purpose Bonds shall mean revenue bonds authorized and issued by County to construct any Special Purpose Facilities.
- 1.59 Special Purpose Facilities shall mean any capital improvements or facilities acquired or constructed by County from funds other than Revenues or obligations payable from Revenues and located or to be located on any property included under the definition of Airport System.
- 1.60 Subordinate Bond Resolution shall mean a bond resolution or indenture, as the same may be supplemented or amended from time to time, authorizing the issuance by County of Subordinated Debt in the manner described and in accordance with the requirements of Section 718 of the Bond Resolution, provided that no such amendment or supplement shall be inconsistent with the rights or obligations of the parties under this Agreement and the TBLA.
- 1.61 Subordinated Debt shall mean any bonds or other financing instrument or obligation authorized and issued pursuant to the Bond Resolution.
- 1.62 Term or Term of this Agreement shall mean the period commencing on October 1, 2011 ("Commencement Date") and ending at midnight on September 30, 2016, unless otherwise terminated earlier as provided for herein.
- 1.63 Terminal shall mean the terminal buildings at the Airport, including any expansion thereof or any improvement thereto.
- 1.64 Terminal Building Lease Agreement or TBLA shall mean the Signatory Terminal Building Lease Agreement executed by the Airline and County contemporaneously with this Agreement.
- 1.65 Transfer shall mean transfers of money from the General Purposes Account to the Revenue Account, as contemplated and provided for in the Bond Resolution.

- 1.66 Trustee shall mean the entity or entities, whether original or successor, at the time serving as such under the Bond Resolution and/or the Subordinate Bond Resolution.
- 1.67 TSA shall mean the Transportation Security Administration of the Department of Homeland Security, or its authorized successor.

Additional words and phrases used in this Agreement but not defined herein shall have the meanings as defined under the Bond Resolution and, if applicable, the Subordinate Bond Resolution, or if not so set forth, shall be as defined in the TBLA, or if not defined therein, shall have their usual and customary meaning.

ARTICLE II USE OF AIRPORT AND RIGHTS OF AIRLINES

2.1 Use of the Airport

Airline may use, in common with others, the public landing areas of the Airport, which includes the runways, taxiways, navigational aids, and such other appurtenances or additions thereto as may be provided by County from time to time; provided that such use by Airline shall not prevent or interfere with the maintenance, alteration, addition, or deletion of any such facilities by County, and which use is also subject to reasonable rules and regulations.

2.2 Specific Rights at Airport

- A. Airline shall have the right, in addition to all rights elsewhere granted in this Agreement, to use Airport for the following purposes:
1. The operation of an air transportation system for the carriage of persons, property, freight and mail, including all activities reasonably necessary to such operation.
 2. The landing, taking off, flying over, taxiing, pushing, towing, loading, unloading, repairing, maintaining, conditioning, servicing, parking, storing and testing of aircraft or other equipment in areas designated or approved by County, of aircraft operated by Airline, its Affiliates, or other Signatory Airlines with which Airline has an agreement. Any such agreement shall first be approved by County, and County's approval may be withdrawn at any time upon sixty (60) days notice to Airline and the other Signatory Airlines. County may levy a charge against Airline not to exceed five percent (5%) of Airline's gross fees for such services. However, Airline shall not permit the use of the Airfield by any aircraft operated or controlled by Airline which exceeds the design strength or capability of the Airfield as described in the then-current FAA-approved Airport Layout Plan (ALP) or other engineering evaluations performed subsequent to the then-current ALP, including the then-current Airport Certification Manual.
 3. The sale of tickets, and ticket related services, documentation of shipments, handling of reservations, and the loading and unloading of

persons, property and mail at Airport by such motor vehicles or other means of conveyance as Airline may desire to use in the operation of its air transportation business provided, however, that Airline shall only contract with service providers licensed and approved by County to deliver property and to carry persons or their baggage to and from the Airport. County shall not unreasonably withhold its approval of the licensing of a service providers designated by Airline to transport Airline personnel or lost baggage to and from the Airport.

4. The training at Airport of persons and testing of aircraft and other equipment at Airport, such training and testing to be limited to that incidental to Airline's air transportation business at Airport and shall not be construed as allowing any flight training whatsoever on the Airport. All such training shall be subject to reasonable regulations and licensing requirements as the County may establish.
5. The purchase of Airline's requirements of personal property and services incidental to Airline's air transportation business, including but not limited to fuel, lubricants, food, beverages and any other materials and supplies to be used by or services performed for Airline from any person or company of Airline's choice, provided that any such company or person has complied with all Applicable Laws, and such reasonable rules and regulations and licensing requirements of the Aviation Department and the County as may be adopted and revised from time to time, permitting such company or person to operate at the Airport. Nothing herein shall be construed to permit Airline to store aviation fuels at the Airport. Fuel tenders are prohibited on Terminal aircraft aprons serviced by the fuel hydrant system except by separate authorization of County. The granting of the right to store aviation fuels shall be subject to the execution of a separate agreement between Airline and County.
6. The sale, disposal and exchange of Airline's aircraft, engines, accessories, other equipment, materials and supplies, and the exchange of fuel, oil and lubricants with other tenant Scheduled Air Carriers; provided that such right shall not be construed as authorizing the conduct of a separate regular business by Airline, but as permitting Airline to perform such transactions as are incidental to the operation of its air transportation business. Airline shall not have the right to sell fuel, oil and lubricants or provide in-to-plane fuel services to others at the Airport.
7. The servicing of Airline's aircraft and other equipment with fuel, oil, lubricants and other materials and supplies at the Gates and other locations designated by County for such servicing.
8. The installation and operation of identifying signs on Airline Premises under the TBLA; and the general type, design and location of all of such signs visible to the public shall be subject to County approval, not to be unreasonably withheld.
9. The installation, maintenance and operation of radio, communication, company telephone system, computer, meteorological and aerial

navigation equipment and facilities in, on and about the Airline Premises under the TBLA, as may be necessary or convenient in the opinion of Airline for its operations; provided, however, that Airline shall be required to use County's wireless communications systems unless Airline has obtained prior written approval from the Aviation Department exempting Airline from such requirement (e.g. WIFI), which approval shall not be unreasonably withheld by the Aviation Department. Airline agrees that any use by Airline of wireless communications systems not provided by County shall not interfere with any County wireless communications system. Prior to any written approval, Airline shall provide the Aviation Department with all necessary supporting documentation related to such installations.

10. The provision, either alone or in conjunction with other air transportation companies or through a nominee, of porter/skycap service for the convenience of the public, at no cost to the County.

B. Exclusions and Reservations

1. The rights and privileges granted Airline under this Article with respect to the performance of ground services and activities in connection with its air transportation operations at Airport may be exercised by any company or person designated by Airline, provided, however, that no right is hereby conferred upon any supplier of services or materials (other than Airline) regularly operating at Airport to perform services unless it holds a valid lease, license, permit, or other agreement with County authorizing it to furnish the material and/or perform the service in question and pays to County an appropriate rental, fee and/or percentage of gross revenues derived as a result of any materials furnished or services supplied to other than Airline.
2. The rights and privileges granted to Airline under this Article to contract with third parties for obtaining services and materials shall be subject and subordinate to restrictive agreements, franchises, licenses, and other rights previously granted by County to fixed base operators, ground transportation carriers, other providers of ground services, and others. Copies of such agreements are available for inspection by Airline at the office of the Aviation Department.
3. Airline is prohibited from conducting any business or engaging in any activities at the Airport other than the conduct of its air transportation business, except as otherwise permitted in this Agreement.
4. Airline shall not knowingly interfere or permit interference by its contractors, agents, permittees, and invitees with the use, operation, or maintenance of the Airport, including but not limited to, the effectiveness or accessibility of the drainage, sewage, water, communications, fire protection, utility, electrical, or other systems installed or located from time to time at the Airport. Airline shall not engage in any activity prohibited by County's approved FAR Part 150 Noise Compatibility Study, as may be amended or supplemented from time to time.

5. Airline shall not do or permit to be done anything, either by act or failure to act, that shall cause the cancellation or violation of the provisions, or any part thereof, of any policy of insurance for the Airport, or that shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement. If Airline shall do or permit to be done any act not permitted under this Agreement, or fail to do any act required under this Agreement, regardless of whether such act shall constitute a breach of this Agreement, which act or failure, in and of itself, causes an increase in County's insurance premiums, Airline shall immediately remedy such actions and/or pay the increase in premiums, upon notice from County to do so.
6. Any and all rights and privileges not specifically granted to Airline for its use of and operations at the Airport pursuant to this Agreement or the TBLA are hereby reserved for and to County.

2.3 Right of Access, Ingress and Egress

Airline, its employees, agents, passengers, guests, patrons, invitees, suppliers of materials and services, and its or their equipment, vehicles, machinery and other property shall have the right of access, ingress and egress to and from the Airport, subject to reasonable rules and regulations of County.

County may at any time temporarily or permanently close, re-route, or consent to or request the closing or re-routing of any roadway, taxiway or other access to the Airport, so long as a reasonable means of ingress and egress is concurrently made available to Airline.

2.4 Affiliates

Affiliates of Airline must enter into an agreement with County for operations at the Airport, which agreement shall be in a form specified by County from time to time. County may invoice Airline and its Affiliates separately for amounts owed hereunder, or may invoice Airline for the aggregate amounts owed by Airline and its Affiliates hereunder. Airline shall be responsible for any and all unpaid fees, rates and charges of any Affiliate and any failure of any Affiliates to pay such amounts when due shall be deemed a failure of Airline. Airline may at any time give County at least thirty (30) days prior written notice that an Affiliate of Airline shall no longer be considered an Affiliate of Airline for purposes of this Agreement, and Airline shall have no responsibility for any fees, rates and charges incurred by any such Affiliate after the conclusion of such notice period, but Airline shall remain liable for all fees, rates and charges incurred by any Affiliates prior to the conclusion of such notice period.

ARTICLE III FINANCING AND CONSTRUCTION OF THE CAPITAL IMPROVEMENT PROGRAM AND OTHER CAPITAL IMPROVEMENTS

3.1 Need for Capital Improvements

The parties hereto recognize that capital improvements to preserve, protect, enhance, expand, and otherwise improve the Airport System, or part thereof, will be required during

the Term of this Agreement. Any such capital improvements to be paid with Revenues or financed through the County's issuance of Revenue Bonds shall be subject to the provisions of Sections 3.3 and 3.4, below.

3.2 Pre-Approved Capital Improvement Plan

The Airline has previously approved one or more projects for the Airport, including, without limitation, the Runway Program, and the parties acknowledge that such previous projects, including, without limitation, the Runway Program, are hereby affirmed and not modified by this Agreement. Additionally, the County has identified on **Exhibit A** its Capital Improvement Plan. The portion of the Capital Improvement Plan expected to be undertaken during the first Fiscal Year of this Agreement including, without limitation, all associated Capital Expenditures, is hereby approved by Airline. By executing this Agreement, Airline agrees, without further MII approval, to the inclusion of the Airport Debt Service Requirement, Debt Service Reserve Requirement, Operation and Maintenance Expenses, Operation and Maintenance Requirement, and Equipment and Capital Outlay associated with all projects previously approved and including, without limitation, the Runway Program, in the determination of Airline's rentals, charges and fees.

3.3 Expenditures Subject to Signatory Airline Consideration.

- A. Prior to June 1 of each year of the Term, and if appropriate, at such other times during a Fiscal Year, County shall submit to Airline, for Airline's review and consideration, County's recommended Capital Expenditures which are not excluded from Majority-in-Interest consideration pursuant to Sections 3.2 and 3.4. Airline shall notify County in writing within forty-five (45) days after receipt of the written submission from County whether such Capital Expenditures are approved as a whole or in part. Failure of Airline to reply within forty-five (45) days shall be deemed approval by Airline of the recommended Capital Expenditures.
- B. County may issue Revenue Bonds or incur Other Indebtedness to finance any Capital Expenditures permitted by this Article III. All costs associated with any Capital Expenditures permitted by this Article III, including but not limited to, Airport Debt Service Requirement, Debt Service Reserve Requirement, and Operation and Maintenance Expenses, Operation and Maintenance Requirement, and Equipment and Capital Outlay shall be included in the determination of rates for rentals, fees, and charges in accordance with **Exhibit B**.
- C. If certain specified conditions precedent are met, the Bond Resolution will permit the issuance of Revenue Bonds on parity with the Revenue Bonds issued and outstanding under the Bond Resolution to finance the cost of planning, design, acquisition, construction, installation and equipping of any Capital Expenditures or to complete such Capital Expenditures. The Bond Resolution also permits the issuance of subordinate Revenue Bonds under a Subordinate Bond Resolution for such purposes. It is hereby agreed that County will obtain MII approval of any Capital Expenditures prior to financing the same with Revenue Bonds issued under the Bond Resolution or subordinate Revenue Bonds under a Subordinate Bond Resolution, except for Capital Expenditures which do not require MII approval pursuant to Sections 3.2 or 3.4.

- D. If certain specified conditions precedent are met, the Bond Resolution will permit the issuance of refunding Revenue Bonds on parity with the Revenue Bonds issued and outstanding under the Bond Resolution to refund outstanding Revenue Bonds. Subordinate Revenue Bonds may also be issued under a Subordinate Bond Resolution for such purposes. It is hereby agreed that the County may issue such refunding Revenue Bonds under the Bond Resolution or Subordinate Bond Resolution after consultation with Airline, but without MII approval, provided that the debt service (principal and interest requirements) on the refunding Revenue Bonds in any year is not more than one hundred five percent (105%) of the debt service which would have been due in such year on the Revenue Bonds to be refunded.

3.4 Capital Expenditures Not Subject to Signatory Airline Consideration.

The following Capital Expenditures shall be permitted to be undertaken by the County at any time and shall not be subject to consideration by the Signatory Airlines or require MII approval:

- A. Projects required for public safety when required by the FAA, National Transportation Safety Board or governmental authority having jurisdiction over the Airport System, Airline's operations, or the safety aspect of Airport's operations.
- B. Casualty damage to Airport System property which exceeds the proceeds of insurance, which property must be rebuilt or replaced in order to satisfy County obligations or maintain a source of Revenue.
- C. Special Purpose Facilities as defined herein, provided, however, in cases where such Special Purpose Facilities occupy a building site, an appropriate ground rental shall be charged. In all cases, the tenants or other users of such Special Purpose Facilities shall be required to pay directly or reimburse County for all costs (direct or indirect) associated with such Special Purpose Facilities.
- D. Improvements or additions necessary to insure compliance with lawful orders or requirements of other authorities that are pertinent to aircraft operations, or Airport operations, or are related to the issuance of federal or state grants to County.
- E. Improvements or additions necessary to settle claims, satisfy judgments, or comply with orders against County by reason of its ownership, operation, maintenance, or use of the Airport System.
- F. Capital Expenditures of an emergency nature which, if not made within forty-eight (48) hours, would result in the closing of any portion of the Airport System.
- G. Capital Expenditures that are funded through the Renewal and Replacement Account.
- H. Change orders initiated by one or more Signatory Airlines for its or their sole benefit, provided the costs related thereto shall be borne by the Signatory

Airlines initiating such change orders.

- I. Expansion of the Airport System for the increased requirements of any Signatory Airlines provided such Signatory Airlines agree in writing to increased rentals, fees and charges sufficient to cover the payment of debt service and required reserves if financed with Revenue Bonds, or an equivalent amount if financed from the Improvements Account or General Purposes Account to finance its exclusive facilities. If said expansion necessitates the concurrent construction of related public areas and/or support systems, such facilities will be treated as a cost of construction, operation and maintenance to be shared in common by the airlines in the same manner as other similar public areas and/or support systems previously constructed.
- J. Projects required by the FAA, the Department of Transportation or other governmental authority, other than County, having jurisdiction over the Airport.
- K. Facilities or equipment for which the tenants or other users thereof shall be required to pay directly, or reimburse County for, all capital costs, including finance costs, associated with such facilities.

ARTICLE IV
OPERATIONS OF AIRLINE

- 4.1 Airline shall comply with all Applicable Laws in performing its duties, responsibilities, and obligations related to this Agreement.
- 4.2 The Airline shall, at its own expense, provide and maintain in full force and effect, any and all licenses and permits required for the legal operation of all aspects of the Airline's business conducted at the Airport. Airline shall pay all license and permit fees and charges for the conduct of any business on the Airport before such amounts become delinquent.

ARTICLE V
TERM

- 5.1 This Agreement shall become effective, and the "Effective Date" shall be that date set forth in Article I. The Term of this Agreement and the terms and conditions of this Agreement shall commence on October 1, 2011, ("Commencement Date") and this Agreement shall expire on midnight, September 30, 2016, unless otherwise terminated earlier as provided for herein.

ARTICLE VI
MAINTENANCE AND OPERATION OF AIRPORT

6.1 General

- A. County agrees that it will with reasonable diligence and in order of priority determined by County in its discretion prudently develop, improve, and at all times maintain and operate the Airport with qualified personnel and keep the Airport in good repair.

- B. County shall, to the extent it is legally able so to do, use reasonable efforts to keep the Airport and its aerial approaches free from ground obstruction for the safe and proper use thereof by Airline.
- C. County shall not be liable to Airline for a temporary failure to furnish all or any of such services to be provided in accordance with this Section 6.1 when such failure is due to mechanical breakdown not caused by the County, or its agent's, contractor's, or invitee's negligence or is due to any cause beyond the reasonable control of the County or its agents, contractors or invitees.
- D. County shall, in the operation of the Airport, comply with all Applicable Laws.
- E. Airline shall be responsible for areas damaged by its or its Affiliates use or operations and Airline shall further maintain any apron areas used by it or its Affiliates in a clean, neat, orderly condition.

ARTICLE VII
RATES, RENTALS, FEES AND CHARGES

7.1 Landing Fees

From and after the Commencement Date of this Agreement, fees and charges for use of the facilities, rights, licenses and privileges granted to Airline with respect to the Airfield under this Agreement, shall be combined in and represented by a landing fee, and certain other fees as set forth in, and payable at rates calculated in accordance with, **Exhibit B**, as amended from time to time pursuant to the adjustment of rates for rentals, fees and charges provided for in Article VIII. Said rates for landing fees will be expressed in dollars and cents per thousand pounds of the Maximum Gross Landing Weight of each type of Airline's aircraft and shall be multiplied by the total of the Maximum Gross Landed Weight for all Revenue Landings of each type of aircraft landed at the Airport by Airline.

7.2 Other Rates for Rentals, Fees and Charges

All rates rentals, fees and charges for the use of the Airport that are not set forth in **Exhibit B**, shall be set by the County from time to time.

7.3 Information to be Supplied by Airline

- A. Airline shall submit to the Aviation Department, in an Aviation Department provided format, electronically, all reasonably requested information, which information shall include but not be limited to the following:
 - 1. Proposed arrival/departure schedules for activities at the passenger Terminal buildings.
 - 2. Airline covenants and agrees to furnish County each month a report of Airline's operations at the Airport during the preceding month setting forth the total number of enplaning passengers, the total pounds of enplaned mail, express and freight on a daily basis carried by Airline and any of its Affiliates, the number of Revenue Landings by Airline by type of aircraft, the number of

remain over nights ("RONs") on non-leased premises by Airline and its Affiliates, and such other information as County may reasonably require to administer the Agreement. If such report is not provided, County may estimate such data and impose fees on Airline accordingly.

- B. County shall have the right, but shall not be required, to rely on said activity reports in determining rentals, fees and charges due hereunder. County may also rely on alternative sources of information, such as FAA statistics and electronic data collection systems, to determine rentals, fees and charges due hereunder. Use of such alternative sources by County shall not relieve Airline of its reporting obligations hereunder. To the extent there is a discrepancy between the information provided by Airline and information gathered from other sources, County's determination as to the most reliable and accurate information shall be conclusive and binding on the parties, absent fraud or manifest error. Airline shall have full responsibility for the accuracy of said reports. Payment deficiencies of more than ten percent (10%) by category of rentals, fees, and charges due on an annual basis hereunder that are due to incomplete or inaccurate activity reports shall be subject to interest charges, at a rate of eighteen percent (18%) per annum.

- 7.4. Airline shall be responsible for and shall pay to the County, all applicable rentals, rates, fees and charges for the use of the Airport as may be set by the County from time to time in accordance with this Agreement, the TBLA and the rate resolution adopted not less than annually by the County, including, but not limited to, landing fees and aircraft remote parking fees, and all other rates, fees and charges for activities under this Agreement (collectively, "County Fees"), together with any applicable sales taxes thereon.

- A. All County Fees payable pursuant to this Agreement and the TBLA shall be effective and accrue from the Commencement Date.
- B. The County shall have the right, through its representatives, at all reasonable times, without interfering with airline operations, to inspect any and all books and records pertaining to Airline's arrivals and departures at the Airport. Such records shall be kept and maintained during the "Retention Period," which shall be the greater of: (i) the required retention period of the Florida Public Records Act (Chapter 119, Fla. Stat.), if applicable, or (ii) for a period of three (3) years following the activity. If the Florida Public Records Act is determined to be applicable to Airline's records, Airline shall comply with all requirements thereof; however, no confidentiality or non-disclosure requirement of either federal or state law shall be violated by Airline. If, as a result of any audit, it is established that the Airline has understated the amount owed to the County by ten percent (10%) or more (after the deductions and exclusions provided for herein) of the amount paid to the County during the previous annual reporting period under this Agreement, the entire expense of said audit shall be borne by the Airline. Any additional fees due shall forthwith be paid by the Airline to the County with interest thereon at eighteen percent (18%) per annum from the date such additional fees become due.

- 7.5. Airline shall pay County Fees directly to the County, as follows:

- A. No later than the tenth (10th) day of each month, for the prior month's activities, the Airline shall electronically report on the forms required by the County ("Activity Reports"). The Activity Reports shall list all arrivals and departures at the Airport, including all revenue and non-revenue operations.
- B. Payment of the Airline landing fees shall be due fifteen (15) days from the date of County's issuance of invoice, and shall be deemed delinquent if not received within ten (10) days of the due date.
- C. Payment for all other fees and charges due hereunder, shall be due as of the due date stated on the County's invoice. Said fees and charges shall be deemed delinquent if payment is not received within thirty (30) days of the stated date of such invoice.
- D. Payments received by County after the dates required by subsections 7.5B and 7.5C above, shall accrue and be subject to interest at the rate of eighteen percent (18%) per annum on the unpaid amount. The acceptance by County of any late payment shall not be construed as a waiver of the interest charge.
- E. Airline shall submit all activity reports and payments to the County on the dates established above, as follows:

Via Wire Transfer:

Account of: Broward County Aviation Department
Bank Name: Wells Fargo Bank

ABA: 063000021
Account #: 2090002760835

Via U.S. Mail/Express Mail

Broward County Aviation Department
Accounts Receivable
100 Aviation Blvd.
Fort Lauderdale, FL 33315

F. Security Deposit

1. Unless Airline has provided regularly scheduled flights to and from the Airport during the eighteen (18) calendar months prior to the Effective Date of this Agreement, without the occurrence of any act or omission that would have been an event enumerated in Section 10.1 of this Agreement, Airline shall provide County on the Effective Date of this Agreement, with a contract bond, irrevocable letter of credit or other similar security acceptable to County ("Security Deposit") in an amount equal to the estimate of three (3) months' of fees and charges for Airline and its Affiliates, which are due County pursuant to this Agreement. Airline shall be obligated to maintain such Security Deposit in effect until the expiration of eighteen (18) consecutive calendar months during which period Airline and its Affiliates commit no event enumerated in Section 10.1 of this Agreement. Such Security Deposit shall be in a form and with a company reasonably acceptable to County and licensed to do business in the State

of Florida. In the event that any such Security Deposit shall be for a period less than the full period required by this subsection 7.5F or if Security Deposit shall be canceled, Airline shall provide a renewal or replacement Security Deposit for the remaining required period at least sixty (60) calendar days prior to the date of such expiration or cancellation. The parties agree that in the event Airline satisfies the requirements for Aviation Department to waive the Security Deposit pursuant to this subsection 7.5F1, no Security Deposit shall be required for its Airline or its Affiliates, so long as the requirements for such waiver have been satisfied and remain satisfied throughout the term of this Agreement.

2. In the event County is required to draw down or collect against Airline's Security Deposit for any reason, Airline shall, within ten (10) business days after County's written demand, take such action as may be necessary to replenish the existing Security Deposit to its original amount (three months' estimated rentals, fees, and charges) or to provide additional or supplemental Security Deposit from another source so that the aggregate of all Security Deposits is equal to three months' estimated rentals, fees, and charges payable by Airline and its Affiliates pursuant to this Article VII.
3. Notwithstanding the above subsection 7.5F1, County shall have the right in its reasonable discretion to waive such Security Deposit requirements for an Airline, if it has not provided regularly scheduled flights at and from the Airport during the eighteen (18) calendar months prior to the Effective Date of its Signatory Agreement. Any such waiver by County shall be conditioned upon said Signatory Airline having provided regularly scheduled flights at least at six (6) other airports with activity levels and characteristics similar to the Airport (the "Comparable Airports") during the most recent eighteen (18) calendar month period, without committing any material default under the terms of the respective lease and use agreements at each of the Comparable Airports, and without a pattern of untimely payments for rentals, fees and charges. The burden shall be on Airline to demonstrate to County its compliance with these requirements at each of the Comparable Airports.
4. In addition to the foregoing, upon the occurrence of any Airline act or omission that is an event enumerated in Section 10.1, or upon Airline's election to assume this Agreement under all Applicable Laws, including Federal Bankruptcy Rules and Regulations and Federal Judgeship Act of 1984 or any successor statute, as such may be amended, supplemented, or replaced, County, by written notice to Airline given at any time within ninety (90) calendar days of the date such event becomes known to County, may impose or reimpose the requirements of subsection 7.5F1 on Airline. In such event, Airline shall provide County with the required Security Deposit within fifteen (15) calendar days from its receipt of such written notice and shall thereafter maintain such Security Deposit in effect until the expiration of a period of eighteen (18) consecutive calendar months during which Airline commits no additional event enumerated in Article X or the termination of bankruptcy proceedings, whichever is later.
5. If Airline shall fail to obtain and/or keep in force such Security Deposit

required hereunder, after County has provided a ten (10) calendar day notice to cure, such failure shall be grounds for immediate cancellation of this Agreement pursuant to Article X. County's rights under this Section 7.5 shall be in addition to all other rights and remedies provided to County under this Agreement.

6. Airline and County agree that this Agreement constitutes an 'executory contract' for the purposes of Section 365 of the United States Bankruptcy Code (Title 11 USC) subject to assumption or rejection, and subject to the terms and conditions of assumption or rejection, as provided in said Section 365. Furthermore, Airline and County agree that any Security Deposit provided by Airline is not 'property of the estate' for purposes of Section 541 of the United States Bankruptcy Code (Title 11 USC), it being understood that any Security Deposit is property of the third party providing it (subject to County's ability to draw against the Security Deposit) and that all PFCs collected by Airline with respect to enplaned passengers at the Airport, are property of County to the extent provided by Applicable Law.
- 7.6 In the event the Airline delivers a dishonored check or draft to the County in payment of any obligation arising under this Agreement, the Airline shall incur and pay a service charge in the amount set by the State of Florida or Applicable Laws. In such event, the County may require that future payments be made by cashier's check or other means acceptable to the County.
- 7.7 Passenger Facility Charge
 - A. County expressly reserves the right to impose PFC's on airline passengers for the use of the Airport in accordance with 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, 14 CFR Part 158, as they may be amended from time to time (the "PFC Regulations").
 - B. Airline shall hold in trust for the County the net principal amount of all PFCs that are collected by Airline or its agents on behalf of County. For the purposes of this Section 7.7, "net principal amount" shall mean the total principal amount of all PFCs that are collected by Airline or its agents on behalf of the County, reduced by any amount that the Airline is permitted to retain pursuant to 49 U.S.C. § 40117 and the PFC Regulations. Monthly PFCs collected by Airline shall be remitted to County no later than the last day of the following calendar month or if that date falls on a weekend or holiday, the first business day thereafter. In addition, PFCs collected by Airline shall be remitted to County as specified in subsection 7.7C.
 - C. Should Airline fail to remit the net principal amount of all PFC's to County within five (5) days following the remittance date specified above, Airline shall be deemed to be in default pursuant to Article X of this Agreement.
 - D. Competitive Access to PFC Funded Facilities. Should the Airline not fully utilize any portion of its PFC funded exclusively leased premises, Airline agrees to make such Premises available for use by any Scheduled Air Carrier. In accordance with 14 CFR Part 158, failure to make such exclusively leased

premises available shall be grounds for termination of this TBLA pursuant to Article XI.

- E. Nothing contained herein shall be construed to supersede the rights and obligations provided in 14 CFR Part 158 regarding Passenger Facility Charges. In the event that a conflict exists between such federal regulation and this Agreement, the federal regulation shall govern.

ARTICLE VIII

ADJUSTMENT OF RATES FOR RENTALS, FEES AND CHARGES

8.1

- A. Rates for rentals, fees and charges for the Airport System will be reviewed annually and adjusted as necessary effective October 1 of each Fiscal Year and from time to time, if required to satisfy the requirements of subsection 8.1C hereof and Sections 704 (a) and (b) of the Bond Resolution and the corresponding rate covenant requirement of any Subordinate Bond Resolution.
- B. Adjustments will apply without the necessity of formal amendment of this Agreement, and a statement showing the calculation of the new rates for rentals, fees and charges in accordance with the format of **Exhibit B** shall be prepared by County and delivered to Airline with an appropriate resolution by County, which shall then be deemed a part hereof.
- C. Notwithstanding anything to the contrary contained in this Agreement, rates for rentals, fees and charges will be in accordance with **Exhibit B**; provided that the resulting rates, fees and charges shall satisfy the requirements of Sections 704 (a) and (b) of the Bond Resolution.

- 8.2 For purposes of accomplishing each annual adjustment, County shall, by June 1st of each year, submit to Airline historical audited financial results and forecasts sufficient to provide for reasonable comparison to proposed annual budget.

- A. Proposed Annual Budget

- 1. In the preparation of the proposed Annual Budget, the estimates of Revenues, Operating and Maintenance Expenses, Operating and Maintenance Requirement, and Equipment and Capital Outlay for the next ensuing Fiscal Year shall take into consideration the historical experience; surpluses or deficits, if any, in prior years. County and Airline shall meet between June 1st and July 1st of each Fiscal Year for the purpose of reviewing the information submitted to Airline. In such review, County will give fair and prudent consideration to Airline's suggestions, comments or requests in negotiations with Airline with respect to the amount, character and desirability of any items contained therein, and the new rates for rentals, fees and charges for the ensuing Fiscal Year, subject to the provisions of subsection 8.1C hereof and, Sections 704 (a) and (b) of the Bond Resolution and the corresponding rate covenant requirements of any Subordinate Bond Resolution.

- 2. Before the beginning of each Fiscal Year, County shall adopt its Annual Budget substantially in accordance with the information submitted to Airline for purposes of calculation of rates for rentals, fees and charges referred to above, as the latter may have been revised as a result of negotiations with Signatory Airlines.
- 3. If adjustment of rates for rentals, fees, and charges is not completed on or prior to the end of the Fiscal Year, the rentals, fees and charges then in existence shall continue to be paid by Airline until adjustment is concluded. During any such period when County is required to expend ten percent (10%) or more of the funds which should properly be on deposit in the Revenue Account as the Operation and Maintenance Requirement, or where there are insufficient Revenues available to make required deposits to the Interest, Principal, Sinking Fund and Reserve Accounts of the Bond Fund, the amounts so required may, at County's election, become a surcharge to the landing fees and/or rentals for the month in which such expenditures or deposits are made or required. Airline shall be credited with the amount of any such surcharge paid by it and said credit shall be applied to Airline's adjusted landing fees and/or rentals in the first month after the adjustment is implemented but only to the extent that such credit will not create a deficiency in the amount of Revenues under the Bond Resolution and, if applicable, any Subordinate Bond Resolution.

- 8.3 County covenants that for purposes of keeping its books of account and allocating revenues and expenses it will observe generally accepted accounting principles, consistently applied and including only those charges to the accounts directly attributable to the Airport System, on the basis of sound business principles for effective and prudent control of expenses for Airport System operation, maintenance and administration.

ARTICLE IX

BOND RESOLUTION AND SUBORDINATE BOND RESOLUTION; ESTABLISHMENT OF FUNDS AND ACCOUNTS; EXPENDITURES FROM FUNDS AND ACCOUNTS

- 9.1. Subordination to Bond Resolution and Subordinate Bond Resolution

- A. This Agreement and all rights granted to Airline hereunder are expressly subordinated and made subject to the lien and pledge, payment and other covenants (including, without limitation, the rate covenants and reserve funding requirements), flow of funds and other provisions governing the use and application of Revenues and the rights and remedies granted to bondholders in the Bond Resolution and/or the Subordinate Bond Resolution. County and Airline agree that this Agreement is being entered into, among other reasons, to ensure that Revenues will be generated from the use and operation of the Airport to enable the County in each Fiscal Year to pay Operation and Maintenance Expenses, satisfy the Airport Debt Service Requirement and satisfy any and all other reserve funding requirements under the Bond Resolution and the Subordinate Bond Resolution. County and Airline further agree that to the extent

required by the Bond Resolution, Subordinate Bond Resolution, or law, the holders of Revenue Bonds or their designated representatives shall have the right to exercise any and all rights of County hereunder.

- B. With respect to property leased by County to Airline which was or is to be acquired by County with proceeds of Revenue Bonds, the interest on which is, or is intended to be, excludable from the gross income of the holders of such Revenue Bonds for federal income tax purposes, the parties hereby covenant to protect the tax-exempt status of such Revenue Bonds.
- C. Airline agrees to execute all instruments, certificates, or other documents reasonably requested by County to assist County and bond counsel in determining and assuring that tax-exempt Revenue Bonds are issued in compliance with applicable rules and regulations of the Internal Revenue Service and in assisting County and disclosure counsel in preparing the disclosure documents required for the public offering of Revenue Bonds and assuring compliance with the Securities and Exchange Commission's continuing disclosure requirements, and Airline shall provide whatever additional relevant information is reasonably requested by County initially or on a continuing basis in connection with complying with any of those rules and regulations.

9.2 Creation of Accounts

- A. Pursuant to the Bond Resolution, the following Accounts have been created to be used for the purposes set forth in the Bond Resolution as they are used for the purposes of establishing airline rentals, fees, and charges pursuant to **Exhibit B**:
 1. Revenue Account;
 2. Interest Account;
 3. Principal Account;
 4. Sinking Fund Account;
 5. Reserve Account (Debt Service);
 6. Renewal and Replacement Account;
 7. Improvements Account; and
 8. General Purposes Account.

9.3 General Purposes Account

- A. Subject in all respects to the requirements of the Bond Resolution, amounts deposited to the General Purposes Account, shall be distributed among the following sub-accounts which are hereby established within the General Purposes Account, and within such sub-accounts, into the applicable sub-sub-accounts which are hereby established for the Terminal and the Airfield: (1) Airport Discretionary Sub-Account, (2) Rate Stabilization Sub-Account, and (3) Airline Fees and Charges Sub-Account. The distribution of funds among these sub-accounts, and the use of these funds, shall be as described in this Section 9.3.
- B. Deposits (if any) to the General Purposes Account established pursuant to the Bond Resolution shall be applied for the purposes and in the order of priority set forth in Section 5.10 of the Bond Resolution, including, without limitation, the

payment of debt service and other funding requirements on Subordinated Debt incurred in the form of subordinate Revenue Bonds issued under the Subordinate Bond Resolution. Thereafter, any amounts remaining in the General Purposes Account established pursuant to the Bond Resolution shall be deposited first to the Airport Discretionary Sub-Account, but only into the applicable sub sub-accounts for the Terminal and the Airfield, then to the Rate Stabilization Sub-Account, if applicable, but only into the applicable sub sub-accounts for the Terminal and the Airfield, then to the Airline Fees and Charges Sub-Account, but only into the applicable sub sub-accounts for the Terminal and the Airfield.

- C. Any deposits into the applicable sub sub-accounts for the Terminal and the Airfield in the Rate Stabilization Sub-Account within the General Purposes Account, if any, are to be held in such sub sub-accounts to assist in moderating airline fees and charges, as applicable for the Terminal or the Airfield. If at any time it is determined through an MII ballot that amounts should be deposited to any of the sub sub-accounts of the Rate Stabilization Sub-Account such deposit should be to the applicable sub sub-account, as provided in the MII ballot. Any transfer from the Rate Stabilization Sub-Account should be to the corresponding sub sub-account in the Airline Fees and Charges Sub-Account. Such transferred amounts may be used as Transfers to the Revenue Account and used in determining Terminal rate base as described in **Exhibit B** if such Transfer is from the Terminal sub sub-account, or used in determining Airfield rate base as described in **Exhibit B** if such Transfer is from the Airfield sub sub-account. The Aviation Department shall notify the Signatory Airlines of proposed transfers from the sub sub-accounts in Rate Stabilization Sub-Account into the corresponding sub sub-accounts in the Airline Fees and Charges Sub-Account through the Annual Budget process. Such Transfers will be credited to the applicable Terminal rate base or Airfield rate base as described in **Exhibit B**.
- D. Subject in all respects to the provisions of the Bond Resolution and subsection 9.3B of this Agreement, any remaining balance from the monthly deposits to the General Purposes Account shall first be credited to the applicable sub sub-account in the Airport Discretionary Sub-Account up to an amount in any fiscal year not exceeding a total deposit of One Million Dollars (\$1,000,000.00) with a total Maximum Balance in the Airport Discretionary Sub-Account of Three Million Dollars (\$3,000,000); Expenditures from the applicable sub sub-accounts in the Airport Discretionary Sub-Account may be made by the Aviation Department at its sole discretion for any legal purpose of the County in connection with either the Terminal or the Airfield, as applicable, or any other portion of the Airport System. The Aviation Department shall provide Airline with prior notification of such expenditures and with an annual detailed report of such expenditures. The Aviation Department may only expend funds from the Terminal sub sub-account in connection with the Terminal or any other portion of the Airport System other than the Airfield and the Aviation Department may only expend funds from the Airfield sub sub-account in connection with the Airfield.
- E. Subject in all respects to the provisions of the Bond Resolution and subsection 9.3B of this Agreement, any remaining balance after satisfying the requirements of subsections B, C, and D of this Section 9.3, any remaining deposits to the General Purpose Account shall be deposited to the appropriate sub sub-account in the Airline Fees and Charges Sub-Account. At the end of each Fiscal Year,

any funds available in these sub sub-accounts in this Sub-Account shall be transferred to the Revenue Account established pursuant to the Bond Resolution in the succeeding Fiscal Year as a Transfer in establishing Airline rates for either the Terminal base rate or Airfield base rate pursuant to Article VIII, as applicable.

9.4. Other Accounts

- A. Each Annual Budget shall include planned expenditures (if any) from the Renewal and Replacement Account for the payment of the cost of renewals and replacements which are necessary to protect the revenue generating capacity of the Airport System and of engineering and other expenses incurred in connection therewith. These expenditures shall not be used for the extension, expansion or betterment of the Airport System and shall not be subject to MII approval. It is the intent of the parties that the County will use its best efforts to plan and budget such renewal and replacement expenditures in a manner to moderate the impact of these expenditures on rates, rentals, fees and charges during any given year. Subject to the provisions of the Bond Resolution, additional expenditures from the Renewal and Replacement Account can be made at any time from funds available in said Account for unusual or extraordinary repairs, renewals and replacements when it is apparent that routine maintenance is not effective or prudent to maintain the Airport System at a safe and essential level.
- B. Each Annual Budget shall include planned expenditures (if any) from the Improvements Account for the purchase of items of equipment or other capital items for use in connection with the Airport System. Prior approval of MII shall be obtained for Capital Expenditure paid for from amounts in the Improvements Account, except to the extent otherwise provided for in Section 3.4 or elsewhere in this Agreement.

ARTICLE X
DEFAULT BY AIRLINE

10.1 Events of Default. The events described below in subsections A and B shall be deemed events of default by Airline hereunder:

- A. The conduct of any business or performance of any acts at the Airport not specifically authorized herein (except Security Deposit requirements, insurance requirements, and payment of rentals, fees, and charges, all as provided for in Section 10.1B) or by other agreements between County and Airline, and said business or acts do not cease within thirty (30) calendar days of receipt of County's written notice to cease said business or acts. Notwithstanding the above, if by reason of the nature of such default, the same cannot be remedied within thirty (30) calendar days following receipt by Airline of written demand from County to do so, Airline fails to commence the remedying of such default within said thirty (30) calendar days following such written notice, or having so commenced, shall fail thereafter to continue with diligence the curing thereof. Airline shall have the burden of proof to demonstrate all of the following: (i) that the default cannot be cured within thirty (30) calendar days; and (ii) that it is proceeding with diligence to cure said default; and (iii) that such default will be cured within a reasonable period.
- B. Upon the occurrence of any one of the following events of default, County may

immediately issue written notice of default.

1. The failure by Airline to pay any part of the rentals, fees, and charges when due, as provided for in this Agreement and the continued failure to pay said amounts in full within ten days from their respective due date. Provided, however, if a dispute arises between County and Airline with respect to any obligation or alleged obligation of Airline to make payments to County, payments under protest by Airline of the amount due shall not waive any of Airline's rights to contest the validity or amount of such payment. In the event any court or other body having jurisdiction determines all or any part of the protested payment shall not be due, then County shall promptly reimburse Airline any amount determined as not due.
 2. The failure by Airline to provide and keep in force a Security Deposit in accordance with subsection 7.5F.
 3. The failure by Airline to provide and keep in force all insurance coverages in accordance with Article XVI.
 4. The appointment of a trustee, custodian, or receiver of all or a substantial portion of Airline's assets.
 5. The divestiture of Airline's estate herein by operation of law, by dissolution, or by liquidation, (not including a merger or sale of assets).
 6. The insolvency of Airline; or if Airline shall take the benefit of any present or future insolvency statute, shall make a general assignment for the benefit of creditors, or shall seek a reorganization or the readjustment of its indebtedness under any law or statute of the United States or of any state thereof including the filing by Airline of a voluntary petition of bankruptcy or the institution of proceedings against Airline the adjudication of Airline as a bankrupt pursuant thereto.
 7. The abandonment of Leased Premises or suspension of Airline's operations for a period greater than sixty (60) calendar days, which such suspension shall be considered abandonment for the purposes of this Agreement absent a labor dispute or other governmental action in which Airline is directly involved.
 8. The failure by Airline to remit PFCs in accordance with Section 7.7.
 9. Failure by Airline to make any portion of its exclusively leased under-utilized PFC-funded Premises available for use by other Scheduled Air Carriers in accordance with Article VII.
- 10.2 Continuing Responsibilities of Airline. Notwithstanding the occurrence of any event of default, Airline shall remain liable to County for all rentals, fees, and charges payable hereunder and for all preceding breaches of any covenant of this Agreement. Unless County elects to terminate this Agreement, Airline shall remain liable for and promptly pay all rentals, fees, and charges accruing hereunder until termination of this Agreement

as set forth in Article 5 or until this Agreement is terminated by Airline pursuant to Article XI. Upon any termination of this Agreement, the parties shall remain liable for all obligations and liabilities accruing prior to such termination.

10.3 County's Remedies. Upon the occurrence of any event enumerated in subsections 10.1A and 10.1B, including applicable notice and cure periods, the following remedies shall be available to County:

- A. County may exercise any remedy provided by law or in equity, including but not limited to the remedies hereinafter specified.
- B. County may terminate this Agreement, effective upon the date specified in the notice of termination. For events enumerated in subsection 10.1A, such date shall be not less than fifteen (15) calendar days from said notice. Upon such date, Airline shall be deemed to have no further rights hereunder and County shall have the right to take immediate possession of the Premises.
- C. County may reenter the Premises and may remove all Airline persons and property from same upon the date of reentry specified in County's written notice of reentry to Airline. For events enumerated in subsection 10.1A, reentry shall be not less than fifteen (15) calendar days from the date of notice of reentry. Upon any removal of Airline property by County hereunder, Airline property may be stored at a public warehouse or elsewhere at Airline's sole cost and expense.
- D. County may relet Airline Premises and any improvements thereon, or any part thereof at such rentals, fees, and charges and upon such other terms and conditions as County, in its reasonable discretion, may deem advisable, with the right to make alterations, repairs of improvements on said Airline Premises. In reletting the Airline Premises, County shall seek to mitigate any damages it may suffer as a result of Airline's event of default.
- E. In the event that County relets Airline Premises, rentals, fees, and charges received by County from such reletting shall be applied first to any cost or expense of County to relet the Premises and thereafter, to any deficiency between the payment of rentals, fees, and charges due and payable pursuant to this Agreement and what the County receives from the new lessee. In no event shall any of the rentals, fees, and charges received by County from such reletting be applied to any rentals, fees, and charges accrued and owed by Airline to the County prior to the reletting of the Airline Premises. Airline shall have no right to or in any rentals, fees, and charges received by County as a result of the reletting of the Airline Premises. Airline shall also pay to County, as soon as ascertained, any reasonable costs and expenses incurred by County in such reletting not covered by the rentals, fees, and charges received from such reletting.
- F. No reentry or reletting of Airline Premises by County shall be construed as an election on County's part to cancel this Agreement unless a written

notice of cancellation is given to Airline.

- G. Airline shall pay to County all other costs, incurred by County in the exercise of any remedy in this Article 10, including, but not limited to, reasonable attorney fees, disbursements, court costs, and expert fees.

10.4 Remedies Under Federal Bankruptcy Laws

Neither this Agreement nor any rights or privileges hereunder shall be an asset of Airline in any bankruptcy, insolvency or reorganization proceeding. If County shall not be permitted to terminate this Agreement because of the provisions of the United States Bankruptcy Code, Airline or any trustee for it shall, within fifteen (15) days upon request by County to the Bankruptcy Court, assume or reject this Agreement, provided however, that Airline may not assume this Agreement unless all defaults hereunder shall have been cured, County shall have been compensated for any monetary loss resulting from such default and County shall be provided with adequate assurance of full and timely performance of all provisions, terms and conditions of this Agreement on the part of Airline to be performed.

Notwithstanding the foregoing, upon the filing by or against Airline of any proceeding under federal bankruptcy laws, if Airline has defaulted in the performance of any provision of this Agreement within the six (6) months preceding such filing, the County shall have the right to terminate this Agreement, in addition to other remedies provided under provisions of all Applicable Laws, including but not limited to the United States Bankruptcy Code, as such may be subsequently amended, supplemented, or replaced. Such termination shall be by written notice to Airline within sixty (60) days from the date of Airline's initial filing in bankruptcy court.

10.5 Voluntary Relinquishment of Authorization

- A. Provided no event of default by Airline or its Affiliates exists, Airline may terminate this Agreement thirty (30) calendar days after receipt by County of written notice from Airline stating the cause and date of such termination, if Airline has voluntarily relinquished its rights, certificates, or authorizations necessary under Applicable Laws to operate its air transportation business at the Airport. Such right of termination shall be in addition to any other such right provided elsewhere herein or by operation of law.
- B. Upon such termination, all provisions of this Agreement shall be terminated, unless otherwise specified. No such termination shall be effective until thirty (30) calendar days have elapsed after receipt by County of written notice from Airline stating the cause of such termination is pursuant to subsection 10.5A, and date of such termination. Airline shall submit to County sufficient proof that such termination is pursuant to subsection 10.5A and of relinquishment of its certificates and authorizations to operate its air transportation business.
- C. In the event Airline regains its status as an air transportation business within one (1) calendar year from the date of its notice to County as stated in subsection 10.5B above, Airline shall be responsible for all rentals, fees and charges for the balance of the term of this Agreement, for all periods of time from the Commencement Date.

ARTICLE XI
DEFAULT BY COUNTY

11.1 Events of Default by County

Each of the following events shall constitute an "event of default by County":

- A. County fails after receipt of written notice from Airline to keep, perform or observe any term, covenant or condition herein contained to be kept, performed or observed by County and such failure continues for thirty (30) consecutive days. Notwithstanding the above, if by reason of the nature of such default, the same cannot be remedied within thirty (30) calendar days following receipt by County of written demand from Airline to do so, County fails to commence the remedying of such default within said thirty (30) calendar days following such written notice, or having so commenced, shall fail thereafter to continue with diligence the curing thereof. County shall have the burden of proof to demonstrate all of the following: (i) that the default cannot be cured within thirty (30) calendar days; and (ii) that it is proceeding with diligence to cure said default; and (iii) that such default will be cured within a reasonable period.
- B. County closes Airport to flights in general or to the flights of Airline, for reasons other than weather, force majeure or other reasons beyond its control, and fails to reopen Airport to such flights within thirty (30) days from such closure.

11.2 Remedies for County's Defaults

Upon the occurrence of an event of default by County, Airline shall have the right to suspend or terminate this Agreement thirty (30) days after receipt by County of written notice from Airline stating the event of default causing the same and the date upon which such termination is to be effective. Upon termination, all rentals, fees and charges payable by Airline under this Agreement shall end on the termination date.

11.3 Curative Provisions; Payment Under Protest

- A. No such termination shall be effective if such cause shall have been cured or removed during such thirty (30) day period, or in the event such cause is an Event of Default by County under this Agreement and if, by its nature such default cannot be cured within such thirty (30) day period, such termination shall not be effective if County commences to cure or remove such Event of Default within said thirty (30) days and cures or removes the same as promptly as reasonably practicable.
- B. Notwithstanding anything to the contrary in this Agreement, if a dispute shall arise between County and Airline with respect to any obligation or alleged obligation of Airline to make payment, the payment under protest by Airline of the amount claimed by County to be due shall not waive any of the Airline's rights, and if any court or other body having jurisdiction shall determine that all or any part of the protested payment was not due, then County shall immediately reimburse Airline any amount determined as not due.

ARTICLE XII
WAIVER OF RIGHTS; NO REMEDY EXCLUSIVE

12.1 Waiver

Failure by either party to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Agreement. County and Airline agree that each requirement, duty, and obligation set forth herein is substantial and important to the formation of this Agreement and, therefore, is a material term hereof.

12.2 No Remedy Exclusive

No remedy herein conferred upon or reserved to the County or Airline is intended to be exclusive of any other remedy herein provided or otherwise available, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

ARTICLE XIII
REMOVAL OF AIRLINE PROPERTY FROM THE AIRFIELD

13.1 Upon the expiration of this Agreement or earlier termination as provided for in this Agreement, as provided for herein but no later than thirty (30) days after the occurrence of such events, the Airline agrees remove all aircraft, equipment, machinery, vehicles and other objects ("Property") which Airline or its Affiliates, its agents, employees, permittees or service providers to Airline or its Affiliates, have placed or caused to be placed upon the Airfield.

13.2 In the event Airline fails to remove all Property from the Airfield as required in Section 13.1, County shall have the option to dispose of the Property (excluding aircraft) as follows:

- A. County may remove such Property to a public warehouse or elsewhere at the cost of, and for the account of Airline; or
- B. County may retain same in its own possession and sell same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale; or
- C. County may dispose of such Property in any manner permitted by all Applicable Laws. If the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Airline shall pay such excess to the County upon demand.

13.3 The provisions of this Article XIII shall survive the expiration or earlier termination of this Agreement.

ARTICLE XIV
ASSIGNMENT OR ENCUMBRANCE

- 14.1 Airline shall not sublet the Premises or any part thereof or transfer, assign, pledge, or otherwise encumber this Agreement or any rights or obligations hereunder, or allow same to be assigned by operation of law or otherwise without the prior written consent of the County, which shall not be unreasonably withheld and (any such action being called an "assignment"). Any such action shall be null and void and of no force or effect provided, however, Airline shall have the right, without the County's prior written consent, to assign this Agreement or its rights hereunder to (a) an entity with whom Airline may merge or consolidate, (b) an entity that acquires all or substantially all of the Airline's assets, or (c) a Wholly Owned Affiliate.

ARTICLE XV
INSURANCE: DAMAGE OR DESTRUCTION

- 15.1 Airline Responsibilities County shall not be liable to Airline for damage to Airline's property, improvements and facilities from any cause whatsoever, including, without limitation, any act of negligence of any tenants, occupants or other users of the Airport or any other person unless, and only to the extent, caused by the negligence of County, its agents, servants, contractors, invitees or employees. Airline shall have the right, however, to claim and recover its damages from any third party other than County who may be liable therefore.

ARTICLE XVI
INDEMNIFICATION: LIABILITY INSURANCE

- 16.1 Indemnification. Airline shall at all times hereafter indemnify, hold harmless and, defend County, its officers, agents, servants, and employees, against any and all causes of action, demands, claims, losses, liabilities and expenditures of any kind, including attorney fees, court costs, and expenses, caused or alleged to the extent caused by intentional or negligent acts or omissions of Airline, its employees, agents, contractors, subcontractors, servants, officers, or Affiliates, or accruing, resulting from, or related to the Airline's operations at the Airport or the subject matter of this Agreement including, without limitation, any and all claims, losses, liabilities, expenditures, demands or causes of action of any nature whatsoever resulting from injuries or damages sustained by any person or property except to the extent caused by the negligent acts or admissions of the County, its employees, agents, contractors, subcontractors, servants, or officers. In the event any lawsuit or other proceeding is brought against County by reason of any such claim, cause of action or demand, Airline shall, upon written notice from County, resist and defend such lawsuit or proceeding by counsel satisfactory to County or, at County's option, pay for an attorney selected by the Broward County Attorney to defend County. To the extent considered necessary by the Aviation Department and the Broward County Attorney, any sums due Airline under this Agreement (including without limitation the Security Deposit) may be retained by County until all of County's claims for indemnification pursuant to this Agreement have been settled or otherwise resolved, and any amount withheld shall not be subject to payment of interest by County. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

- 16.2 In order to insure the indemnification obligation contained above, Airline shall, at a minimum, provide, pay for, and maintain in force at all times during the term of this Agreement (unless otherwise provided), the insurance coverages as are provided for in this Article. Each insurance policy shall clearly identify the foregoing indemnification as insured. Such required insurance coverage's may be modified from time to time as agreed to by the parties.

- A. Airline shall furnish to the Director of Aviation Certificates of Insurance evidencing the insurance coverages required hereunder. The required Certificate of Insurance shall name the types, terms and limits of liability provided hereunder.
- B. Coverage is not to cease and is to remain in force (subject to cancellation notice) during the term of this Agreement. The Airline shall use commercially reasonable efforts to have all policies endorsed to provide County with at least thirty (30) days notice of cancellation and/or restriction. If any of the insurance coverages will expire prior to the termination of this Agreement, renewal certificates shall be issued within a reasonable time upon renewal.
- C. Subrogation. Notwithstanding anything to the contrary herein, Airline waives any right of recovery against County for any loss or damage to the extent the same is required to be covered by insurance pursuant to this Article XVI. Airline shall obtain from its insurers, if possible, a waiver of any subrogation the insurer may have against County in connection with any loss or damage covered by Airline's insurance.
- D. Any insurance coverage that is written on a claims-made basis must remain in force for two (2) years after the termination of this Agreement.
- E. Compliance with the County's insurance requirements shall not relieve the Airline of its liability and obligations under this Article or under any other provision of this Agreement.
- F. The amounts and types of insurance shall conform to the following minimum requirements with policies, forms and endorsements that are comparable to Insurance Service Office (ISO) requirements. Notwithstanding the foregoing, at a minimum, the wording of all policies, forms and endorsements must be reasonably acceptable to County.
 1. Workers Compensation and Employer's Liability Insurance shall be maintained in force by Airline during the Term of this Agreement for all employees engaged in the operations under this Agreement. The limits of coverage shall not be less than:

Workers' Compensation	Florida Statutory
Employer's Liability	\$1,000,000 Limit Each Accident
	\$1,000,000 Limit Disease Aggregate
	\$1,000,000 Limit Disease Each Employee

2. Liability Insurance shall be maintained by Airline for the term of this Agreement. Coverage shall include, but not be limited to, Premises and Operations, Personal Injury, Contractual for this Agreement, Independent Contractors, Broad Form Property Damage, Products and completed Operations Coverage and shall include Explosion (XCU), Collapse, Liquor Liability, Terrorism or War Risk (to the extent available from, or subsidized by, the federal government.) Coverage shall be applicable to the operation of all Airline's mobile and ground equipment at the Airport. The limits of coverage shall not be less than:

Airlines Operating Aircraft with over one hundred (100) seats:

Bodily & Personal Injury & Property Damage Liability	\$200,000,000 Combined Single Limit Each Occurrence & Aggregate
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Airlines Operating Aircraft with seventy-five (75) to one hundred (100) seats:

Bodily & Personal Injury & Property Damage Liability	\$150,000,000 Combined Single Limit Each Occurrence & Aggregate
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Airlines Operating Aircraft with fifty (50) to seventy-four (74) seats:

Bodily & Personal Injury & Property Damage Liability	\$100,000,000 Combined Single Limit Each Occurrence & Aggregate
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Airlines Operating Aircraft with less than fifty (50) seats:

Bodily & Personal Injury & Property Damage Liability	\$50,000,000 Combined Single Limit Each Occurrence & Aggregate
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3. Liability Insurance shall be maintained by Airline during the Term of this Agreement for all owned, non-owned, leased or hired aircraft, including passenger coverage. The limits of coverage shall not be less than:

Bodily & Personal Injury & Property Damage Liability	\$100,000,000 Combined Single Limit Each Occurrence & Aggregate
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4. Liquor Liability Coverage shall be maintained for any facility of Airline serving alcoholic beverages on the airport in an amount not less than \$1,000,000 per occurrence.

5. Terrorism or War Risk shall be maintained by Airline to the extent available from, or subsidized by, the federal government, in an amount not less than \$50,000,000.

6. Environmental Liability Insurance shall be maintained by the Airline in an amount not less than \$10,000,000 for sudden and accidental pollution, clean up costs or to the extent not prohibited by applicable law. Airline may provide for reasonable limits of self-insurance against environmental liability risks. All amounts paid to County by Airline on account of any self-insurance program shall be deemed insurance proceeds for purposes of this Agreement. To the extent Airline self-insures as to environmental liability, the protections afforded County by Airline shall be the same as if insurance were provided by a third-party insurer and Airline shall have all the obligations and liabilities of a third party insurer hereunder (e.g. obligation to provide a defense).

7. Business Automobile Liability Insurance shall be maintained by Airline during the Term of this Agreement as to the ownership, maintenance, and use of all owned, non-owned, leased or hired vehicles. The limits of coverage shall not be less than:

Bodily & Personal Injury & Property Damage Liability	\$5,000,000 Combined Single Limit Each Occurrence & Aggregate
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8. Umbrella Liability Insurance or Excess Liability Insurance may be used to reach the limits of liability required for the Airport Liability Policy and/or the Business Automobile Policy. The limits of coverage shall not be less than:

Umbrella or Excess Liability Policy:

\$100,000,000 Combined Single Limit Each Occurrence & Aggregate-Specific for this Agreement

\$200,000,000 Combined Single Limit Each Occurrence & Aggregate-Not Specific for this Agreement

Primary Liability Limits for the underlying Airport General Liability Coverage:

Bodily & Personal Injury & Property Damage Liability	\$10,000,000 Combined Single Limit Each Occurrence & Aggregate
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- G. Airline shall be responsible to the extent of the requirements of all Applicable Laws relative to Airline or to the County to prevent any unauthorized entry onto any part of the airport operations area of the Airport through Airline's Leased Premises.
- H. Additional Insured. Airline agrees to endorse County as additional insured, to its Liability, Umbrella or Excess Liability to the extent required under this Article XVI. The additional insured shall read "Broward County".

ARTICLE XVII
NOTICES

- 17.1 Whenever either party desires to give notice to the other, unless otherwise specified, such notice must be in writing, sent by certified United States Mail, postage prepaid, return receipt requested, or by overnight courier with receipt acknowledgment, or by hand-delivery with a request for a written receipt of acknowledgment of delivery, addressed to the party for whom it is intended at the place last specified. The place for giving notice shall remain the same as set forth herein until changed in writing in the manner provided in this section. For the present, the parties designate the following:

FOR BROWARD COUNTY:

County Administrator
Governmental Center
115 South Andrews Avenue
Fort Lauderdale, Florida 33301

with a copy to:

Director of Aviation
Broward County Aviation Department
Fort Lauderdale-Hollywood International Airport
100 Aviation Boulevard
Fort Lauderdale, Florida 33315

FOR AIRLINE:

- 17.2 All notices, approvals and consents required hereunder must be in writing to be effective.

ARTICLE XVIII
ENVIRONMENTAL COMPLIANCE, CONTAINMENT AND REMOVAL

- 18.1 Environmental Compliance: Containment and Removal

- A. Airline shall provide the Aviation Department upon request, a list of all Hazardous Materials stored, used, generated or disposed of on Airport property by Airline.

Airline shall complete the form attached to the TBLA as **Exhibit E** and shall deliver same to the County contemporaneously with its execution of this Agreement. Airline represents that, to the best of its knowledge the matters disclosed on such form will be accurate and complete as of the date of execution of this Agreement. At the request of the Aviation Department (not more than once a year) the Airline shall provide an accurate and complete update as to the matters set forth in such form.

- B. Airline agrees to comply with all Applicable Laws, including but not limited to any Environmental Laws and Development Order covering the Airport, issued pursuant to Chapter 380, Florida Statutes, including without limitation those addressing the following, if applicable to the Airline:
1. Proper use, storage, treatment and disposal of Hazardous Materials, including contracting with a licensed hazardous waste transporter and/or treatment and disposal facility to assure proper transport and disposal of Hazardous Materials.
 2. Proper use, disposal and treatment of stormwater runoff, including the construction and installation of adequate pre-treatment devices or mechanisms, if required by any Applicable Laws. The Airline shall have in place, and make available to the Aviation Department for review, all required environmental licenses and documents including, but not limited to, if applicable, a site specific Stormwater Pollution Prevention Plan, and a Spill Prevention and Countermeasures Plan.
 3. Adequate inspection, licensing, insurance, and registration of existing and future storage tanks, storage systems, and ancillary facilities to meet all requirements of all Applicable Laws, including the installation and operation of adequate monitoring devices and leak detection systems.
 4. Adequate facilities for management and, as necessary, pretreatment of Hazardous Materials and the proper disposal thereof.
 5. Compliance with reporting requirements of Title III of the Superfund Amendment and Chapter 27 of the Broward County Code of Ordinances, as applicable and as such laws may be amended from time to time.
- C. The Release of any Hazardous Materials by Airline, its Affiliate, or Airline's Parties, at the Premises occupied by Airline or its Affiliates or any other Airport property, whether caused by the Airline its Affiliates or any officers, employees, contractors, subcontractors or agents of Airline, or its Affiliates, that is in an amount that is in violation of any Applicable Laws, whether committed prior to or subsequent to the date of execution of this Agreement, shall be, at the Airline's expense, and upon demand of County or any of its agencies or any local, state, or federal regulatory agency, immediately contained or removed to meet the requirements of all Applicable Laws. If Airline does not take action immediately to have such Hazardous Materials contained, removed and abated, the County or any of its agencies may undertake the removal of the Hazardous Materials; however, any such action by the County or any of its agencies shall not relieve the Airline of its obligations under this or any other provision of this Agreement or

as imposed by law. No action taken by either the Airline or the County to contain or remove Hazardous Materials, or to abate a release, whether such action is taken voluntarily or not, shall be construed as an admission of liability as to the source of or the person who caused the pollution or its release. As used in this Agreement, "Airline's operations" and "Airline's actions" and words of similar import, shall include all actions and inaction by Airline, by its sublessees, or by any of their officers, employees, contractors, subcontractors, invitees, or agents occurring at the Premises or at other Airport property and all actions and inactions of any other person entering upon or using the Premises. Notwithstanding the foregoing, Airline shall not be liable for the presence of any Hazardous Materials at the Premises or the Airport caused by the County or other persons or entities, not an Affiliate, or one of Airline's Parties.

- D. Airline shall provide the Aviation Department with notice of Releases of Hazardous Materials occurring at any area used by Airline, its Affiliates, or Airline's Parties due to Airline's or its Affiliates or Airline's Parties operations at the Airport, which Release was caused by Airline or its Affiliates, or Airline Parties, which notices shall be provided in accordance with the requirements of the Aviation Department's policies and procedures manual. Airline shall maintain a log of all such notices and shall also maintain all records required by federal, state, County, and local laws, rules and regulations and also such records as are reasonably necessary to adequately assess environmental compliance in accordance with all Applicable Laws. Upon request by the Aviation Department, Airline shall make all documentation required by this subsection available for the review of County representatives.
- E. As required by all Applicable Law, Airline shall provide the required federal, state, County and local regulatory agencies with notice any Release of Hazardous Materials on the Premises occupied by Airline or its Affiliates or on the Airport property, which Release was caused by Airline, its Affiliates, or Airline's Parties. Airline shall further provide the Aviation Department and the County Department of Environmental Protection and Growth Management (or successor agency) with written notice within three (3) business days following commencement of same, of the measures to remediate and or monitor any Release in full compliance with all Applicable Laws. Airline shall have an updated contingency plan (or comparable document) in effect which provide minimum standards and procedures for storage of regulated Hazardous Materials and other Hazardous Materials, prevention and containment of spills and Releases, and transfer and disposal of regulated Hazardous Materials and other Hazardous Materials. The contingency plan shall describe design features, response actions and procedures to be followed in case of releases or other accidents involving Hazardous Materials.
- F. The Aviation Department, upon reasonable written notice to Airline, shall have the right to inspect all documents relating in any way to the Release of any Hazardous Materials at the Airport, the environmental condition of the Premises occupied by Airline or its Affiliates, any curative, remediation, or monitoring efforts on any Airport property by Airline, its Affiliates, or Airline's Parties and any documents required to be maintained under all Applicable Laws including but not limited to any development order issued to the County pertaining to the Airport, pursuant to Chapter 380, Florida Statutes, including, but not limited to, manifests

evidencing proper transportation and disposal of Hazardous Materials, environmental site assessments, and sampling and test results. Airline agrees to allow inspection of the Premises occupied by Airline, or its Affiliates, by appropriate federal, state, County and local agency personnel in accordance with all Applicable Laws, and as required by any development order issued to the County pertaining to the Airport, pursuant to Chapter 380, Florida Statutes.

- G. If the County, pursuant to subsection 18.1C arranges for the removal of any Hazardous Materials on the Premises or other Airport Property used or occupied by Airline, its Affiliates, or Airline's Parties, that were caused Airline, its Affiliates, or Airline's Parties, all costs of such removal incurred by the County shall be paid by Airline to the County within ten sixty (60) calendar days of County's written demand, with interest at the rate of eighteen percent (18%) per annum thereafter accruing.
- H. Nothing herein shall relieve Airline of its general duty to cooperate with the County in ascertaining the source and, containing, removing and abating any Hazardous Materials and Releases. The Aviation Department and its employees, contractors, and agents, upon reasonable written notice to Airline, and the federal, state, local and other County agencies, and their employees, contractors, and agents, in accordance with all Applicable Laws, shall have the right to enter the Premises occupied by Airline or its Affiliates for the purposes of the foregoing activities and conducting such environmental assessments (testing or sampling), inspections and audits as it deems appropriate. Any such entering of the Premises occupied by Airline or its Affiliates, by County, shall be, if possible, without unreasonable interference with Airline's operations on the Premises and at reasonable times.
- I. If any assessment or inspection undertaken by County, state or federal agencies, indicates that further actions should be conducted, then the County shall have the right to have such further actions conducted at the Airline's expense. Airline shall reimburse to the County the cost of such assessments and inspections within sixty (60) calendar days following written demand for payment, with interest at the rate of eighteen percent (18%) per annum thereafter accruing. Airline shall have the right to split any soil or water samples obtained by the County.
- J. In the event County shall arrange for the removal of Hazardous Materials on the Premises occupied by Airline that are not the responsibility of the Airline to correct, County shall use reasonable efforts to not disrupt Airline's business, however, in no event shall Airline be entitled to any abatement of rent or any amount on account of lost profits, lost rentals, or other damages as a result of County's clean-up activities.
- K. All flammable liquids that are kept or stored at the Premises must at all times be handled, stored, used and dispensed in accordance with all Applicable Laws and other requirements, as same may be amended, including without limitation any rules, regulations or minimum standards that are established by the Aviation Department for operations of Airport tenants.

- L. The provisions of this section shall survive the expiration or other termination of this Agreement.

ARTICLE XIX
RULES AND REGULATIONS

- 19.1 Airline agrees to observe and obey all rules and regulations of the Airport governing the safe conduct on and operation, maintenance and use of Airport, provided that such rules and regulations shall be furnished in writing to Airline. Aviation Department agrees that any rules and regulations so promulgated and as applied to Airline shall be reasonable and shall not be inconsistent with any constitution, law, rule or regulation of the State of Florida or the United States of America or any agency thereof having jurisdiction of the Airport System, nor in conflict with the terms, provisions, rights and privileges granted hereunder. Aviation Department further agrees to provide Airline with notice and a reasonable opportunity to comment prior to the adoption of any new or amended rules and regulations of the Airport.

ARTICLE XX
HEADINGS

- 20.1 All article and paragraph headings are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision of this Agreement.

ARTICLE XXI
CONSTRUCTION AND SAVINGS CLAUSES

- 21.1 Severance In the event this Agreement or a portion of this Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions shall continue to be effective unless County or Airline elects to terminate this Agreement. The election to terminate this Agreement based upon this provision shall be made within seven (7) calendar days after the finding by the court becomes final.
- 21.2 Airline covenants that whenever it has the right under this Agreement to disapprove a Capital Expenditure, it will do so under prudent judgment and sound management policies.
- 21.3 This Agreement shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than any other. The parties hereto acknowledge that they have thoroughly read this Agreement, including all exhibits and attachments hereto, and have sought and received whatever competent advice and counsel was necessary for them to form a full and complete understanding of all rights and obligations herein.

ARTICLE XXII
GOVERNMENT INCLUSION

- 22.1 This Agreement shall be subordinate to the provisions of any existing or future agreements between County and the United States government relative to the operation or maintenance of Airport, the execution of which has been or will be required as a condition precedent to the granting of federal funds, the transfer of federal rights or property to the County for Airport purposes, or the expenditure of federal funds for the

improvements or development of Airport to the extent that the provisions of any such existing or future agreements are generally required by the United States or other civil airports receiving federal funds. County agrees to give Airline written notice in advance of the execution of such agreements of any provisions which will modify the terms of this Agreement. This Agreement is subject and subordinate to the terms and conditions of the instruments and documents under which the County acquired the Airport from the United States of America and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in such instruments and documents and any existing or subsequent amendments thereto.

- A. Airline, for itself, its successors in interest and assigns, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the Airline Premises; (2) in the construction of any improvements on, over, or under the Airline Premises and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) Airline will use the Airline Premises in compliance with all other requirements imposed by or pursuant to 14 CFR 152 and Title VI of the Civil Rights Act of 1964, and as said Title and Regulations may be amended. Airline shall comply with laws of the State of Florida prohibiting discrimination on the basis of sex, religion, age or physical handicap. Should the Airline authorize another person, with County's prior written consent, to provide services or benefits upon the Airline Premises, Airline shall obtain from such person a written agreement pursuant to which such person shall, with respect to the services or benefits which it is authorized to provide, undertake for itself the obligations contained in this section. Airline shall furnish a copy of such agreement to County.
- B. County may from time to time be required by the United States government, or its agencies to adopt additional or amended provisions including nondiscrimination provisions, concerning the use and operation of Airport, and Airline agrees that it will adopt any such requirements as a part of this Agreement.
- C. Notwithstanding anything herein contained that may be or appear to the contrary, the rights, privileges and licenses granted under this Agreement are "non-exclusive" and County reserves the right to grant similar privileges to other Air Carriers on other parts of Airport.
- D. Airline shall comply with all applicable regulations of the FAA and the TSA relating to Airport security and shall control the Airline Premises so as to prevent or deter unauthorized persons from obtaining access to the air operations of Airport.
- E. County reserves unto itself, its successors, and assigns for the use and benefit or the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises, for navigation or flight in the said airspace for landing on, taking off from or operating on Airport.

- 22.2 Federal Government's Emergency Clause All provisions of this Agreement shall be subordinate to the rights of the United States of America to operate the Airport or any part

thereof during time of war or national emergency. Such rights shall supersede any provisions of this Agreement inconsistent with the operations of the Airport by the United States of America.

- 22.3 Federal Aviation Act, Section 308 Nothing herein contained shall be deemed to grant the Airline any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act, as codified in Title 49 U.S.C. Section 40103, et. seq., for the conduct of any activity on the Airport. It is expressly understood and agreed that the privileges granted under this Agreement are non-exclusive and the County reserves the right to grant similar privileges to another Airline or other users of the Airport facilities.
- 22.4 Right to Amend In the event that the United States Government or its departments or agencies requires modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of the Airport, or otherwise, the Airline agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Agreement as may be reasonably required (collectively, an "amendment"). Notwithstanding the foregoing, in the event any such amendment would unreasonably interfere with the business operations of Airline, then Airline may refuse to consent to such amendment, provided that Airline must give immediate notice to the County of any such refusal to consent and such notice must state with specificity the reasons for any such refusal. The County shall have the right to immediately terminate this Agreement upon the failure of Airline to consent to any such amendment.
- 22.5 Development and Expansion of Airport It is mutually agreed that County shall have the right to develop, maintain, and operate the Airport as it deems advisable and desirable, in accordance with such appropriate governmental authority and regulation as may be applicable, and that County shall have the right to make such subsequent agreements with the Federal Government as may be necessary or advisable in connection with Federal financing of Airport improvements, alterations, or modifications. Airline acknowledges that County is seeking federal, state, and local approvals for the expansion of the Airport.
- 22.6 Police/Regulatory Powers County cannot, and hereby specifically does not, waive or relinquish any of its regulatory approval or enforcement rights and obligations as it may relate to regulations governing the premises, any improvements thereon, or any operations at the premises. Nothing in this Agreement shall be deemed to create an affirmative duty of County to abrogate its sovereign right to exercise its police powers and governmental powers by approving or disapproving or taking any other action in accordance with its zoning and land use codes, administrative codes, ordinances, rules and regulations, federal laws and regulations, state laws and regulations, and grant agreements. In addition, nothing herein shall be considered zoning by contract.

ARTICLE XXIII SPECIAL PROVISIONS

23.1 Aviation Regulations

Airline agrees to comply with all applicable federal rules, regulations and requirements, in the course of their operations, as may be promulgated from time to time. Said rules, regulations and requirements shall include, but not be limited to, the Federal Department

of Transportation, the Federal Aviation Administration (FAA), the Federal Department of Homeland Security/Transportation Security Administration (TSA) and US Customs and Border Patrol. Airline shall comply with such rules, regulations and requirements of the County and the Aviation Department, including the Airport Security Program, as may reasonably be prescribed and Airline shall take such steps as may be necessary to ensure that their officers, employees, sublessees, contractors, invitees, agents, and Affiliates comply with all applicable federal, County and Aviation Department rules, regulations and requirements. If as a result of the acts or omissions of Airline, its officers, employees, sublessees, contractors, invitees, agents or Affiliates, the County incurs any fines or penalties imposed by any governmental agency as a result of the action(s) or inaction(s) of the Airline, or its officers, employees, sublessees, contractors, invitees, agents, or Affiliates, or any cost or expense in enforcing any rules, regulations or requirements of any governmental agency, the Airline agrees to reimburse the County for all such fines, penalties, costs and expenses, including the cost of administrative proceedings, court costs and attorney's fees. Airline further agrees to cure all deficiencies, violations and noncompliance as may be determined by the Aviation Department or the United States Department of Transportation, or any other governmental agency with jurisdiction. In the event Airline fails to remedy any such deficiency, violation or noncompliance to the satisfaction of the Aviation Department or the violating agency, as applicable, the County may cure any deficiency, violation or noncompliance at the sole cost and expense of Airline, and Airline shall remit such amounts to County within thirty (30) days of the date of invoice received from the Aviation Department.

- 23.2 Airline shall not unlawfully discriminate against any person in its operations and activities or in its use or expenditure of funds in fulfilling its obligations under this Agreement. Airline shall affirmatively comply with all applicable provisions of the Americans with Disabilities Act (ADA) in the course of providing any services funded by County, including Titles I and II of the ADA (regarding nondiscrimination on the basis of disability), and all applicable regulations, guidelines, and standards. In addition, Airline shall take affirmative steps to ensure nondiscrimination in employment against disabled persons.
- A. Airlines decisions regarding the delivery of services under this Agreement shall be made without regard to or consideration of race, age, religion, color, gender, sexual orientation (Broward County Code, Chapter 16 1/2), national origin, marital status, physical or mental disability, political affiliation, or any other factor which cannot be lawfully used as a basis for service delivery.
- B. Airline shall not engage in or commit any discriminatory practice in violation of the Broward County Human Rights Act (Broward County Code, Chapter 16 1/2) in performing any services pursuant to this Agreement.
- 23.3 Amendments Except as may be specifically provided herein, no modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement and executed by the Board of Commissioners and all **Signatory** Airlines.
- 23.4 Prior Negotiations This Agreement incorporates and includes all prior negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained herein and the parties agree that there are no commitments,

agreements or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

- 23.5 Termination of Prior Agreements on the Commencement Date From and after the Commencement Date, this Agreement shall supersede and replace all Prior Agreements between Airline and County and any amendments, addendums, and renewals thereof. From and after the Commencement Date, the provisions of all of the Prior Agreements shall terminate and no longer be of any force or effect except for obligations and liabilities that accrued prior to the Commencement Date of this Agreement, and for provisions of the Prior Agreements that by their express terms survive the termination thereof. The parties agree that the rights and obligations under the agreements set forth in **Exhibit C**, attached hereto and made a part hereof, shall survive the termination of the Prior Agreements, notwithstanding if any obligations contained therein have not accrued prior to Commencement Date of this Agreement.
- 23.6 Jurisdiction/Waiver of Jury Trial Airline hereby irrevocably submits to the jurisdiction of Florida's state or federal courts in any action or proceeding arising out of or relating to this Agreement and hereby irrevocably agrees that all claims in respect to such action or proceeding may be heard and determined in Broward County, Florida, the venue situs. The parties agree that this Agreement shall be construed and interpreted according to the laws of the State of Florida. **To encourage prompt and equitable resolution of any litigation that may arise hereunder, the parties hereby waive any rights either may have to a trial by jury of any such litigation.**
- 23.7 Agent for Service of Process It is expressly understood and agreed that if the Airline is not a resident of the State of Florida, or is an association or partnership without a member or partner resident of said state, or is a foreign corporation, then in any such event the Airline does designate the Secretary of State, State of Florida, its agent for the purpose of service of process in any court action between it and the County arising out of or based upon this Agreement, and the service shall be made as provided by the laws of the state of Florida for service upon a non-resident, who has designated the Secretary of state as agent for service. It is further expressly agreed, covenanted, and stipulated that, if for any reason, service of such process is not possible, and as an alternative method of service of process, Airline may be personally served with such process out of this state by certified mailing to the Airline at the address set forth herein. Any such service out of this state shall constitute valid service upon the Airline as of the date of mailing. It is further expressly agreed that the Airline is amenable to and hereby agrees to the process so served, submits to the jurisdiction, and waives any and all objections and protest thereto.
- 23.8 Successors and Assigns Bound This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto where permitted by this Agreement.
- 23.9 Priority of Provisions If there is a conflict or inconsistency between any term, statement, requirement, or provision of any exhibit attached hereto, any document or events referred to herein, or any document incorporated into this Agreement by reference and a term, statement, requirement, or provision of this Agreement, the term, statement, requirement, or provision contained in Articles 1 through 24 of this Agreement shall

prevail and be given effect.

- 23.10 Third Party Beneficiaries Neither Airline nor County intends to directly or substantially benefit a third party by this Agreement. Therefore, the parties agree that there are no third party beneficiaries to this Agreement and that no third party shall be entitled to assert a claim against either of them based upon this Agreement.
- 23.11 Independent Contractor/Relationship of Parties The relationship of County and Airline hereunder is the relationship of lessor or Airline. Services provided by Airline shall be subject to the supervision of Airline and such services shall not be provided by Airline, or its agents as officers, employees, or agents of the County. The parties expressly acknowledge that it is not their intent to create any rights or obligations in any third person or entity under this Agreement. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partners, joint ventures, or any other similar relationship between the parties hereto.
- 23.12 Incorporation by Reference The truth and accuracy of each Whereas clause set forth above is acknowledged by the parties. The attached **Exhibits A, B and C** are incorporated into and made a part of this Agreement.
- 23.13 Survival Upon termination or expiration of this Agreement, the parties to this Agreement shall remain liable for all obligations and liabilities that have accrued prior to the date of termination or expiration. Notwithstanding any provision of this Agreement to the contrary, no obligation which accrued but has not been satisfied under any previous agreements between the parties, shall terminate or be considered canceled upon execution of this Agreement. Rather, such obligation shall continue as if it had accrued under this Agreement until the obligation is satisfied.
- 23.14 All personal pronouns used in this Agreement shall include the other gender, and the singular shall include the plural, and vice versa, unless the context otherwise requires. Terms such as "herein", "hereof", "hereunder", and "hereinafter" refer to this Agreement as a whole and not to any particular sentence, paragraph, or section where they appear, unless the context otherwise requires. Whenever reference is made to a section of this Agreement, such reference is to the section as a whole, including all of the subsections and subparagraphs of such section, unless the reference is made to a particular subsection or subparagraph of such section.
- 23.15 Federal Preemption Nothing contained in this Agreement is intended, nor shall be construed, as a waiver by either party of any right to assert any claim or defense, or raise any issue in any context or forum including, but not limited to, a court or administrative forum, regarding the preemption by federal law, including but not limited to the Airline Deregulation Act (49 U.S.C. § 41713), of any state or local law, ordinance, or the rules and regulations.
- 23.16 Multiple Originals This Agreement may be fully executed in up to five (5) copies by all parties, each of which, bearing original signatures, shall have the force and effect of an original document.

ARTICLE XXIV
CONFORMITY OF LEASE

24.1 In the event that County enters into an agreement which makes available to any other Scheduled Air Carrier at Airport more favorable terms, rights, licenses or privileges than are available to Airline, then the same shall be concurrently and automatically made available to Airline.

IN WITNESS WHEREOF, the parties have made and executed this Airline-Airport Lease and Use Agreement on the respective dates under each signature: BROWARD COUNTY through its BOARD OF COUNTY COMMISSIONERS, signing by and through its Mayor or Vice Mayor, authorized to execute same by Board action on the ____ day of _____, 2011, and _____ signing by and through its _____, duly authorized to execute same.

AIRLINE

ATTEST:

Secretary

(CORPORATE SEAL)

By: _____
Title: _____
____ day of _____, 20 ____

WITNESS:

**AIRLINE-AIRPORT LEASE AND USE AGREEMENT BETWEEN
BROWARD COUNTY AND _____**

COUNTY

ATTEST:

BROWARD COUNTY, by and through
its Board of County Commissioners

Broward County Administrator, as
Ex-officio Clerk of the Broward County
Board of County Commissioners

By _____
Mayor

____ day of _____, 20 ____

Insurance requirements
approved by Broward County
Risk Management Division

By _____

Approved as to form by
Office of the County Attorney
for Broward County, Florida
JONI ARMSTRONG COFFEY
County Attorney
Governmental Center, Suite 423
115 South Andrews Avenue
Fort Lauderdale, Florida 33301
Telephone: (954) 357-7600
Telecopier: (954) 357-7641

By _____
Tracy Meyer
Assistant County Attorney

By _____
Christine C. Lee
Senior Assistant County Attorney

TLM
SigLeaseandUse
11-071.85
08/20/11

SIGNATORY TERMINAL BUILDING LEASE AGREEMENT

BETWEEN

BROWARD COUNTY

AND

**SIGNATORY TERMINAL BUILDING LEASE AGREEMENT
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**SIGNATORY TERMINAL BUILDING
LEASE AGREEMENT**

THIS SIGNATORY TERMINAL BUILDING LEASE AGREEMENT (hereafter "TBLA" or "Agreement") is entered into by and between Broward County, a political subdivision of the State of Florida ("County") and _____, organized and existing under the laws of the State of _____ and legally authorized to do business in the State of Florida ("Airline").

W I T N E S S E T H:

WHEREAS, County is the owner of the Fort Lauderdale-Hollywood International Airport, located in Broward County, state of Florida ("Airport"); and

WHEREAS, County has the right to lease and license the use of property on the Airport and has full power and authority to enter into this TBLA in respect thereof; and

WHEREAS, Airline, as duly authorized by governmental authority, is engaged in the airline service business with respect to persons, property and mail at the Airport and elsewhere; and

WHEREAS, Airline has signed or will sign contemporaneously with this TBLA an Airline-Airport Lease and Use Agreement; and

WHEREAS, Airline requires the use of certain specific premises, facilities, rights and privileges in connection with its use of the Airport and County is willing to assign, license and grant the same to Airline upon the terms and conditions hereinafter stated;

NOW, THEREFORE, in consideration of the agreements set forth herein, County and Airline agree as follows:

**ARTICLE I
DEFINITIONS**

The following words, terms and phrases wherever used in this TBLA shall, for the purpose of this Agreement, have the following meanings:

- 1.1 **Affiliate** shall mean, as the context allows, both a "Wholly Owned Affiliate" of Airline, and a "Non-Wholly Owned Affiliate" of Airline, so long as Airline remains a "Signatory Airline," as defined below. A "Wholly Owned Affiliate" is defined as a Scheduled Air Carrier that is (i) one hundred percent (100%) directly or indirectly owned by a Signatory Airline or (ii) one hundred percent (100%) directly or indirectly owned by a parent company which also has a one hundred percent (100%) direct or indirect ownership in a Signatory Airline. A "Non-Wholly Owned Affiliate" is defined as any Scheduled Air Carrier that operates at the Airport under essentially the same trade name as a Signatory Airline and uses essentially the same livery as the Signatory Airline. The foregoing ownership interests and relationships must be established by the Airline to the reasonable satisfaction of the Aviation Department.

- a. So long as Airline is a Signatory Airline, a Wholly Owned Affiliate of Airline will be

treated as a Signatory Airline for the purposes of calculating landing fees, as prescribed by **Exhibit B** of the "Signatory Agreement," as defined herein; and

- b. So long as Airline is a Signatory Airline, both a Wholly Owned Affiliate of Airline and a Non-Wholly Owned Affiliate of Airline will be treated as a Signatory Airline for the purposes of calculating terminal rental rates as prescribed by **Exhibit B** of the Signatory Agreement.

- c. For the purposes of this Agreement and the Signatory Agreement executed by Airline contemporaneously herewith, Signatory Airline shall guarantee and be responsible for, all payments, rates and fees of its Affiliates, to County.

- 1.2 **Airline's Operations and Airline's Actions** and words of similar import, shall include all operations, actions and inaction: (i) by Airline or by any of Airline's Parties whether before or after the Effective Date of this Agreement.

- 1.3 **Airline's Parties** shall mean the officers, agents, employees, partners, contractors, subcontractors, sublessees, guests and invitees of Airline and its Affiliates.

- 1.4 **Airport** shall mean the Fort Lauderdale-Hollywood International Airport, which is owned and operated by the County.

- 1.5 **Applicable Laws** shall mean all "**Environmental Laws**," as defined below in Section 1.10, and all other laws, codes, advisory circulars, rules, regulations and ordinances of any governmental or quasi-governmental entity having jurisdiction over the Airport or activities on the Airport, including federal, state, County, local and any quasi-governmental agencies, laws, codes, advisory circulars, rules, regulations and ordinances.

- 1.6 **Aviation Department** shall mean the County's Aviation Department or such other named County organization that from time to time may exercise functions equivalent or similar to those now exercised by the Aviation Department.

- 1.7 **Board of Commissioners** shall mean the Board of County Commissioners of Broward County, Florida, which is the governing body of the Broward County government created by the Broward County Charter.

- 1.8 **County** shall mean Broward County, a political subdivision of the State of Florida.

- 1.9 **Director of Aviation or Director** shall mean the person designated Director of Aviation by the Board of Commissioners or such other person, division, department, bureau, or agency as may be designated by the Board of Commissioners from time to time to exercise functions equivalent or similar to those now exercised by the Director of Aviation; the term also includes any person expressly designated by the Director of Aviation to exercise rights and/or obligations empowered in the "Director" under this Agreement.

- 1.10 **Environmental Laws** shall mean all applicable federal, state, and local statutes, ordinances, regulations, rules, laws, permits, and orders relating to the generation, use, storage, transportation, or disposal of Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resources Conservation and

Recovery Act of 1976 (42 U.S.C. Section 9601, et seq.), the Clean Water Act (33 U.S.C. Section 1251, et seq.), the Safe Drinking Water Act (14 U.S.C. Section 401, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.), and the Toxic Substance Control Act (15 U.S.C. Section 2601, et seq.).

- 1.11 **Environmental Site Assessment or "ESA"** shall mean a document based on one or more environmental site assessments, examinations, inspections, tests, inquiries and surveys necessary to identify recognized environmental conditions, contamination, and the presence of any Hazardous Materials in, on, or under the surface of the Leased Premises.
- 1.12 **Exclusive Use Premises** shall mean those portions of the "Terminal," as defined below, leased exclusively to Airline, as shown in **Exhibit A**, attached hereto.
- 1.13 **Effective Date** shall mean the date specified in Article IV.
- 1.14 **FAA** shall mean the Federal Aviation Administration, an agency of the United States Government, or any successor agency.
- 1.15 **Fiscal Year** shall mean the then current annual accounting period of the County for its general accounting purposes which period, at the time of entering into this Agreement, is the period of twelve (12) consecutive calendar months ending with the last day of September of any year.
- 1.16 **Gate** shall mean an aircraft passenger loading position, together with the adjacent aircraft parking position on the Ramp Area, loading bridge and holdroom, and any other facilities as the Aviation Department may designate.
- 1.17 **Hazardous Material** shall mean any material or substance identified, listed, or defined as a "hazardous waste," "hazardous substance," "pollutant" or "contaminant" under applicable Environmental Laws, which term shall include asbestos and asbestos-containing materials; petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids.
- 1.18 **Joint Use Formula** shall mean the formula for apportionment of the total monthly rental for Joint Use Area (as defined in Section 1.19, below) among Scheduled Air Carriers at the Airport on the basis of: (i) twenty percent (20%) of the total monthly rental apportioned evenly among all Scheduled Air Carriers that use the Joint Use Area, and (ii) the remaining eighty percent (80%) of the total monthly rental apportioned among all Scheduled Air Carriers that use the Joint Use Area on the ratio of each Scheduled Air Carrier's domestic and internationally pre-cleared deplaning passengers to the total number of domestic and international pre-cleared deplaning passengers of all such Scheduled Air Carriers that use the Joint Use Area. Such 80% apportionment shall be computed on the prior month's activities. Airline shall be grouped with its Affiliates as a single entity for apportioning the 20% amount under (i), above. For purposes of subparagraph (ii), above, "deplaning passengers" shall include those of Airline and its Affiliates. If the Airline ceases service at the Airport before the expiration of the term of this TBLA, the Airline shall remain responsible for paying its pro rata share of the 20% Joint Use Formula apportionment throughout the remainder of the term of this TBLA. Notwithstanding the foregoing, any Leased Premises returned to County pursuant to the terms of Sections 2.6.1, 2.6.5, or 7.8 shall not be used in the Joint Use Formula and

Airline shall not remain responsible to pay any rentals, rates or fees for the square footage related thereto following the return of such premises to the County. For purposes of this calculation, County shall estimate the number of deplaned passengers for any new Scheduled Air Carrier which has not operated at the Airport during any prior month.

- 1.19 **Joint Use Area or Joint Use Premises** shall mean that portion of the Terminals, along with all facilities, improvements and equipment located therein as designated for the non-exclusive use in common by Airline, other airlines, the public, and other duly authorized users of the Airport, as set forth in **Exhibit A**, as may be amended from time to time.
- 1.20 **Leased Premises, Premises, or Airline Premises** shall mean the Exclusive Use Premises, Preferential Use Premises, and Joint Use Premises leased to Airline, as shown on **Exhibit A**, attached hereto and made a part hereof.
- 1.21 **Preferential Use Premises** shall mean those portions of the Terminal and Gates assigned to Airline as shown in **Exhibit A**, to which Airline shall have priority over other users, subject to the provisions of this TBLA.
- 1.22 **Prior Agreements** shall include the following agreements, between the Airline and the County that are in existence immediately prior to the Effective Date of this TBLA: any Airline-Airport Lease and Use Agreement, Airline-Airport Lease and Use Agreement and Addendum, Terminal Building Lease Agreement and Field Usage Agreement, all as amended modified or revised, prior to the Effective Date. The provisions of the Prior Agreements are terminated as of the Effective Date of this Agreement, except as provided in Section 16.9.
- 1.23 **Ramp Area** shall mean the aircraft parking and maneuvering areas adjacent to a Terminal building.
- 1.24 **Release** shall mean any spilling, leaking or discharging into the environment.
- 1.25 **Scheduled Air Carrier** shall mean any airline providing scheduled air transportation services to and from Airport, at any relevant point in time, which airline shall hold any necessary authority to provide such transportation from the appropriate federal or state agencies having jurisdiction to grant such authority, if required under applicable law.
- 1.26 **Signatory Agreement** shall mean the Airline-Airport Lease and Use Agreement, executed by the County and the Airline contemporaneously with this TBLA, and all amendments thereto.
- 1.27 **Signatory Airline** shall mean any Scheduled Air Carrier that: (i) leases at least one gate and the associated hold room; and (ii) leases a minimum of 4,000 square feet of Type 1, Type 2 or Type 3 space, as described in **Exhibit B**, of the Signatory Agreement, which space may consist of any combination of the following: (1) Ticket Counter, (2) Airline Ticket Office, (3) Other Terminal Office Space, (4) Baggage Service Office, (5) Baggage Makeup Device, or (6) Curbside and/or Operations Space, as described in **Exhibit B** of the Signatory Agreement, and (iii) has entered into and has in effect with the County both: (1) a Terminal Building Lease Agreement substantially similar to this Agreement, and (2)

an Airline-Airport Lease and Use Agreement, substantially similar to the "Signatory Agreement," as defined in Section 1.26.

1.28 **Terminal Building Lease Agreement or TBLA** shall mean Articles 1 through 17, inclusive, of this Signatory Terminal Building Lease Agreement together with the exhibits and schedules which are attached to this TBLA and made a part hereof and the other documents that are expressly incorporated herein by reference

1.29 **Terminal** shall mean the terminal buildings at the Airport, including any expansion thereof or any improvement thereto.

Additional words and phrases used in this Agreement but not defined herein shall have the meanings as defined, or, if not so set forth, shall be as defined in this Agreement or the Signatory Agreement, or if not defined therein, shall have their usual and customary meaning.

ARTICLE II LEASE OF PREMISES AND USE OF AIRPORT

2.1 **Premises.** Subject to the terms and conditions hereof, County does hereby lease and demise to Airline, the Leased Premises described and depicted on **Exhibit A**, attached hereto and made a part hereof.

2.1.1 Exclusive Use Premises shall include airline ticket offices, bag service offices, VIP lounges, other offices, ticket counters, and operations areas, as depicted in **Exhibit A**.

2.1.2 Preferential Use Premises shall include holdrooms, curbside check-in, baggage make-up devices, and preferentially assigned Gates, as depicted in **Exhibit A**.

2.1.3 Joint Use Premises shall be the baggage claim area, as depicted in **Exhibit A**.

2.2 **Assignment of Preferential Use Premises to Signatory Airlines.**

2.2.1 The Aviation Department shall provide to the Airline and other Signatory Airlines, the opportunity to preferentially lease one or more Gates (as Preferential Use Premises) based upon flight activity. The following "Gate Utilization Standards," as defined below, have been established. Airline and its Affiliates, and all other Signatory Airlines, are required to meet the following requirements set forth in either (1) or (2) below, for each preferentially leased Gate that Airline, or other Signatory Airline desires to lease:

- (1) A minimum of six (6) departing flights and six hundred (600) departing seats, per Gate, per day, to be scheduled on an annualized basis; or
- (2) Eight hundred (800) departing seats per Gate, per day, to be scheduled on an annualized basis.
- (3) Based on the calculation set forth in either subsection (1) or (2), above, the number of Gates eligible for preferential lease by Airline, or other Signatory Airline, shall be determined and rounded up to the next whole number of Gates, if a fraction is determined.

- (4) The initial allocation of preferentially leased Gates to Signatory Airlines on the Commencement Date of this Agreement shall be based on the Gate Utilization Standards applied to the average of the actual flight activity and departed seats during the period of time from July 1, 2010 through June 30, 2011. Provided Gates are available, the number of Gates eligible to be assigned to Airline as Preferential Use Premises will be determined based on this calculation and rounded up to the next whole number of Gates, if a fraction is determined.

2.2.2 In the event Airline's schedule fails to meet the above Gate Utilization Standards for each of its preferentially leased Gates during the previous twelve (12) calendar months, on an annualized basis, from the date the Aviation Department reviews the Gate Utilization Standards for any of Airline's preferentially leased Gates, the Aviation Department shall have the authority to remove any preferentially leased Gates from Airline's Preferential Use Premises. In the event of any change, as provided hereunder, then upon written notice, from the Aviation Department to remove such Gates from Airline's Preferential Use Premises ("Notice to Reassign"), Airline shall be required to move out of such areas, and shall, at its sole cost, remove all proprietary fixtures and equipment, therefrom, unless otherwise agreed to in writing by Aviation Department and the Airline. Airline shall also execute an amendment to **Exhibit A**, reflecting such change to the Preferential Use Premises, and the amendment shall set forth the effective date of the change in the Leased Premises, and the rentals payable hereunder shall be adjusted as necessary according to the change made to **Exhibit A**. **The Director of Aviation is authorized to execute any amendments pursuant to this subsection 2.2.2.**

- (1) For the purposes of determining whether the Gate Utilization Standards have been met, the Aviation Department shall use the average of all of the Airline's departing flights and departing seats from all of Airline's preferentially leased Gates when applying the calculations set forth in 2.2.1(1) and 2.2.1(2) above.

2.2.3 Notwithstanding the above, prior to the Aviation Department removing any preferentially leased Gate from Airline's Preferential Use Premises, Airline shall have ninety (90) calendar days from the date of the Notice to Reassign, to submit to the Aviation Department, proof that its schedule has returned to the required Gate Utilization Standards. The Aviation Department, after review of the proof submitted by Airline, shall determine, in its reasonable discretion whether or not the Airline meets the Gate Utilization Standards. In accordance with its decision made pursuant to this subsection 2.2.3, the Aviation Department shall either determine to remove Airline's preferentially leased Gates pursuant to subsection 2.2.2 above or determine not to remove the preferentially leased Gates.

2.2.4 During the Term of this Agreement, Airline may request in writing to the Aviation Department ("Request for Additional Preferential Gates"), the desire to preferentially lease additional Gates as Preferential Use Premises if its flight activity meets the Gate Utilization Standards, as determined by the Aviation Department. The Aviation Department shall have the right, in its reasonable determination, to approve or deny the Airline's Request for Additional Preferential

Gates. In the event the Aviation Department denies the Airline's Request for Additional Preferential Gates, the Airline shall have the option, so long as Airline has met the Gate Utilization Standards during the previous twelve (12) calendar months, to utilize a County Gate on a per use basis under the following conditions:

- (1) Notwithstanding any other provisions in this Agreement, for the purpose of this subsection 2.2.4, all scheduling for the Gates utilized pursuant to this subsection 2.2.4, shall be within the reasonable discretion of the County.
- (2) Airline, if it determines to utilize this option, shall pay to County on a monthly basis, the fee set forth in (3) below for a twelve (12) calendar month period, notwithstanding Airline's actual use of the Gate.
- (3) The fee for the use of a County Gate pursuant to this subsection 2.2.4, shall be equal to the monthly per square foot amount that Airline would pay pursuant to **Exhibit B** of the Signatory Agreement for a Gate leased as Preferential Use Premises on that concourse where the County Gate will be used, notwithstanding Airline's actual use of the Gate.
- (4) In no event shall the use of the County Gate pursuant to this subsection be for a period greater than twelve (12) calendar months. In order to exercise the option provided for in this subsection 2.2.4 subsequent to the expiration of the twelve (12) calendar month period, Airline will be required to submit a new written Request for Additional Preferential Gates to the Aviation Department for its consideration and determination pursuant to this subsection 2.2.4.

2.3 Accommodation of All Scheduled Air Carriers.

- 2.3.1 Airline and the Aviation Department acknowledge that it is the Aviation Department's objective to offer airlines desiring to serve the Airport access to the Airport and to provide adequate Gate positions and space in the Terminals. Recognizing that physical and financial limitations may preclude timely expansion of the Terminals and associated apron areas to meet the stated requests of Airline and all other Scheduled Air Carriers ("Requesting Airline") for additional facilities, County intends to pursue the objective of achieving a reasonable balance in the overall utilization of the Terminals and associated apron areas to be achieved, if necessary, through sharing, from time to time, of Gate positions and other passenger handling facilities as further set forth in this Agreement.
- 2.3.2 The County shall, to the extent practicable, accommodate a Requesting Airline by utilizing space in the Terminal or Gate areas in the following order and manner: (i) County Gates which are not leased; (ii) Gates which are leased to a sublessee of Airline or another Signatory Airline, under a County approved sublease; (iii) Preferential Use Premises, as provided in this Agreement; (iv) reassignment of Preferential Use Premises as provided in this Agreement; (v) expansion of the Airport Terminal buildings, if in County's reasonable

determination, expansion is practical, necessary and desirable and approved by the necessary parties and governmental agencies.

2.4 Accommodation of Scheduled Air Carriers on Preferential Use Premises.

- 2.4.1 Airline shall cooperate with the Aviation Department to accommodate the needs of a Requesting Airline, as deemed necessary by County, by permitting such Requesting Airline to utilize Airline's Preferential Use Premises for the time period(s) necessary to permit passenger loading and unloading operations in conjunction with the scheduled operations of such Requesting Airline at times when the use of such facilities shall not interfere with Airline's or its Affiliates planned operations or those of its County-approved sublessees.
- 2.4.2 If the Aviation Department has no available Gates or other areas in the Terminals to accommodate the needs of a Requesting Airline, then Airline shall coordinate directly with a Requesting Airline for the shared use of Airline's Preferential Use Premises.
- 2.4.3 Any accommodation of a Requesting Airline by Airline shall be reflected in an agreement which shall be subject to the written approval of the Aviation Department prior to such agreement becoming effective. The Aviation Department's approval shall be subject to the Requesting Airline entering into an agreement with County to operate at the Airport.
- 2.4.4 In determining if Airline shall be required to accommodate a Requesting Airline, the Aviation Department shall take into account Airline's own requirements and contractual obligations and the compatibility of said Requesting Airline's proposed operations with those of Airline and its Affiliates. In the event the Aviation Department has unassigned Gates which can reasonably accommodate the needs of said Requesting Airline, the Aviation Department may determine, in its reasonable discretion, not to require Airline to accommodate a Requesting Airline.
- 2.4.5 Airline shall not be required to accommodate a Requesting Airline if all of Airline's Gate positions are occupied by Airline's flights or flights of other airlines already being accommodated by Airline for schedule, weather, or mechanical reasons at the time of said flight needing to be accommodated. If Airline accommodates a Requesting Airline then said Requesting Airline shall be required to vacate Airline's Gate position at least sixty (60) minutes prior to Airline's or its Affiliates next scheduled flight arrival at said Gate position.
- 2.4.6 Nothing contained in this Article II shall prevent or prohibit Airline from entering into a sublease agreement in accordance with Article X herein, with other Scheduled Air Carriers authorized to operate into and out of the Airport and desiring the joint use of Airline's Preferential Use Premises.
- 2.4.7 Airline shall cooperate with the Aviation Department to accommodate other airlines from time to time, as deemed necessary, in the Aviation Department's reasonable discretion, for situations including, but not limited to unscheduled flights, including charters, diversions due to weather, and other circumstances not otherwise accommodated or handled by a Signatory Airline.

2.5 Accommodation on Baggage Makeup.

- 2.5.1 Airline shall cooperate with the Aviation Department to accommodate the needs of a Requesting Airline by permitting such Requesting Airline to utilize Airline's baggage makeup device for the time periods necessary to permit the Requesting Airline to operate its air transportation business in conjunction with the scheduled operations of such Requesting Airline at times when the use of such facilities shall not interfere with Airline's or its Affiliates', planned operations or the planned operations of Airline's County approved sublessees.
- 2.5.2 The Aviation Department may determine, in its reasonable discretion not require Airline to accommodate a Requesting Airline if the Aviation Department has any baggage makeup device premises which are not leased, which can reasonably accommodate the needs of said Requesting Airline.

2.6 Relocation, Change of Locations.

- 2.6.1 In order to optimize passenger flow and use of the Airport facilities, and minimize future capital construction, the Aviation Department shall have right to relocate any of Airline's Premises to alternative locations and facilities than that reflected on **Exhibit A**, if the Aviation Department determines in its reasonable discretion after consultation with the Airline, that such relocation is required to make sufficient contiguous space to accommodate the expansion or growth of another Signatory Airline or to utilize the Airport Terminal facilities in a fair and efficient manner. The Aviation Department will provide Airline at least ninety (90) calendar days advance written notice of any such relocation ("Notice to Relocate"), and upon such Notice to Relocate from the Aviation Department, Airline shall be required to move into or out of such designated areas on the date set forth in the Notice to Relocate. In any such event, Airline shall execute an amendment to **Exhibit A**, reflecting such change to the Premises, which amendment shall include the effective date of the change to the Leased Premises, and the rentals payable hereunder shall be adjusted as necessary according to the change made to **Exhibit A**. The Director of Aviation is authorized to execute any amendment pursuant to the provisions of this Section 2.6.
- 2.6.1.1 County will reimburse the reasonable out of pocket costs incurred by Airline to complete such relocation, including without limitation, all installation costs. Airline's relocated Premises shall be comparable in size though not necessarily identical in square footage, quality, appearance, layout or appointments, to the Premises being vacated by Airline. County shall have no obligation to reimburse Airline for any costs incurred by Airline, if the relocation is necessary to accommodate Airline's expansion or growth.
- 2.6.2 Airline may request, in writing to Aviation Department, to relocate from any of its Leased Premises, as reflected on **Exhibit A**, which request may be accepted or denied by the Aviation Department, in its reasonable discretion. Airline shall pay all costs and expenses related to any relocation that it requests.
- 2.6.3 Unless Airline is released from its obligation pursuant to subsection 2.6.1, 2.6.5, or Section 7.8 of this Agreement, Airline shall at all times during the Term of this

Agreement be responsible and obligated to pay to the County, at a minimum, the rentals, fees, and charges for all of the Leased Premises, as reflected on **Exhibit A**, as of the Commencement Date of this Agreement, plus all additional Leased Premises added to **Exhibit A**, under amendments subsequent to the Commencement Date. Notwithstanding the above, Airline's obligation to pay for rentals, fees and charges for the Leased Premises that are reflected on **Exhibit A** on the Commencement Date of this Agreement, may be decreased if the Aviation Department reassigns any of Airline's Leased Premises pursuant to this Section 2.6., and such reassignment results in less Leased Premises available to Airline than was assigned on the Commencement Date.

- 2.6.4 In the event Airline or any of its Affiliates is in default of this Agreement or the Signatory Agreement, the Aviation Department shall have the right to refuse any request made by Airline pursuant to this subsection 2.6.
- 2.6.5 Temporary Leased Premises. In order that Airline may satisfy any temporary needs for additional space in the Terminals, Airline may request the addition of temporary space to its Leased Premises for a period of time in which the aggregate days shall not exceed one hundred and eighty (180) calendar days during any consecutive twelve (12) calendar months following the effective date of Airline's initial occupancy of the temporary leased space. Airline's request for temporary space shall be subject to the Aviation Department's reasonable discretion. The rentals, rates, fees, and charges payable by Airline to County for any temporary space shall be the same rates charged to a Signatory Airline for comparable space in accordance with **Exhibit B** of the Signatory Agreement.
- 2.6.5.1 In the event Airline desires to temporarily lease space at the Airport, Airline shall notify Aviation Department in writing, which notice shall include the space Airline is requesting to temporarily lease along with the commencement and termination dates for the space being requested.
- 2.6.5.2 In the event of any change in Leased Premises pursuant to this subsection 2.6.5, Airline shall execute an amendment to this Agreement, in which **Exhibit A** shall be amended to reflect such temporary space and which amendment shall set forth the commencement and termination date of the temporary space, and the rentals applicable thereto. The Director of Aviation is authorized to execute any such amendment.
- 2.6.5.3 If the Aviation Department receives a Request for Additional Preferential Gates pursuant to subsection 2.2.4 above, or any other written request to lease additional Premises from another airline or Airport tenant, and the Aviation Department determines, in its reasonable discretion, to lease to the other airline, the requested space that the Airline is using as temporary leased premises, then the Airline shall have the following two options:
- (1) Airline shall have the first right of refusal to preferentially or exclusively lease the space which it is temporarily leasing. If Airline desires to preferentially or exclusively lease such space, it shall give written notice to that effect to the Aviation Department within fifteen (15) calendar days from receipt of notice from the

Aviation Department that another airline has requested to preferentially or exclusively lease such space. If Airline fails to notify the Aviation Department within the aforesaid 15-day time period as specified herein, then, Airline shall be deemed to have waived its right of first refusal and shall vacate the premises as provided for in subsection 2.6.5.3(2) below; or

- (2) Airline shall vacate the temporary leased space within fifteen (15) days calendar from receipt of notice from the Aviation Department that another airline has requested to preferentially or exclusively lease such space, if either: (i) Airline fails to respond to the Aviation Department's notice within the aforesaid time period, or (ii) Airline responds to such notice with an indication that it does not desire to exercise its right of first refusal to exclusively or preferentially lease the temporary leased space.

- 2.7 Treatment of Affiliate Airlines. Airline is exempt from paying any ground handling fees to the County for any ground handling services provided by Airline to its Affiliates, so long as the Affiliate status has not been terminated. Airline's Affiliates are exempt from paying any ground handling fees to the County for any ground handling services provided to Airline by any of its Affiliates, so long as the respective Affiliate status has not been terminated and the Affiliate has entered into a written agreement with the County.

2.8 Right of Access, Ingress and Egress.

- 2.8.1 Airline, its employees, agents, passengers, guests, patrons, invitees, suppliers of materials and services, and it's or their equipment, vehicles, machinery and other property shall have the right of access, ingress and egress to and from the Airport, subject to reasonable rules and regulations of County.

- 2.8.2 County may at any time temporarily or permanently close, re-route, or consent to or request the closing or re-routing of any roadway, taxiway or other access to the Airport, so long as a reasonable means of ingress and egress is concurrently made available to Airline.

- 2.9 Information Systems. Airline may install, maintain and operate radio, communication, company telephone system, computer, meteorological and aerial navigation equipment and facilities, in, on and about the Airport as may be necessary or convenient in the opinion of Airline for its operations; provided, however, that Airline shall be required to use County's wireless communications systems unless Airline has obtained prior written approval from the Aviation Department exempting Airline from such requirement (e.g. WIFI), which approval shall be in the reasonable discretion of the Aviation Department. Airline agrees that any use by Airline of wireless communications systems not provided by County shall not interfere with any County wireless communications system. County shall have unrestricted access to all Airline communication equipment located Airport. Prior to any written approval, Airline shall provide the Aviation Department with all necessary supporting documentation related to such installations. Airline shall be required to use the County's multi-user flight information display system (MUFIDS).

2.10 Specific Rights at Terminals.

- 2.10.1 Airline shall have the right, in addition to all rights elsewhere granted in this TBLA, to use the Leased Premises solely for the purpose of an air transportation business for the carriage of persons, property, cargo and mail, and associated services, such as ground handling services, in-flight catering services, and other related activities reasonably necessary to the operation of an air transportation business.

- 2.10.2 Employee Parking Facilities. Airline shall have the right to the use of reasonably adequate vehicular parking facilities for its employees employed at the Airport in common with other employees located at the Airport, and located as near as practicable to the Airport in an area designated by County. County agrees to provide these facilities at rates based only on County's reasonable cost of providing them, including the cost of maintenance and operation thereof, subject to reasonable rules and regulations established by County.

- 2.10.3 The rights and privileges granted Airline, under Section 2.7 Section 2.8 and this Section 2.10, with respect to the performance of ground services and activities in connection with Airline's air transportation operations at Airport, may be exercised by any company or person designated by Airline, provided, however, that no right is hereby conferred upon any supplier of ground handling services or materials to perform any services or provide any materials at the Airport, unless it holds a valid lease, license or other agreement with County authorizing it to furnish the material and/or perform the service in question. Except for goods and services in accordance with Section 2.7, County may require payment of appropriate rentals, fees and/or percentage of gross revenues derived as a result of any materials furnished or services supplied.

- 2.10.4 It is understood that if Airline's suppliers, contractors, or furnishers of services, lease space at the Airport, which leased space is being leased for the sole purpose of providing services to Airline and for no other purpose, then County may charge reasonable rentals, fees and charges therefore (which shall be based upon the use and occupancy of County's property for the conduct of a business, and such shall not contain any increment of charge representing a surcharge upon such business for the right to transact business with Airline on Airport property). With respect to contractors and suppliers of in-flight food and beverage catering services to Airline, County may impose a fee on such contractors and suppliers at a rate not to exceed five percent (5%) of such contractors' or suppliers' gross annual sales to Airline. In addition, County may charge contractors and suppliers of in-flight food and beverage services such percentages of contractors' or suppliers' gross annual sales resulting from sales to anyone other than Airline either on or off Airport as may be established pursuant to County resolution.

- 2.10.5 County shall have the right to levy a charge of not to exceed five percent (5%) of Airline's gross revenues from the sale by Airline of alcoholic or other beverages or food in a passenger service lounge or other areas established by Airline for such purpose at the Airport.

- 2.10.6 The rights and privileges granted to Airline hereunder to contract with third

parties for obtaining services and materials shall be subject and subordinate to restrictive agreements, franchises, licenses, and other rights previously granted by County to fixed base operators, ground transportation carriers, and other providers of services and materials. Copies of such agreements are available for inspection by Airline at the office of the Aviation Department.

ARTICLE III IMPROVEMENTS BY AIRLINE

- 3.1 Ownership of Airline Installed Improvements and Property.
Airline will retain ownership of moveable trade fixtures, equipment and other personal property installed and paid for by Airline, except as may be otherwise provided in this TBLA or other agreements.
- 3.2 Improvements and Construction by Airline.
All of Airline's improvements, construction, additions, alterations, modifications, and renovations ("Improvements"), to its Leased Premises or other Terminal areas, are subject to prior written approval of the Aviation Department and must conform to any tenant improvement project process and tenant improvement standard requirements, policies, or procedures of the Aviation Department, as may be revised from time to time and which are applicable to tenants of the Airport Terminals, including any that are specific to a particular Terminal. All Improvements hereafter made by Airline shall be in conformity and consistent with all Applicable Laws including but not limited to the Americans with Disabilities Act of 1990, as same may be amended from time to time. Any Improvement that is affixed to the Premises (excluding trade fixtures, such as signage or items unique to the Airline) is a leasehold improvement, and title thereto shall vest with the County upon the termination of this TBLA, whether by expiration of the term or otherwise. All installations at the Premises or any Airport property, including without limitation cable, electric and telecommunications, shall be deemed Improvements and ownership thereof shall be vested in the County upon installation. All such installations as shall be installed by Airline shall be free of all liens, claims and encumbrances, including any claims of any utilities provider. No reduction or abatement of rentals, fees, and charges shall be allowed for any interference with Airline's operations by such construction. The provisions of **Exhibit G** attached hereto are hereby made a part of this Agreement.
- 3.3 Improvements to Additional Space. Airline shall be responsible for the design and construction of Improvements to additional space as requested by Airline and approved in writing by County. All Improvements will be subject to Aviation Department written approval as specified in Section 3.2 above and other applicable provisions and exhibits.

ARTICLE IV TERM

- 4.1 This Agreement shall become effective, and the "Effective Date" is, that date upon which this TBLA is executed by or on behalf of the Board of Commissioners. Notwithstanding the foregoing, the terms and conditions herein, including but not limited to the Term shall commence on October 1, 2011 (the "Commencement Date"). This Agreement shall expire at midnight on September 30, 2016, unless otherwise terminated earlier as provided for in this Agreement.

- 4.2 Termination of this TBLA shall not relieve Airline of any liabilities or obligations hereunder which shall have accrued on or prior to the effective termination date. Upon the expiration or termination of this TBLA, Airline shall cease forthwith all operations upon all Premises, shall immediately vacate all Premises, and shall pay in full all fees and other amounts payable to County as set forth in this TBLA then due and owing.

ARTICLE V MAINTENANCE OF LEASED PREMISES

- 5.1 Airline will at all times maintain its Leased Premises in a neat, orderly, and presentable condition. Airline shall furnish its own janitor service in its Exclusive Use Premises, and curbside check-in space and shall cause to be removed, at Airline's own expense, from such spaces all waste, garbage and rubbish and agrees not to deposit the same on any part of the Airport, except that Airline may deposit same temporarily in its Leased Premises or in space designated by County in connection with collection for removal. The Airline shall make arrangements for trash removal directly with a company that is authorized by the County to provide such services at the Airport. Upon failure of Airline to carry out the terms of this Section 5.1, after reasonable notice to the Airline, County may have the work performed and the applicable charges shall be paid by Airline.
- 5.2 The responsibility for maintenance, cleaning and operations of the facilities in the Terminals, including the Leased Premises, shall be as set forth on **Exhibit B**, attached hereto and incorporated herein by reference. The parties agree that any responsibility for maintenance, cleaning and operations of the facilities in the Terminals which is not set forth on **Exhibit B** shall be the responsibility of the County, unless otherwise agreed to in writing by the parties.

ARTICLE VI RENTALS, FEES AND CHARGES

- 6.1 General. In return for use of the premises, facilities, rights, licenses and privileges granted hereunder and for the undertakings of County, Airline agrees to pay County during the term of this TBLA, without deduction or set-off, rentals, charges and fees based on the methodology agreed to between Airline and Aviation Department, as described in **Exhibit B** of the Signatory Agreement, which shall be established pursuant to resolutions adopted from time to time by the Board of Commissioners. The rentals, fees and charges payable under this TBLA will be reviewed and adjusted based upon the methodology agreed to between Airline and Aviation Department, as described in **Exhibit B** of the Signatory Agreement, pursuant to resolutions adopted by the Board of Commissioners. Airline agrees to pay monthly rentals, charges and fees to the County, plus applicable sales taxes, if any, in such amounts as are established pursuant to the provisions set forth below, for the use of its Leased Premises. Rentals for any partial month of occupancy shall be pro-rated, based on the number of days in such month.
- 6.2 Terminal Rentals. The rental amounts for the areas described in **Exhibit A**, shall be based on the methodology agreed to between Airline and the County, as depicted in **Exhibit B** of the Signatory Agreement, pursuant to resolutions adopted by the Board of Commissioners. Airline agrees that it shall pay monthly rentals to County on the first day of each month, in advance, without invoice, for the Leased Premises described on **Exhibit A**, based on the rates established from time to time by resolutions adopted by the Board of Commissioners. Notwithstanding the above, the fees due the County from

Airline pursuant to the Joint Use Formula shall be due and payable thirty days from receipt of an invoice from the Aviation Department. Airline's Terminal rentals in each period shall be determined in accordance with **Exhibit B**, attached to the Signatory Agreement.

6.3 Airline shall pay to County all rentals, fees and charges as follows:

- 6.3.1 Payment of rentals, fees and charges for Exclusive Use Premises and Preferential Use Premises shall be paid on the first (1st) day of each month in advance, without demand or invoice, as set forth on **Exhibit A**.
- 6.3.2 Payment for all other fees and charges due hereunder, shall be due as of the due date stated on the County's invoice. Said fees and charges shall be deemed delinquent if payment is not received within thirty (30) days of the stated date of such invoice.
- 6.3.3 Payments received by County after the dates required by Section 6.3.1 and 6.3.2, above, shall accrue and be subject to interest at the rate of eighteen percent (18%) per annum on the unpaid amount. The acceptance by County of any late payment shall not be construed as a waiver of the interest charge.

6.3.4 Airline shall make payments directly to the County as follows:

Via Wire Transfer:

Account of: Broward County Aviation Department
Bank Name: Wells Fargo Bank
ABA: 063000021
Account #: 2090002760835

Via U.S. Mail/Express Mail:

Broward County Aviation Department
Accounts Receivable
100 Aviation Blvd.
Fort Lauderdale, FL 33315

- 6.4 In the event the Airline delivers a dishonored check or draft to the County in payment of any obligation arising under this TBLA, the Airline shall incur and pay a service charge in an amount allowed by Florida Statutes or other Applicable Laws. In such event (and in addition to any other remedies available to the County hereunder or at law or in equity), the County may require that future payments be made temporarily by cashier's check or other means acceptable to the County.
- 6.5 Airline shall pay, on or before their respective due dates, all federal, state, County, and local taxes of general applicability, and all special assessments of any kind, which are now or may hereafter be levied upon the Premises (including Improvements) or the estate hereby granted, or upon Airline, or upon the business conducted on the Leased Premises, or upon any of Airline's property used in connection therewith, or upon any rentals or other sums payable hereunder, including, but not limited to any ad valorem taxes (based upon the Airline's pro rata share according to the area of the Leased Premises), and sales or excise taxes on rentals, and personal property taxes against tangible and intangible personal property. Airline shall maintain in current status all

federal, state, County and local licenses and permits required for the operation of the business conducted by Airline.

6.6. Security Deposit.

- 6.6.1 Unless Airline has provided regularly scheduled flights to and from the Airport during the eighteen (18) calendar months prior to the Commencement Date of this Agreement, without the occurrence of any act or omission that would have been an event enumerated in Article VII of this Agreement, Airline shall provide County on the Effective Date of this Agreement, with a contract bond, irrevocable letter of credit or other similar security acceptable to County ("Security Deposit") in an amount equal to the estimate of three (3) months' of fees and charges for Airline and its Affiliates, which are due County pursuant to this Agreement. Airline shall be obligated to maintain such Security Deposit in effect until the expiration of eighteen (18) consecutive calendar months during which period Airline and its Affiliates commit no event enumerated in Article VII of this Agreement. Such Security Deposit shall be in a form and with a company reasonably acceptable to County and licensed to do business in the State of Florida. In the event that any such Security Deposit shall be for a period less than the full period required by this Paragraph 6.6.1 or if Security Deposit shall be canceled, Airline shall provide a renewal or replacement Security Deposit for the remaining required period at least sixty (60) calendar days prior to the date of such expiration or cancellation. The parties agree that in the event Airline satisfies the requirements to waive the Security Deposit pursuant to subsection 6.6.3, no Security Deposit shall be required for Airline or its Affiliates, so long as the requirements for such waiver have been satisfied and remain satisfied throughout the term of this Agreement.
- 6.6.2 In the event County is required to draw down or collect against Airline's Security Deposit for any reason, Airline shall, within ten (10) calendar days after County's written demand, take such action as may be necessary to replenish the existing Security Deposit to its original amount (three months' estimated rentals, fees, and charges) or to provide an additional or supplemental Security Deposit from another source so that the aggregate of all Security Deposits is equal to three months' estimated rentals, fees, and charges payable by Airline and its Affiliates pursuant to this Article VI.
- 6.6.3 Notwithstanding the above subsection 6.6.1, the Aviation Department shall have the right in its reasonable discretion to waive such Security Deposit requirements for Airline, if: (a) Airline has provided regularly scheduled flights at and from the Airport during the eighteen (18) calendar months prior to the Commencement Date of its Signatory Airline Agreement, without the occurrence or omission of anything that would have been an event enumerated in Article VII of this Agreement or (b) Airline has provided regularly scheduled flights at six (6) other airports with activity levels and characteristics similar to the Airport (the "Comparable Airports") during the most recent eighteen (18) calendar month period, without committing any material default under the terms of the respective lease and use agreements at each of the Comparable Airports, and without a pattern of untimely payments for rentals, fees and charges. The burden shall be on Airline to demonstrate to the Aviation Department its compliance with these requirements at each of the Comparable Airports.

6.6.4 In addition to the foregoing, upon the occurrence of any Airline act or omission that is an event enumerated in Article VII, or upon Airline's election to assume this TBLA under all Applicable Laws, including but not limited to the Federal Bankruptcy Rules and Regulations and Federal Judgeship Act of 1984 or any successor statute, as such may be amended, supplemented, or replaced, County, by written notice to Airline given at any time within ninety (90) days of the date such event becomes known to County, may impose or re-impose the Security Deposit requirements of subsection 6.6.1 on Airline. In such event, Airline shall provide County with the required Security Deposit within fifteen (15) calendar days from its receipt of such written notice and shall thereafter maintain such Security Deposit in effect until the expiration of a period of eighteen (18) consecutive calendar months during which Airline commits no additional event enumerated in Article VII or the termination of bankruptcy proceedings, whichever is later..

6.6.5 If Airline shall fail to obtain and/or keep in force such Security Deposit required hereunder after County has provided a ten (10) calendar day notice to cure, such failure shall be grounds for immediate termination of this TBLA pursuant to Article VII. County's rights under this Article VI shall be in addition to all other rights and remedies provided to County under this TBLA.

6.6.6 Airline and County agree that this TBLA constitutes an 'executory contract' for the purposes of the United States Bankruptcy Code, subject to assumption or rejection, and subject to the terms and conditions of assumption or rejection, as provided in said Bankruptcy Code. Furthermore, Airline and County agree that any Security Deposit provided by Airline are not 'property of the estate' for purposes of the United States Bankruptcy Code, it being understood that any Security Deposit is property of the third party providing it (subject to County's ability to draw against the Security Deposit) and that all Passenger Facility Charges ("PFCs") collected by Airline with respect to enplaned passengers at the Airport, are property of County to the extent provided by all Applicable Laws.

6.7 Passenger Facility Charge.

6.7.1 County expressly reserves the right to impose PFC's on airline passengers for the use of the Airport in accordance with 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, 14 CFR Part 158, as they may be amended from time to time (the "PFC Regulations").

6.7.2 Airline shall hold in trust for the County the net principal amount of all PFCs that are collected by Airline or its agents on behalf of County. For the purposes of this Section 6.7, "net principal amount" shall mean the total principal amount of all PFCs that are collected by Airline or its agents on behalf of the County, reduced by any amount that the Airline is permitted to retain pursuant to 49 U.S.C. § 40117 and the PFC Regulations. Monthly PFCs collected by Airline shall be remitted to County no later than the last day of the following calendar month or if that date falls on a weekend or holiday, the first business day thereafter. In addition, PFCs collected by Airline shall be remitted to County as specified in subsection 6.7.3.

6.7.3 Should Airline fail to remit the net principal amount of all PFCs to County within five (5) calendar days following the remittance date specified above, Airline shall

be deemed to be in default pursuant to Article VII of this Agreement.

6.7.4 **Competitive Access to PFC Funded Facilities.** Should the Airline not fully utilize any portion of its PFC funded exclusively leased premises, Airline agrees to make such Premises available for use by any Scheduled Carrier. In accordance with 14 CFR Part 158, failure to make such exclusively leased premises available shall be grounds for termination of this TBLA pursuant to Article VII.

6.7.5 Nothing contained herein shall be construed to supersede the rights and obligations provided in 14 CFR Part 158 regarding Passenger Facility Charges. In the event that a conflict exists between such federal regulation and this Agreement, the federal regulation shall govern.

**ARTICLE VII
DEFAULT BY AIRLINE; DEFAULT BY COUNTY**

7.1 Events of Default by Airline. The events described below in subsections 7.1.1 and 7.1.2 shall be deemed events of default by Airline hereunder:

7.1.1 The conduct of any business or performance of any acts at the Airport, by Airline or its Affiliates, not specifically authorized herein (except Security Deposit requirements, insurance requirements, and payment of rentals, fees, and charges, all as provided for in Section 7.1.2) or by other agreements between County and Airline, and said business or acts do not cease within thirty (30) calendar days of receipt of County's written notice to Airline to cease said business or acts. Notwithstanding the above, if by reason of the nature of such default, the same cannot be remedied within thirty (30) calendar days following receipt by Airline of written demand from County to do so, Airline fails to commence the remedying of such default within said thirty (30) calendar days following such written notice, or having so commenced, shall fail thereafter to continue with diligence the curing thereof. Airline shall have the burden of proof to demonstrate all of the following: (i) that the default cannot be cured within thirty (30) calendar days; and (ii) that it is proceeding with diligence to cure said default; and (iii) that such default will be cured within a reasonable period.

7.1.2 Upon the occurrence of any one of the following events of default, County may immediately issue written notice of default.

7.1.2.1 The failure by Airline to pay any part of the rentals, fees, and charges when due, as provided for in this Agreement and the continued failure to pay said amounts in full within ten days from their respective due date. Provided, however, if a dispute arises between County and Airline with respect to any obligation or alleged obligation of Airline to make payments to County, payments under protest by Airline of the amount due shall not waive any of Airline's rights to contest the validity or amount of such payment. In the event any court or other body having jurisdiction determines all or any part of the protested payment shall not be due, then County shall promptly reimburse Airline any amount determined as not due.

- 7.1.2.2 The failure by Airline to provide and keep in force a Security Deposit in accordance with Section 6.7.
 - 7.1.2.3 The failure by Airline to provide and keep in force all insurance coverages in accordance with Article XII.
 - 7.1.2.4 The appointment of a trustee, custodian, or receiver of all or a substantial portion of Airline's assets.
 - 7.1.2.5 The divestiture of Airline's estate herein by operation of law, by dissolution, or by liquidation (not including a merger or sale of assets).
 - 7.1.2.6 The insolvency of Airline, or if Airline shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or shall seek a reorganization or the readjustment of its indebtedness under any law or statute of the United States or of any state thereof, including the filing by Airline of a voluntary petition of bankruptcy, or the institution of proceedings against Airline, or the adjudication of Airline as a bankrupt pursuant thereto.
 - 7.1.2.7 The abandonment of Leased Premises or suspension of Airline's operations for a period greater than sixty (60) calendar days, which such suspension shall be considered abandonment for the purposes of this Agreement absent a labor dispute or other governmental action in which Airline is directly involved.
 - 7.1.2.8 The failure by Airline to remit PFCs in accordance with Section 6.7.
 - 7.1.2.9 Failure by Airline to make any portion of its exclusively leased under-utilized PFC-funded Premises available for use by other Scheduled Air Carriers in accordance with Article VI.
- 7.2 Continuing Responsibilities of Airline. Notwithstanding the occurrence of any event of default, Airline shall remain liable to County for all rentals, fees, and charges payable hereunder and for all preceding breaches of any covenant of this Agreement. Unless County elects to terminate this Agreement, Airline shall remain liable for and promptly pay all rentals, fees, and charges accruing hereunder until termination of this Agreement as set forth in Article IV or until this Agreement is terminated by Airline pursuant to Article VII. Upon any termination of this Agreement, the parties shall remain liable for all obligations and liabilities accruing prior to such termination.
- 7.3 County's Remedies. Upon the occurrence of any event enumerated in Paragraph 7.1, including applicable notice and cure periods, the following remedies shall be available to County:
- 7.3.1 County may exercise any remedy provided by law or in equity, including but not limited to the remedies hereinafter specified.
 - 7.3.2 County may terminate this Agreement, effective upon the date specified in the notice of termination. For events enumerated in Paragraph 7.1.1, such date shall

- be not less than fifteen (15) calendar days from said notice. Upon such date, Airline shall be deemed to have no further rights hereunder and County shall have the right to take immediate possession of the Premises.
- 7.3.3 County may reenter the Premises and may remove all Airline persons and property from same upon the date of reentry specified in County's written notice of reentry to Airline. For events enumerated in Paragraph 7.1.1, reentry shall be not less than fifteen (15) calendar days from the date of notice of reentry. Upon any removal of Airline property by County hereunder, Airline property may be stored at a public warehouse or elsewhere at Airline's sole cost and expense.
 - 7.3.4 County may relet the Premises and any improvements thereon or any part thereof at such rentals, fees, and charges and upon such other terms and conditions as County, in its reasonable discretion, may deem advisable, with the right to make alterations, repairs and improvements on said Premises. In reletting the Premises, County shall seek to mitigate any damages it may suffer as a result of Airline's event of default.
 - 7.3.5 In the event that County relets any of the Premises, rentals, fees, and charges received by County from such reletting shall be applied first to any cost or expense of County to relet the Premises and thereafter, to any deficiency between the payment of rentals, fees, and charges due and payable pursuant to this Agreement and what the County receives from the new lessee. In no event shall any of the rentals, fees, and charges received by County from such reletting be applied to any rentals, fees, and charges accrued and owed by Airline to the County prior to the reletting of the Premises. Airline shall have no right to any rentals, fees, and charges received by County as a result of the reletting of the Premises. Airline shall also pay to County, as soon as ascertained, any reasonable costs and expenses incurred by County in such reletting not covered by the rentals, fees, and charges received from such reletting.
 - 7.3.6 No reentry or reletting of Premises by County shall be construed as an election on County's part to terminate this Agreement unless a written notice of termination is given to Airline.
 - 7.3.7 Airline shall pay to County all other costs, incurred by County in the exercise of any remedy in this Article 7, including, but not limited to, reasonable attorney fees, disbursements, court costs, and expert fees.
- 7.4 Remedies Under Federal Bankruptcy Laws. Neither this Agreement nor any rights or privileges hereunder shall be an asset of Airline in any bankruptcy, insolvency or reorganization proceeding. If County shall not be permitted to terminate this Agreement because of the provisions of any Applicable Laws, including but not limited to the United States Bankruptcy Code, Airline or any trustee for it shall, within fifteen (15) days upon request by County to the applicable court of administrative body,, assume or reject this Agreement, provided however, that Airline may not assume this Agreement unless all defaults hereunder shall have been cured, County shall have been compensated for any monetary loss resulting from such default and County shall be provided with adequate assurance of full and timely performance of all provisions, terms and conditions of this Agreement on the part of Airline to be performed.

Notwithstanding the foregoing, upon the filing by or against Airline of any proceeding under federal bankruptcy laws, if Airline has defaulted in the performance of any provision of this Agreement within the six (6) months preceding such filing, the County shall have the right to terminate this Agreement, in addition to other remedies provided under provisions of any Applicable Laws, including but not limited to the United States Bankruptcy Code, as such may be subsequently amended, supplemented, or replaced. Such termination shall be by written notice to Airline within sixty (60) days from the date of Airline's initial filing in bankruptcy court.

7.5 Curative Provisions; Payment Under Protest.

7.5.1 No such termination shall be effective if the event of default has been cured or removed during such period, or if by its nature such Event of Default cannot be cured within such period, such termination shall not be effective if Airline commences to cure or remove such event of default within said period and cures or removes same as promptly as possible and Airline satisfies the requirements set forth in 7.1.1.

7.5.2 Notwithstanding anything to the contrary in this TBLA, if a dispute arises between County and Airline with respect to any obligation or alleged obligation of Airline to pay money, the payment under protest by Airline of the amount claimed by County to be due shall not waive any of Airline's rights, and if any court or other body having jurisdiction determines that all or any part of the protested payment was not due, then County shall as promptly as reasonably practicable reimburse Airline any amount determined as not due, provided the County shall not be required to pay any interest on any such reimbursed sums.

7.6 Holdover. It is agreed and understood that any holding over of Airline after the termination of this TBLA shall not renew and extend same, but shall operate and be construed as a tenancy at sufferance, pursuant to Section 83.04, Florida Statutes, as it may be amended from time to time. County reserves the right to pursue all remedies available to it under all Applicable Laws as a result of Airline's holdover. It is expressly agreed that acceptance of rent or any other payments by the County in the event that Airline fails or refuses to surrender possession shall not operate as County's consent to Airline's continued possession nor shall it constitute a waiver by the County of its right to immediate possession of the Premises.

7.7 Habitual Default. Notwithstanding the foregoing, in the event that the Airline has frequently, regularly or repetitively defaulted in the performance of or breached any of the terms, covenants and conditions required herein to be kept and performed by the Airline, and regardless of whether the Airline has cured each individual condition of breach or default, the Airline may be determined by the Aviation Department to be an "habitual violator." At the time that such determination is made, the Aviation Department shall issue to the Airline a written notice advising of such determination and citing the circumstances therefore. Such notice shall also advise Airline that there shall be no further notice or grace periods to correct any subsequent breaches or defaults and that any subsequent breaches or defaults of whatever nature, taken with all previous breaches and defaults, shall be considered cumulative and collectively, shall constitute a condition of noncurable default and grounds for immediate termination of this TBLA. In the event of any such subsequent breach or default, the County may terminate this

TBLA upon the giving of written notice of termination to the Airline, such termination to be effective upon delivery of the notice to the Airline.

7.8 Voluntary Relinquishment of Authorization.

7.8.1 Provided no event of default by Airline or its Affiliates exists, Airline may terminate this Agreement thirty (30) calendar days after receipt by County of written notice from Airline stating the cause and date of such termination, if Airline has voluntarily relinquished its rights, certificates, or authorizations necessary under Applicable Laws to operate its air transportation business at the Airport. Such right of termination shall be in addition to any other such right provided elsewhere herein or by operation of law.

7.8.2 Upon such termination, all provisions of this Agreement shall be terminated, unless otherwise specified. No such termination shall be effective until thirty (30) calendar days have elapsed after receipt by County of written notice from Airline stating the cause of such termination is pursuant to subsection 7.8.1, and date of such termination. Airline shall submit to County sufficient proof that such termination is pursuant to subsection 7.8.1 and of its relinquishment of its certificates and authorizations to operate its air transportation business.

7.8.3 In the event Airline regains its status as an air transportation business within one (1) calendar year from the date of its notice to County as stated in subsection 7.8.2 above, Airline shall be responsible for all rentals, fees and charges for the balance of the term of this Agreement, for all periods of time from the Commencement Date.

7.9 Events of Default by County. Each of the following events shall constitute an event of default by County:

7.9.1 County fails after receipt of written notice from Airline to keep, perform or observe any term, covenant or condition herein contained to be kept, performed or observed by County and such failure continues for thirty (30) consecutive days. Notwithstanding the above, if by reason of the nature of such default, the same cannot be remedied within thirty (30) calendar days following receipt by County of written demand from Airline to do so, County fails to commence the remedying of such default within said thirty (30) calendar days following such written notice, or having so commenced, shall fail thereafter to continue with diligence the curing thereof. County shall have the burden of proof to demonstrate all of the following: (i) that the default cannot be cured within thirty (30) calendar days; and (ii) that it is proceeding with diligence to cure said default; and (iii) that such default will be cured within a reasonable period.

7.9.2 County closes Airport to flights in general or to the flights of Airline, for reasons other than weather, force majeure, or other reasons beyond its control, and fails to reopen Airport to such flights within thirty (30) days from such closure.

7.9.3 Remedies for County's Defaults. Upon the occurrence of an event of default by County, Airline shall have the right to terminate this Agreement thirty (30) days after receipt by County of written notice from Airline stating the event of default causing the same and the date upon which such termination is to be effective.

Upon termination all rentals, fees and charges payable by Airline under this Agreement shall end on the termination date. Upon any suspension of this Agreement, rental fees and charges payable by Airline shall be suspended until the default is cured by the County.

**ARTICLE VIII
WAIVER OF RIGHTS; NO REMEDY EXCLUSIVE**

- 8.1 Waiver. Failure by either party to enforce any provision of this TBLA shall not be deemed a waiver of such provision or modification of this TBLA. A waiver of any breach of a provision of this TBLA shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this TBLA. County and Airline agree that each requirement, duty, and obligation set forth herein is substantial and important to the formation of this TBLA and, therefore, is a material term hereof.
- 8.2 No Remedy Exclusive. No remedy herein conferred upon or reserved to the County or Airline is intended to be exclusive of any other remedy herein provided or otherwise available, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

**ARTICLE IX
SURRENDER AND ACCEPTANCE OF SURRENDER OF LEASED PREMISES**

- 9.1 Upon the expiration of the Term of this TBLA or earlier termination as provided for herein, Airline agrees to surrender possession of the Leased Premises in the same condition as it was received on the first day of occupancy, less reasonable wear and tear in the ordinary course of business permitted under this TBLA. Said condition at the time of surrender shall include but not be limited to the following; all flooring must be cleaned as reasonably required by the Aviation Department; all doors and walls patched and painted with Aviation Department approved color, all ceiling tiles shall be in place, clean and matching, all Airline installed conduit and wiring shall be removed if requested by the Aviation Department, and all personal property and Improvements (except Improvements that are owned by the County and any Improvements that are provided by the Aviation Department to remain installed) shall be removed. A final exit walkthrough inspection shall be conducted by the Airline and the Aviation Department to determine compliance with this provision and the Aviation Department's acceptance of the condition of the Premises. In the event Airline fails to comply with the terms of this Section 9.1, County reserves the right to perform all necessary work to bring the Premises to the required condition and Airline shall reimburse the County for all reasonable expenses incurred.
- 9.2 Airline shall have the right at any time during the term of this TBLA to remove any furnishings, trade fixtures or equipment it has installed in, on or about the Leased Premises, subject to any lien the County may have thereon for unpaid fees, charges, or other amounts payable under this TBLA, and provided that Airline shall restore any damage to the Leased Premises and the Leased Premises shall be returned to the County in the same condition as defined in Section 9.1, above. Any such property not removed by Airline within thirty (30) calendar days after expiration or termination of this TBLA may be removed and stored and/or sold by the County.

- 9.3 In the event Airline fails to surrender the Leased Premises in the above required condition or has failed to complete any of the obligations due under this TBLA or any future amendments thereto, Airline from the date of the termination or expiration of the TBLA until the acceptance of surrender as set forth in Section 9.4, shall be considered a holdover tenant under the terms set forth in Section 7.6.

- 9.4 Acceptance of Surrender. No agreement of surrender or to accept a surrender of this TBLA shall be valid unless and until same shall have been reduced to writing and signed by the duly authorized representatives of the County and of the Airline, provided that such signatures shall not be unreasonably withheld. Except as expressly provided in this TBLA, neither the doing of nor any omission to do any act or thing by any of the officers, agents or employees of the County shall be deemed an acceptance of a surrender of letting under this TBLA.

**ARTICLE X
ASSIGNMENT, SUBLETTING AND GROUND HANDLING**

- 10.1 Airline shall not sublet the Leased Premises or any part thereof or transfer, assign, pledge, or otherwise encumber this Agreement or any rights or obligations hereunder, or allow same to be assigned by operation of law or otherwise without the prior written consent of the County (any such action being called an "assignment"). Any such action shall be null and void and of no force or effect, provided, however, Airline shall have the right, without the County's prior written consent, to assign this Agreement or its rights hereunder to (i) an entity with whom Airline may merge or consolidate, (ii) an entity that acquires all or substantially all of the Airline's assets, or (iii) a Wholly Owned Affiliate of Airline.
- 10.2 Airline agrees that it shall not utilize, hire or otherwise employ any ground handling company that has not executed a terminal service permit from the County, which terminal service permit is active and in good standing.

**ARTICLE XI
DAMAGE OR DESTRUCTION**

- 11.1 Airline Responsibilities. County shall not be liable to Airline for damage to Airline's property, improvements and facilities from any cause whatsoever, including, without limitation, any act of negligence of any tenants, occupants or other users of the Airport or any other person, unless, and only to the extent, caused by the negligence of County, its agents, servants or employees. Airline shall have the right, however to claim and recover its damages from any third party other than County who may be liable therefore.
- 11.2 Abatement of Rentals. In the event of damage or destruction or any other cause, through no fault of the Airline, its Affiliates, or Airline's Parties, that restricts the use of all or any portion of the Leased Premises and renders the same untenable, for more than thirty (30) calendar days, there shall be an appropriate abatement or reduction of the rentals, fees, and charges payable hereunder commencing at the time of such damage or destruction and continuing until such time as County's engineers certify that said Leased Premises are again ready for use and occupancy by Airline. In the alternative, the County may work with the Airline to identify other suitable premises for temporary or permanent relocation, and upon mutual agreement on alternate premises allow Airline to relocate. Abatement and reduction of rentals, fees, and charges will

continue until Airline commences operating at its alternate premises, and, rentals shall be adjusted in accordance with the square footage of the resulting space occupied by the Airline.

ARTICLE XII INDEMNIFICATION AND INSURANCE

- 12.1 Indemnification. Airline shall at all times hereafter indemnify, hold harmless and, defend County, its officers, agents, servants, and employees, against any and all causes of action, demands, claims, losses, liabilities and expenditures of any kind, including attorney fees, court costs, and expenses, caused or alleged to the extent caused by intentional or negligent acts or omissions of Airline, its employees, agents, contractors, subcontractors, servants, officers, or Affiliates, or accruing, resulting from, or related to the Airline's operations at the Airport or the subject matter of this Agreement including, without limitation, any and all claims, losses, liabilities, expenditures, demands or causes of action of any nature whatsoever resulting from injuries or damages sustained by any person or property except to the extent caused by the negligent acts or admissions of the County, its employees, agents, contractors, subcontractors, servants, or officers. In the event any lawsuit or other proceeding is brought against County by reason of any such claim, cause of action or demand, Airline shall, upon written notice from County, resist and defend such lawsuit or proceeding by counsel satisfactory to County or, at County's option, pay for an attorney selected by the Broward County Attorney to defend County. To the extent considered necessary by the Aviation Department and the Broward County Attorney, any sums due Airline under this Agreement (including without limitation the Security Deposit) may be retained by County until all of County's claims for indemnification pursuant to this Agreement have been settled or otherwise resolved, and any amount withheld shall not be subject to payment of interest by County. The provisions of this section shall survive the expiration or earlier termination of this Agreement.
- 12.2 In order to insure the indemnification obligation contained above, Airline shall, at a minimum, provide, pay for, and maintain in force at all times during the term of this Agreement (unless otherwise provided), the insurance coverages as are provided for in this Article. Each insurance policy shall clearly identify the foregoing indemnification as insured. Such required insurance coverage's may be modified from time to time as agreed to by the parties.
- 12.2.1 Airline shall furnish to the Director of Aviation, Certificates of Insurance evidencing the insurance coverages required hereunder. The required Certificate of Insurance shall name the types, terms and limits of liability provided hereunder.
- 12.2.2 Coverage is not to cease and is to remain in force (subject to cancellation notice) during the term of this Agreement. The Airline shall use commercially reasonable efforts to have all policies endorsed to provide County with at least thirty (30) calendar days notice of cancellation and/or restriction. If any of the insurance coverage's will expire prior to the termination of this Agreement, renewal certificates shall be issued within a reasonable time upon renewal.
- 12.2.3 Subrogation. Notwithstanding anything to the contrary herein, Airline waives any right of recovery against County for any loss or damage to the extent the same is

required to be covered by insurance pursuant to this Article XII Airline's insurance. Airline shall obtain from its insurers, if possible, a waiver of any subrogation the insurer may have against County in connection with any loss or damage covered by Airline's insurance.

- 12.2.4 Any insurance coverage that is written on a claims-made basis must remain in force for two (2) years after the termination of this Agreement.
- 12.2.5 Compliance with the County's insurance requirements shall not relieve the Airline of its liability and obligations under this Article or under any other provision of this Agreement.
- 12.2.6 The amounts and types of insurance shall conform to the following minimum requirements with policies, forms and endorsements that are comparable to Insurance Service Office (ISO) requirements. Notwithstanding the foregoing, at a minimum, the wording of all policies, forms and endorsements must be reasonably acceptable to County.
- (1) Workers Compensation and Employer's Liability Insurance shall be maintained in force by Airline during the Term of this Agreement for all employees engaged in the operations under this Agreement. The limits of coverage shall not be less than:

Workers' Compensation	Florida Statutory
Employer's Liability	\$1,000,000 Limit Each Accident
	\$1,000,000 Limit Disease Aggregate
	\$1,000,000 Limit Disease Each Employee

- (2) Liability Insurance shall be maintained by Airline for the term of this Agreement. Coverage shall include, but not be limited to, Premises and Operations, Personal Injury, Contractual for this Agreement, Independent Contractors, Broad Form Property Damage, Products and completed Operations Coverage and shall include Explosion (XCU), Collapse, Liquor Liability, Terrorism or War Risk (to the extent available from, or subsidized by, the federal government.) Coverage shall be applicable to the operation of all Airline's mobile and ground equipment at the Airport. The limits of coverage shall not be less than:

Airlines Operating Aircraft with over one hundred (100) seats:

Bodily & Personal Injury & Property Damage Liability	\$200,000,000 Combined Single Limit Each Occurrence & Aggregate
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Airlines Operating Aircraft with seventy-five (75) to one hundred (100) seats:

Bodily & Personal Injury & Property Damage Liability	\$150,000,000 Combined Single Limit Each Occurrence & Aggregate
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Airlines Operating Aircraft with fifty (50) to seventy-four (74) seats:

Bodily & Personal Injury	\$100,000,000 Combined Single Limit
& Property Damage Liability	Each Occurrence & Aggregate

Airlines Operating Aircraft with less than fifty (50) seats:

Bodily & Personal Injury	\$50,000,000 Combined Single Limit
& Property Damage Liability	Each Occurrence & Aggregate

- (3) Liability Insurance shall be maintained by Airline during the Term of this Agreement for all owned, non-owned, leased or hired aircraft, including passenger coverage. The limits of coverage shall not be less than:

Bodily & Personal Injury	\$100,000,000 Combined Single Limit
& Property Damage Liability	Each Occurrence & Aggregate

- (4) Liquor Liability Coverage shall be maintained for any facility of Airline serving alcoholic beverages on the airport in an amount not less than \$1,000,000 per occurrence.

- (5) Terrorism or War Risk shall be maintained by Airline to the extent available from, or subsidized by, the federal government, in an amount not less than \$50,000,000.

- (6) Environmental Liability Insurance shall be maintained by the Airline in an amount not less than \$10,000,000 for sudden and accidental pollution, clean up costs or to the extent not prohibited by applicable law. Airline may provide for reasonable limits of self-insurance against environmental liability risks. All amounts paid to County by Airline on account of any self-insurance program shall be deemed insurance proceeds for purposes of this Agreement. To the extent Airline self-insures as to environmental liability, the protections afforded County by Airline shall be the same as if insurance were provided by a third-party insurer and Airline shall have all the obligations and liabilities of a third party insurer hereunder (e.g. obligation to provide a defense).

- (7) Business Automobile Liability Insurance shall be maintained by Airline during the Term of this Agreement as to the ownership, maintenance, and use of all owned, non-owned, leased or hired vehicles. The limits of coverage shall not be less than:

Bodily & Personal Injury	\$5,000,000 Combined Single Limit
& Property Damage Liability	Each Occurrence & Aggregate

- (8) Umbrella Liability Insurance or Excess Liability Insurance may be used to reach the limits of liability required for the Airport Liability Policy and/or the Business Automobile Policy. The limits of coverage shall not be less than:

Umbrella or Excess Liability Policy	\$100,000,000 Combined Single Limit
	Each Occurrence & Aggregate-Specific for this Agreement

	\$200,000,000 Combined Single Limit
	Each Occurrence & Aggregate-Not Specific for this Agreement

Primary Liability Limits for the underlying Airport General Liability Coverage:

Bodily & Personal Injury	\$10,000,000 Combined Single Limit
& Property Damage Liability	Each Occurrence & Aggregate

- 12.2.7 Airline shall be responsible to the extent of the requirements of all Applicable Laws relative to Airline or to the County to prevent any unauthorized entry onto any part of the airport operations area of the Airport through Airline's Leased Premises.

- 12.2.8 Additional Insured. Airline agrees to endorse County as additional insured, to its Liability, Umbrella or Excess Liability to the extent required under this Article XII. The additional insured shall read "Broward County".

- 12.2.9 Any deviations in coverage from any of the provisions hereof must be reviewed and approved by Broward County Risk Management Division. Compliance with the foregoing requirements shall not relieve the Airline of its liability and obligations under this Article or under any other provision of this Agreement.

ARTICLE XIII NOTICES

- 13.1 Whenever either party desires to give notice to the other, such notice must be in writing, sent by certified United States Mail, postage prepaid, return receipt requested, or by overnight courier with receipt acknowledgment, or by hand-delivery with a request for a written receipt of acknowledgment of delivery, addressed to the party for whom it is intended at the place last specified. The place for giving notice shall remain the same as set forth herein until changed in writing in the manner provided herein. For the present, the parties designate the following:

FOR BROWARD COUNTY:
County Administrator
Governmental Center
115 South Andrews Avenue
Fort Lauderdale, Florida 33301

with a copy to:

Director of Aviation
100 Aviation Boulevard
Fort Lauderdale, Florida 33315

FOR AIRLINE:

- 13.2 All notices, approvals and consents required hereunder must be in writing to be effective.

ARTICLE XIV OPERATIONS OF AIRLINE

- 14.1 Airline shall comply with all Applicable Laws in performing its duties, responsibilities, and obligations related to this Agreement.
- 14.2 Airline agrees to observe and obey all rules and regulations of the County and the Aviation Department governing the safe conduct on and operation, maintenance and use of the Airport.
- 14.3 The Airline shall, at its own expense, provide and maintain in full force and effect, any and all licenses and permits required for the legal operation of all aspects of the Airline's business conducted at the Leased Premises and the Airport. Airline shall pay all license and permit fees and charges for the conduct of any business on the Premises before such amounts become delinquent.

ARTICLE XV HEADINGS

- 15.1 All articles, paragraphs and section headings are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision of this Agreement.

ARTICLE XVI CONSTRUCTION

- 16.1 Jurisdiction/Waiver of Jury Trial. Airline hereby irrevocably submits to the jurisdiction of Florida's state or federal courts in any action or proceeding arising out of or relating to this Agreement and hereby irrevocably agrees that all claims in respect to such action or proceeding may be heard and determined in Broward County, Florida, the venue situs. The parties agree that this Agreement shall be construed and interpreted according to the laws of the State of Florida. **To encourage prompt and equitable resolution of any litigation that may arise hereunder, the parties hereby waive any rights either may have to a trial by jury of any such litigation.**
- 16.2 Severance. In the event this Agreement or a portion of this Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions shall continue to be effective unless County or Airline elects to terminate this Agreement. The election to terminate this Agreement based upon this provision shall be made within seven (7) calendar days after the finding by the court becomes final.
- 16.3 Independent Contractor/Relationship of Parties. The relationship of County and Airline hereunder is the relationship of lessor or Airline. Services provided by Airline shall be subject to the supervision of Airline, and such services shall not be provided by Airline,

or its agents, as officers, employees, or agents of the County. The parties expressly acknowledge that it is not their intent to create any rights or obligations in any third person or entity under this Agreement. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partners, joint ventures, or any other similar relationship between the parties hereto.

- 16.4 Third Party Beneficiaries. Neither Airline nor County intends to directly or substantially benefit a third party by this Agreement. Therefore, the parties agree that there are no third party beneficiaries to this Agreement and that no third party shall be entitled to assert a claim against either of them based upon this Agreement.
- 16.5 Priority of Provisions. If there is a conflict or inconsistency between any term, statement, requirement, or provision of any exhibit attached hereto, any document or events referred to herein, or any document incorporated into this Agreement by reference and a term, statement, requirement, or provision of this Agreement, the term, statement, requirement, or provision contained in Articles 1 through 17 of this Agreement shall prevail and be given effect.
- 16.6 This Agreement shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than any other. The parties hereto acknowledge that they have thoroughly read this Agreement, including all exhibits and attachments hereto, and have sought and received whatever competent advice and counsel was necessary for them to form a full and complete understanding of all rights and obligations herein.
- 16.7 Amendments. Except as may be specifically provided herein, no modification, amendment or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement and executed by the Board of Commissioners and the Airline.
- 16.8 Prior Negotiations. This Agreement incorporates and includes all prior negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.
- 16.9 Termination of Prior Agreements on the Commencement Date. From and after the Commencement Date, this Agreement shall supersede and replace all Prior Agreements between Airline and County and any amendments, addendums, and renewals thereof. From and after the Commencement Date, the provisions of all of the Prior Agreements shall terminate and no longer be of any force or effect except for obligations and liabilities that accrued prior to the Commencement Date of this Agreement, and for provisions of the Prior Agreements that by their express terms survive the termination thereof. The parties agree that the rights and obligations identified for the agreements set forth in **Exhibit H**, attached hereto and made a part hereof, shall survive the termination of the Prior Agreements, notwithstanding if any obligations contained therein have not accrued prior to Commencement Date of this Agreement.

- 16.10 All personal pronouns used in this Agreement shall include the other gender, and the singular shall include the plural, and vice versa, unless the context otherwise requires. Terms such as "herein," "hereof," "hereunder," and "hereinafter" refer to this Agreement as a whole and not to any particular sentence, paragraph, or section where they appear, unless the context otherwise requires. Whenever reference is made to a section or article of this Agreement, such reference is to the section or article as a whole, including all of the subsections, subparagraphs and subprovisions of such section, unless the reference is made to a particular subsection or subparagraph of such section.

ARTICLE XVII OTHER PROVISIONS

- 17.1 Airline shall obtain the written permission of the Aviation Department prior to the installation of signs, billboards or advertising on the Premises, which permission shall not be unreasonably withheld.
- 17.2 Federal Aviation Act, Section 308. Nothing herein contained shall be deemed to grant the Airline any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act, as codified in Title 49 USC Section 40103, et. seq. for the conduct of any activity on the Airport. It is expressly understood and agreed that the rights granted under this Agreement are non-exclusive and the County reserves the right to grant similar privileges to another Airline or other users of the Airport facilities.
- 17.3 Subordination of Agreement. This Agreement, and all provisions hereof, is subject and subordinate to the terms and conditions of the instruments and documents under which the County acquired the Airport from the United States of America and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in such instruments and documents and any existing or subsequent amendments thereto. This Agreement, and all provisions hereof, is subject and subordinate to the provisions of any agreement heretofore or hereafter made between the County and the United States Government relative to the operations or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to the County for Airport purposes, or the expenditure of federal funds for the improvements or development of the Airport under the provisions of the Federal Aviation Act of 1958, as codified in the United States Code, Title 49, as it has been amended from time to time. In addition, this Agreement is subordinate and subject to the provisions of all resolutions heretofore and hereafter adopted by the County in connection with any revenue bonds issued by the County with respect to the operations of the Airport, or any improvements to the Airport or any of its facilities, and to the provisions of all documents executed in connection with any such bonds, including without limitation, any pledge, transfer, hypothecation or assignment made at any time by County to secure any such bonds.
- 17.4 Agent for Service of Process. It is expressly understood and agreed that if the Airline is not a resident of the State of Florida, or is an association or partnership without a member or partner resident of said State, or is a foreign corporation, then in any such event the Airline does designate the Secretary of State, State of Florida, its agent for the purpose of service of process in any court action between it and the County arising out of or based upon this Agreement, and the service shall be made as provided by the laws of the State of Florida for service upon a non-resident, who has designated the Secretary of State as agent for service. It is further expressly agreed, covenanted and

stipulated that, if for any reason, service of such process is not possible, and as an alternative method of service of process, Airline may be personally served with such process out of this State by certified mailing to the Airline at the address set forth herein. Any such service out of this State shall constitute valid service upon the Airline as of the date of mailing. It is further expressly agreed that the Airline is amenable to and hereby agrees to the process so served, submits to the jurisdiction, and waives any and all objections and protest thereto.

- 17.5 Waiver of Claims. The parties each hereby waives any claim against the other's officers, directors, commissioners and employees, for any consequential damages, including, without limitation, any loss of business or anticipated profits.
- 17.6 Development and Expansion of Airport. It is mutually agreed that County shall have the right to develop, maintain, and operate the Airport as it deems advisable and desirable, in accordance with such appropriate governmental authority and regulation as may be applicable, and that County shall have the right to make such agreements as may be necessary or advisable in connection with federal and state funding of Airport improvements, alterations, or modifications. Airline acknowledges that County is seeking federal, state and local approvals for the expansion of the Airport.
- 17.7 Condemnation. In the event the Premises or any part thereof shall be condemned and taken by authority of eminent domain, with or without litigation, or transferred in lieu of or under threat of such action (collectively, a "Condemnation"), any award shall be paid to the County, it being understood that title to all Improvements thereon remains fully vested in the County (except for Airline's trade fixtures), free and clear of any liens and encumbrances and there shall be no apportionment. The Airline shall not be entitled to any award for the value of the unexpired portion of the term of this Agreement, or any business damages, or any other damages whatsoever. In the event a Condemnation results in a partial taking of the Premises, rental for that portion of the Premises condemned shall be abated from the date the Airline is dispossessed. If the remainder of the Premises does not in Airline's reasonable judgment, constitute an economically viable property sufficient for the Airline's operations as conducted prior to such taking, this Agreement may be terminated by the Airline upon written notice to the County, in which event this Agreement shall be terminated on the date the Premises are completely vacated by the Airline.
- 17.8 Successors and Assigns Bound. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto where permitted by this Agreement.
- 17.9 Right to Amend. In the event that the United States Government, or any of its departments or agencies require modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of the Airport, or otherwise, the Airline agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Agreement as may be reasonably required (collectively, an "amendment"). Notwithstanding the foregoing, in the event any such amendment would unreasonably interfere with the business operations of Airline, then Airline may refuse to consent to such amendment, provided that Airline must give immediate notice to the County of any such refusal to consent and such notice must state with specificity the reasons for any

such refusal. The County shall have the right to immediately terminate this Agreement upon the failure of Airline to consent to any such amendment.

- 17.10 Federal Preemption. Nothing contained in this Agreement is intended, nor shall be construed, as a waiver by either party of any right to assert any claim or defense, or raise any issue in any context or forum including, but not limited to, a court or administrative forum, regarding the preemption by federal law, including but not limited to the Airline Deregulation Act (49 U.S.C. § 41713), of any state or local law, ordinance, rules or regulations.
- 17.11 Nondiscrimination. Airline shall not unlawfully discriminate against any person in its operations and activities or in its use or expenditure of funds in fulfilling its obligations under this Agreement. Airline shall affirmatively comply with all applicable provisions of the Americans with Disabilities Act (ADA) in the course of providing any services funded by County, including Titles I and II of the ADA (regarding nondiscrimination on the basis of disability), and all applicable regulations, guidelines, and standards. In addition, Airline shall take affirmative steps to ensure nondiscrimination in employment against disabled persons.
- 17.11.1 Airline's decisions regarding the delivery of services under this Agreement shall be made without regard to or consideration of race, age, religion, color, gender, sexual orientation (Broward County Code of Ordinances, Chapter 16 1/2), national origin, marital status, physical or mental disability, political affiliation, or any other factor which cannot be lawfully used as a basis for service delivery.
- 17.11.2 Airline shall not engage in or commit any discriminatory practice in violation of the Broward County Human Rights Act (Broward County Code of Ordinances, Chapter 16 1/2) in performing any services pursuant to this Agreement.
- 17.12 Nondiscrimination for Airports. The Airline agrees to abide by and comply with the non-discrimination requirements set forth on **Exhibit D**, attached hereto and made a part hereof, to the extent same are applicable by law, rule or regulation, or federal grant requirements.
- 17.13 Aviation Regulations. Airline agrees to comply with all applicable federal rules, regulations and requirements, in the course of their operations, as may be promulgated from time to time. Said rules, regulations and requirements shall include, but not be limited to, the Federal Department of Transportation, the Federal Aviation Administration (FAA), the Federal Department of Homeland Security/Transportation Security Administration (TSA) and US Customs and Border Patrol. Airline shall comply with such rules, regulations and requirements of the County and the Aviation Department, including the Airport Security Program, as may reasonably be prescribed and Airline shall take such steps as may be necessary to ensure that their officers, employees, sublessees, contractors, invitees, agents, and Affiliates comply with all applicable federal, County and Aviation Department rules, regulations and requirements. If as a result of the acts or omissions of Airline, its officers, employees, sublessees, contractors, invitees, agents or Affiliates, the County incurs any fines or penalties imposed by any governmental agency as a result of the action(s) or inaction(s) of the Airline, or its officers, employees, sublessees, contractors, invitees, agents, or Affiliates, or any cost or expense in enforcing any rules, regulations or requirements of any governmental agency, the Airline agrees to reimburse the County for all such fines, penalties, costs

and expenses, including the cost of administrative proceedings, court costs and attorney's fees. Airline further agrees to cure all deficiencies, violations and noncompliance as may be determined by the Aviation Department or the United States Department of Transportation, or any other governmental agency with jurisdiction. In the event Airline fails to remedy any such deficiency, violation or noncompliance to the satisfaction of the Aviation Department or the violating agency, as applicable, the County may cure any deficiency, violation or noncompliance at the sole cost and expense of Airline, and Airline shall remit such amounts to County within thirty (30) days of the date of invoice received from the Aviation Department.

- 17.14 Public Entity Crimes Act. In accordance with Section 287.133 (2)(a), Florida Statutes, the following provision is included in this Agreement:

A person or Affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

As of the date of the execution of this Agreement, Airline represents that, to the best of its knowledge, that Airline and its Affiliates have not been placed on the convicted vendor list following a conviction for a Public Entity Crime. Airline further represents that there has been no determination, based on an audit, that it committed an act defined by Section 287.133, Florida Statutes, as a "public entity crime" and that it has not been formally charged with committing an act defined as a "public entity crime" regardless of the amount of money involved or whether Airline has been placed on the convicted vendor list.

- 17.15 Right of Flight. The County reserves unto itself, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the Premises together with the right to cause in said airspace such noise and other intrusions as may be inherent in the operations of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for aircraft landing on, taking off from, or operating at the Airport.
- 17.16 Compliance with FAR Part 77. Airline, its successors and assigns, agrees to restrict the height of structures, objects of natural growth and other obstructions on the Premises to such height as to comply with all applicable Federal Aviation Regulations, including but not limited to 14 CFR Part 77.
- 17.17 The Airline agrees to operate the Premises for the use and benefit of the public.
- 17.18 Airport Hazard. Airline expressly agrees, for itself, its successors and assigns, to prevent any use of the Premises which would interfere with or adversely affect the operation or maintenance of the Airport, or otherwise constitute a hazard.
- 17.19 Contingency Fee. Airline warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Airline, to solicit or secure

this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for Airline, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For a breach or violation of this provision, County shall have the right to terminate this Agreement without liability at its discretion, or to deduct from the Agreement price or otherwise recover the full amount of such fee, commission, percentage, gift or consideration.

- 17.20 Specific Performance. The parties agree that in addition to all other remedies, the obligations contained herein shall be subject to the remedy of specific performance, injunctive relief, and writ of prohibition or mandamus to compel the other party to abide by the terms of this Agreement. The parties hereby waive any and all requirements that the other party post any security or collateral which may be otherwise required or stipulated as a condition for such party to obtain specific performance, injunctive relief, or writ of prohibition or mandamus or other equitable relief.
- 17.21 Survival. Upon termination or expiration of this Agreement, the Airline shall remain liable for all obligations and liabilities that have accrued prior to the date of termination or expiration. Notwithstanding any provision of this Agreement to the contrary, no obligation which accrued but has not been satisfied under any Prior Agreements between the parties, shall terminate or be considered canceled upon execution of this Agreement. Rather, such obligation shall continue as if it had accrued under this Agreement until the obligation is satisfied.
- 17.22 Police/Regulatory Powers. County cannot, and hereby specifically does not, waive or relinquish any of its regulatory approval or enforcement rights and obligations as it may relate to regulations governing the Premises, any Improvements thereon, or any operations at the Premises. Nothing in this Agreement shall be deemed to create an affirmative duty of County to abrogate its sovereign right to exercise its police powers and governmental powers by approving or disapproving or taking any other action in accordance with its zoning and land use codes, administrative codes, ordinances, rules and regulations, federal laws and regulations, state laws and regulations, and grant agreements. In addition, nothing herein shall be considered zoning by contract.
- 17.23 Radon Gas. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.
- 17.24 Visual Artists' Rights Act. With respect to construction or installation of any Improvements at the Premises and regarding the requirements of the federal Visual Artists Rights Act of 1990, 17 USC Sections 106A and 113, as it may be amended from time to time (the "Act"), Airline agrees that it shall not (1) hire any artist or permit any sublessee to hire any artist for the purpose of installing or incorporating any work of art into or at the Premises, or (2) permit the installation or incorporation of any work of art into or at the Premises, without the prior written approval of the Aviation Department. Airline shall provide such reasonable documentation as the Aviation Department may request in connection with any such approval and the approval of the Aviation Department may be conditioned upon the execution by the artist of a waiver of the provisions of the Act, in form and substance acceptable to the Aviation Department.

- 17.25 Right to Develop the Airport. County reserves the right to further develop or improve the Airport and all landing areas and taxiways as it may see fit, regardless of the desires or views of Airline and without interference or hindrance but subject to the Majority In Interest (MII) voting provisions set forth in the Signatory Agreement, if applicable. If the County deems it desirable, within reason, that the Leased Premises, or any part thereof, are needed for other Airport purposes, then the County shall have the right to terminate this Agreement by giving Airline one hundred eighty (180) calendar days written notice of such termination. The right of termination set forth herein is in addition to any other rights of termination set forth in this Agreement.

17.26 ENVIRONMENTAL COMPLIANCE, CONTAINMENT AND REMOVAL

- 17.26.1 Airline shall provide the Aviation Department upon request, a list of all Hazardous Materials stored, used, generated or disposed of on Airport property by Airline. Airline shall also complete the form attached hereto as **Exhibit E** and shall deliver same to the County contemporaneously with its execution of this Agreement. Airline represents that, to the best of its knowledge the matters disclosed on such form will be accurate and complete as of the date of execution of this Agreement. At the request of the Aviation Department (not more than once a year) the Airline shall provide an accurate and complete update as to the matters set forth on **Exhibit E**.
- 17.26.2 Airline agrees to comply with all Applicable Laws, including but not limited to Environmental Laws and any Development Order covering the Airport, issued pursuant to Chapter 380, Florida Statutes, including without limitation those addressing the following, if applicable to the Airline:
- (1) Proper use, storage, treatment and disposal of Hazardous Materials, including contracting with a licensed hazardous waste transporter and/or treatment and disposal facility to assure proper transport and disposal of Hazardous Materials.
 - (2) Proper use, disposal and treatment of stormwater runoff, including the construction and installation of adequate pre-treatment devices or mechanisms, if required by any Applicable Laws. The Airline shall have in place, and make available to the Aviation Department for review, all required environmental licenses and documents including, but not limited to, if applicable, a site specific Stormwater Pollution Prevention Plan, and a Spill Prevention and Countermeasures Plan.
 - (3) Adequate inspection, licensing, insurance, and registration of existing and future storage tanks, storage systems, and ancillary facilities to meet all requirements of all Applicable Laws, including the installation and operation of adequate monitoring devices and leak detection systems.
 - (4) Adequate facilities for management and, as necessary, pretreatment of Hazardous Materials and the proper disposal thereof.
 - (5) Compliance with reporting requirements of Title III of the Superfund Amendment and Chapter 27 of the Broward County Code of Ordinances,

as applicable and as such laws may be amended from time to time.

- 17.26.3 The Release of any Hazardous Materials by Airline, its Affiliate, or Airline's Parties at the Premises occupied by Airline or its Affiliates, or at any other Airport property, whether caused by the officers, employees, contractors, subcontractors or agents of Airline, its Affiliates, or Airline's Parties, that is in an amount that is in violation of any Applicable Laws, whether committed prior to or subsequent to the date of execution of this Agreement, shall be, at the Airline's expense, and upon demand of County or any of its agencies or any local, state, or federal regulatory agency, immediately contained or removed to meet the requirements of all Applicable Laws. If Airline does not take action immediately to have such Hazardous Materials contained, removed and abated, the County or any of its agencies may undertake the removal of the Hazardous Materials; however, any such action by the County or any of its agencies shall not relieve the Airline of its obligations under this or any other provision of this Agreement or as imposed by law. No action taken by either the Airline or the County to contain or remove Hazardous Materials, or to abate a release, whether such action is taken voluntarily or not, shall be construed as an admission of liability as to the source of or the person who caused the pollution or its release. Notwithstanding the foregoing, Airline shall not be liable for the presence of any Hazardous Materials at the Premises or the Airport caused by the County or other persons or entities, not an Affiliate of Airline, or one of Airline Parties.
- 17.26.4 Airline shall provide the Aviation Department with notice of Releases of Hazardous Materials occurring at any area used by Airline, its Affiliates, or Airline's Parties due to Airline's or its Affiliates, or Airline's Parties operations at the Airport, which Release was caused by Airline or its Affiliates, or Airline's Parties, which notices shall be provided in accordance with the requirements of the Aviation Department's policies and procedures manual. Airline shall maintain a log of all such notices and shall also maintain all records required by federal, state, County, and local laws, rules and regulations and also such records as are reasonably necessary to adequately assess environmental compliance in accordance with all Applicable Laws. Upon request by the Aviation Department, Airline shall make all documentation required by this subparagraph available for the review of County representatives.
- 17.26.5 As required by all Applicable Law, Airline shall provide the required federal, state, County and local regulatory agencies with notice any Release of Hazardous Materials on the Premises occupied by Airline or its Affiliate(s) or on the Airport property, which Release was caused by Airline or its Affiliates or any sublessees, officers, employees, contractors, subcontractors, invitees, or agents of Airline or its Affiliate(s). Airline shall further provide the Aviation Department and the Department of Environmental Protection and Growth Management (or successor agency) with written notice within three (3) business days following commencement of same, of the measures to remediate and or monitor any Release in full compliance with all Applicable Laws. Airline shall have an updated contingency plan (or comparable document) in effect which provide minimum standards and procedures for storage of regulated Hazardous Materials and other Hazardous Materials, prevention and containment of spills and Releases, and transfer and disposal of regulated Hazardous Materials and other Hazardous Materials. The contingency plan shall describe design features,

response actions and procedures to be followed in case of releases or other accidents involving Hazardous Materials.

- 17.26.6 The Aviation Department, upon reasonable written notice to Airline, shall have the right to inspect all documents relating in any way to the Release of any Hazardous Materials at the Airport, the environmental condition of the Premises occupied by Airline or its Affiliates, any curative, remediation, or monitoring efforts on any Airport property by Airline, its Affiliates, or Airline's Parties, and any documents required to be maintained under all Applicable Laws including but not limited to any development order issued to the County pertaining to the Airport, pursuant to Chapter 380, Florida Statutes, including, but not limited to, manifests evidencing proper transportation and disposal of Hazardous Materials, environmental site assessments, and sampling and test results. Airline agrees to allow inspection of the Premises occupied by Airline, or its Affiliates, by appropriate federal, state, County and local agency personnel in accordance with all Applicable Laws, and as required by any development order issued to the County pertaining to the Airport, pursuant to Chapter 380, Florida Statutes.
- 17.26.7 If the County, pursuant to this subsection 17.26, arranges for the removal of any Hazardous Materials on the Premises or other Airport Property used or occupied by Airline, its Affiliates, or Airline's Parties, that were caused by Airline, its Affiliate, or Airline's Parties, all costs of such removal incurred by the County shall be paid by Airline to the County within ten sixty (60) calendar days of County's written demand, with interest at the rate of eighteen percent (18%) per annum thereafter accruing.
- 17.26.8 Nothing herein shall relieve Airline of its general duty to cooperate with the County in ascertaining the source and, containing, removing and abating any Hazardous Materials and Releases. The Aviation Department and its employees, contractors, and agents, upon reasonable written notice to Airline, and the federal, state, local and other County agencies, and their employees, contractors, and agents, in accordance with all Applicable Laws, shall have the right to enter the Premises occupied by Airline or its Affiliates for the purposes of the foregoing activities and conducting such environmental assessments (testing or sampling), inspections and audits as it deems appropriate. Any such entering of the Premises occupied by Airline or its Affiliates, by County, shall be, if possible, without unreasonable interference with Airline's operations on the Premises and at reasonable times.
- 17.26.9 If any assessment or inspection undertaken by County, state or federal agencies, indicates that further actions should be conducted, then the County shall have the right to have such further actions conducted at the Airline's expense. Airline shall reimburse to the County the cost of such assessments and inspections within sixty (60) calendar days following written demand for payment, with interest at the rate of eighteen percent (18%) per annum thereafter accruing. Airline shall have the right to split any soil or water samples obtained by the County.
- 17.26.10 In the event County shall arrange for the removal of Hazardous Materials on the Premises occupied by Airline that are not the responsibility of the Airline to correct, County shall use reasonable efforts to not disrupt Airline's business,

however, in no event shall Airline be entitled to any abatement of rent or any amount on account of lost profits, lost rentals, or other damages as a result of County's clean-up activities.

17.26.11 All flammable liquids that are kept or stored at the Premises must at all times be handled, stored, used and dispensed in accordance with all Applicable Laws and other requirements, as same may be amended, including without limitation any rules, regulations or minimum standards that are established by the Aviation Department for operations of Airport tenants.

17.26.12. The provisions of this section shall survive the expiration or other termination of this Agreement.

17.27 Damage to Airport Facilities. Airline shall be responsible for any and all damage to the Airport caused by the negligence of Airline, its Affiliates, and Airline's Parties, including, but not limited to, damage to Terminal areas, ramp and taxiway areas, engine run-up areas, runways, hangar facilities and any and all areas where any activities are performed by Airline, its Affiliates, and Airline's Parties.

17.28 Incorporation by Reference. The truth and accuracy of each "Whereas" clause set forth above is acknowledged by the parties. The attached **Exhibits A, B, C, D, E, F, G, and H** are incorporated into and made a part of this Agreement.

17.29 Boarding Assistance for Individuals with Disabilities. Pursuant to 40 CFR Part 27 and 14 CFR Part 382, which requires that airports and airlines provide boarding assistance to individuals with disabilities, Airline shall abide by the terms and conditions of the Addendum attached hereto as **Exhibit F**, and made a part hereof relating to the Airline's use of the County's "Lift Device," which sets forth the duties and obligations of the respective parties with regard to the use of said Lift Device.

17.30 Multiple Originals. This Agreement may be fully executed in up to 5 counterparts by all parties, each of which, bearing original signatures, shall have the force and effect of an original document.

ARTICLE XVIII
CONFORMITY OF LEASE

18.1 In the event that County enters into an agreement which makes available to any other Scheduled Air Carrier at Airport more favorable terms, rights, licenses or privileges than are available to Airline, then the same shall be concurrently and automatically made available to Airline.

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IN WITNESS WHEREOF, the parties hereto have made and executed this **SIGNATORY** TERMINAL BUILDING LEASE AGREEMENT by and through their respective representatives: BROWARD COUNTY through its BOARD OF COUNTY COMMISSIONERS, signing by and through its Mayor or Vice Mayor, authorized to execute same by Board of Commissioners action on the ____ day of _____, 2011 and by _____, signing by and through its duly authorized representatives.

AIRLINE

ATTEST:

Secretary

(CORPORATE SEAL)

WITNESS:

By: _____

Print Name: _____

Title: _____

____ day of _____, 2011

**SIGNATORY TERMINAL BUILDING LEASE AGREEMENT BETWEEN BROWARD COUNTY
AND**

**EXHIBIT A
LEASED PREMISES**

ATTEST:

COUNTY

BROWARD COUNTY, by and through
it's Board of County Commissioners

Broward County Administrator, as
Ex-officio Clerk of the Broward County
Board of County Commissioners

By _____
Mayor
____ day of _____, 2011_

Approved as to form by
Office of the County Attorney
for Broward County, Florida
JONI ARMSTRONG COFFEY
County Attorney
Governmental Center, Suite 423
115 South Andrews Avenue
Fort Lauderdale, Florida 33301
Telephone: (954) 357-7600
Telecopier: (954) 357-7641

Insurance requirements
approved by Broward County
Risk Management Division

By _____

By _____
Tracy Meyer
Assistant County Attorney

By _____
Christine C. Lee
Senior Assistant County Attorney

TLM
SigTBLA
11-071.86
08/20/11

- A. _____ square feet of ticket counter (Type 1 space) in Terminal ___,
on an exclusive basis only. ³
- B. _____ square feet of Airline ticket offices (Type 1 space) in Terminal __.
- C. _____ square feet of holdroom space (consisting of gates ___, ___, ___, ___ and ___)
(Type 2 space) in Terminal __, on a preferential basis only. ³
- D. _____ square feet of useable covered area (Type 4 space) in Terminal __.
- E. _____ square feet of other offices (Type 2 space) in Terminal __. ²
- F. _____ square feet of bag service office (Type 2 space) in Terminal __
- G. _____ square feet of operations space (Type 2 space) in Terminal __.
- H. _____ square feet of baggage make up space (Type 2 space) in Terminal __.
- I. _____ square feet of curbside check-in consisting of __ podiums (Type 3 space) ³
- J. _____ square feet of remote check-in positions (Type 2 space) consisting __ positions. ³
- K. 71,106 square feet of total joint use space apportioned according to formula described in
Article 1.18

¹ Total Holdroom space in Concourse ____ = ____ SF (excludes concession spaces
in holdroom)

Total Number of Gates in Concourse ____ = ____
Average Holdroom size in Concourse ____ = ____ SF

² Total Useable Covered Space for Concourse ____ = ____ SF

Total Number of Gates in Concourse ____ = ____
Avg. amount of Useable Covered Space/Gate ____ SF

³ Square footage determined per methodology detailed in Exhibit C.

**Exhibit B
RESPONSIBILITY MATRIX**

B - Broward County A - Airline

Airline Leased Properties				All Other Non-Leased Areas	
Ticket Counter Space	Airline Leased Premises Non-Public Use	Airline Leased Premises Public Use	Interior Space	Exterior and Aircraft Apron	
B B B	B B B	B B B	B B B	N/A N/A N/A	
B B	A A	B B	B B	B B	
B B	A B	B B	B B	B B	
B B	B B	B B	B B	N/A N/A	
B B	B B	B B	B B	B B	
B B B	A B B	B B B	B B B	B B B	
B B	B B	B B	B B	B B	
B	B	B	B	B	
A	A	B	B	B	
B N/A	B A	B B	B B	N/A N/A	
N/A	A	N/A	N/A	B	

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**EXHIBIT C
DETERMINATION OF SPACE**

1. Ticket Counter Space will consist of the space from the mid-point of the bag well to the mid-point of the counter, and from the back-wall of the counter to thirty (30) feet forward.
2. Curbside Check-in will consist of a County provided podium will be defined as one-hundred (100) sf per podium.
3. Remote Check-in/passenger service positions will consist of any other location where Airline owned kiosk or passenger processing equipment, located in an area not otherwise leased by Airline, will be defined as twenty five (25) square feet per position.
4. Holdroom square footage will be determined on a Concourse by Concourse basis, by taking an average of all holdrooms for that concourse. The rental square footage for all holdrooms in that concourse will be based on this average.
5. In the event that Airline claims a discrepancy from the square footage set forth in **Exhibit A**, Airline shall request for the Aviation Department to remeasure the space, and upon mutual agreement of the parties, revised square footage information will be used on a go forward basis.

**EXHIBIT D
NONDISCRIMINATION REQUIREMENTS**

- I. During the performance of this contract, the Consultant/Contractor/Tenant/Concessionaire/Airline/Permittee/Licensee for itself, its personal representatives, assigns and successors in interest (hereinafter referred to collectively as the "Contractor") agrees as follows:
 - (a) **Compliance With Regulations.** The Contractor shall comply with the Regulations relative to nondiscrimination in Federally Assisted Programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this contract.
 - (b) **Nondiscrimination.** The Contractor shall not discriminate on the grounds of race, color, religion, gender, national origin, age, marital status, political affiliation, familial status, physical or mental disability, or sexual orientation in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
 - (c) **Solicitation for Subcontracts, Including Procurement of Materials and Equipment.** In all solicitation either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligation under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, religion, gender, national origin, age, marital status, political affiliation, familial status, physical or mental disability, or sexual orientation.
 - (d) **Information and Reports.** The Contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the County or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to the County or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.
 - (e) **Sanctions for Noncompliance.** In the event of the Contractor's noncompliance with the nondiscrimination provisions of this contract, the County shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to: (1) withholding of payments under the contract until there is compliance, and/or (2) cancellation, termination, or suspension of the contract, in whole or in part. In the event of cancellation or termination of the contract (if such contract is a lease), the County shall have the right to re-enter

the Premises as if said lease had never been made or issued. These provisions shall not be effective until the procedures of Title 49 CFR Part 21 are followed and completed, including exercise or expiration of appeal rights.

- (f) **Incorporation of Provisions.** The Contractor shall include the provisions of paragraphs (a) through (e), above, in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontract or procurement as the County or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Contractor may request the County to enter into such litigation to protect the interests of the County and, in addition, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.
- (g) The Contractor, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this contract, for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the Contractor shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulation may be amended.
- (h) The Contractor, as a part of the consideration hereof, does hereby covenant and agree that: (1) no person on the grounds of race, color, religion, gender, national origin, age, marital status, political affiliation, familial status, physical or mental disability, or sexual orientation shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any Improvements on, over, or under the Premises and the furnishing of services thereon, no person on the grounds of race, color, religion, gender, national origin, age, marital status, political affiliation, familial status, physical or mental disability, or sexual orientation shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that the Contractor shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted

Programs of the Department of Transportation, and as said Regulations may be amended.

- II. During the performance of this contract, the Contractor, for itself, its assignees and successors in interest agrees as follows:

The Contractor agrees to undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, color, religion, gender, national origin, age, marital status, political affiliation, familial status, physical or mental disability, or sexual orientation be excluded from participation in any

employment, contracting, or leasing activities covered in 14 CFR Part 152, Subpart E. The Contractor agrees that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this Subpart. The Contractor agrees that it will require its covered suborganizations to provide assurances to the Contractor that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations as required by 14 CFR Part 152, Subpart E, to the same effect.

The Contractor agrees to comply with any affirmative action plan or steps for equal employment opportunity if required by 14 CFR Part 152, Subpart E, as part of the affirmative action program, [and by any federal, state, County or local agency or court, including those resulting from a conciliation agreement, a consent decree, court order or similar mechanism. [The Contractor agrees that state or County affirmative action plans will be used in lieu of any affirmative action plan or steps required by 14 CFR Part 152, Subpart E, only when they fully meet the standards set forth in 14 CFR 152.409.] The Contractor agrees to obtain a similar assurance from its covered organizations, and to cause them to require a similar assurance of their covered suborganizations, as required by 14 CFR Part 152, Subpart E.

If required by 14 CFR Part 152, Contractor shall prepare and keep on file for review by the FAA Office of Civil Rights an affirmative action plan developed in accordance with the standards in Part 152. The Contractor shall similarly require each of its covered suborganizations (if required under Part 152) to prepare and to keep on file for review by the FAA Office of Civil Rights, an affirmative action plan developed in accordance with the standards in Part 152.

[If Contractor is not subject to an affirmative action plan, regulatory goals and timetables, or other mechanism providing for short and long-range goals for equal employment opportunity under Part 152, then Contractor shall nevertheless make good faith efforts to recruit and hire minorities and women for its aviation workforce as vacancies occur, by taking any affirmative action steps required by Part 152. Contractor shall similarly require such affirmative action steps of any of its covered suborganizations, as required under Part 152.]

Contractor shall keep on file, for the period set forth in Part 152, reports (other than those submitted to the FAA), records, and affirmative action plans, if applicable, that will enable the FAA Office of Civil Rights to ascertain if there has been and is compliance with this subpart, and Contractor shall require its covered suborganizations to keep similar records as applicable.

Contractor shall, if required by Part 152, annually submit to the County the reports required by Section 152.415 and Contractor shall cause each of its covered suborganizations that are covered by Part 152 to annually submit the reports required by Section 152.415 to the Contractor who shall, in turn, submit same to the County for transmittal to the FAA.

- III. The Contractor, for itself, its assignees and successors in interest agrees that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, color, religion, gender, national origin, age, marital status, political affiliation, familial status, physical or mental disability, or sexual orientation be excluded from participating in any activity conducted with or

benefiting from Federal assistance. This "Provision" obligates the Contractor or its transferee, for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or Improvements thereon. In these cases, the Provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. In the case of contractors, this Provision binds the contractors from the bid solicitation period through the completion of the contract. IV. Contractor shall not discriminate on the basis of race, color, religion, gender, national origin, age, marital status, political affiliation, familial status, physical or mental disability, or sexual orientation in the performance of this contract. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the County deems appropriate.

EXHIBIT E
ENVIRONMENTAL DOCUMENTS

Company Name:

Mailing Address:

Street or Post Office Box

City: _____ State: _____ Zip Code: _____

Type of Agreement:

Please describe the activities performed and services provided on leasehold:

Will there be fueling: Yes ___ No ___

Will there be maintenance: Yes ___ No ___

Will there be plane washing: Yes ___ No ___

The Airline has the following documents, if applicable, which may be requested by the County for review: If not applicable, denote "NA."

1. Best Management Plan, dated _____.
2. Storm water Pollution Prevention Plan, dated _____.
3. Spill Prevention Control and Countermeasures Plan, dated _____.
4. Hazardous Materials Plan, dated _____.
5. Other applicable environmental plans: _____

Is the Airline required to file the SARA Title III Reporting? Yes ___ No ___
If Yes, was last filed on (date) _____.

Is the Airline a generator of hazardous waste pursuant to 40 CFR 261?

Yes ____ No ____.

If Yes, the status is ____ conditionally exempt; ____ small; ____ large quantity Generator.

If required, reports were filed on (date) _____.

The following environmental licenses and/or permits (County, State, Federal) are issued to the Airline: (These licenses/permits include, but are not limited to, storage tanks, hazardous material, air, solid waste, hazardous waste, industrial wastewater pretreatment, and storm water.)

Permit Name/Type	License No.	Date Expires
1. _____		
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		

**EXHIBIT F
ADDENDUM TO AGREEMENT PROVIDING
FOR THE USE OF LIFT DEVICE
PURSUANT TO 49 CFR PART 27 AND 14 CFR PART 382**

1. COUNTY, as the owner and operator of the Fort Lauderdale-Hollywood International Airport ("Airport") and those entities providing boarding assistance to individuals with disabilities are required to enter into an agreement addressing the respective responsibilities of the parties regarding the provision of accessible facilities for individuals with disabilities, which includes providing boarding assistance using mechanical lifts ("Lift Device"). 49 CFR Part 27 and 14 CFR Part 382.
2. COUNTY and Airline agree, subject to all existing terms and conditions of the Agreement between the parties, as follows:
 - a. COUNTY shall make available to the Airline, on a nonexclusive basis, the use of the Lift Device. Such Lift Device is to be used solely for the purpose of loading and unloading passengers from aircraft owned or operated by the Airline at the Airport. The Lift Device may be used only on the Air Operations Area of the Airport.
 - b. Airline's employees, agents or representatives shall be trained to operate the Lift Device and will attend all training sessions as to the proper use of the Lift Device as may be provided by either the Broward County Aviation Department ("Aviation Department") or the manufacturer of the Lift Device. All persons trained in the use of said Lift Device shall be certified to use the Lift Device by the Aviation Department. Those representatives of the Airline who have successfully completed such training and have been certified by the Aviation Department or the manufacturer may train other representatives of the Airline in the proper use of the Lift Device.
 - c. Promptly after each delivery of the Lift Device for use by the Airline, and in any event prior to any use of the Lift Device, trained representatives of the Airline shall inspect the Lift Device and following such inspection shall either (i) if the Lift Device appears to be fit for its intended use, accept the Lift Device in which case the Airline may proceed to use the Lift Device in accordance with the provisions of this Addendum; or (ii) if the Lift Device appears in any way to be damaged, unsafe, broken, improperly or not maintained, missing parts, or unfit for its intended use, immediately notify the Aviation Department and shall not use the Lift Device until such time as the Aviation Department has corrected such problems as it deems necessary and granted its written consent to once again commence use of the Lift Device. Subject to receipt of any sums owed to COUNTY pursuant to subparagraph 3.d. below, the Aviation Department agrees to repair promptly any damage or problems to the Lift Device and to maintain the Lift Device in good working order. The Airline's right to use the Lift Device shall be suspended for any period during which the Lift Device is in any way damaged, unsafe, broken, improperly or not maintained, missing parts, or unfit for its intended use.

- d. The Lift Device, until returned to the COUNTY, shall be held and used by the Airline, at all times at the sole risk of the Airline for injury, damage (including damage to third parties and their property), loss, destruction, theft, expropriation or requisition (as to either title or use). If the Lift Device or any part of it is destroyed, lost, stolen, damaged beyond repair, or permanently rendered unfit for normal use for any reason whatsoever, or is expropriated or requisitioned while in the possession of the Airline, and before return to the COUNTY, the Airline shall promptly notify the COUNTY and pay the COUNTY on demand the replacement value of the Lift Device determined immediately prior to the occurrence as reimbursement to the COUNTY for such occurrence. As used herein, replacement value of the Lift Device shall mean the cost of replacement of the Lift Device by purchasing its replacement thereof from the manufacturer.
 - e. Title to the Lift Device is and at all times shall remain in the COUNTY. Further, the Airline shall not sell, mortgage, assign, transfer, lease, sublet, loan, part with possession of or encumber the Lift Device or permit any liens or charges to become effective thereon or permit or attempt to do any of the acts aforesaid. The Airline agrees, at its own expense, to take such action as may be necessary (i) to remove any such encumbrance, lien or charge, and (ii) to prevent any third party from acquiring any interest in the Lift Device or any part thereof.
 - f. If at any time the Airline becomes aware of the need for maintenance or repairs to the Lift Device, the Airline shall (i) promptly notify the Aviation Department in writing of the nature of the maintenance or repairs needed, and (ii) refrain from using the Lift Device until such time as the Aviation Department has performed such repairs or maintenance as it deems necessary and has granted its written consent to commence use of the Lift Device.
3. Airline agrees to comply with all federal, state, County and local laws, regulations, codes, and ordinances, and all applicable requirements of the manufacturer of the Lift Device, applicable to the physical possession, operation, condition, use and maintenance of the Lift Device.
 4. Airline acknowledges that the COUNTY is not the manufacturer of the Lift Device or a dealer in similar property and has not made and does not make any representation, warranty or covenant, express or implied, with respect to the condition, quality, durability, suitability or merchantability of the Lift Device. COUNTY shall not be liable to Airline for any liability, loss or damage caused or alleged to be caused directly or indirectly by the Lift Device, by any inadequacy thereof or defect therein, or by any incident in connection therewith. In the event Airline provides written notice to COUNTY of a claim against Airline relating to the operation of the Lift Device, COUNTY shall, to the extent possible, assign any applicable manufacturer's warranty and/or claim against the manufacturer with respect to the Lift Device to Airline; provided, however, that in assigning such claim, COUNTY'S right to assert a claim in its own interest shall not be prejudiced thereby.
 5. The Airline acknowledges that COUNTY may establish, in its discretion, reasonable and nondiscriminatory fees and charges for the use and/or maintenance of the Lift Device. Airline agrees to pay any such fees and charges in the manner prescribed by the Director of Aviation.
 6. COUNTY and Airline reserve the right to assign all of the obligations to maintain and operate the Lift Device, as provided in this Addendum, on behalf of COUNTY and Airline, to a provider of ground handling services.

**EXHIBIT G
NEWLY CONSTRUCTED AREAS**

(1) Construction by Airline.

- (a) Prior to the commencement of construction of any facilities, Airline shall submit to the Aviation Department for its written approval, complete plans and specifications of the contemplated construction. The plans and specifications shall be certified by an architect or engineer licensed to practice in the State of Florida and shall consist of: (i) working drawings, (ii) technical specifications, (iii) bid documents, if applicable, (iv) schedule for accomplishing Improvements, (v) schedule of finishes and graphics, (vi) list of furnishings, fixtures and equipment, (vi) certified estimate of the design, development and construction costs, and (vii) such other information as may be required by the Aviation Department. All construction, Improvements, signs and equipment must be made in accordance with the requirements set forth in the Agreement and its exhibits. All of the plans and specifications shall be in such detail as may reasonably permit the Aviation Department to make a determination as to whether the facilities will be consistent with the standards set forth in the Agreement and its exhibits. The plans and specifications for the facilities that have received the Aviation Department's written approval, and any amendments and changes thereto that have received the Aviation Department's written approval, are hereinafter referred to collectively, as the "Approved Plans." No work may be performed by the Airline, except pursuant to Approved Plans.
- (b) No changes or alterations shall be made to any Approved Plans, without the prior written approval of the Aviation Department.
- (c) Any and all construction shall be performed in such a manner as to provide that the facilities shall:
 - (1) Be structurally sound and safe for human occupancy, and free from any hazards;
 - (2) Be designed for use for only those purposes permitted under this Agreement;
 - (3) Comply with the provisions of the deed under which the County acquired its title to the Airport from the United States of America, and the provisions of any grant agreements or other agreements between the County and the United States Government or the State of Florida.;
 - (4) Comply with the terms and provisions of the Agreement and its exhibits;
 - (5) The Aviation Department reserves the right to require that all development within the Airport is consistent with the overall Airport

system architecture and the Airport Master Plan, as well as reasonable standards of safety and quality.

The Aviation Department may refuse to grant approval if, in its opinion, the proposed facilities as shown on such plans and specifications will fail to meet the criteria set forth above or in other provisions of the Agreement and its exhibits.

- (d) It is understood and agreed that in the course of any construction undertaken by Airline during the term of this Agreement, the Airline shall be responsible for all costs associated with any removal, replacement, relocation and protection of all utilities.
- (e) All Improvements, equipment and interior design and decor constructed or installed by the Airline, its agents, or contractors, including the plans and specifications relating to same, shall conform to all applicable state, federal, County, and local statutes, ordinances, building codes, fire codes, advisory circulars, and rules and regulations. The approval by the Aviation Department of any plans, specifications, or designs shall not constitute a representation or warranty as to such conformity, and such responsibility shall at all times remain in Airline.
- (f) Upon approval of plans, specifications and schedules by the Aviation Department and the obtaining of other necessary governmental approvals, the Airline shall promptly begin construction and installation of the approved facilities and shall pursue the same to completion by the date agreed to between Airline and the Aviation Department with respect to such Improvements. Any work impacting portions of the Airport other than the Premises shall be performed within schedules approved by the Aviation Department.
- (g) If requested by the Aviation Department, the Airline and its architect/engineer and contractor shall meet with the Aviation Department in periodically scheduled meetings to assess the current status of completion. Failure to complete the Improvements within the time specified in the written approval from the Aviation Department shall constitute a material breach of this Agreement.
- (h) Within one hundred and twenty (120) calendar days after the date of receipt of a certificate of occupancy or final inspection with respect to any Improvements, the Airline must provide to the County: (1) a certified statement from the construction contractor(s) specifying the total construction cost and stating that the Improvements are free and clear of all liens, claims or encumbrances by any material suppliers, subcontractors, or laborers; and (2) a certified statement from the architect or engineer stating the total architect's or engineer's fees and that the Improvements have been constructed in accordance with the Approved Plans and in compliance with all applicable building codes, laws, rules, ordinances, and regulations. Airline shall provide, upon request, such back-up documentation and releases of lien as may be required by the County.

- (i) Airline hereby represents warrants and covenants to the County that all Improvements now and hereafter constructed on the Premises, or elsewhere at the Airport by Airline shall be at all times free and clear of all liens, claims and encumbrances that may arise due to actions of Airline, its contractor's agents or employees. If any such lien or notice of lien shall be filed against the Premises, Improvements, or any Airport premises, the Airline shall, within thirty (30) calendar days after notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, or order of a court of competent jurisdiction.
 - (j) Within ninety (90) calendar days after the date of receipt of a certificate of occupancy or final inspection with respect to any Improvements, the Airline shall at its expense, provide the Aviation Department with a complete set of "as built" plans and specifications, including Mylar reproducible "record" drawings, and one set of machine readable disks containing electronic data in an AUTOCAD format that meets the Aviation Department's standards of the 'as-constructed' or 'record' plans for such Improvements.
 - (k) In addition to the Aviation Department's approval, Airline shall obtain any required approval from all other agencies having jurisdiction over any Improvements, including but not limited to departments, divisions or offices of County, the state of Florida and the federal government.
 - (l) All Improvements hereafter made to the Premises shall be in conformity and consistent with the Americans with Disability Act of 1990, as same may be amended from time to time.
 - (m) The Airline shall not make any additions, alterations, modifications or replacements to any Improvements at the Premises or at the Airport, unless Airline shall first have submitted to the Aviation Department, for its written approval, complete plans and specifications for same in accordance with the Agreement and its exhibits. All additions, alterations, modifications and replacements shall comply with all provisions of the Agreement and all exhibits, including without limitation, this exhibit. In the event any addition, alteration, modification or replacement is made without Aviation Department then, upon notice in writing so to do, the Airline shall remove the same or at the option of the Aviation Department cause the same to be changed to the satisfaction of the Aviation Department. In the case of any failure on the part of the Airline to comply with such notice, the Aviation Department may effect the removal or change and the Airline shall pay the cost thereof to the Aviation Department.
- (2) Payment and Performance Bonds and Insurance Requirements for Contractors.
- (a) Payment and Performance Bonds. The Airline agrees that before commencing any work or construction, the Airline shall require the contractor building any Improvements to maintain, at all times, a valid payment bond and a valid performance bond, which bonds shall be in an amount not less than the amount covering the full amount of the work

being performed. Each bond must guarantee to the County the completion of the work being performed by the contractor as well as full payment of all suppliers, material suppliers, laborers or subcontractors employed in the project.

(b) Insurance Requirements for Construction Contract.

(1) Airline agrees to include the following insurance language in any agreement it enters into with any contractors performing work at Premises and Airline further agrees to provide to County, prior to commencement of any Improvements, certificates of insurance evidencing the contractor's compliance with the requirements below:

"A. Without limiting any of the other obligations or liabilities of Contractor, Contractor shall provide, pay for, and maintain in force until all of its work to be performed under this Contract has been completed and accepted by County (or for such duration as is otherwise specified hereinafter), the insurance coverages set forth herein.

1. Workers' Compensation Insurance shall be provided to apply for all employees in compliance with the "Workers' Compensation Law" of the State of Florida and all applicable federal laws. In addition, the policy must include: Employers' Liability insurance shall be provided with a limit of One Hundred Thousand (\$100,000) each accident.

2. Commercial General or Commercial Liability Insurance shall be provided with minimum limits of Five Million Dollars (\$5,000,000.00) per occurrence, combined single limit for Bodily Injury Liability and Property Damage Liability. Coverage must be afforded on a form no more restrictive than the latest edition of the Commercial General or Commercial Liability policy, without restrictive endorsements, as filed by the Insurance Services Office, and must include: Premises and/or Operations; Independent Contractors; Products and/or Completed Operations for contracts over Fifty Thousand Dollars (\$50,000); Explosion, Collapse and Underground Coverages; Broad Form Property Damage; Broad Form Contractual Coverage applicable to this specific Contract; Personal Injury Coverage, with minimum limits of coverage equal to those required for Bodily Injury Liability and Property Damage Liability. Contractor shall maintain in force until at least three years after completion of all work required under the Contract, coverage for Products and Completed Operations, including Broad Form Property Damage and Broad Form Contractual Coverage.

3. Business Automobile Liability Insurance shall be provided with minimum limits of One Million Dollars (\$1,000,000.00) per occurrence, combined single limit for Bodily Injury Liability and Property Damage Liability. Coverage must be afforded on a form no more restrictive than the latest edition of the Business Automobile Liability policy, without restrictive endorsements, as filed by the Insurance Services Office, and must include: Owned/Leased Vehicles; Hired and Non-Owned Vehicles; and Employer's Non-Ownership." Prior to the

entrance into the airside area of the airport by Contractor, their employees, and/or assigns, the limit for auto and commercial or comprehensive general liability requirement is increased to \$5,000,000 each occurrence bodily injury and property damage combined single limit.

B. Such policy or policies shall be issued by approved companies authorized to do business in the State of Florida, and having agents upon whom service of process may be made in the state of Florida. The Commercial General Liability policy shall specifically protect County and the Commission by naming County and the Broward County Board of County Commissioners as additional insureds.

C. Contractor shall furnish to the _____ [INSERT AIRLINE'S LEGAL NAME], Certificates of Insurance or endorsements evidencing the insurance coverages specified hereunder at least ten (10) calendar days prior to beginning performance of work under this Agreement. The required Certificates of Insurance shall name the types of policies provided.

D. Coverage is not to cease and is to remain in force (subject to cancellation notice) until all performance required of Contractor is completed. All policies must be endorsed to provide County with at least thirty (30) calendar days' notice of cancellation and/or restriction. If any of the insurance coverages will expire prior to the completion of the work, copies of renewal policies shall be furnished at least thirty (30) calendar days' prior to the date of their expiration. Any insurance coverage that is written on a "claims made" basis must remain in force for two (2) years after the termination of this Agreement.

E. County is to be expressly included as an Additional Insured in the name of Broward County with respect to liability (General and Excess/Umbrella) for operations performed for the name of the insured by independent and/or subcontractors that are hired, and acts or omissions of the named insured in connection with his/her general supervision of such operations. The additional insured shall read "Broward County."

- (c) Airline shall provide to County, not less than ten (10) calendar days prior to commencement of any Improvements at the Premises, site certificates of insurance evidencing the insurance coverage as specified above. The required certificates of insurance shall not only name the types of coverage provided, but also shall refer specifically to this TBLA with the type of insurance which is being furnished, and shall state that such insurance is as required by such sections of this TBLA. If the initial insurance expires prior to the completion of the Improvements, renewal certificates of insurance shall be furnished at least thirty (30) calendar days prior to the date of their expiration. Insurance shall not be canceled, modified, or restricted, without at least thirty (30) calendar days prior written notice to County, and must be endorsed to provide same. The aforesaid minimum limits of insurance shall be reviewed from time to time by County and may be adjusted if County determines that such adjustments protect County's interest. When such policies or certificates

have been delivered by the Airline to the County as aforesaid and at any time or times thereafter, the County may notify the Airline, in writing, that the insurance represented thereby does not conform to the provisions hereof because of the amount or because of the insurance company or for any other reason, and the Airline shall have fifteen (15) calendar days in which to cure any such defect.

- (d) Airline shall provide the Aviation Department with the certificates of insurance and any other documentation required by this Exhibit. Airline shall not be required to comply with the provisions of subsection 2(b), above, if Airline shall have in effect Commercial General Liability Insurance and Business Automobile Liability Insurance with all of the coverages required by subsection 2(b), above, and showing the County as an additional insured in form satisfactory to the County's Risk Management Division.

EXHIBIT H
SURVIVAL OF CERTAIN PROVISIONS OF PRIOR AGREEMENTS

1. Amendment No. 20 to the Terminal Building Lease Agreement between Broward County and Airtran Airways, Inc., dated April 26, 2011: paragraphs 2 through 6 and 8 through 17.
2. Amendment No. 8 to the Airline-Airport Lease and Use Agreement between Broward County and American Airlines, Inc., dated August 30, 2011: paragraphs 2 through 6 and 8 through 14.
3. Addendum to the Terminal Building Lease Agreement between Broward County and Southwest Airlines, for the construction of the inline baggage system in Terminal 1, dated March 10, 2009: paragraphs: 4 through 35.
4. The survival of the rights and obligations listed above, are specific as to such provisions and do not apply to any other provisions of such amendments, addendums or agreements.

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APPENDIX G

PROPOSED FORM OF CO-BOND COUNSEL OPINION

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APPENDIX G

[PROPOSED FORM OF CO-BOND COUNSEL OPINIONS]

May __, 2012

Upon the delivery of the Series 2012P Bonds, Squire Sanders (US) LLP and Perry E. Thurston, Jr., P.A. are prepared to render their approving opinions with respect to the Series 2012P Bonds in substantially the following form:

Board of County Commissioners of
Broward County, Florida
Fort Lauderdale, Florida

We have served as co-bond counsel to our client Broward County, Florida (the “County”) and not as counsel to any other person in connection with the issuance by the County of its \$217,080,000 aggregate principal amount of Airport System Revenue Refunding Bonds, Series 2012P-1 (AMT) (the “Series 2012P-1 Bonds”) and \$92,775,000 aggregate principal amount of Airport System Revenue Refunding Bonds, Series 2012 P-2 (Non-AMT) (the “Series 2012P-2 Bonds”) and, together with the Series 2012P-1 Bonds, the “Series 2012P Bonds”), dated the date of this letter.

The Series 2012P Bonds are issued pursuant to Resolution No. 82-A-2 adopted by the Board of County Commissioners of the County (the “Board”) on November 9, 1982, as supplemented and amended and as particularly supplemented by Resolution No. 2012-319 adopted by the Board on May 8, 2012 (collectively, the “Bond Resolution”), to provide funds, together with other legally available funds, to (i) refund on a current and advance basis a portion of the County’s Outstanding Airport System Revenue Bonds, Airport System Revenue Refunding Bonds and Passenger Facility Charge/Airport System Convertible Lien Bonds described in the Official Statement (the “Refunded Bonds”), and (ii) pay certain costs of issuance of the Series 2012P Bonds and the refunding of the Refunded Bonds. The Series 2012P Bonds are issuable as fully registered bonds in authorized denominations of \$5,000 and integral multiples thereof. The Series 2012P Bonds mature at the times and bear interest payable at the times and at the rates determined, all in the manner provided in the Bond Resolution and as set forth in the Official Statement relating thereto. Capitalized terms not otherwise defined in this letter are used as defined in the Bond Resolution.

In our capacity as co-bond counsel, we have examined the transcript of proceedings relating to the issuance of the Series 2012P Bonds, the signed and authenticated Series 2012P Bond of the first maturity of each series and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The County is duly organized and validly existing as a public body corporate and politic of the State of Florida under the constitution and laws of the State of Florida with the power to adopt the Bond Resolution, to perform its obligations thereunder and to issue the Series 2012P Bonds.

2. The Series 2012P Bonds and the Bond Resolution constitute valid and binding limited obligations of the County and the Series 2012P Bonds are equally and ratably payable from, and secured by, a valid pledge of and lien upon the Net Revenues of the County's Airport System, the County's right to receive Net Revenues, and moneys on deposit in the Funds and Accounts (other than the Rebate Fund) established under the Bond Resolution. The Series 2012P Bonds and the payment of debt service thereon are not secured by an obligation or pledge of any moneys raised by taxation, and the Series 2012P Bonds do not represent or constitute a general obligation, a debt or pledge of the full faith and credit or taxing power of the County, the State of Florida, or any other political subdivision thereof.

3. Interest on the Series 2012P Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except interest on any Series 2012P-1 Bond for any period during which it is held by a "substantial user" or "related person" as those terms are used in Section 147(a) of the Code. Interest on the Series 2012P-1 Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Interest on the Series 2012P-2 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, portions of the interest on the Series 2012P-2 Bonds earned by certain corporations may be subject to a corporate alternative minimum tax. The Series 2012P Bonds and the income thereon are exempt from all taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. We express no opinion as to any other tax consequences regarding the Series 2012P Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the County.

In rendering those opinions with respect to the treatment of the interest on the Series 2012P Bonds under the federal tax laws, we further assume and rely upon compliance with the

Board of County Commissioners of
Broward County, Florida
May __, 2012
Page 3

covenants in the proceedings and documents we have examined, including those of the County. Failure to comply with certain of those covenants subsequent to issuance of the Series 2012P Bonds may cause interest on the Series 2012P Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Series 2012P Bonds and the enforceability of the Series 2012P Bonds are subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities.

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as co-bond counsel with respect to the Series 2012P Bonds has concluded on this date.

Respectfully submitted,

[To be signed "Squire Sanders (US) LLP" or "Perry E.
Thurston, Jr., P.A."]

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APPENDIX H

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This **CONTINUING DISCLOSURE CERTIFICATE** (the "Disclosure Certificate"), dated as of May 30, 2012, is executed and delivered by BROWARD COUNTY, FLORIDA, a political subdivision of the State of Florida (the "County") in connection with the issuance of its \$217,080,000 Broward County, Florida Airport System Revenue Refunding Bonds, Series 2012P-1 (AMT) and its \$92,775,000 Broward County, Florida Airport System Revenue Refunding Bonds, Series 2012P-2 (Non-AMT), dated as of the date of delivery thereof (collectively, the "Series 2012P Bonds"). Each capitalized term used but not otherwise defined herein shall have the meaning assigned to it in Section 2 below or in the hereinafter defined Bond Resolution.

SECTION 1. PURPOSE OF DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the County for the benefit of the Holders (as defined herein) of the Series 2012P Bonds and in order to assist the original underwriters of the Series 2012P Bonds in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

SECTION 2. DEFINITIONS AND INTERPRETATION. In addition to the words and terms defined elsewhere in this Disclosure Certificate or by reference to the Bond Resolution, the following terms shall have the meanings set forth below, 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 Financial Accounting Foundation.

"Airport" means the Fort Lauderdale-Hollywood International Airport and the improvements thereto.

"Annual Information" means the following information and operating data for the applicable Fiscal Year of the type included with respect to the Airport and contained in the Official Statement: enplanements, total landed weights, total air cargo tonnage and the information contained under the caption "SELECTED FINANCIAL INFORMATION AND MANAGEMENT ANALYSIS – Bonded Indebtedness," and in the tables entitled "Summary of Revenues and Expenses," "Operating Revenues by Source" and "Historical Bond Debt Service Coverage" under the caption "SELECTED FINANCIAL INFORMATION AND MANAGEMENT ANALYSIS."

"Bond Resolution" means Resolution No. 82-A-2, adopted by the Board on November 9, 1982, as amended and supplemented.

"Business Day" means any day other than a Saturday, Sunday or a day on which the County is required, or authorized or not prohibited by law (including executive orders), to close and is closed.

"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 Broward County Aviation Department Special Purpose Financial Statements for the applicable Fiscal Year which may be a part of the County's consolidated audited financial report.

"Fiscal Year" means the twelve month period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

"Holders" or "Owners" or any similar term, when used with reference to a Series 2012P Bond means, at the time or times of determination, the persons who are registered owners of the Series 2012P Bonds.

"MSRB" means the Municipal Securities Rulemaking Board.

"EMMA" means the MSRB's Electronic Municipal Market Access system authorized by the SEC in accordance with the Rule. Further information regarding EMMA can be retrieved by visiting the web site <http://emma.msrb.org/>.

"Official Statement" means the Official Statement with respect to the Series 2012P Bonds dated May 17, 2012.

"Original Purchaser" means J.P. Morgan Securities LLC.

"Specified Events" means the occurrence of any of the following events, within the meaning of the Rule, with respect to the Series 2012P Bonds:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on the debt service reserve fund reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancement reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;

(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2012P Bonds, or other material events affecting the tax status of the Series 2012P Bonds;

(g) Modifications to rights of Series 2012P Bond Holders, if material;

(h) Calls on the Series 2012P Bonds, if material, and tender offers;

(j) Defeasance of the Series 2012P Bonds;

(k) Release, substitution, or sale of property securing repayment of the Series 2012P Bonds, if material;

(l) Rating changes;

(m) Bankruptcy, insolvency, receivership or similar event of the County (this event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County);

(n) The consummation of a merger, consolidation, or acquisition involving the Airport or the sale of all or substantially all of the assets of the Airport, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(o) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The captions and headings in this Disclosure 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 Disclosure Certificate, unless otherwise indicated.

SECTION 3. PROVISION OF ANNUAL INFORMATION; AUDITED FINANCIAL STATEMENTS. The County hereby agrees to provide or cause to be

provided to the MSRB through EMMA commencing with the Fiscal Year ended September 30, 2012:

- (a) its Annual Information for the preceding Fiscal Year not later than the Filing Date for each such Fiscal Year; and
- (b) when and if available, the Financial Statements for each Fiscal Year prepared in accordance with the Accounting Principles.

The County expects that the Financial Statements will be prepared and will be available together with its Annual Information. The requirements of the foregoing clauses (a) and (b) shall be satisfied if the required Annual Information is submitted as part of the Financial Statements.

SECTION 4. NOTICE OF SPECIFIED EVENTS; FAILURE TO FILE ANNUAL INFORMATION; CHANGES IN ACCOUNTING PRINCIPLES OR FISCAL YEAR. The County agrees to provide or cause to be provided to the MSRB through EMMA (a) in a timely manner, not in excess of ten business days after the occurrence of the event, notice of any Specified Event, (b) in a timely manner, notice of its failure to provide or cause to be provided the Annual Information on or prior to the Filing Date, and (c) in a timely manner, notice of any change in the Accounting Principles applied in the preparation of the Financial Statements or any change in the dates on which the Fiscal Year of the County begins and ends.

SECTION 5. SUBMISSION OF INFORMATION TO THE MSRB. The information required to be disclosed pursuant to Sections 3 and 4 of this Disclosure Certificate shall be submitted to the MSRB through EMMA. Subject to future changes in submission rules and regulations, such submissions shall be provided to the MSRB, through EMMA, in portable document format ("PDF") files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. Such PDF files are required to be word-searchable (allowing the user to search for specific terms used within the document through a search or find function available in a software package).

Subject to future changes in submission rules and regulations, at the time that such information is submitted to the MSRB through EMMA, the County, or any dissemination agent engaged by the County pursuant to Section 7 hereof, shall also provide to the MSRB information necessary to accurately identify:

- (A) the category of information being provided;
- (B) the period covered by any annual financial information, financial statements or other financial information or operating data;

- (C) the issues or specific securities to which such submission is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (D) the name of any obligated person other than the County;
- (E) the name and date of the document being submitted; and
- (F) contact information for the submitter.

SECTION 6. INCORPORATION BY REFERENCE. Any or all of the information required herein to be disclosed may be incorporated by reference from other documents, including official statements or debt issues of the County or related public entities, which have been submitted to the MSRB through EMMA or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each document incorporated by reference.

SECTION 7. DISSEMINATION AGENT. The County may, from time to time, appoint or engage an agent to act on its behalf in performing its obligations under this Disclosure Certificate and may discharge any such agent, with or without appointing a successor; provided, that the County shall provide any such party then acting as agent with written notice of such appointment or discharge and provided further, that the County shall not be relieved in any respect by appointment of an agent from primary liability for the performance of its obligations under this Disclosure Certificate.

SECTION 8. REMEDY FOR BREACH. This Disclosure Certificate shall be solely for the benefit of the Holders and beneficial owners from time to time of the Series 2012P Bonds. The exclusive remedy for any breach of this Disclosure Certificate by the County shall be limited, to the extent permitted by law, to a right of Holders and beneficial owners, to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the County of its obligations under this Disclosure Certificate. Any Holder or beneficial owner may exercise any such right; provided that, except in the instance of an alleged failure of the County to provide or cause to be provided a pertinent filing if such a filing is due and has not been made, any such right shall be exercised in the same manner and subject to the same conditions and limitations that would apply under the Bond Resolution. Holders and beneficial owners shall not be entitled to institute or maintain any such proceedings individually that assert a breach of this Disclosure Certificate that is based on the alleged inadequacy of any pertinent filing that has been made. Notwithstanding any other provisions of the Bond Resolution or this Disclosure Certificate, any failure by the County to comply with any provisions of this Disclosure Certificate shall not constitute an Event of Default under the Bond Resolution.

SECTION 9. AMENDMENT; WAIVER. This Disclosure Certificate may be amended, and noncompliance with any provision of this Disclosure Certificate may be waived, as may be necessary or appropriate to achieve its compliance with any applicable federal securities law or rule, to cure any ambiguity, inconsistency or formal defect or omission, and to address any change in circumstances arising from a change in legal requirements, change in law, or change in the identity, nature, or status of the County, or type of business conducted by the County. Any such amendment or waiver shall not be effective unless this Disclosure Certificate (as amended or taking into account such waiver) would have complied with the requirements of the Rule at the time of the primary offering of the Series 2012P Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the County shall have received either (a) a written opinion of bond counsel or other qualified independent special counsel, selected by the County, that the amendment or waiver would not materially impair the interests of Holders or beneficial owners, or (b) the written consent to the amendment or waiver of the Holders of at least a majority of the principal amount of the Series 2012P Bonds then Outstanding. Annual Information containing any revised operating data or financial information shall explain, in narrative form, the reasons for any such amendment or waiver and the impact of the change on the type of operating data or financial information being provided.

SECTION 10. TERM. The obligation of the County under this Disclosure Certificate shall remain in effect only for such period that (a) the Series 2012P Bonds are Outstanding under the Bond Resolution in accordance with their terms and (b) the County remains an "obligated person" with respect to the Series 2012P Bonds within the meaning of the Rule. The County shall provide written notice of such termination to the MSRB.

SECTION 11. EXTENT OF COVENANTS; NO PERSONAL LIABILITY. All covenants, stipulations, obligations and agreements of the County contained in this Disclosure 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 Disclosure 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.

SECTION 12. BENEFICIARIES. This Disclosure Certificate shall inure solely to the benefit of the County and the Holders and beneficial owners from time to time of the Series 2012P Bonds, and any official, employee or agent thereof acting for and on its behalf, and shall not create any rights in any other person or entity.

SECTION 13. SEVERABILITY. In case any section or provision of this Disclosure Certificate, or any covenant, stipulation, obligation, agreement, act or action,

or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 14. OBLIGATED PERSONS. If any person, other than the County, becomes an "obligated person" with respect to the Series 2012P Bonds within the meaning of the Rule, the County shall use its best efforts to require such "obligated person" to comply with all provisions of the Rule applicable to such "obligated person."

SECTION 15. COUNTERPARTS. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16. GOVERNING LAW; VENUE. This Disclosure Certificate shall be deemed to be an agreement made under the laws of the State of Florida and for all purposes shall be governed by and construed in accordance with the laws of the State of Florida. Venue of all proceedings in connection with this Disclosure Certificate shall be in Broward County, Florida.

(SEAL)

BROWARD COUNTY, FLORIDA

By:

Chief Financial Officer and Director of
Finance and Administrative Services
Department

Prepared by:

Nabors, Giblin & Nickerson, P.A.

Saunders Legal Strategies & Solutions, P.L.

Co-Disclosure Counsel

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