

*In the opinion of Co-Bond Counsel, assuming compliance by the County with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2016 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2016 Bonds shall be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2016 Bonds.*



**\$71,990,000**  
**BROWARD COUNTY, FLORIDA**  
**Professional Sports Facilities Tax and Revenue**  
**Refunding Bonds, Series 2016**  
**(Broward County Civic Arena Project)**

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

The Broward County, Florida \$71,990,000 Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2016 (Broward County Civic Arena Project) (the "Series 2016 Bonds") offered hereby will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2016 Bonds. Individual purchases of the Series 2016 Bonds will be made in book-entry only form, in the principal amounts of \$5,000 or any integral multiples thereof. Purchasers of Series 2016 Bonds will not receive physical delivery of certificates representing their ownership interests in Series 2016 Bonds purchased. Interest on the Series 2016 Bonds is payable on each March 1 and September 1, commencing March 1, 2017. While the Series 2016 Bonds are registered on the DTC Book-Entry Only System, amounts due on the Series 2016 Bonds will be paid by the Trustee to DTC who will remit payment to the DTC participants, such payments to be subsequently disbursed to the beneficial owners of the Series 2016 Bonds, all as further described herein. See "APPENDIX G – The DTC Book-Entry Only System." The Trustee, Registrar and Paying Agent for the Series 2016 Bonds is The Bank of New York Mellon Trust Company, N.A..

The Series 2016 Bonds are subject to redemption prior to maturity at the times and in the amounts described herein. See "DESCRIPTION OF THE SERIES 2016 BONDS – Redemption Provisions" herein.

The Series 2016 Bonds are being issued pursuant to a Master Trust Indenture dated as of September 1, 1996 (the "Master Indenture"), between Broward County, Florida (the "County") and The Bank of New York, as trustee, now known as The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), as previously supplemented, and as further supplemented by a Third Supplemental Trust Indenture dated as of October 1, 2016 (collectively, the "Indenture") to be entered into between the County and the Trustee. The proceeds of the Series 2016 Bonds will be used, together with other legally available monies, to provide funds to: (i) refund on a current basis all of the outstanding Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2006A (Broward County Civic Arena Project), (ii) pay the premium for a Reserve Fund Credit Facility, and (iii) pay all of the costs associated with the issuance and sale of the Series 2016 Bonds. See "PLAN OF REFUNDING" and "RESERVE FUND CREDIT FACILITY" herein.

See the inside cover page for maturity dates, original principal amounts, interest rates, prices, yields, and initial CUSIP numbers.

**THE SERIES 2016 BONDS ARE NOT AND SHALL NOT BE DEEMED AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF FLORIDA (THE "STATE"), BUT ARE SPECIAL AND LIMITED OBLIGATIONS OF THE COUNTY, THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON WHICH ARE SECURED BY A FIRST LIEN ON AND PLEDGE OF THE PLEDGED REVENUES. THE PLEDGED REVENUES ARE DEFINED IN THE MASTER INDENTURE TO MEAN (i) THE PROFESSIONAL SPORTS FRANCHISE FACILITIES TAX REVENUES, (ii) ALL PROCEEDS FROM THE SALES TAX REBATE, (iii) THE COUNTY PREFERRED REVENUE ALLOCATION AND (iv) MONEYS IN CERTAIN FUNDS AND ACCOUNTS CREATED PURSUANT TO THE INDENTURE, INCLUDING INVESTMENTS CREDITED THERETO, IN THE MANNER PROVIDED THEREIN. IN ADDITION, THE COUNTY HAS COVENANTED TO BUDGET AND APPROPRIATE NON-AD VALOREM REVENUES (BUT SOLELY AS DESCRIBED IN "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS – APPROPRIATIONS OF COUNTY NON-AD VALOREM REVENUE" HEREIN) TO THE EXTENT THAT PLEDGED REVENUES ARE INSUFFICIENT TO MAKE CERTAIN REQUIRED DEPOSITS TO THE BOND RESERVE FUND. NEITHER THE SERIES 2016 BONDS NOR THE PRINCIPAL THEREOF, PREMIUM, IF ANY, OR INTEREST THEREON WILL BE OR CONSTITUTE A PLEDGE OF OR LIEN UPON ANY PROPERTY OF OR IN THE COUNTY, INCLUDING THE FACILITY. NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF ARE PLEDGED TO THE PAYMENT OF THE SERIES 2016 BONDS.**

**This cover page contains certain information for quick reference only. It is not a summary of this offering. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.**

*The Series 2016 Bonds are offered when, as and if issued by the County, subject to the approving opinion of Bryant Miller Olive P.A., Tampa, Florida, and the Law Offices of Steve E. Bullock, P.A., Miramar, Florida, Co-Bond Counsel. Certain legal matters will be passed on for the Underwriters of the Series 2016 Bonds by their counsel, Moskowitz, Mandell, Salim & Simowitz, P.A., Fort Lauderdale, Florida. Certain matters relating to disclosure will be passed upon for the County by Locke Lord LLP, West Palm Beach, Florida, and the Law Offices of Carol D. Ellis, P.A., West Palm Beach, Florida, Co-Disclosure Counsel, and for the County by the Office of the County Attorney of Broward County, Florida. Stifel, Nicolaus & Company, Incorporated, Orlando, Florida is serving as Financial Advisor to the County. It is expected that the Series 2016 Bonds in definitive form will be available for delivery through DTC in New York, New York on or about October 18, 2016.*

**Morgan Stanley**

**Estrada Hinojosa & Company, Inc.****RBC Capital Markets**

Dated: September 23, 2016

**\$71,990,000**  
**BROWARD COUNTY, FLORIDA**  
**PROFESSIONAL SPORTS FACILITIES TAX AND REVENUE**  
**REFUNDING BONDS, SERIES 2016**  
**(BROWARD COUNTY CIVIC ARENA PROJECT)**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS, AND CUSIP NUMBERS<sup>(1)</sup>**

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>	<u>Initial</u> <u>CUSIP Number</u> <sup>(1)</sup>
2017	\$4,555,000	5.00%	103.550	0.890%	115062DV0
2018	4,950,000	5.00	107.543	0.920	115062DW8
2019	5,200,000	5.00	111.195	1.030	115062DX6
2020	5,455,000	5.00	114.405	1.180	115062DY4
2021	5,730,000	5.00	117.453	1.290	115062DZ1
2022	6,015,000	5.00	119.903	1.450	115062EA5
2023	6,320,000	5.00	121.887	1.620	115062EB3
2024	6,630,000	5.00	121.163*	1.720*	115062EC1
2025	6,965,000	5.00	120.731*	1.780*	115062ED9
2026	7,310,000	5.00	120.301*	1.840*	115062EE7
2027	6,275,000	5.00	119.873*	1.900*	115062EF4
2028	6,585,000	4.00	111.415*	2.200*	115062EG2

\* Priced at the stated yield to the first optional call date of September 1, 2023, at a redemption price of 100%.

<sup>(1)</sup> CUSIP data is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Global Marketing Intelligence, a division of S&P Global, Inc. The CUSIP numbers listed above are being provided solely for the convenience of the Bondholders only at the time of issuance of the Series 2016 Bonds, and neither the County nor the Underwriters make any representation with respect to such CUSIP numbers, nor undertake any responsibility for their accuracy now or at any time in the future. The CUSIP numbers are subject to being changed after the issuance of the Series 2016 Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of the Series 2016 Bonds.

**BROWARD COUNTY, FLORIDA**

**BOARD OF COUNTY COMMISSIONERS**

Mayor Marty Kiar – District 1  
Mark D. Bogen – District 2  
*Open* – District 3  
Chip LaMarca – District 4  
Lois Wexler – District 5  
Beam Furr – District 6  
Tim Ryan – District 7  
Vice Mayor Barbara Sharief – District 8  
Dale V.C. Holness – District 9

---

**COUNTY ADMINISTRATOR**

Bertha Henry

**COUNTY ATTORNEY**

Joni Armstrong Coffey

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

Kevin B. Kelleher

---

**CO-BOND COUNSEL**

Bryant Miller Olive P.A.  
Law Offices of Steve E. Bullock, P.A.

**CO-DISCLOSURE COUNSEL**

Locke Lord LLP  
Law Offices of Carol D. Ellis, P.A.

**FINANCIAL ADVISOR**

Stifel, Nicolaus & Company, Incorporated

This Official Statement does not constitute an offer to sell the Series 2016 Bonds to any person, or the solicitation of an offer from any person to buy the Series 2016 Bonds, in any jurisdiction where such offer to sell or such solicitation of an offer to buy would be unlawful. The information set forth herein is provided by the County from sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation of the Underwriters. No dealer, salesman or any other person has been authorized to give any information or to make any representation, other than those contained in this Official Statement, in connection with the offering contained herein, and, if given or made, such information or representation must not be relied upon as having been authorized by the County or the Underwriters. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor the sale of any Series 2016 Bonds shall, under any circumstances, create any implication that there has been no change in the matters described herein since the date hereof. The Official Statement is submitted in connection with the issuance of the Series 2016 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH TEND TO STABILIZE OR MAINTAIN THE MARKET PRICE FOR THE SERIES 2016 BONDS ABOVE THE LEVELS WHICH WOULD OTHERWISE PREVAIL. SUCH ACTIVITIES, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

UPON ISSUANCE, THE SERIES 2016 BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2016 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.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: *THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH AND AS PART OF THEIR RESPONSIBILITIES 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.*

MUNICIPAL ASSURANCE CORP. ("MAC") HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: *MAC MAKES NO REPRESENTATION REGARDING THE SERIES 2016 BONDS OR THE ADVISABILITY OF INVESTING IN THE SERIES 2016 BONDS. IN ADDITION, MAC HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING MAC SUPPLIED BY MAC AND PRESENTED UNDER THE HEADING "RESERVE FUND CREDIT FACILITY."*

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

## TABLE OF CONTENTS

INTRODUCTION .....	1
PLAN OF REFUNDING .....	2
DESCRIPTION OF THE SERIES 2016 BONDS .....	2
General .....	2
Redemption Provisions .....	3
ESTIMATED SOURCES AND USES OF FUNDS .....	4
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS .....	5
Security and Source of Payment .....	5
Professional Sports Franchise Facilities Tax Revenues .....	6
Sales Tax Rebate .....	6
The County Preferred Revenue Allocation .....	7
Appropriations of County Non-Ad Valorem Revenue .....	7
Limited Obligations .....	9
Bond Reserve Fund .....	10
Additional Parity Bonds .....	10
Flow of Funds .....	10
DEBT SERVICE REQUIREMENTS .....	15
THE FACILITY AGREEMENTS .....	16
Definitions .....	16
Operating Agreement .....	16
License Agreement .....	19
City of Sunrise Agreement .....	20
Completion Debt .....	20
RESERVE FUND CREDIT FACILITY .....	21
Municipal Assurance Corp .....	21
ENFORCEABILITY OF REMEDIES .....	23
TAX COVENANTS CONCERNING THE SERIES 2016 BONDS .....	23
TAX MATTERS .....	23
General .....	23
Information Reporting and Backup Withholding .....	24
Other Tax Matters .....	24
Tax Treatment of Bond Premium .....	25
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS .....	25
CONTINUING DISCLOSURE .....	25
LITIGATION .....	26

LEGAL MATTERS .....	26
UNDERWRITING .....	27
CONTINGENT FEES .....	27
FINANCIAL ADVISOR.....	27
RATINGS.....	27
FINANCIAL STATEMENTS.....	28
ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT .....	28
AUTHORIZATION OF OFFICIAL STATEMENT.....	29
APPENDIX A - GENERAL INFORMATION REGARDING THE COUNTY	
APPENDIX B - GENERAL PURPOSE FINANCIAL STATEMENTS OF BROWARD COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015	
APPENDIX C - THE MASTER TRUST INDENTURE; THE FORM OF THIRD SUPPLEMENTAL TRUST INDENTURE	
APPENDIX D - FORM OF OPINION OF CO-BOND COUNSEL	
APPENDIX E - FORM OF OPINION OF CO-DISCLOSURE COUNSEL	
APPENDIX F - FORM OF CONTINUING DISCLOSURE CERTIFICATE	
APPENDIX G - THE DTC BOOK-ENTRY ONLY SYSTEM	

**OFFICIAL STATEMENT  
OF  
BROWARD COUNTY, FLORIDA**

**\$71,990,000  
BROWARD COUNTY, FLORIDA  
Professional Sports Facilities Tax and Revenue  
Refunding Bonds, Series 2016  
(Broward County Civic Arena Project)**

**INTRODUCTION**

The purpose of this Official Statement, including the cover page, inside cover page and Appendices, is to provide information with respect to the issuance and sale by Broward County, Florida (the “County”) of its \$71,990,000 principal amount of Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2016 (Broward County Civic Arena Project) (the “Series 2016 Bonds”). This introduction is intended only to serve as a brief description of the Official Statement and is expressly qualified by reference to the Official Statement as a whole. A full review should be made of the entire Official Statement, as well as the documents summarized or described herein. Terms used in capitalized form and not defined herein are as defined in the Indenture (hereinafter described). See APPENDIX C attached hereto, which contains a complete copy of the Master Trust Indenture and the form of Third Supplemental Trust Indenture.

The County is a political subdivision of the State of Florida (the “State”). It is located on the southeast coast of Florida and has an area of approximately 1,231 square miles, with a 2010 census population of 1,748,066 persons and an estimated 2015 census population of 1.9 million. Among all counties, the County ranks second in population in the State. Located within the County are 31 municipalities, the largest of which is the City of Fort Lauderdale. See “APPENDIX A – General Information Regarding the County.”

The Series 2016 Bonds are being issued pursuant to the Constitution and laws of the State, including, without limitation, Chapter 125, Chapter 166, Section 212.20, and Section 288.1162 of the Florida Statutes, as amended, the Broward County Home Rule Charter and other applicable provisions of law (collectively, the “Act”), Resolution No. 2016-411 adopted by the Board of County Commissioners of the County (the “Board”) on September 15, 2016 (the “Bond Resolution”), and a Master Trust Indenture dated as of September 1, 1996 (the “Master Indenture”), as previously supplemented, and as further supplemented by a Third Supplemental Trust Indenture dated as of October 1, 2016 (the “Third Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), between the County and The Bank of New York, now known as The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Trustee is also acting as Paying Agent and Registrar under the Indenture. The Trustee is a national banking association organized and existing under the laws of the United States of America.

The proceeds of the Series 2016 Bonds will be used, together with other legally available monies, to provide funds to: (i) refund on a current basis all of the outstanding Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2006A (Broward County Civic Arena Project) (the “Series 2006A Bonds” or the “Refunded Bonds”), (ii) pay the premium for a Reserve Fund Credit Facility, and (iii) pay all of the costs associated with the issuance and sale of the Series 2016 Bonds. See “PLAN OF REFUNDING” and “RESERVE FUND CREDIT FACILITY” herein.

Payment of the Series 2016 Bonds is secured by a first lien on and pledge of the Pledged Revenues. The Pledged Revenues are defined in the Master Indenture to include (i) the Professional Sports Franchise Facilities Tax Revenues, (ii) all proceeds from the Sales Tax Rebate, (iii) the County Preferred Revenue Allocation, and (iv) moneys in, including investments credited to, certain funds and accounts created pursuant to the Indenture, in the manner provided therein. In addition, the County has covenanted to budget and appropriate Non-Ad Valorem Revenues (but solely as described in “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS—Appropriations of County Non-Ad Valorem Revenue” herein) to the extent that Pledged Revenues are

insufficient to make certain required deposits to the Bond Reserve Fund. Neither the Series 2016 Bonds nor the principal thereof, premium, if any, or interest thereon, will be or constitute a pledge of or lien upon any property of or in the County, including the Facility. Neither the full faith and credit nor the general taxing power of the County, the State or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Series 2016 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS” herein.

The Series 2016 Bonds will be issued on a parity with the County’s Professional Sports Facilities Tax and Revenue Refunding Bonds, Taxable Series 2006B (Broward County Civic Arena Project) issued in the original principal amount of \$52,475,000 (the “Series 2006B Bonds”), of which \$36,110,000 principal amount is currently outstanding.

Additional bonds may be issued on a parity with the Series 2016 Bonds for Facility purposes, including the refunding of bonds, upon compliance with the provisions contained in the Indenture. The Series 2016 Bonds together with any additional bonds issued under the Indenture are referred to collectively as the “Bonds.” See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS - Additional Parity Bonds” herein.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Until the issuance and delivery of the Series 2016 Bonds, copies of the Master Indenture, the Third Supplemental Indenture, this Official Statement and other documents described herein may be obtained from Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036; (212) 761-9120. Thereafter, copies of the Indenture, this Official Statement and any other continuing disclosure documents of the County will be available for inspection at the office of the Deputy Director of the Finance and Administrative Services Department, Broward County Governmental Center, Room 513, 115 South Andrews Avenue, Fort Lauderdale, Florida 33301; (954) 357-7130.

The Master Indenture, the Third Supplemental Indenture and brief descriptions of the Series 2016 Bonds, the security for the Series 2016 Bonds and summaries of certain agreements and documents related thereto, are included in this Official Statement. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to such agreements and documents are qualified in their entirety by reference thereto.

## **PLAN OF REFUNDING**

The Refunded Bonds are expected to be called for redemption prior to their maturities on October 18, 2016, pursuant to a conditional notice of redemption. Concurrently with the delivery of the Series 2016 Bonds, the County will deposit a portion of the proceeds of the Series 2016 Bonds, together with other legally available funds of the County, with the Trustee, to be applied to refund and redeem the Refunded Bonds at a price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date.

## **DESCRIPTION OF THE SERIES 2016 BONDS**

### **General**

The Series 2016 Bonds will be dated their date of issuance and will bear interest payable on each March 1 and September 1, commencing March 1, 2017 (each an “Interest Payment Date”), at the interest rates and will mature in the years and in the principal amounts set forth on the inside cover of this Official Statement.

The Series 2016 Bonds will be issued initially as fully registered bonds in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2016 Bonds. Purchases of the Series 2016 Bonds will be made through a book-entry only system maintained by DTC, in the denominations of \$5,000 or integral multiples thereof, and purchasers of the Series 2016 Bonds (the “Beneficial Owners”) will not receive physical delivery of bond certificates. So long as DTC or its nominee is the registered owner of the Series 2016 Bonds, the principal and interest payments on the Series 2016 Bonds will be made to DTC or its nominee, which will in turn remit such principal and interest payments to DTC’s



Participants for subsequent disbursement to the Beneficial Owners. See “APPENDIX G – The DTC Book-Entry Only System.”

## **Redemption Provisions**

Optional Redemption. The Series 2016 Bonds maturing on and after September 1, 2024, are subject to optional redemption by the County prior to maturity, on and after September 1, 2023, in whole or in part at any time, and if in part as selected by the County among maturities and by lot by the Trustee within a maturity, at a redemption price equal to 100% of the principal amount or portions thereof to be redeemed, without premium, plus accrued interest to the redemption date.

Extraordinary Optional Redemption. At the direction and sole discretion of the County, the Series 2016 Bonds are subject to extraordinary optional redemption in whole or in part, and if in part as selected by the County among maturities and pro rata within a maturity, on any date at a redemption price of one hundred percent (100%) of the principal amount to be redeemed plus interest accrued to the redemption date, if any of the following shall have occurred:

- (i) the Facility shall have been damaged or otherwise destroyed;
- (ii) title to, or the temporary use of, all or a significant part of the Facility shall have been taken under the exercise of the power of eminent domain, or transferred in lieu of or under the threat of such action;
- (iii) as a result of any changes in the Constitution of the State, the Constitution of the United States of America, or state or federal laws or as a result of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether by state or federal) entered after the contest thereof by the County or the Operator in good faith, (a) the Master Indenture, any Supplemental Indenture or the Facility Agreements described herein shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in the Master Indenture, any Supplemental Indenture or the Facility Agreements, or (b) unreasonable burdens or excessive liabilities as determined by the County shall have been imposed with respect to the Facility or the operation thereof, including without limitation, the imposition of federal, state or other ad valorem, property, income or other taxes not being imposed on the date of the Master Indenture, any Supplemental Indenture or the Facility Agreements, or (c) interest on the Series 2016 Bonds shall no longer be excludable from gross income for federal income tax purposes as confirmed in an Opinion of Bond Counsel delivered to the County and to the Trustee.

Notice of Redemption. So long as the Series 2016 Bonds are issued in book-entry only form, (i) if less than all Series 2016 Bonds of a single maturity are to be called for redemption, the specific Series 2016 Bonds of that maturity to be redeemed will be selected by DTC in accordance with its procedures; and (ii) notice of redemption of the Series 2016 Bonds will be mailed, first class mail, postage prepaid, at least 30 days before the redemption date, to Cede & Co., as nominee for DTC, and the Trustee will not mail redemption notices directly to the Beneficial Owners of Series 2016 Bonds. See “APPENDIX G – The DTC Book-Entry Only System.”

Effect of Redemption. On the date designated for the redemption of any Series 2016 Bond, unconditional notice of redemption having been duly given or conditional notice of redemption having been duly given and not rescinded, the Series 2016 Bonds or portions of Series 2016 Bonds so called for redemption shall become and be due and payable on such date at the redemption price provided for redemption of such Series 2016 Bonds or portions of Series 2016 Bonds. If, on the date so designated for redemption, moneys for payment of the redemption price are held solely for such purpose by the Trustee or any Paying Agent in trust for the Holders of the Series 2016 Bonds or portions of the Series 2016 Bonds to be redeemed, then (i) interest on the Series 2016 Bonds or portions of the Series 2016 Bonds so called for redemption shall cease to accrue as of such redemption date, (ii) such Series 2016 Bonds will cease to be entitled to any benefit or security under the Indenture and will cease to be Outstanding, and

(iii) the Holders of such Series 2016 Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

Conditional Notice of Redemption. In the case of an optional redemption, any notice of redemption for the Series 2016 Bonds may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee, Paying Agent or a fiduciary institution acting as escrow agent no later than the redemption date or (2) 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 paragraph. 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 Finance Director 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 Series 2016 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 funds available shall constitute an Event of Default under the Indenture. The Trustee shall give immediate notice to the securities information repositories and the affected Bondholders that the redemption did not occur and that the Series 2016 Bonds called for redemption and not so paid remain Outstanding.

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

### **Estimated Sources of Funds**

Principal Amount	\$71,990,000.00
Bond Premium	11,813,227.15
Release of moneys available in the Bond Fund for Refunded Bonds	<u>796,866.67</u>
<b><i>Total Estimated Sources of Funds</i></b>	<b><u>\$84,600,093.82</u></b>

### **Estimated Uses of Funds**

Refunding of the Refunded Bonds	\$83,908,633.78
Underwriters’ Discount <sup>(1)</sup>	236,636.94
Costs of Issuance <sup>(2)</sup>	<u>454,823.10</u>
<b><i>Total Estimated Uses of Funds</i></b>	<b><u>\$84,600,093.82</u></b>

<sup>(1)</sup> Includes fees of Underwriters’ Counsel.

<sup>(2)</sup> Includes fees for Financial Advisor, Co-Bond Counsel and Co-Disclosure Counsel, premium for the Reserve Fund Credit Facility, and other miscellaneous costs of issuance.

[Remainder of page intentionally left blank]

## SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS

The Series 2016 Bonds are being issued under the authority of and in full compliance with the Act, the Bond Resolution and the Indenture.

### Security and Source of Payment

The payment of the principal of, premium, if any, and interest on the Series 2016 Bonds will be secured by a first lien on and pledge of the Pledged Revenues on a parity with the Series 2006B Bonds. The term “Pledged Revenues” is defined in the Master Indenture to mean (i) the Professional Sports Franchise Facilities Tax Revenues, (ii) all proceeds from the Sales Tax Rebate, (iii) the County Preferred Revenue Allocation, (iv) other revenue sources pledged by the County from time to time by Supplemental Indenture (at the time of issuance of the Series 2016 Bonds, no additional revenue sources have been pledged by the County pursuant to this clause), and (v) moneys in, including investments credited to, the Pledged Funds, and income from the investment thereof. The term “Pledged Funds” is defined in the Master Indenture to mean collectively (i) the Construction Fund but not including the Project Developer Construction Account, (ii) the Revenue Fund, (iii) the Bond Fund, (iv) the Bond Reserve Fund, (v) the Surplus Fund, and (vi) any other funds or accounts permitted by, established under or identified in the Master Indenture or any Supplemental Indenture or any resolution authorizing the Bonds as funds and accounts specifically pledged to the payment of Debt Service Charges of the Bonds or particular Series of Bonds. The Pledged Funds do not include the Rebate Fund. See “APPENDIX B – General Purpose Financial Statements of Broward County, Florida for the Fiscal Year Ended September 30, 2015” for information related to debt service capacity and other financial information.

Set forth below are historical collections of Pledged Revenues for the Fiscal Years ended September 30, 2006 through September 30, 2015.

### Historical Collections of Pledged Revenues (Dollars in Thousands)

Fiscal Year Ended September 30,	Professional Sports Franchise Facilities Tax	Sales Tax Rebate	County Preferred Revenue Allocation	Totals
2006	\$16,054	\$2,000	\$4,479	\$22,533
2007	16,576	2,000	2,421	20,997
2008	17,109	2,000	3,927	23,036
2009	14,203	2,000	3,927	20,130
2010	14,987	2,000	3,926 <sup>(1)</sup>	20,913
2011	16,278	2,000	3,997 <sup>(1)</sup>	22,275
2012	17,799	2,000	3,988	23,787
2013	18,972	2,000	3,999	24,971
2014	21,179	2,000	3,994	27,173
2015	23,319	2,000	3,992	29,311

<sup>(1)</sup> The County Preferred Revenue Allocation, normally paid by the Arena Operating Company, Ltd. (“AOC” or the “Operator”), was fully paid by the County in Fiscal Year ended September 30, 2010, and partially paid by the County in Fiscal Year ended September 30, 2011, based on a loan agreement between the County and AOC executed in August 2010 and amended in January 2012. The agreement provided relief of up to \$6.5 million to be drawn in two installments, \$3.926 million in Fiscal Year ended September 30, 2010 and \$2.574 million in Fiscal Year ended September 30, 2011, which the County paid directly to the Trustee for the benefit of the Series 2006A Bonds and the Series 2006B Bonds, for the annual County Preferred Revenue Allocation. AOC repaid the loan at the end of Fiscal Year ended September 30, 2014.

## **Professional Sports Franchise Facilities Tax Revenues**

Section 125.0104(3)(l) and Section 125.0104(3)(n), Florida Statutes, each permit the County to impose an additional one percent (1%) tourist development tax (collectively, two percent (2%) (the “Professional Sports Franchise Facilities Tax”), in addition to the three percent (3%) tourist development tax already imposed in the County, on the privilege of renting, leasing or leasing for consideration any living quarters or accommodations in any hotel, apartment hotel, motel, resort motel, apartment, apartment motel, rooming house, mobile home park, recreational vehicle park or condominium for a term of six (6) months or less. The Professional Sports Franchise Facilities Tax is permitted by statute to be applied: to pay the debt service on bonds issued to finance the construction, reconstruction, or renovation of a professional sports franchise facility, such as the Facility, and to pay the planning and design costs incurred prior to the issuance of such bonds; to pay the debt service on bonds issued to finance the construction, reconstruction, or renovation of a convention center, and to pay the planning and design costs incurred prior to the issuance of such bonds, and to pay the operation and maintenance costs of such convention center for a period of up to 10 years; and to promote and advertise tourism in the State of Florida and nationally and internationally; however, if tax revenues are expended for an activity, service, venue, or event, the activity, service, venue, or event shall have as one of its main purposes the attraction of tourists as evidenced by the promotion of the activity, service, venue, or event to tourists. Florida law permits the tax to be collected on a local basis. The County may retain a portion of the tax collected for costs of administration, but such portion may not exceed three percent (3%) of collections.

By Ordinance Nos. 96-9 and 96-10 enacted by the Board on April 23, 1996, the County provided for the imposition of the Professional Sports Franchise Facilities Tax. The effective date of the levy was July 1, 1996. The County received the first monthly distribution from the imposition of the Professional Sports Franchise Facilities Tax in August, 1996. The moneys received by the County from the levy of the Professional Sports Franchise Facilities Tax, other than the portion thereof paid to the County’s Finance and Administrative Services Department for costs of administration, is herein referred to as the “Professional Sports Franchise Facilities Tax Revenues.”

Although all of the Professional Sports Franchise Facilities Tax Revenues are pledged to the payment of the Series 2016 Bonds on a parity with the Series 2006B Bonds, the County only currently uses \$8,000,000 for payment of debt service and expects to use the same amount in the future in accordance with the Operating Agreement. See “THE FACILITY AGREEMENTS – Operating Agreement” herein.

### Impact of the Zika Virus on South Florida Tourism

Recent outbreaks of the Zika virus have caused the issuance of “Travel Alerts” to persons visiting the Caribbean, Central and South America. A related travel advisory was issued for people living in or traveling to Wynwood, a neighborhood in Miami, Florida, and sections of Miami Beach, Florida. The U.S. Centers for Disease Control and Prevention (CDC) has advised pregnant women and their partners to consider postponing nonessential travel to all parts of Miami-Dade County. The outbreak of Zika and other infectious diseases in the future and the issuance of Travel Alerts could have an adverse effect on tourism in Broward County. However, Broward County has taken significant, proactive efforts to prevent locally transmitted cases of Zika. There have been no Travel Alerts issued regarding Zika for Broward County.

## **Sales Tax Rebate**

Section 212.20(6)(d)7.b., Florida Statutes, provides that after certain distributions of the proceeds of taxes and fees imposed under Chapter 212, Florida Statutes, titled “Tax on Sales, Use and other Transactions,” \$166,667 shall be distributed monthly by the Florida Department of Revenue to each applicant that has been certified as a “facility for a new professional sports franchise” pursuant to Section 288.1162, Florida Statutes. The Florida Department of Commerce, on June 20, 1996, so certified the County with respect to the Facility and the State has committed to pay to the County from available funds monthly the sum of \$166,667 (the “Sales Tax Rebate”). Such distribution began sixty (60) days following the certification and is to continue for thirty years. The first monthly distribution of \$166,667 was received by the County in August, 1996, and is scheduled to continue monthly until July 2026 (unless impacted by the exercise of the right of the parent company of the Team and the Operator to early termination of the Operating Agreement beginning in July 2023). See “THE FACILITY AGREEMENTS – Operating Agreement” herein. Section 288.1162(6), Florida Statutes, provides that the Sales Tax Rebate may be

used “only for the public purpose of paying for the acquisition, construction, reconstruction, or renovation of a facility for a new professional sports franchise, . . . or to pay or pledge for the payment of debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to, bonds issued for the acquisition, construction, reconstruction or renovation of such facility or for the reimbursement of such costs or the refinancing of bonds issued for such purposes.” Upon audit, if the State determines that Sales Tax Rebate funds distributed were not used for such permitted purposes, the State may seek recovery from the County of improperly expended amounts.

### **The County Preferred Revenue Allocation**

The “County Preferred Revenue Allocation” is the annual amount equal to the difference between (a) the actual amount of the County’s debt service on the Bonds and (b) \$10 million per annum through Contract Year (as defined in the Operating Agreement) ending June 30, 2026 and \$8 million per annum in Contract Years ending June 30, 2027 and June 30, 2028. See “THE FACILITY AGREEMENTS – Operating Agreement” herein. The County Preferred Revenue Allocation is paid to the County by the Operator from Facility Operating Revenues prior to paying Facility Operating Expenses (as such terms are defined in the Operating Agreement) or making any other payment or reserve deposits and shall be payable to the Trustee within seven (7) days prior to the date of any debt service payment on the Bonds. See “THE FACILITY AGREEMENTS – Definitions” herein. The Operating Agreement states that “making provision for the County Preferred Revenue Allocation shall be the first use of Facility Operating Revenue.” The amount of the County Preferred Revenue Allocation has averaged \$3.994 million for the prior five Fiscal Years ended September 30, 2011 through September 30, 2015. Upon issuance of the Series 2016 Bonds, the County Preferred Revenue Allocation amount will be reduced by an amount equal to the reduction in debt service due to the issuance the Series 2016 Bonds. In addition, if the Operator fails to pay the County Preferred Revenue Allocation, the Team has agreed to pay such County Preferred Revenue Allocation pursuant to the Guaranty of Performance Agreement (the “Team Guaranty”) from the Team to the County dated June 4, 1996, which is included under the License Agreement.

The Facility Operating Revenues are based on revenues generated from events, attendance, ticket prices, sales of luxury seating, sale of advertising, naming rights, food and beverages, merchandise and other income. The County Preferred Revenue Allocation is paid first from Facility Operating Revenues.

Set forth below are historical Facility Operating Revenues for the Fiscal Years Ended September 30, 2011 through September 30, 2015.

<u>Fiscal Year Ended</u> <u>September 30,</u>	<u>Facility Operating Revenue</u>
2011	\$40,660,082
2012	39,670,028
2013	40,026,126
2014	46,826,074
2015 <sup>(1)</sup>	27,224,000

<sup>(1)</sup> In 2015, AOC changed its fiscal year end-date from September 30 to June 30. Therefore, AOC’s financial statements for fiscal year 2015, and the Facility Operating Revenue shown in the table above for Fiscal Year ended September 30, 2015, reflect only nine months of data.

### **Appropriations of County Non-Ad Valorem Revenue**

***Covenant to Budget and Appropriate.*** In addition to the pledges and encumbrances described above, the County covenants and further agrees with the Holders of the Series 2016 Bonds, on a parity with the Series 2006B Bonds, in the Indenture to budget and appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts sufficient to satisfy the deposit requirements for deficiency amounts in the Bond Reserve Fund which cannot be satisfied from moneys on deposit in the Revenue Fund or the Surplus Fund, each created under the Indenture. Such covenant and agreement on the part of the County to budget and appropriate such Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all

required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the County, the County does not covenant to maintain any services or programs, now provided or maintained by the County, which generate Non-Ad Valorem Revenues. Such covenant to budget and appropriate does not create a lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the County from pledging in the future its Non-Ad Valorem Revenues, nor does it require the County to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Holders of the Series 2016 Bonds a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the County. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereinafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate, for the purposes and in the manner stated in the Master Indenture, shall have the effect of making available in the manner described in the Master Indenture Non-Ad Valorem Revenues and placing on the County a positive duty to budget and appropriate, by amendment, if necessary, amounts sufficient to meet its obligations thereunder; subject, however, in all respects to the restrictions of State law described under “– *Non-Ad Valorem Revenues*” below.

Other than in Fiscal Years ended September 30, 2010 and 2011, when the County contributed \$3.926 million and \$2.574 million, respectively, to pay debt service on the Bonds, the County has not appropriated any Non-Ad Valorem Revenues nor has the County been required to appropriate any Non-Ad Valorem Revenues to satisfy the deposit to the Bond Reserve Fund or to pay debt service on the Bonds. See footnote (1) to the table titled “Historical Collections of Pledged Revenues” under “– Security and Sources of Payment” above.

***Non-Ad Valorem Revenues.*** “Non-Ad Valorem Revenues” is defined in the Master Indenture as all revenues of the County derived from any source other than ad valorem taxation on real or personal property, which are legally available to make the payments required under the Indenture.

The County collects a wide range of taxes and revenues to fund its annual operations. Among the revenues collected by the County are certain Non-Ad Valorem Revenues which include fees for licenses and permits, funds received from the State under the State Revenue Sharing program, funds distributed to local governments from the State collected sales tax, charges for certain County services, fines and forfeitures, special assessments, interest earned on invested cash, federal and state categorical grants, and other miscellaneous revenue.

The amounts and availability of any of the Non-Ad Valorem Revenues are subject to change, including reduction or elimination by change of State law or changes in the facts or circumstances according to which certain of the Non-Ad Valorem Revenues are allocated. In addition, the amount of certain of the Non-Ad Valorem Revenues collected by the County are directly related to the general economy of the County. Accordingly, adverse economic conditions could have a material adverse effect on the amount of Non-Ad Valorem Revenues collected by the County. The County has pledged and may pledge in the future certain specified Non-Ad Valorem Revenues to obligations that it issues. Such Non-Ad Valorem Revenues would be required to be applied to said obligations prior to use in meeting the County’s covenant for the Series 2016 Bonds. The use of Non-Ad Valorem Revenues to make debt service payments is subject to the payment by the County of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the County or which are legally mandated by applicable law and is further subject in all respects to the provisions of Section 166.241 and Section 129.07, Florida Statutes, which require local governments to have balanced budgets and which prohibit expenditure of funds that are not budgeted.

The following table summarizes actual collections by the County of Non-Ad Valorem Revenues for the Fiscal Years ended September 30, 2011 through September 30, 2015.

[Remainder of page intentionally left blank]

**County Non-Ad Valorem Revenues**  
**Fiscal Years Ended September 30, 2011 through September 30, 2015**  
(Dollars in Thousands)

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
License & Permit Fees	\$ 19,881	\$ 19,420	\$ 18,078	\$ 16,503	\$ 16,067
State Revenue Sharing	38,343	36,107	35,067	35,753	35,503
Licenses (State Revenue)	-	-	-	-	-
Local Gov't 1/2 cent Sales Tax	62,163	59,895	55,940	51,379	48,958
Tourist Tax	58,250	52,993	47,428	44,502	40,630
Utility Services Taxes and Fire Rescue Tax	3,325	3,573	3,006	4,811	4,948
Fines & Forfeitures	12,219	13,445	15,116	14,813	14,143
Interest Earnings	5,181	3,826	1,162	4,721	8,159
Charges for Services <sup>(2)</sup>	125,108	121,482	111,314	111,326	347,255
Miscellaneous Services	19,508	21,903	20,074	28,142	22,967
Other State Revenues	2,371	2,000	2,000	2,000	2,000
Non-Revenue Sources/ Fund Balance <sup>(2)</sup>	52,485	39,562	66,999	36,715	276,827
Federal/ State Grants	13,741	14,229	15,116	100,703	89,269
Special Assessments	6	11	7	6	1,091
Total Gross Non-Ad Valorem Revenues	<u>\$ 412,581</u>	<u>\$ 388,446</u>	<u>\$ 391,307</u>	<u>\$ 451,374</u>	<u>\$ 907,817</u>
(Less) Operations Cost to the extent					
Not paid by Ad Valorem Taxes	<u>(319,871)</u>	<u>(340,125)</u>	<u>(314,868)</u>	<u>(354,018)</u>	<u>(643,539)</u>
Total Net Available Non-Ad Valorem Revenues <sup>(1)</sup>	<u>\$ 92,710</u>	<u>\$ 48,321</u>	<u>\$ 76,439</u>	<u>\$ 97,356</u>	<u>\$ 264,278</u>

(1) Prior to payment of debt service on indebtedness payable from Non-Ad Valorem Revenues.

(2) The reported numbers for Fiscal Year ended September 30, 2012 and thereafter for Charges for Services do not include revenues related to the Sheriff's Contractual Services Fund. These revenues were included in reported numbers for Fiscal Year ended September 30, 2011 and prior Fiscal Years. Additionally, the fund balance amounts for Fiscal Year ended September 30, 2012 and thereafter were adjusted to reflect the fund balance assigned to the subsequent year, as the amount reflected in Fiscal Year ended September 30, 2011 did not include amounts budgeted as reserves.

Source: Broward County, Finance and Administrative Services Department.

The County has incurred indebtedness payable from Non-Ad Valorem Revenues, a portion of which has priority over amounts payable from Non-Ad Valorem Revenues into the Bond Reserve Fund. As of September 30, 2015, the County has \$139.185 million in indebtedness payable from its Non-Ad Valorem Revenues. The maximum annual debt service on these outstanding obligations approximates \$13.998 million. Under covenants imposed through the bond resolutions and debt instruments approved by the Board, the County's remaining debt service capacity is approximately \$88.528 million, an amount which is in excess of the projected debt service on the Series 2016 Bonds. The debt service on the Refunded Bonds and the outstanding Series 2006B Bonds was included in the amount of debt payable from Non-Ad Valorem Revenues, however the corresponding debt service amount was not included in the calculation of debt service capacity, as this is a secondary pledge.

#### Limited Obligations

**THE SERIES 2016 BONDS ARE NOT AND SHALL NOT BE DEEMED AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE, BUT ARE SPECIAL AND LIMITED OBLIGATIONS OF THE COUNTY, THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON WHICH ARE SECURED BY A FIRST LIEN ON AND PLEDGE OF THE**

**PLEDGED REVENUES. THE PLEDGED REVENUES ARE DEFINED IN THE MASTER INDENTURE TO MEAN (i) THE PROFESSIONAL SPORTS FRANCHISE FACILITIES TAX REVENUES, (ii) ALL PROCEEDS FROM THE SALES TAX REBATE, (iii) THE COUNTY PREFERRED REVENUE ALLOCATION AND (iv) MONEYS IN CERTAIN FUNDS AND ACCOUNTS CREATED PURSUANT TO THE INDENTURE, INCLUDING INVESTMENTS CREDITED THERETO, IN THE MANNER PROVIDED THEREIN. IN ADDITION, THE COUNTY HAS COVENANTED TO BUDGET AND APPROPRIATE NON-AD VALOREM REVENUES (BUT SOLELY AS DESCRIBED IN “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS – APPROPRIATIONS OF COUNTY NON-AD VALOREM REVENUE” HEREIN) TO THE EXTENT THAT PLEDGED REVENUES ARE INSUFFICIENT TO MAKE CERTAIN REQUIRED DEPOSITS TO THE BOND RESERVE FUND. NEITHER THE SERIES 2016 BONDS NOR THE PRINCIPAL THEREOF, PREMIUM, IF ANY, OR INTEREST THEREON WILL BE OR CONSTITUTE A PLEDGE OF OR LIEN UPON ANY PROPERTY OF OR IN THE COUNTY, INCLUDING THE FACILITY. NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF ARE PLEDGED TO THE PAYMENT OF THE SERIES 2016 BONDS.**

#### **Bond Reserve Fund**

The Indenture requires the County to maintain on deposit in the Bond Reserve Fund an amount equal to the Reserve Requirement. The Reserve Requirement is an amount which is the lesser of (i) fifty percent (50%) of the Maximum Debt Service Charges for all Bonds issued under the Indenture then outstanding, or (ii) the greatest amount allowable under the Internal Revenue Code of 1986, as amended from time to time (the “Code”). Upon the issuance of the Series 2016 Bonds, the Reserve Requirement will be \$6,315,393.70.

The County may, in lieu of moneys required to be deposited in the Bond Reserve Fund or in substitution for all or a portion of the moneys on deposit in the Bond Reserve Fund, cause to be deposited into the Bond Reserve Fund a Reserve Fund Credit Facility, which Reserve Fund Credit Facility shall be payable on any Interest Payment Date or Principal Payment Date on which a deficiency exists in the amount available under the Indenture for payment of the Series 2016 Bonds, which cannot be cured by moneys in the Bond Reserve Fund. Upon the issuance of the Series 2016 Bonds, the Reserve Requirement for the Series 2016 Bonds shall be satisfied by the purchase of a Reserve Fund Credit Facility from Municipal Assurance Corp. (“MAC”) to be deposited into the Bond Reserve Fund. See “RESERVE FUND CREDIT FACILITY” herein. The existing Reserve Fund Credit Facility related to the Series 2006B Bonds will remain on deposit in the Bond Reserve Fund.

#### **Additional Parity Bonds**

The Indenture does not provide for the issuance of additional Bonds on a parity with the Series 2016 Bonds other than for Facility Purposes, which is limited to completion of the Facility and the refunding or refinancing of Bonds or other obligations issued or incurred in connection with the Facility.

#### **Flow of Funds**

The Master Indenture establishes the Revenue Fund, including the Tax Account and the Facilities Account therein, the Bond Fund, including the Interest Account and the Principal Account therein, the Bond Reserve Fund, and the Surplus Fund, including the Reserve Account and the General Account therein. The Third Supplemental Indenture establishes the following additional funds, accounts and subaccounts: within the Interest Account of the Bond Fund and the Principal Account of the Bond Fund, a Series 2016 Subaccount therein; within the Bond Reserve Fund, a Series 2016 Account therein; the Series 2016 Rebate Fund; and the Cost of Issuance Fund, including a Series 2016 Account therein.

So long as Bonds are outstanding, the County shall, upon receipt, cause all Professional Sports Franchise Facilities Tax Revenues and all the proceeds of the Sales Tax Rebate to be deposited into the Tax Account of the Revenue Fund. In addition, the County shall (i) cause the Operator to pay the County Preferred Revenue Allocation, not later than the seventh day preceding each Interest Payment Date, directly to the Trustee for deposit in the Facilities Account of the Revenue Fund, and (ii) unless otherwise provided in the Third Supplemental Indenture, cause any other revenue sources pledged to the payment of debt service to be paid to the Trustee for deposit into the



Facilities Account of the Revenue Fund. There are no other revenue sources pledged to the payment of debt service of the Series 2016 Bonds.

Moneys in the Revenue Fund shall be applied in the following order (capitalized terms herein are defined in the Master Indenture, a copy of which is included in APPENDIX C attached hereto):

- (1) In the event that Tax-Exempt Bonds are outstanding, moneys in the accounts of the Revenue Fund shall be applied to make the following deposits in the following order:
  - (a) From the Tax Account into the Bond Fund:
    - (i) Into the Interest Account of the Bond Fund, on each Revenue Allocation Date, and after giving effect to any amounts on deposit in that account and in the Capitalized Interest Account of the Construction Fund with respect to Tax-Exempt Bonds, an amount sufficient to pay the interest due on all outstanding Tax-Exempt Bonds on the next Interest Payment Date; and
    - (ii) Into the Principal Account of the Bond Fund, on each Revenue Allocation Date occurring in a Fiscal Year on which a Principal Payment Date occurs with respect to Tax-Exempt Bonds, and after giving effect to any amounts on deposit in that account with respect to Tax-Exempt Bonds, an amount such that, if the same amount were paid in each such Revenue Allocation Date preceding such next Principal Payment Date, the aggregate of the amounts so paid would be sufficient to pay the principal amount due on all outstanding Tax-Exempt Bonds on such next Principal Payment Date as a result of maturity or mandatory redemption from Amortization Requirements.
  - (b) From the Facilities Account to the Bond Fund:
    - (i) Into the Interest Account of the Bond Fund, on each Revenue Allocation Date, and after giving effect to any amounts on deposit in that account and in the Capitalized Interest Account of the Construction Fund with respect to Taxable Bonds, an amount sufficient to pay the interest due on all outstanding Taxable Bonds on the next Interest Payment Date; and
    - (ii) Into the Principal Account of the Bond Fund, on each Revenue Allocation Date occurring in a Fiscal Year on which a Principal Payment Date occurs with respect to Taxable Bonds, and after giving effect to any amounts on deposit in that account with respect to Taxable Bonds, an amount such that, if the same amount were paid in each such Revenue Allocation Date preceding such next Principal Payment Date, the aggregate of the amounts so paid would be sufficient to pay the principal due on all outstanding Taxable Bonds on such next Principal Payment Date as a result of maturity or mandatory redemption from Amortization Requirements.
  - (c) To the extent that the application of moneys from the Tax Account pursuant to clause (a) above is insufficient to satisfy the required deposits under said clause (a), moneys available in the Facilities Account after the application of clause (b) above shall be deposited, to the extent necessary, to make up deficiencies first, in the Interest Account and then, in the Principal Account with respect to Tax- Exempt Bonds.
  - (d) To the extent that the application of moneys from the Facilities Account pursuant to clause (b) above is insufficient to satisfy the required deposits under said clause (b), moneys available in the Tax Account after the application of clause (a) above shall be deposited, to the extent necessary, to make up deficiencies first, in the Interest Account and then, in the Principal Account with respect to Taxable Bonds.

- (e) Notwithstanding the foregoing, if after the application of moneys in the Revenue Fund as described in clauses (a) through (d) above and the transfer of moneys to the Bond Fund from the Surplus Fund and Bond Reserve Fund as described in the Master Indenture, (i) there are insufficient moneys in the Interest Account on any Interest Payment Date (which is not also a Principal Payment Date) to pay interest then due on all Bonds, the Trustee shall (a) to the extent that there are sufficient moneys on deposit in the Principal Account to make up such deficiency, transfer from the Principal Account moneys (without regard to source of deposit) in the amount of such deficiency to the Interest Account and apply such moneys, together with all moneys then on deposit in the Interest Account, to the payment of interest on the Bonds, or (b) to the extent that there are not sufficient moneys on deposit in the Principal Account to make up such deficiency, apply all moneys on deposit in the Bond Fund (without regard to source of deposit) as provided in the default provisions of the Master Indenture, or (ii) there are insufficient moneys in the Interest Account and the Principal Account on any Interest Payment Date (which is also a Principal Payment Date) to pay the Debt Service Charges then due on all Bonds, as applicable, the Trustee shall apply all moneys on deposit in the Bond Fund (without regard to source of deposit) as provided in the provisions of the Master Indenture concerning application of moneys upon an Event of Default.
- (f) First from the Tax Account and then from the Facilities Account to the Bond Reserve Fund:
- (i) on each Revenue Allocation Date following an Interest Payment Date or Principal Payment Date in which the amount on deposit in the Bond Reserve Fund falls below the Reserve Requirement because moneys were transferred from the Bond Reserve Fund to the Bond Fund pursuant to the provisions of the Master Indenture, one-half (1/2) of the amount required to make the balance in the Bond Reserve Fund equal to the Reserve Requirement, and
- (ii) on each Revenue Allocation Date following receipt by the County of notice that as a result of any valuation of investments in the Bond Reserve Fund, the balance in the Bond Reserve Fund is below an amount equal to ninety percent (90%) of the Reserve Requirement, one-half (1/2) of the amount required to make the balance in the Bond Reserve Fund equal to the Reserve Requirement;
- provided, that at such time as the amount on deposit in the Bond Reserve Fund is not less than the Reserve Requirement, the obligation to make payments under this paragraph (f) shall end until such other time as a deficiency occurs as a result of the events described in (i) or (ii) above.
- (g) First from the Tax Account and then from the Facilities Account, into each Rebate Fund, on any date, amounts which are then necessary to ensure compliance with the requirements of the Code with respect to the Tax-Exempt Bonds for which such Rebate Fund was established.
- (h) In each case, on each Revenue Allocation Date, and from the sources of deposit described above, any amount which may be necessary to make up any previous deficiency in any of the required deposits described above and to make up any deficiency or loss in the respective funds or accounts to which deposits are required to be made in connection with investments or otherwise, including without limitation, the restoration of any amounts paid from any of those funds or accounts pursuant to the Indenture, except as otherwise provided expressly therein.

- (i) To the Surplus Fund:
  - (i) Into the Reserve Account of the Surplus Fund, on each Revenue Allocation Date, all of the moneys remaining in the Tax Account of the Revenue Fund on that Revenue Allocation Date, after making the payments required by the preceding paragraphs; and
  - (ii) Into the General Account of the Surplus Fund, on each Revenue Allocation Date, all of the moneys remaining in the Facilities Account of the Revenue Fund on that Revenue Allocation Date, after making the payments required by the preceding paragraphs.
- (2) In the event only Taxable Bonds are outstanding, moneys in the Revenue Fund shall be applied first from the Tax Account and then from the Facilities Account to make the following deposits to the following funds and accounts in the following order:
  - (a) To the Bond Fund:
    - (i) Into the Interest Account of the Bond Fund, on each Revenue Allocation Date, and after giving effect to any amounts on deposit in that account and in the Capitalized Interest Account of the Construction Fund, an amount sufficient to pay the interest due on all outstanding Bonds on the next Interest Payment Date; and
    - (ii) Into the Principal Account of the Bond Fund, on each Revenue Allocation Date occurring in a Fiscal Year on which a Principal Payment Date occurs, and after giving effect to any amounts on deposit in that account, an amount such that, if the same amount were paid in each such Revenue Allocation Date preceding such next Principal Payment Date, the aggregate of the amounts so paid would be sufficient to pay the principal amount due on all outstanding Bonds on such next Principal Payment Date as a result of maturity or mandatory redemption from Amortization Requirements.
  - (b) To the Bond Reserve Fund:
    - (i) on each Revenue Allocation Date following an Interest Payment Date or Principal Payment Date in which the amount on deposit in the Bond Reserve Fund falls below the Reserve Requirement because moneys were transferred from the Bond Reserve Fund to the Bond Fund pursuant to the provisions of the Master Indenture, one-half (1/2) of the amount required to make the balance in the Bond Reserve Fund equal to the Reserve Requirement, and
    - (ii) on each Revenue Allocation Date following receipt by the County of notice that as a result of any valuation of investments in the Bond Reserve Fund, the balance in the Bond Reserve Fund is below an amount equal to ninety percent (90%) of the Reserve Requirement, one-half (1/2) of the amount required to make the balance in the Bond Reserve Fund equal to the Reserve Requirement;
 

provided, that at such time as the amount on deposit in the Bond Reserve Fund is not less than the Reserve Requirement, the obligation to make payments under this paragraph (b) shall end until such other time as a deficiency occurs as a result of the events described in (i) or (ii) above.
  - (c) To each Rebate Fund, on any date, amounts which are then necessary to ensure compliance with the requirements of the Code with respect to any Tax-Exempt Bonds which were previously outstanding and for which such Rebate Fund was established.

- (d) In each case, and on each Revenue Allocation Date, any amount which may be necessary to make up any previous deficiency in any of the required deposits described above and to make up any deficiency or loss in the respective funds or accounts to which deposits are required to be made in connection with investments or otherwise, including without limitation, the restoration of any amounts paid from any of those funds or accounts pursuant to the Indenture, except as provided otherwise expressly therein.
- (e) To the Surplus Fund:
  - (i) Into the Reserve Account of the Surplus Fund, on each Revenue Allocation Date, all of the moneys remaining in the Tax Account of the Revenue Fund on that Revenue Allocation Date, after making the payments required by the preceding paragraphs; and
  - (ii) Into the General Account of the Surplus Fund, on each Revenue Allocation Date, all of the moneys remaining in the Facilities Account of the Revenue Fund on that Revenue Allocation Date, after making the payments required by the preceding paragraphs.

To the extent that investment earnings are credited to the Interest Account or the Principal Account in accordance with the Master Indenture or as a result of a transfer of investment earnings on any other fund or account held by the Trustee, future deposits to those Accounts shall be reduced by the amount so credited.

If at the end of a Fiscal Year moneys remain in the Surplus Fund (and assuming there are no deficiencies then existing in the Bond Fund or the Bond Reserve Fund and that any payment obligations (e.g. Credit Facility Reimbursement Obligations or County Reimbursement Obligations) which are then due and payable have been met), then the Trustee shall transfer the balance of the Surplus Fund to the County, which balance may be used for any lawful purpose of the County in accordance with and subject to the limitations of State law.

[Remainder of page intentionally left blank]

## DEBT SERVICE REQUIREMENTS

The following table shows the debt service requirements on all Bonds outstanding under the Indenture upon issuance of the Series 2016 Bonds. Debt service requirements for the Series 2016 Bonds consist in any year of the sum of the amounts required to pay (i) interest that is payable on March 1 and September 1 of each Fiscal Year, commencing March 1, 2017 and (ii) the principal payable on September 1 in each Fiscal Year, commencing on September 1, 2017.

### DEBT SERVICE REQUIREMENTS<sup>(1)</sup>

Year (September 1)	Outstanding Series 2006B Bonds	Series 2016 Bonds			Total Debt Service on Outstanding Bonds
		<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	
2017	\$4,435,482	\$4,555,000	\$3,072,312	\$7,627,312	\$12,062,794
2018	4,365,620	4,950,000	3,305,900	8,255,900	12,621,520
2019	4,366,913	5,200,000	3,058,400	8,258,400	12,625,313
2020	4,364,926	5,455,000	2,798,400	8,253,400	12,618,326
2021	4,364,361	5,730,000	2,525,650	8,255,650	12,620,011
2022	4,369,628	6,015,000	2,239,150	8,254,150	12,623,778
2023	4,372,387	6,320,000	1,938,400	8,258,400	12,630,787
2024	4,369,350	6,630,000	1,622,400	8,252,400	12,621,750
2025	4,370,217	6,965,000	1,290,900	8,255,900	12,626,117
2026	4,369,087	7,310,000	942,650	8,252,650	12,621,737
2027	3,775,362	6,275,000	577,150	6,852,150	10,627,512
2028	3,778,829	6,585,000	263,400	6,848,400	10,627,229

<sup>(1)</sup> Rounded to the nearest whole dollar.

[Remainder of page intentionally left blank]

## **THE FACILITY AGREEMENTS**

The Facility was completed on July 30, 1998 and the first event was held on September 19, 1998. The County's Professional Sports Facilities Tax and Revenue Bonds, Series 1996A, the Professional Sports Facilities Tax and Revenue Bonds, Taxable Series 1996B, the Series 2006A Bonds and the Series 2006B Bonds were issued to finance and refinance the construction of the Facility. Pursuant to such financing several agreements were entered into as described below.

### **Definitions**

Definitions of terms used in capitalized form in this section and not otherwise defined in this Official Statement shall have the meanings set forth in the "Operating Agreement" or the "License Agreement" (collectively, the "Facility Agreements"). Certain of these definitions are set forth below.

The term "Contract Year" is defined in the Operating Agreement to mean the twelve month period commencing July 1 and ending on June 30 of the immediately following year, and shall refer to each Contract Year during the Term of the Operating Agreement or, following a termination of the Operating Agreement, any part thereof.

The term "Facility Operating Expenses" is defined in the Operating Agreement to mean and include all expenses as determined on an accrual basis, made or incurred by the Operator or its designee or the Arena Management Firm, within the scope of Operator's authority or responsibility under the Operating Agreement in managing and operating the Facility and incurred to obtain Facility Operating Revenue.

The term "Facility Operating Revenues" is defined in the Operating Agreement to mean all revenues as determined on an accrual basis including, without limitation, revenues from the sale and/or licensing of Premium Seating (including deposits), revenues derived from the sale or licensing of personal seat licenses (including deposits), revenues from the sale of name sponsorship (including Naming Rights), Advertising Revenue, box office revenues, parking revenues, revenues from the sale of Consumable and Non-Consumable concessions, sponsorship revenues, rent and other fees under the License Agreement, all other licensing and use fee revenues, interest income (except interest earned on funds deposited in the Renewal and Replacement Account), forfeited security deposits, ticket convenience fees, equipment rental fees and Seat Use Charges, earned by the Operator (1) for the use of, operation, or admission to, the Facility or any portion thereof, (2) for the right to sell, or in respect of the sale of, any product or advertisement in the Facility including all rents, royalties, and concessions from tenants, Concessionaires, and Licensees, (3) from interest on or proceeds of investment of any Accounts (except the Renewal and Replacement Account) required to be maintained under the Operating Agreement, (4) for rental or use of the Facility equipment, or (5) as fees for services rendered at the Facility; but excluding, in all events, (i) sums received or collected by the Operator for and on behalf of and actually paid to a user of the Facility, (ii) any revenues reserved to the Team pursuant to the License Agreement and (iii) any Revenue Advances pursuant to Section 5.10 of the Operating Agreement.

The term "Net Operating Income" is defined in the Operating Agreement to mean, as to each Contract Year during the Term, the net of Facility Operating Revenue for each such Contract Year less Facility Operating Expenses for such Contract Year distributed by, or on behalf of, the Operator pursuant to Section 5.2 of the Operating Agreement for such Contract Year.

The term "Revenue Sharing Arrangement" is defined in the License Agreement to mean the obligations of the Operator to make distributions to the Team and the County pursuant to Article V (Financial Obligations) and Article XX (Additional Team and/or Operator Undertakings) of the Operating Agreement.

### **Operating Agreement**

The Facility is operated by Arena Operating Company, Ltd., an Affiliate of the Team ("Operator"), pursuant to the Operating Agreement described below. Under the terms of the Operating Agreement, the Operator has the ability to contract a professional facilities management and operating company specializing in sports and other public assembly facility operations to manage the Facility. The Board has the right under the Operating

Agreement, with proper notice and opportunity to dispute or cure, to appoint a new arena management firm if the Operator is not operating the Facility consistent with past practice (except maintenance) and with the Comparable Arena Standard as defined in the Operating Agreement.

On December 8, 2015, the Board voted to approve the Amended and Restated Broward County Civic Arena Operating Agreement (the "Operating Agreement") among the County, the Operator, the Florida Panthers Hockey Club, Ltd. (the "Team") and Sunrise Sports & Entertainment, LLC ("SS&E"), amending, clarifying, consolidating, and restating the rights and obligations of the parties concerning the operation and management of the Facility set forth in the original agreement dated June 4, 1996, and adding SS&E, the parent company of the Operator, as a signatory thereto, effective upon execution through June 30, 2028.

Under the Operating Agreement, the Operator shall be the sole and exclusive manager and operator of the Facility exercising full control and discretion in the operation, management and supervision of the Facility and its staff. If the Operator desires to extend the Term of the Operating Agreement beyond June 30, 2028, the Operator shall notify the County of its desire to extend the Term by delivering written notice to the County not less than twelve months prior to the expiration of the Term. Any extension shall be negotiated in good faith and will be set forth by an amendment executed by the Operator and the County.

The Operating Agreement provides SS&E with the right to terminate the Operating Agreement no earlier than July 1, 2023 upon satisfaction of the following conditions precedent: one year written notice; material compliance on the part of the Operator and the Team with the terms and conditions of the Facility Agreements; termination payments from the letter of credit as set forth in the Operating Agreement; and the Operator must have incurred net cumulative losses of not less than \$100 million over the immediately preceding seven Contract Years based on audited annual financial statements. Additionally, SS&E is required to make a Termination Payment, which is determined based on the Contract Year that includes the Effective Termination Date, as follows: \$72,000,000 (Contract Year ending June 30, 2024); \$64,000,000 (Contract Year ending June 30, 2025); \$56,000,000 (Contract Year ending June 30, 2026); \$48,000,000 (Contract Year ending June 30, 2027); and \$40,000,000 (Contract Year ending June 30, 2028) (the "Termination Payment"). The foregoing Termination Payment amounts are subject to reduction under the Operating Agreement in the event of a refunding of the Outstanding Bonds in an amount equal to the decrease in the County's annual debt service obligation. Accordingly, the Termination Payment will be reduced upon issuance of the Series 2016 Bonds in an amount equal to the decrease in the County's Preferred Revenue Allocation (in effect, an amount equal to the decrease in debt service in each Contract Year).

The Operating Agreement provides that the Operator will pay from Operating Revenues the County Preferred Revenue Allocation, which is an annual amount equal to the difference between: (a) the actual amount of the County's annual debt service obligation on the Bonds (taking into account any reduction in annual debt service due to a refunding); and (b) \$10 million per annum through Contract Year ending June 30, 2026; and \$8 million per annum in Contract Years ending June 30, 2027 and June 30, 2028. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS - The County Preferred Revenue Allocation" herein.

The Operator is authorized and required, among other things, to: (a) collect all Facility Operating Revenue; (b) prepare and submit to the County an Annual Budget and Renewal and Replacement Account Budget; (c) commence, defend and settle legal actions, (d) employ, pay and supervise all personnel; (e) purchase and maintain all materials, tools, machinery, equipment and supplies necessary for the operation of the Facility; (f) maintain the Facility in accordance with accepted industry standards; (g) administer a preventive maintenance program for the machinery and equipment; (h) arrange for all utility and other services; (i) maintain all necessary licenses, permits and authorizations for operations of the Facility; (j) furnish to the County all reports and information concerning operation of the Facility; (k) procure and negotiate contracts with Concessionaires; (l) control the issuance of and issue all credentials for Events at the Facility; and (m) pay to the County, in the event of a default under the Guaranty Agreement, the amounts pledged thereunder. The Operator has the exclusive right to negotiate lease agreements for the use of the Facility including license and other agreements concerning the use, scheduling or performance of Events in the Facility. Should a National Basketball Association ("NBA") member club wish to become a licensee or tenant of the Facility, the County must be a party to any such negotiation and shall be the party granting the license or lease to such NBA team. In addition, the Operator, together with the Team, shall be responsible for programs to promote the Facility; shall be the exclusive advertising agent for the sale and marketing of Facility advertising; shall have the exclusive right to market the naming rights to the Facility, with County

approval subject to standards of good taste; shall have sole control and responsibility for the operation and or contracting of food and beverage and merchandise concessions; shall arrange for and book events; shall control and coordinate all ticketing for events except Team hockey events (which shall be controlled by the Team); and, shall take the steps necessary, in cooperation with the City to assure that on- and off-site traffic control, police and security services are provided to the Facility.

The Operator shall collect all Operating Revenue and shall make deposits of such revenues into the Operating Fund. Facility Operating Revenues shall be distributed from the Operating Fund in the following order of priority:

1. First, to the payment to the County of the County Preferred Revenue Allocation which payments shall be made seven (7) days prior to the dates on which debt service payments on the Bonds shall be due. Operating Revenue shall in all instances be applied first to the County Preferred Revenue Allocation.
2. Second, to the payment of Facility Operating Expenses (excluding the Management Fee) payable by Operator in the ordinary course of business, as and when they become due, including without limitation, payments on the Completion Bonds and pursuant to the Sawgrass Arena Ramps Agreement.
3. Third, in payment of the Supplemental County Preferred Revenue Payment in any Contract Year pursuant to the Operating Agreement.
4. Thereafter, the Operator may distribute funds from the Operating Fund to the Team at any time provided that such distribution shall not prevent the Operator from timely making the distributions discussed herein. No distribution to the Team shall be made of any of the proceeds of the Annual Contributions.

On December 8, 2015 the Board also adopted budget Resolution No. 2015-720 transferring \$12,000,000 from the reserve within the Tourist Tax Capital Fund for the purpose of providing the funding for the County's Annual Contribution in the first year of the amended and restated Operating Agreement.

The revisions to the Operating Agreement approved by the County on December 8, 2015 included, among others, the following provisions:

- 1) The County shall make Annual Contributions in the aggregate amount of \$86 million through Contract Year ending June 30, 2028, subject to reduction under the Operating Agreement in the event of a refunding of the Outstanding Bonds equal to the decrease in the County's annual debt service obligation. The Annual Contributions are as follows: \$12 million in Contract Years ending June 30, 2016 and 2017; \$10 million in Contract Years ending June 30, 2018 and 2019; \$8 million in Contract Years ending June 30, 2020 and 2021; \$6 million in Contract Years ending June 30, 2022 and 2023; \$4 million in Contract Years ending June 30, 2024 and 25; and \$2 million in Contract Years ending June 30, 2026, 2027 and 2028. A minimum of \$1.5 million of the Annual Contributions shall be dedicated to help attract major events to the Facility over the Term.
- 2) The Operator shall establish a renewal and replacement account and shall make annual contributions in an average minimum amount of \$3 million per Contract Year (or a minimum of \$39 million over the Term).
- 3) The County shall have a right to receive a 10% share of net profits upon a change in control of the Team and Operator or SS&E, and a share of the expansion fees payable to the Team following an NHL expansion process; and the County shall participate in the Consolidated Revenue of SS&E to the extent the Consolidated Revenue exceeds certain thresholds, ranging from \$130 million in Contract Year ending June 30, 2015, to \$170 million in Contract Years ending June 30, 2025 through 2028.



- 4) The current owners of the Team, the Operator and SS&E (currently, Vincent Viola and Douglas Cifu) shall provide to the County an irrevocable Letter of Credit from a federally or state-chartered bank reasonably acceptable to the County, in an initial amount equal to \$18 million, and thereafter in an amount not less than the undrawn balance of the Letter of Credit being replaced or such greater or lesser amount as indicated in the schedule below:

<u>Date</u>	<u>Amount of Change</u>	<u>New Letter of Credit Amount</u>
July 1, 2016	\$12,000,000.00	\$30,000,000.00
July 1, 2017	10,000,000.00	40,000,000.00
July 1, 2018	10,000,000.00	50,000,000.00
July 1, 2019	8,000,000.00	58,000,000.00
July 1, 2020	8,000,000.00	66,000,000.00
July 1, 2021	6,000,000.00	72,000,000.00
July 1, 2022	-	72,000,000.00
July 1, 2023	-	72,000,000.00
July 1, 2024	(8,000,000.00)	64,000,000.00
July 1, 2025	(8,000,000.00)	56,000,000.00
July 1, 2026	(8,000,000.00)	48,000,000.00
July 1, 2027	(8,000,000.00)	40,000,000.00

The Letter of Credit shall be security for the financial obligations of the Team, the Operator and SS&E, to include: the County's 10% share of net profits arising from the sale of a controlling interest in the Team; the County's share of the expansion fees payable to the Team following an NHL expansion process; and the Termination Payment, or upon the occurrence of a bankruptcy event involving the Team, the Operator, or SS&E, or upon cancellation or non-renewal of the Letter of Credit as required by the Operating Agreement. The Letter of Credit issued by JPMorgan Chase Bank, N.A., Tampa, Florida, in the face amount of \$30 million is renewable annually in accordance with the schedule above.

### **License Agreement**

On December 8, 2015, the Board approved the Amended and Restated Broward County Civic Arena License Agreement (the "License Agreement") among the County, the Operator, the Team and SS&E, amending, clarifying, consolidating, and restating the rights and obligations of the parties concerning the conduct of Florida Panthers hockey games at the Facility, effective upon execution through June 30, 2028.

If the Team is able to obtain and deliver to the County an opinion of the County's bond counsel for any tax-exempt Bonds stating that the extension term will not adversely impact the tax-exempt status of such obligations, and the Operator and the County have agreed to an extension of the Term of the Operating Agreement, the Team shall have the option and right to extend the term of the License Agreement upon the terms and conditions agreed to by the County and the Operator, including the duration of such extension and in accordance with the amendment to the Operating Agreement relating to such extension. The Team must exercise such extension option no less than twelve months prior to the expiration date of the License Agreement.

The License Agreement requires the Team to pay to the County the Base Rent (defined as \$7,500 plus applicable sales taxes for each Home Game played at the Facility during the Hockey Season up to a maximum amount of \$307,500.00 per Hockey Season during the License Term) and Incentive Rent (defined as an amount to be paid by Team to Operator annually on or before the first day of the second month following the conclusion of each Contract Year during the License Term, equal to the difference between (i) five percent (5%) of Ticket Receipts for each Home Game played at the Facility, and (ii) the sum of Base Rent and Pass Through Expenses (up to the Pass Through Expenses Cap) incurred. In the event that additional financing is required to improve and enhance the Facility, the Team will be obligated to pay a supplemental rent to the Operator to cover all of the County's debt service costs for such financing, which will be paid by the Operator to the County as Incremental County Preferred Revenue Allocation.

The License Agreement provides that the Team will retain all Ticket Receipts, Team Concession Revenues, revenues received in connection with Sponsor Signs, sponsorship receipts, including pay television, television and radio broadcasting, promotional and/or Team sponsorship fees received or collected in connection with the conduct of Hockey Events, revenues from the sale of Non-Consumable Concessions sold during Hockey Events and other items sold at the Team Retail Store, and all distributions to Team of Net Operating Income pursuant to the Revenue Sharing Arrangement. The Team bears all expenses related to operations of the Team, its office space, and the Team Retail Store. All other revenue from operations is Operating Revenue and subject to the Revenue Sharing Arrangement, as defined herein.

The Team has covenanted and agreed that from the date of commencement of the License Agreement and continuing to the License Expiration Date, the Team shall play all of its Home Games at the Facility and shall not play any of its Home Games at any other location, except during an Abatement Period. The Team is deemed to have violated this Non-Relocation Covenant if it executes a contract to play its Home Games at any other location. In the event of such violation, the County has the absolute right, in addition to other rights and remedies, to compel the Team to comply with this covenant by appropriate specific performance, injunction or other equitable proceedings in the circuit court or federal court located within the County. The Team has waived any requirement that the County would have to post bond or other collateral as a condition for the County to obtain specific performance or injunctive relief.

### **City of Sunrise Agreement**

The County, the Team and the City executed a Letter of Agreement, as amended (the “Sunrise Agreement”) outlining the duties, commitments and responsibilities of the parties with respect to locating and operating the Facility in Sunrise, Florida.

In connection with the operation of the Facility, the City agreed to (i) provide reasonable and necessary traffic management and security for hockey games and other non-tenant events, (ii) waive permit fees for pyrotechnics and provide fire inspectors at no charge to the Facility, and (iii) provide, at no charge to the Facility, a paramedic unit for all hockey games, free emergency transport for injured hockey players, a hazardous materials response unit, usual and ordinary clean up services, and other services. In addition, the City has agreed to provide customary City services for maintenance of all public streets, lend certain municipally owned heavy equipment, provide solid waste collection and hauling services, all at no cost or at the City’s cost of such services. The parties have also agreed to cooperate to bring major sporting events to the Facility.

### **Completion Debt**

In accordance with the Development Agreement entered into between the County and the Arena Development Company, Ltd. (the “Project Developer”), an Affiliate of the Team, the County was obligated to issue completion debt so long as the Team was obligated to pay the debt service and issuance costs on the completion debt. Completion debt was issued by the County in 1999. Such debt was not issued under the Indenture, but was issued as variable rate taxable commercial paper under the County’s commercial paper program. Such completion debt was refinanced in 2000 with fixed-rate taxable bonds issued by the First Florida Governmental Financing Commission. The completion debt was partially advance refunded in 2005 in order to realize debt service savings and is currently outstanding in the aggregate principal amount of \$5,390,000, with maximum annual debt service of \$624,232.50 and a final maturity of 2028. The completion debt is secured by the County’s covenant to budget and appropriate Non-Ad Valorem Revenue. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS – Appropriations of County Non-Ad Valorem Revenue” herein. Pursuant to the terms of the License Agreement, in the event completion debt for the Facility is issued, the Team is obligated to pay supplemental rent to the Operator and the Operator shall include these amounts as a part of the County Incremental Preferred Revenue Allocation pursuant to the terms of the Operating Agreement.

The Board approved on December 8, 2015 a Mutual Release and Termination of Development Agreement between the County and the Project Developer. Under such agreement, the parties recognized that the Project Developer developed, constructed and completed the Facility as required and that there were no obligations or responsibilities under the existing development agreement between the County and the Project Developer.

Furthermore, under the Mutual Release and Termination of Development Agreement, certain development rights were conveyed and quit claimed by the Project Developer to the County.

### **RESERVE FUND CREDIT FACILITY**

Upon the issuance of the Series 2016 Bonds, the County will meet the Reserve Requirement for the Series 2016 Bonds by purchasing a Reserve Fund Credit Facility from MAC, to be deposited in the Bond Reserve Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS – Bond Reserve Fund” and “– Municipal Assurance Corp.” herein. In the event MAC becomes obligated to make payments thereunder, no assurance is given that such event will not adversely affect the market price of the Series 2016 Bonds or the marketability (liquidity) for the Series 2016 Bonds.

Neither the County nor the Underwriters have made an independent investigation into the claims paying ability of MAC and no assurance or representation regarding the financial strength or projected financial strength of MAC is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the County to pay principal and interest on the Series 2016 Bonds and the claims paying ability of MAC particularly over the life of the investment.

MAC has provided the following information for inclusion in this Official Statement.

#### **Municipal Assurance Corp.**

MAC is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO”. AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of the shareholders or affiliates of AGL, other than MAC, is obligated to pay any debts of MAC or any claims under any insurance policy issued by MAC.

MAC is wholly owned by Municipal Assurance Holdings Inc., which, in turn, is owned 61% by Assured Guaranty Municipal Corp. and 39% by Assured Guaranty Corp.

MAC’s financial strength is rated “AA” (stable outlook) by S&P and “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”). Each rating of MAC should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of MAC in its sole discretion. In addition, the rating agencies may at any time change MAC’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by MAC. MAC only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by MAC on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

#### *Current Financial Strength Ratings*

On July 8, 2016, KBRA issued a financial guaranty surveillance report in which it affirmed the insurance financial strength rating of “AA+”, with a stable outlook, of MAC. MAC can give no assurance as to any further ratings action that KBRA may take.

On July 27, 2016, S&P issued a credit rating report in which it affirmed MAC’s financial strength rating of “AA” (stable outlook). MAC can give no assurance as to any further ratings action that S&P may take.

For more information regarding MAC's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

#### *Capitalization of MAC*

As of June 30, 2016, MAC's policyholders' surplus and contingency reserve were approximately \$677 million and its unearned premium reserve was approximately \$400 million, in each case, determined in accordance with statutory accounting principles.

#### *Incorporation of Certain Documents by Reference*

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to MAC are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (filed by AGL with the SEC on February 26, 2016);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016 (filed by AGL with the SEC on May 5, 2016); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016 (filed by AGL with the SEC on August 4, 2016).

All financial statements of MAC and all other information relating to MAC included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2016 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Municipal Assurance Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding MAC included herein under the caption "RESERVE FUND CREDIT FACILITY – Municipal Assurance Corp." or included in a document incorporated by reference herein (collectively, the "MAC Information") shall be modified or superseded to the extent that any subsequently included MAC Information (either directly or through incorporation by reference) modifies or supersedes such previously included MAC Information. Any MAC Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

#### *Miscellaneous Matters*

MAC makes no representation regarding the Series 2016 Bonds or the advisability of investing in the Series 2016 Bonds. In addition, MAC has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding MAC supplied by MAC and presented under the heading "RESERVE FUND CREDIT FACILITY."

## **ENFORCEABILITY OF REMEDIES**

The remedies available to Holders of the Series 2016 Bonds are set forth in the Indenture. Such remedies do not include acceleration. The remedies available to the Holders of the Series 2016 Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies provided with respect to the Series 2016 Bonds pursuant to the Indenture may not be readily available or may be limited. The various legal opinions delivered or to be delivered concurrently with the delivery of the Series 2016 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, principles of equity, or other similar laws affecting the rights of creditors generally.

## **TAX COVENANTS CONCERNING THE SERIES 2016 BONDS**

The County covenants in the Indenture that so long as any Series 2016 Bonds remain outstanding for federal income tax purposes, it shall comply with all requirements of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2016 Bonds, including any arbitrage rebate requirements, except to the extent that not to so comply would, in the Opinion of Co-Bond Counsel, not result in the interest payable on the Series 2016 Bonds being included in gross income for federal income tax purposes under the Code. The County acknowledges that if the net present value of the Private Payments actually received through September 1 of any year, together with the net present value of the Private Payments reasonably expected to be received over the remaining term of the Series 2016 Bonds, exceeds the Private Payments Cap, the County must, and covenants that it will, take such remedial action, including retiring and/or defeasing outstanding Series 2016 Bonds, as is necessary in the Opinion of Co-Bond Counsel to maintain the exclusion from gross income of interest on the Series 2016 Bonds.

## **TAX MATTERS**

### **General**

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2016 Bonds in order that interest on the Series 2016 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2016 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2016 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2016 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The County has covenanted to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2016 Bonds.

In the opinion of Co-Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2016 Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2016 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations; however, interest on the Series 2016 Bonds may be subject to the federal alternative minimum tax when any Series 2016 Bond is held by a corporation. The federal alternative minimum taxable income of a corporation must be increased by seventy-five percent (75%) of the excess of such corporation's adjusted current earnings over its alternative minimum taxable income (before this adjustment and the alternative tax net operating loss deduction). "Adjusted Current Earnings" will include interest on the Series 2016 Bonds.

Except as described above, Co-Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2016 Bonds. Prospective purchasers of Series 2016 Bonds should be aware that the ownership of Series 2016 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2016 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series

2016 Bonds; (iii) the inclusion of interest on Series 2016 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2016 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2016 Bonds in “modified adjusted gross income” by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Co-Bond Counsel, Co-Bond Counsel will rely upon representations and covenants made on behalf of the County, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2016 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2016 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Series 2016 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2016 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2016 Bonds, under certain circumstances, to “backup withholding” at the rate specified in the Code with respect to payments on the Series 2016 Bonds and proceeds from the sale of Series 2016 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2016 Bonds. This withholding generally applies if the owner of Series 2016 Bonds (i) fails to furnish the payor such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2016 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **Other Tax Matters**

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2016 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2016 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2016 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2016 Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2016 Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of, the Series 2016 Bonds.

Prospective purchasers of the Series 2016 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2016 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Co-Bond Counsel expresses no opinion.

## **Tax Treatment of Bond Premium**

The difference between the principal amount of the Series 2016 Bonds (collectively, the “Premium Bonds”), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

## **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the County except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Florida Department of Banking and Finance (the “Department”). Pursuant to Rule 69W-400.003, Florida Administrative Code, the Department has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the County, and certain additional financial information, unless the County believes in good faith that such information would not be considered material by a reasonable investor. The County is not and has not been in default on any bond issued since December 31, 1975 which would be considered material by a reasonable investor.

## **CONTINUING DISCLOSURE**

The County will covenant for the benefit of the Series 2016 Bondholders to provide certain financial information and operating data relating to the County and the Series 2016 Bonds in each year, and to provide notices of the occurrence of certain enumerated notice events. The County has agreed to file annual financial information and operating data and its audited financial statements with the centralized information repository or such other municipal securities information repository as may be required by law, from time to time, the information set forth in the Bond Resolution, commencing with the Fiscal Year ending September 30, 2016.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in “APPENDIX F - Form of Continuing Disclosure Certificate” attached hereto. The Continuing Disclosure Certificate shall be executed by the County prior to the issuance of the Series 2016 Bonds. These covenants have been made in order to assist the Underwriters in complying with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “Rule”).

With respect to the Series 2016 Bonds, no party other than the County is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule.

The following information describes the instances of non-compliance with its continuing disclosure undertakings, known to the County, in the past five years.

The County has inadvertently failed to fully comply with its continuing disclosure undertakings with respect to rating changes, timely filings, inclusion of certain operating data related to debt service capacity, debt service summary, tax certificates held by the County and cargo tonnage, and certain other non-substantive requirements. Upon realizing the failure to comply, the County reported such circumstances in accordance with the

requirements of its continuing disclosure undertakings made with respect to the Rule, and cured such filing deficiencies. In particular, for Fiscal Year 2011, the County timely filed its annual audited financial report (the “CAFR”) and certain operating data, but failed to include operating data related to tax certificates held by the County and cargo tonnage. This omitted operating data was filed on March 29, 2013. Moreover, a few CUSIPs were not linked to new filings posted electronically. The CUSIP links were cured on September 23, 2013. In 2014, the County made late filings with respect to rating upgrades of its port facilities revenue bonds. On November 24, 2014 the County self-reported, as part of the Municipalities Continuing Disclosure Cooperation Initiative, that it failed to disclose its failure to comply with its continuing disclosure undertakings with respect to ratings downgrades that took place on April 25, 2011 in four of the County’s official statements from November 2011 to April 2012.

The County is a borrower under loans from the First Florida Governmental Financing Commission (the “Commission”), funded by the Commission’s revenue bonds, Series 2002A, Series 2005B, Series 2006 and Series 2007 and, as such, an “obligated person” under the Rule. Pursuant to its undertakings with the Commission, the County is required to file certain annual financial information, including its CAFR and certain operating data, with the Municipal Securities Rulemaking Board, not later than 180 days after the end of the County’s Fiscal Year. For Fiscal Year 2013, the County timely filed its CAFR, but failed to include certain operating data related to debt service capacity and debt service summary. The omitted data was filed on July 28, 2016.

The County does not believe that any past failure to comply with its continuing disclosure undertakings was material to bondholders. The County has retained Digital Assurance Certification, L.L.C. (“DAC”) as its dissemination agent. Working with DAC, the County has adopted a municipal securities disclosure policy to help ensure compliance with its continuing disclosure undertakings made with respect to the Rule.

## **LITIGATION**

There is no litigation of any nature now pending or, to the best knowledge of the County, threatened against the County which, in the opinion of the County Attorney, will have any material adverse effect on the County’s ability to pay the Series 2016 Bonds or to collect Pledged Revenues.

At the time of the delivery of the Series 2016 Bonds, the County will deliver a certificate to the effect that no litigation or other proceedings are pending or, to the best knowledge of the County, threatened against the County in the Circuit Court for the Seventeenth Judicial Circuit of the State of Florida in and for Broward County and in the United States District Court for the Southern District of Florida or in any other court for which the County has received actual notice in any way (i) restraining or enjoining the issuance, sale or delivery of the Series 2016 Bonds or (ii) questioning or affecting the validity of the Series 2016 Bonds or any proceedings of the County taken with respect to the authorization, sale, execution or issuance of the Series 2016 Bonds or of the pledge of any moneys or other security provided for the Series 2016 Bonds.

The County currently is actively engaged in numerous lawsuits. These include cases where the redress sought is for other than monetary damages, i.e., mandamus, injunction, declaratory relief and cases for which the County has insurance or is named as a nominal defendant. The 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 County.

## **LEGAL MATTERS**

Certain legal matters incident to the validity of the Series 2016 Bonds and the issuance thereof by the County are subject to the approval of Bryant Miller Olive P.A., Tampa, Florida, and the Law Offices of Steve E. Bullock, P.A., Miramar, Florida, Co-Bond Counsel, whose approving opinions substantially in the form attached hereto as “APPENDIX D – Form of Co-Bond Counsel Opinion,” will be delivered concurrently with the issuance and delivery of the Series 2016 Bonds. The actual legal opinion 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 of the opinions by recirculation of the Official Statement or otherwise shall create no implication that Co-Bond Counsel has reviewed or expressed any opinions concerning any of the matters referenced in the opinions subsequent to their date.



Certain legal matters will be passed upon for the County by the Office of the County Attorney, Broward County, Florida. Certain matters relating to disclosure will be passed upon for the County by Locke Lord LLP, West Palm Beach, Florida, and the Law Offices of Carol D. Ellis, P.A., West Palm Beach, Florida, as Co-Disclosure Counsel, and for the Underwriters by their counsel, Moskowitz, Mandell, Salim & Simowitz, P.A., Fort Lauderdale, Florida.

## **UNDERWRITING**

The Series 2016 Bonds are being purchased by Morgan Stanley & Co. LLC, for itself and as representative of the Underwriters identified on the cover page hereof, at an aggregate purchase price of \$83,566,590.21 (representing the par amount of the Series 2016 Bonds of \$71,990,000.00, plus bond premium of \$11,813,227.15, and less an Underwriters' discount of \$236,636.94). The Underwriters' obligations are subject to certain conditions precedent described in the Purchase Agreement entered into between the County and the Underwriters, and they will be obligated to purchase all of the Series 2016 Bonds if any Series 2016 Bonds are purchased. The Series 2016 Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts) at prices lower or yields higher than such public offering prices, and such public offering prices or yields may be changed, from time to time, by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the County, for which they received or will receive customary fees and expenses.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC., an underwriter of the Series 2016 Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2016 Bonds.

## **CONTINGENT FEES**

The County has retained Co-Bond Counsel, Co-Disclosure Counsel, and the Financial Advisor with respect to the authorization, sale, execution and delivery of the Series 2016 Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriters (including the fees of their counsel), to be paid by the County, each are contingent upon the issuance of the Series 2016 Bonds.

## **FINANCIAL ADVISOR**

Stifel, Nicolaus & Company, Incorporated, Orlando, Florida, is serving as Financial Advisor to the County with respect to the issuance and sale of the Series 2016 Bonds. The Financial Advisor has assisted the County in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2016 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with the undertakings by the County to provide continuing secondary market disclosure.

## **RATINGS**

Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings ("Fitch") and S&P Global Ratings, a division of S&P Global, Inc. ("S&P"), have assigned ratings to the Series 2016 Bonds of "Aa3" with a "positive outlook," "AA+" with a "stable outlook," and "AA-" with a "stable outlook," respectively.

The ratings reflect only the views of said rating agencies and an explanation of the ratings may be obtained only from said rating agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely by the rating agencies, or any of them, if in their judgment, circumstances so warrant. A downward change in or withdrawal of any of such ratings, may have an adverse effect on the market price of the Series 2016 Bonds.

## **FINANCIAL STATEMENTS**

The General Purpose Financial Statements of Broward County, Florida for the Fiscal Year Ended September 30, 2015 included as APPENDIX B attached hereto as a part of this Official Statement have been audited by Crowe Horwath LLP, independent certified public accountants, as set forth in their report dated May 11, 2016, which report is also appended hereto as part of APPENDIX B. Crowe Horwath LLP has not participated in the preparation of this Official Statement. The financial statements are attached hereto as a matter of public record. The consent of Crowe Horwath LLP has not been sought.

## **ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT**

The references, excerpts, and summaries of all documents, statutes, and information concerning the County and certain reports and statistical data referred to herein do not purport to be complete, comprehensive and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2016 Bonds, the security for the payment of the Series 2016 Bonds and the rights and obligations of the owners thereof and to each such statute, report or instrument.

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

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the County from the date hereof.

[Remainder of page intentionally left blank]

### **AUTHORIZATION OF OFFICIAL STATEMENT**

The execution and delivery of this Official Statement has been duly authorized and approved by the County. At the time of delivery of the Series 2016 Bonds, the County will furnish a certificate to the effect that nothing has come to its attention which would lead it to believe that the Official Statement (other than information herein and in APPENDIX G related to DTC and the book-entry only system of registration, and the information herein related to MAC, as to which no opinion shall be expressed), as of its date and as of the date of delivery of the Series 2016 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

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

BROWARD COUNTY, FLORIDA

By: /s/ Martin D. Kiar  
Mayor

By: /s/ Bertha Henry  
County Administrator

[THIS PAGE INTENTIONALLY LEFT BLANK]

## **APPENDIX A**

### **GENERAL INFORMATION REGARDING THE COUNTY**

[THIS PAGE INTENTIONALLY LEFT BLANK]

## GENERAL INFORMATION REGARDING THE COUNTY

Broward County, Florida (the “County”), created in October 1915 by the legislature of the State of Florida (the “State”), is located on the southeast coast of Florida and has an area of approximately 1,231 square miles. The County is bordered on the south by Miami-Dade County and on the north by Palm Beach County. Located within the County are 31 municipalities. The County ranks second in the State and 18th in the nation with a 2015 estimated population of 1.9 million persons. Approximately 50% of the County’s population lives in its seven largest cities: Fort Lauderdale, Pembroke Pines, Hollywood, Miramar, Coral Springs, Pompano Beach and Davie. Four airports, including the Fort Lauderdale-Hollywood International Airport, are located in the County. Port Everglades, the State’s deepest harbor and a leading international cruise port, is located less than two miles from Fort Lauderdale-Hollywood International Airport.

### Governmental Structure

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

The nine member Board 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:

Marty D. Kiar, Mayor	November 2016
Barbara Sharief, Vice Mayor	November 2018
Mark D. Bogen, Commissioner	November 2018
Beam Furr, Commissioner	November 2018
Dale V. C. Holness, Commissioner	November 2016
Chip LaMarca, Commissioner	November 2018
Tim Ryan, Commissioner	November 2016
Lois Wexler, Commissioner	November 2016
<i>Open</i>	November 2016

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, and their respective staff. 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. The County Attorney, and assistant attorneys appointed by the County Attorney, represent the Board and all other County departments, divisions, boards, and offices in 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 <sup>1</sup>	Population	Change <sup>1</sup>	Population	Change <sup>1</sup>
1960	333,946	—	4,951,560	—	179,323,000	—
1970	620,100	85.7%	6,789,443	37.1%	203,212,000	13.3%
1980	1,018,257	64.2	9,747,061	43.6	226,505,000	11.5
1990	1,255,488	23.3	13,003,362	33.4	249,632,692	10.2
2000	1,623,018	29.3	15,982,378	22.9	281,421,906	12.7
2010 <sup>(2)</sup>	1,748,066	7.7	18,801,310	17.6	308,745,538	9.7
2015 <sup>(3)</sup>	1,869,425	6.9	20,271,272	7.8	321,418,820	4.1

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

(1) Average annual percentage increase over the preceding period.

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

(3) 2015 data is estimated by the US Census Bureau.

[Remainder of page intentionally left blank]



### Labor Force and Unemployment Rates

<b>Year Ended December 31</b>	<b>Estimated Broward County Civilian Labor Force</b>	<b>Broward County</b>	<b>Unemployment Rates</b>	
			<b>Florida</b>	<b>United States</b>
2005	957,619	3.7%	3.7%	5.1%
2006	983,211	3.1	3.2	4.6
2007	1,000,426	3.6	4.0	4.6
2008	1,006,721	5.6	6.3	5.8
2009	980,551	9.1	10.4	9.3
2010	936,563	10.2	11.1	9.6
2011	951,445	9.4	10.0	8.9
2012	964,061	8.0	8.5	8.1
2013	974,815	6.8	7.3	7.4
2014	989,699	5.9	6.3	6.2
2015	992,392	5.0	5.4	5.3

Source: US Bureau of Labor Statistics

[Remainder of page intentionally left blank]

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

	<b><u>2011 Total</u></b>	<b><u>2011 Percent of Total</u></b>	<b><u>2012 Total</u></b>	<b><u>2012 Percent of Total</u></b>	<b><u>2013 Total</u></b>	<b><u>2013 Percent of Total</u></b>	<b><u>2014 Total</u></b>	<b><u>2014 Percent of Total</u></b>	<b><u>2015 Total</u></b>	<b><u>2015 Percent of Total</u></b>
<b>Grand Total</b>	<u>736.2</u>	<u>100.0%</u>	<u>751.1</u>	<u>100.0%</u>	<u>776.8</u>	<u>100.0%</u>	<u>800.1</u>	<u>100.0%</u>	<u>821.3</u>	<u>100.0%</u>
<b>Goods Producing</b>	56.6	7.7%	58.1	7.7%	61.5	7.9%	65.7	8.3%	72.3	8.8%
Construction	30.9	4.2%	32.2	4.3%	34.7	4.5%	38.4	4.8%	43.8	5.3%
Manufacturing	25.6	3.5%	25.8	3.4%	26.7	3.4%	27.6	3.4%	28.4	3.4%
<b>Service Providing</b>	679.6	92.3%	692.9	92.3%	715.3	92.0%	734.0	91.7%	749.0	91.1%
Trade, Transportation and Utilities	171.8	23.3%	174.9	23.3%	182.4	23.5%	185.5	23.2%	188.0	22.9%
<i>Wholesale Trade</i>	45.3	6.2%	45.9	6.1%	46.7	6.0%	48.0	6.0%	48.7	5.9%
<i>Retail Trade</i>	103.8	14.1%	105.1	13.9%	111.0	14.3%	112.3	14.0%	112.9	13.7%
<i>Transportation, Warehousing,             and Utilities</i>	22.7	3.0%	23.9	3.2%	24.7	3.2%	25.2	3.1%	26.4	3.2%
Financial Activities	54.5	7.4%	55.7	7.4%	55.2	7.1%	56.4	7.0%	58.6	7.1%
Information	17.7	2.4%	18.4	2.5%	18.4	2.4%	18.9	2.4%	19.4	2.3%
Professional and Business Services	123.6	16.8%	128.3	17.1%	134.5	17.3%	141.0	17.6%	144.8	17.6%
Education and Health Services	97.7	13.3%	97.4	12.9%	99.5	12.8%	101.6	12.7%	104.5	12.7%
Leisure and Hospitality	81.4	11.1%	83.3	11.1%	87.4	11.3%	91.0	11.4%	92.8	11.3%
Other Services	34.2	4.6%	35.1	4.7%	36.2	4.7%	37.6	4.7%	37.9	4.6%
Government	98.7	13.4%	99.8	13.3%	101.7	13.1%	102.0	12.7%	103.0	12.5%
<i>Federal</i>	7.9	0.9%	7.4	0.9%	7.0	0.9%	6.8	0.8%	6.8	0.8%
<i>State &amp; Local</i>	90.8	12.3%	92.4	12.3%	94.7	12.2%	95.2	11.9%	96.2	11.7%

Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Employment Statistics Program (year to date average for all 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 239,667 nonemployer and 58,549 private nonfarm business establishments with operations in the County at the end of Fiscal Year 2014. 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 2015.

<b><u>Company</u></b>	<b><u>Employees</u></b>
Broward County School Board	32,600
Broward County Government	11,596
Memorial Healthcare System	11,500
Broward Health	8,224
Nova Southeastern Univ.	7,610
American Express	3,500
AutoNation	3,381
Ultimate Software	2,800
Broward College	2,550
City of Fort Lauderdale	2,479

Source: US Census Bureau; Broward County Planning and Redevelopment Division.

[Remainder of page intentionally left blank]

**Per Capita Personal Income<sup>(1)</sup>**  
**Broward County, Florida, and United States**

<b>Year Ended December 31</b>	<b>Broward County</b>	<b>Percent of Florida</b>	<b>Percent of U.S.</b>	<b>State of Florida</b>	<b>Percent of U.S.</b>	<b>United States</b>
2004	\$35,796	105.2%	104.3%	\$34,042	99.2%	\$34,316
2005	38,618	106.4	107.6	36,294	101.1	35,904
2006	40,886	105.3	107.2	38,812	101.8	38,144
2007	42,323	106.0	106.3	39,945	100.3	39,821
2008	41,852	104.6	101.9	40,018	97.4	41,082
2009	39,035	104.2	99.1	37,479	95.2	39,376
2010	40,050	103.4	99.4	38,718	96.1	40,277
2011	41,305	101.9	97.3	40,538	95.5	42,453
2012	41,886	101.5	94.6	41,249	93.2	44,266
2013	41,657	100.8	93.7	41,309	93.0	44,438
2014	43,283 <sup>(2)</sup>	101.3	94.0	42,737	92.8	46,049
2015				44,101 <sup>(3)</sup>	92.5	47,669 <sup>(3)</sup>

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

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

<sup>(2)</sup> Last updated on November 19, 2015.

<sup>(3)</sup> Last updated on March 24, 2016.

[Remainder of page intentionally left blank]

## Taxable Sales for the County

The following table shows the taxable sales within the County for the calendar years 2005-2015 and the percentage increase in such sales for each year.

<b>Taxable Sales (\$ in Thousands)</b>		
<b>Year Ended December 31</b>	<b>Taxable Sales</b>	<b>Percent Change from Prior Year</b>
2005	\$31,941,903	15.7%
2006	34,759,141	8.82
2007	30,678,853	(11.7)
2008	29,523,345	(3.77)
2009	26,261,882	(11.1)
2010	26,898,615	2.42
2011	28,008,981	4.11
2012	29,692,094	6.01
2013	31,631,500	6.53
2014	33,860,247	7.04
2015	35,783,223	5.67

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.

The County is seeking to enter into a public-private partnership (P3) with a qualified developer for the Broward County Convention Center Expansion and Headquarters Hotel Projects ("Project"). The developer chosen in the County's procurement process will be responsible for the delivery, development, and operation of specified components of this mixed-use Project pursuant to an agreement with the County. The County intends to redevelop the Convention Center site with an iconic plan to create a "sense of place," taking full advantage of the unique waterfront setting to further establish the Broward County Convention Center as a competitive convention, tradeshow and meeting venue. The County's goal for this Project is to attain the most distinctive, marketable headquarters hotel and convention center facilities that provide a long-lasting positive economic impact for the County.

Tourists now visit the County over the entire year instead of merely during winter months and the tourism industry is currently drawing from a worldwide market. The County's 2015 hotel occupancy rate was 78.8%, an increase of 1.2% over the previous year, and the Average Daily Rate (ADR) was \$135.51, an increase of 6.7 % over the previous year.

## Building Permits

According to US Census data, nationwide eight million renter households were formed from 2007-2015 while owner occupant households decreased by 1.8 million over the same period. This growth in demand for rental units coupled with recent trends among millennials towards new urbanism (living within walking distance to shops and restaurants) has fueled increased demand for construction of multifamily residential properties with higher densities. The nationwide average number of new apartments constructed in buildings with 50 or more units was 24% in 2004, as compared to 48% in 2014 (ref. US Census data). The yearly data for building permits in the County is presented in the following table:

<b>Building Permits Issued in Broward County</b> <b>(\$ in Thousands)</b>					
<b>Calendar Year</b>	<b>Single Family Units</b>	<b>Multi- Family Units</b>	<b>Total Residential Units</b>	<b>Total Residential Valuation</b>	<b>Permit Valuation</b>
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
2012	1,062	110	1,172	414,263	414,263
2013	1,023	2,533	3,556	429,074	429,074
2014	1,181	1,281	2,462	404,300	404,300
2015	1,494	3,958	5,452	807,553	807,553

## Education

Broward County Public Schools (BCPS) is the sixth largest public school system in the nation and the second largest fully accredited in the State. BCPS has over 265,000 students and approximately 175,000 adult students currently enrolled and a fiscal year ending June 30, 2016 budget of approximately \$3.45 billion. The system consists of 337 schools: 238 traditional schools and centers, and 99 charter schools. BCPS is an independent operating and taxing entity, meaning that it is separate from the County.

There are a number of four-year colleges and universities in the County including Florida Atlantic University and Florida International University, which are public, and Nova Southeastern University and Keiser College, which are private. Florida Atlantic University and Florida International University are two of the 12 universities in the State University System of Florida. In addition, Broward College, Prospect Hall College, City College, the Art Institute of Fort Lauderdale, and DeVry are among colleges located in the County that offer two-year degrees. There are also several 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 railroad corridors (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, Florida's Turnpike, and the Sawgrass Expressway) and approximately 375 miles of divided highways. The County-operated bus system, with an active fleet of 342 fixed route busses, 184 ADA Paratransit vehicles, and 78 community buses served 40.3 million passengers in Fiscal Year 2015. TRI-Rail, a commuter rail system, provides service along a 75 mile corridor from Palm Beach County to Miami-Dade County.

In 2017, All Aboard Florida's Brightline (a privately owned, operated and maintained passenger rail system) is expected to launch express inter-city passenger rail service between Miami, Fort Lauderdale and West Palm Beach along the Florida East Coast (FEC) rail corridor. Future expansion of the Brightline high-speed passenger rail service will connect Miami, Ft. Lauderdale, and West Palm Beach with Orlando.

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 one railroad. 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 2015, Port Everglades handled 116.9 million barrels of petroleum and 6.7 million tons of containerized cargo. A total of 3,773,386 cruise ship passengers went through Port Everglades on 889 sailings in Fiscal Year 2015.

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 general purpose FTZ now includes 16 sites within and outside of the Port's boundaries on a total of 388 acres. In calendar year 2015, cargo valued at more than \$291 million was received and more than \$295 million was shipped from all active general-purpose FTZ areas combined. Additionally, the five special-purpose subzones at Port Everglades received cargo valued at more than \$2.7 billion and shipped cargo valued at more than \$2.8 billion.

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 Fiscal Year 2015, enplaned passengers totaled 13,214,469 – an increase of 9.9% over Fiscal Year 2014. Approximately 82,122 total tons of cargo was handled at the Airport in Fiscal Year 2015 – a decrease of 5.2% less than the amount handled in Fiscal Year 2014.

## **Public Works Department**

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

The Construction Management Division develops and manages the County's capital improvement projects for new vertical construction and large renovation projects. Duties include strategic master planning and programming, architectural design as well as construction of projects for all County agencies with the exception of Port Everglades and Airport.

The Facilities Management Division oversees maintenance, repairs, minor renovations, cleaning, parking, utility use, security, and real estate services for most County-owned properties.

The Highway Construction and Engineering Division oversees design and construction project management for major roadway improvement projects and parks facilities. The Division is also responsible for engineering plan review, permitting, and roadway inspection services for improvements to Trafficway roads and County roadways. The Division provides surveying, design, and project management services for intersection improvement and congestion management projects, as well as support services for other County agencies. Highway Construction and Engineering participates in the Land Development Review process and coordinates and reviews right-of-way deeds, subdivision plats and conducts public records maintenance.

The Highway and Bridge Maintenance Division maintains and improves the County's highway/street system, operates drawbridges, and oversees mosquito control operations. The Division is responsible for cleaning and mowing rights-of-way, street patching and resurfacing, intersection improvements, canal maintenance and construction, guardrail maintenance, bridge maintenance, street cleaning, and stormwater drainage improvements.

The Traffic Engineering Division provides for the safe and efficient movement of pedestrians, cyclists and vehicular traffic within the County. Duties include the operation and maintenance of virtually all traffic signals and

related facilities, encompassing all municipal, County and State rights-of-way, as well as traffic signage and markings for most area municipalities. Local cities and towns are also provided with traffic engineering services by the Division.

Solid Waste and Recycling Services offers a comprehensive waste management and recycling system for the residents and businesses of the County. Through its operation, the agency provides community residents and businesses with viable methods to address waste management issues by offering landfill disposal, waste-to-energy processing, municipal waste collection, transfer stations, household hazardous waste disposal and recycling, and electronics recycling.

Water and Wastewater Services is committed to providing cost-effective water and wastewater management while maintaining the quality of life in the County through sound environmental practices. The agency plans, designs, and constructs facilities to ensure adequate capacity for potable water, sewer and storm water, providing retail services to over 50,000 customers. Water and Wastewater Services is also responsible for pumping, treating and distributing water, as well as providing wastewater collection, treatment, reuse and disposal services to over 600,000 citizens. The agency also operates waterways, water control structures and well systems to provide flood management; provides canal management services supporting aquifer recharge; and removes 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 2016 contains a millage rate of 5.7230 mills. With respect to the individual components of the Fiscal Year 2016 millage rate, the operating millage rate is 5.3444; the capital outlay millage rate is 0.1297 mills, and the remaining 0.2489 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 2016-2020 includes the following:

Transportation and Mass Transit Projects .....	\$ 374,183,120
Environmental/Beach Renourishment .....	64,140,680
Aviation .....	394,769,850
Port .....	792,552,670
Water/Wastewater .....	439,514,120
Criminal Justice/Public Safety .....	62,713,250
Libraries/Parks/Boating Improvement .....	43,368,360
General Government/Court Facilities .....	245,126,090
Neighborhood Improvement/Redevelopment/Housing/Economic Development.....	<u>85,422,670</u>
Total .....	\$2,522,284,430

It is anticipated that the adopted CIP for the fiscal years 2016-2020 will be funded as follows:

Bonds .....	\$875,881,990
Federal and State Grants .....	339,759,840
Local Sources (Taxes, Fees, Fund Balance) .....	<u>1,306,642,600</u>
Total .....	\$2,522,284,430

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

[Remainder of page intentionally left blank]

## 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 a covenant to budget and appropriate debt and certain special revenue debt for the Fiscal Year ended September 30, 2015.

### Net Available Non-Ad Valorem Revenues for the Fiscal Year ended September 30, 2015 (Dollars in Thousands)

License and Permit Fees	\$ 19,881
State Revenue Sharing	38,343
Licenses (State Revenue)	0
Local Government Half Cent Sales Tax	62,163
Tourist Tax	58,250
Utility Services Taxes and Fire Rescue Tax	3,325
Fines and Forfeitures	12,219
Interest Earnings	5,181
Charges for Services	125,108
Miscellaneous Revenue	19,508
Other State Revenues	2,371
Non-Revenue Sources/Fund Balance	52,485
Federal/State Grants	13,741
Special Assessments	<u>6</u>
Total Gross Non-Ad Valorem Revenues	\$412,581
Less Operations Costs not paid by Ad Valorem Taxes	<u>(319,871)</u>
Total Net Available Non-Ad Valorem Revenues	\$92,710

Source: Broward County, Florida, Finance and Administrative Services Department.

[Remainder of page intentionally left blank]

## Employee Relations

As of October 1, 2015 (Fiscal Year 2016), the County had 5,670 funded positions, as compared with 5,583 in Fiscal Year 2015, excluding employees of constitutional officers. The County budget also provides for 310 federal and state grant employee positions in Fiscal Year 2016. The constitutional officers are funded for 5,709 positions in Fiscal Year 2016.

There are eight organized collective bargaining units within the County: Amalgamated Transit Union, Local 1267 (Mass Transit, 863 unit employees); Amalgamated Transit Union, Local 1591 (White Collar, 931 unit employees); Federation of Public Employees (Blue Collar, 958 unit employees); Government Supervisory Association of Florida, Local 100 (GSA Supervisors, 322 unit employees); Federation of Public Employees; Federation of Public Employees, Supervisory (Port Everglades Supervisors, 11 unit employees); Federation of Public Employees, Non-Supervisory (Port Everglades Non-Supervisory, 55 unit employees); Government Supervisory Association of Florida, Local 100 (GSA Professionals, 1,131 unit employees), and an AFSCME unit (Port Maintenance, 77 unit employees). This information is based on data as of March 8, 2016.

All of the County bargaining units, except for the Mass Transit, are under contracts which expire September 30, 2017. The County is currently negotiating with the Mass Transit, whose contracts expired September 30, 2014. The County has never experienced a serious work stoppage and Florida law prohibits public employees from striking.

## Florida Retirement System

*Certain 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:*

*[www.dms.myflorida.com/human\\_resource\\_support/retirement/publications/annual\\_reports](http://www.dms.myflorida.com/human_resource_support/retirement/publications/annual_reports).*

*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 employee retirement system administered by the State. The FRS offers members both a defined benefit plan (the "Pension Plan") or a defined contribution plan (the "Investment Plan") to provide retirement, disability, and death benefits for active members, retirees, surviving beneficiaries, and deferred retirement program participants. Benefits for both the Pension Plan and Investment Plan are established pursuant to State statutes and are currently computed on the basis of age, average final compensation, and service credit. The County has no responsibility to the FRS other than to make the periodic payments required by the Florida Statutes. The FRS establishes contribution rates annually. These rates are applied to the covered employee payroll of the County. Effective July 1, 2011, the Florida Legislature mandated a 3% employee contribution for all employees participating in either the Pension Plan or Investment Plan. Employees in the Deferred Retirement Option Program are not subject to the contribution.

The County's required contribution rate to the Pension Plan through June 30, 2015 ranged from 6.07% to 41.94% of covered payroll based on employee risk groups. Effective July 1, 2015, rates ranged from 5.56% to 40.57% of covered payroll based on employee risk groups. The County's required contribution rates to the Health Insurance Subsidy (HIS) Pension Plan through June 30, 2015 and from July 1, 2015 through September 30, 2015 were 1.26% and 1.66% respectively, of covered payroll. For the Fiscal Years ended September 30, 2015 and 2014, the County's contributions to the Pension Plan and the HIS Plan totaled \$76,268 million and \$71.252 million, respectively. The County's payroll of \$598.882 million for the Fiscal Year ended September 30, 2015 covered by the Pension and HIS Plans represents approximately 2.7% of the total payroll covered by governments participating in the FRS Pension Plan.

The Investment Plan is a participant-directed program selected by the employee in lieu of participation in the defined benefit option of the Pension Plan. Benefits are accrued in individual accounts that are participant

directed, portable and funded by employee/employer contributions. The County's required contribution rate to the Investment Plan for the Fiscal Year ended September 30, 2015 remained the same as the prior year and ranged from 3.55% to 12.33% of covered payroll, based on employee risk groups. For the Fiscal Year ended September 30, 2015, the County contributed \$13.868 million to the Investment Plan, which includes the Utility employer contribution of \$194,000.

As of the July 1, 2015 valuation, the Pension Plan reported a total pension liability of \$161.370 billion, a plan fiduciary net position of \$148.454 billion, and a net pension liability of \$12.916 billion. The Plan fiduciary net position was 92% of the total pension liability. The HIS actuary valuation was prepared as of July 1, 2014 and update procedures were used to determine liabilities as of July 1, 2015. The HIS plan reported a total pension liability of \$10.249 billion, a plan fiduciary net position of \$50.774 million, and a net pension liability of \$10.198 billion. The Plan fiduciary net position was 0.50% of the total pension liability. During the 2015 Fiscal Year, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, which required the County to recognize their proportionate share of the net pension liability for the Pension and HIS Plans. As of September 30, 2015, those liabilities for the Pension Plan and the HIS Plans totaled \$383.517 million and \$240.089 million respectively. Of this total liability of \$623.606 million, \$407.728 million pertained to the Broward Sheriff's Office.

### **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, vision, and life insurance benefits upon retirement with the retiree responsible for the entire cost. The Broward Sheriff's Office plan provides post-employment 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. The County accounts for the Plan in accordance with GASB Statement No. 45 - Accounting and Financial Reporting by Employees for Post-employment Benefit Plans other than Pension Plans (GASB 45). While GASB 45 requires recognition and disclosure of the unfunded OPEB liability, there is no requirement that the liability of the Plan be funded.

According to the latest actuarial valuation as of October 1, 2013, the unfunded actuarial accrued liability was \$25,389,000 for County employees and \$252,946 for Broward Sheriff's Office employees. The annual OPEB cost for the Fiscal Year ended September 30, 2015 was \$2.354 million for County employees and \$20.056 million for Broward Sheriff's Office employees. While the County has set aside certain reserves for future plan costs, such amounts are not deposited to an irrevocable trust fund and the County does not intend to fund the future "unfunded obligation." For additional information, see the Basic Financial Statements of Broward County, Florida available at: <http://www.broward.org/Accounting/Documents/2015CAFR.pdf>.

**APPENDIX B**

**GENERAL PURPOSE FINANCIAL STATEMENTS OF  
BROWARD COUNTY, FLORIDA FOR THE FISCAL YEAR  
ENDED SEPTEMBER 30, 2015**

[THIS PAGE INTENTIONALLY LEFT BLANK]

## INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners  
 Broward County, Florida  
 Fort Lauderdale, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Broward County, Florida (the "County"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of (1) Clerk of Circuit and County Courts (a discretely presented component unit), (2) Broward County Health Facilities Authority (a discretely presented component unit), (3) Broward County Housing Finance Authority (a discretely presented component unit), (4) Broward County Aviation Department (a major enterprise fund), (5) Broward County Water and Wastewater Services (a major enterprise fund), (6) Property Appraiser Operations Fund (a component of the General Fund), and (7) Broward County Supervisor of Elections (a component of the General Fund), which represent the percentages of assets, net position/fund balances, and revenues listed below.

	Assets	Net Position/Fund Balances	Revenues
Governmental Activities:			
Property Appraiser Operations Fund	0.03%	0.00%	1.11%
Broward County Supervisor of Elections	0.07%	0.00%	0.73%
	0.10%	0.00%	1.84%
Business-type Activities:			
Broward County Aviation Department	61.88%	55.11%	51.72%
Broward County Water and Wastewater Services	18.69%	15.55%	21.17%
	80.57%	70.66%	72.89%

	Assets	Net Position/Fund Balances	Revenues
Discretely Presented Component Units:			
Clerk of Circuit and County Courts	47.07%	-4,134.89%	97.60%
Broward County Health Facilities Authority	0.24%	21.68%	0.08%
Broward County Housing Finance Authority	52.69%	4,213.21%	2.32%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Major Funds:			
General Fund:			
Property Appraiser Operations Fund	0.26%	0.00%	1.92%
Broward County Supervisor of Elections	0.52%	0.00%	1.27%
	<u>0.78%</u>	<u>0.00%</u>	<u>3.19%</u>
Broward County Aviation Department	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Broward County Water and Wastewater Services	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the activities, component units, and funds indicated above, are based solely on the reports of the other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



### ***Emphasis of Matter***

In June 2012 the GASB issued GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." Also, in November 2013 the GASB issued GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." As disclosed in Note 1D, Statements 68 and 71 are effective for the City's fiscal year ending September 30, 2015. These Statements replace the requirements of Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" and Statement No. 50, "Pension Disclosures." Statements 68 and 71 establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses as well as identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Note disclosures and required supplementary information requirements about pensions are also addressed. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparison schedules, schedule of County's proportionate share of net pension liability, schedule of County contributions, and the schedule of funding progress on pages 5 through 15, 72 through 74, 75 through 76 and 77, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

## Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2016 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe Horwath LLP". The signature is written in a cursive, flowing style.

Crowe Horwath LLP

Fort Lauderdale, Florida  
May 11, 2016

---

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of Broward County (the County) offers this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### FINANCIAL HIGHLIGHTS

The following are key financial highlights for the fiscal year:

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at September 30, 2015, by \$4.6 billion (net position). Of this amount, \$316.0 million (unrestricted net position) may be used to meet the County's ongoing obligations to residents and creditors.
- The County's total net position decreased by \$425.8 million in fiscal year 2015. This decrease includes a prior period adjustment that reduced total net position by \$683.8 million as a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 *"Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27"* and GASB Statement No. 71 *"Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68."* Of the total prior period adjustment, \$643.5 million affected the governmental activities and \$40.3 million affected the business-type activities. The decrease in total net position from the prior period adjustment was partially offset by positive results of operations of \$258.0 million. Of this amount, \$84.3 million was attributable to the business-type activities, primarily as a result of operations in the Aviation and Port Everglades funds, and \$173.7 million was attributable to the governmental activities, primarily as a result of an increase in program revenues and property and other taxes.
- As of September 30, 2015, the County's governmental funds reported combined ending fund balances of \$1.2 billion, an increase of \$7.2 million from the prior year. This increase was primarily due to a \$16.5 million fund balance increase in the General Fund, and a \$10.9 million fund balance increase in the Capital Outlay Reserve Fund. These two increases were partially offset by a \$20.8 million decrease in the fund balances of the nonmajor governmental funds. The General Fund increase was achieved by positive variances in overall revenues, expenditures and net transfers. The Capital Outlay Reserve Fund increase was the result of funding from property taxes and other financing sources exceeding planned project expenditures.
- At the end of the current fiscal year, unrestricted fund balance (the total of committed, assigned, and unassigned components of fund balance) for the General Fund was \$351.5 million, or 32.7% of total General Fund expenditures and other financing uses.
- The County's total outstanding debt decreased by \$102.3 million, or 3.5%, during the current fiscal year. During the year, Water and Wastewater revenue bonds totaling \$199.8 million were issued to refund \$202.4 million of outstanding bonds.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, transportation, human services, culture and recreation, physical environment, economic environment, the Sheriff, Property Appraiser, and Supervisor of Elections. The business-type activities of the County include an airport, seaport, water and wastewater utilities, and solid waste operations. The government-wide financial statements include not only the County itself, but also the Housing Finance Authority, the Health Facilities Authority, and the Clerk of the Courts, legally separate entities for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 16 and 17 of this report.

## **Fund Financial Statements**

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

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

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

The County maintains 25 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sheriff Contractual Services Fund, and the Capital Outlay Reserve Fund, which are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for four enterprise operations, all of which are considered to be major funds of the County. The remaining nonmajor enterprise funds are aggregated and reported in a single column in the proprietary fund financial statements. Internal service funds are also aggregated and presented in a single column in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds and the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 22-26 of this report. Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County maintains agency funds which report resources held by the County in a custodial capacity for individuals, private organizations, and other governments.

The basic fiduciary fund financial statements can be found on page 27 of this report.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-71 of this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide other post employment benefits, the County's proportionate share of the net pension liability, and the County's pension contributions. This section also includes budget to actual comparisons for the general and major special revenue funds to demonstrate compliance with their budgets. Required supplementary information can be found on pages 72-78 of the report.

The combining and individual fund statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information and can be found on pages 79-116 of this report.

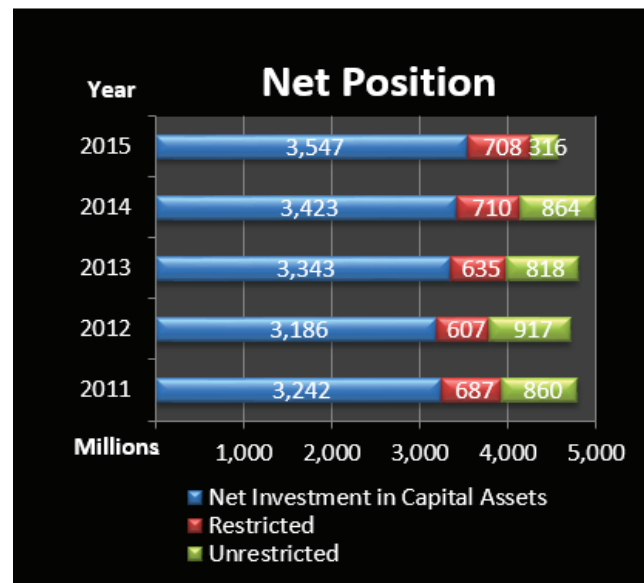
## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following schedule is a summary of net position for the County as of September 30, 2015, with comparative information for fiscal year 2014.

### Broward County's Net Position As of September 30, 2015 and 2014 (In Thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Current and Other Assets	\$ 1,501,578	\$ 1,474,389	\$ 1,333,599	\$ 1,560,668	\$ 2,835,177	\$ 3,035,057
Capital Assets	2,307,562	2,203,135	3,852,208	3,607,860	6,159,770	5,810,995
Total Assets	3,809,140	3,677,524	5,185,807	5,168,528	8,994,947	8,846,052
Total Deferred Outflows of Resources	117,892	9,558	47,374	23,551	165,266	33,109
Long-term Obligations	1,542,153	970,357	2,477,818	2,502,841	4,019,971	3,473,198
Other Liabilities	191,482	181,223	244,509	228,054	435,991	409,277
Total Liabilities	1,733,635	1,151,580	2,722,327	2,730,895	4,455,962	3,882,475
Total deferred Inflows of Resources	127,705		5,697		133,402	
Net Position:						
Net Investment in Capital Assets	1,855,616	1,782,204	1,691,586	1,640,785	3,547,202	3,422,989
Restricted	305,469	332,534	402,213	377,194	707,682	709,728
Unrestricted (deficit)	(95,393)	420,764	411,358	443,205	315,965	863,969
Total Net Position	\$ 2,065,692	\$ 2,535,502	\$ 2,505,157	\$ 2,461,184	\$ 4,570,849	\$ 4,996,686

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2015, the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4.6 billion. The overall net position of the County decreased during the 2015 fiscal year by \$425.8 million. This decrease is due to the prior period adjustment of \$683.8 million as a result of the implementation of GASB Statements No. 68 and No. 71. This decrease was partially offset by positive operating results of \$258.0 million. By far the largest portion of the County's net position, 77.6% or \$3.5 billion, reflects its investment in capital assets (e.g. land, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens; consequently these assets are not available for future spending. It should also be noted that the resources required to repay the related debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County's net position, 15.5% or \$708 million, represents resources that are subject to external restrictions on how they may be used. The remaining 6.9% or \$316.0 million of unrestricted net position may be used to meet the County's ongoing obligations to residents and creditors. The unrestricted net position as of September 30, 2015 for the governmental activities totaled a negative \$95.3 million, while the business-type activities unrestricted net position totaled \$411.3 million. The negative unrestricted net position in the governmental activities is the result of the implementation of GASB Statements No. 68 and No. 71.



The County's current year activities increased net position by \$258.0 million. Of the total increase in net position, \$84.3 million is attributable to the business-type activities; primarily as a result of positive results of operations in the Aviation and Port Everglades funds and the balance of \$173.7 million was attributable to the governmental activities. The reasons for the overall increase are discussed in the following sections for the governmental activities and business-type activities.

The following schedule is a summary of the government-wide activity for the fiscal year ended September 30, 2015, with comparative information for the fiscal year ended September 30, 2014.

**Broward County's Changes in Net Position**  
**For the Years Ended September 30, 2015 and 2014**  
(In Thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Revenues:						
Program revenues:						
Charges for services	\$ 502,631	\$ 487,253	\$ 563,697	\$ 537,484	\$ 1,066,328	\$ 1,024,737
Operating grants and contributions	139,668	135,570	18	11	139,686	135,581
Capital grants and contributions	79,008	58,677	85,564	109,484	164,572	168,161
General revenues:						
Property taxes	771,579	724,429			771,579	724,429
Other taxes	203,496	192,198			203,496	192,198
Other	57,283	62,186	13,748	7,156	71,031	69,342
<b>Total revenues</b>	<b>1,753,665</b>	<b>1,660,313</b>	<b>663,027</b>	<b>654,135</b>	<b>2,416,692</b>	<b>2,314,448</b>
Expenses:						
General government	213,518	209,951			213,518	209,951
Public safety	41,690	47,439			41,690	47,439
Transportation	213,425	205,384			213,425	205,384
Human services	133,662	132,822			133,662	132,822
Culture and recreation	161,180	162,810			161,180	162,810
Physical environment	23,073	20,105			23,073	20,105
Economic environment	16,007	18,212			16,007	18,212
Sheriff	729,958	742,744			729,958	742,744
Property Appraiser	19,249	18,951			19,249	18,951
Supervisor of Elections	13,675	12,458			13,675	12,458
Interest on long-term debt	29,326	30,871			29,326	30,871
Aviation			276,234	249,483	276,234	249,483
Port Everglades			118,227	122,005	118,227	122,005
Water and wastewater			121,335	114,866	121,335	114,866
Resource recovery system			34,743	3,505	34,743	3,505
Solid waste			10,311	18,908	10,311	18,908
Unincorporated area waste			1,125	1,069	1,125	1,069
Water management			1,918	1,802	1,918	1,802
<b>Total expenses</b>	<b>1,594,763</b>	<b>1,601,747</b>	<b>563,893</b>	<b>511,638</b>	<b>2,158,656</b>	<b>2,113,385</b>
Increase in net position before transfers	158,902	58,566	99,134	142,497	258,036	201,063
Transfers	14,820	(1,308)	(14,820)	1,308		
Increase in net position	173,722	57,258	84,314	143,805	258,036	201,063
Net position - Beginning, as previously reported	2,535,502	2,478,244	2,461,184	2,317,379	4,996,686	4,795,623
Restatement of Net Position*	(643,532)		(40,341)		(683,873)	
Net position - Beginning, restated	1,891,970	2,478,244	2,420,843	2,317,379	4,312,813	4,795,623
<b>Net position - Ending</b>	<b>\$ 2,065,692</b>	<b>\$ 2,535,502</b>	<b>\$ 2,505,157</b>	<b>\$ 2,461,184</b>	<b>\$ 4,570,849</b>	<b>\$ 4,996,686</b>

\*The October 1, 2014, beginning net position was restated due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27" and Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68."

### Governmental Activities

Governmental activities increased the County's net position by \$173.7 million, before the prior period adjustment of \$643.5 million. Some of the significant changes in revenues and expenses were as follows:

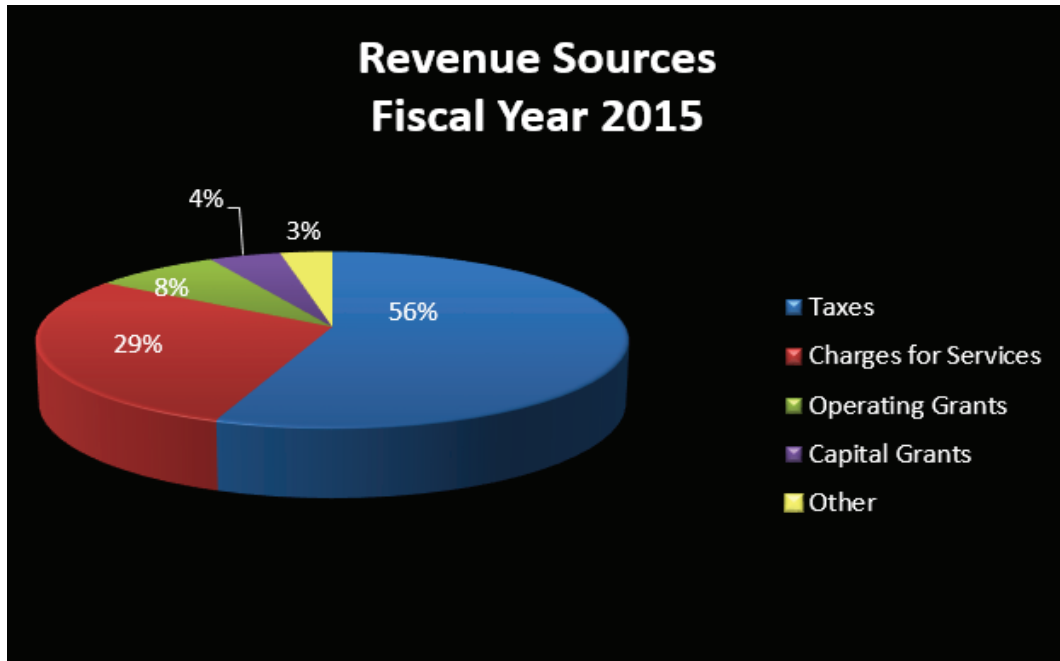
#### Revenues:

- Charges for services increased by \$15.4 million primarily as a result of several items. General government charges for services increased by \$3.9 million partially as a result of auto tag collection and recording fees increasing by \$1.0 million and \$500 thousand respectively, due to an increase in the number of transactions. Additionally, in fiscal year 2015, \$1.4 million in municipal ordinance violation revenues are reflected as general government charges from services where in the prior year they were reflected as Sheriff charges for services. Transportation charges for services increased by \$2.0 million primarily due to an increase in special assessments and impact fees received as a result of a surge in the development of land annexed into the County. Human Services charges for services decreased by \$1.2 million primarily as a result of a decrease in activity related to the Homeless Award Grant and the Low Income Home Energy Assistance Program. Culture and recreation charges for services increased by \$1.7 million resulting from higher attendance at parks due to completed renovations of pools, water slides, and camping facilities. Charges for services attributable to the Sheriff increased by \$8.9 million primarily due to a \$7.7 million increase in contractual charges for police protection services and fire protection/emergency services provided to cities and the County's airport and seaport.
- Operating grants and contributions increased by \$4.1 million from the prior year as a result of several items. In fiscal year 2015, Culture and recreation operating grants increased \$1.7 million over the prior year due to an increase in reimbursable activity related to state and locally funded library grants. Operating grants and contributions attributable to the Sheriff increased by \$3.5 million due to an increase in reimbursable activities for protective services and firefighter assistance grants funded by both federal and local grants. Public safety operating grants and contributions decreased by \$1.9 million primarily as a result of a decrease in the reimbursable activity related to the Disaster Recovery Impact Grant. Economic Environment operating grants and contributions decreased by \$1.2 million as a result of a decrease in reimbursable Housing and Urban Development activities.
- Capital grants and contributions increased \$20.3 million from the prior year. In fiscal year 2015, public safety capital grants for hazard mitigation and transportation grants for replacement buses and certain construction projects were \$3.6 million and \$35.6 million more than the prior year, respectively. These increases were partially offset by a decline of \$18.0 million in physical environment capital grants and contributions relating to reimbursements received in the prior year from the U.S. Army Corp. of Engineers for federally funded projects that were completed in prior years.
- Property tax revenues increased by \$47.2 million as a result of an increase in assessed property values. Increases in other tax revenues included an increase of \$3.9 million in one-half cent sales tax, \$2.3 million in gasoline taxes, and \$5.2 million in Tourist Development Taxes.
- Other general revenues decreased by \$4.9 million from the prior year as a result of a decrease in miscellaneous revenues of \$11.3 million offset by a \$4.4 million increase in interest income and a \$2.0 million increase in state revenue sharing. The decrease in miscellaneous revenues is primarily attributable to a change in an estimate pertaining to the collectability of a receivable. The increase in interest income is due to the fluctuations in the annual mark to market adjustment, and the increase in the state revenue sharing is the result of the improving economy.

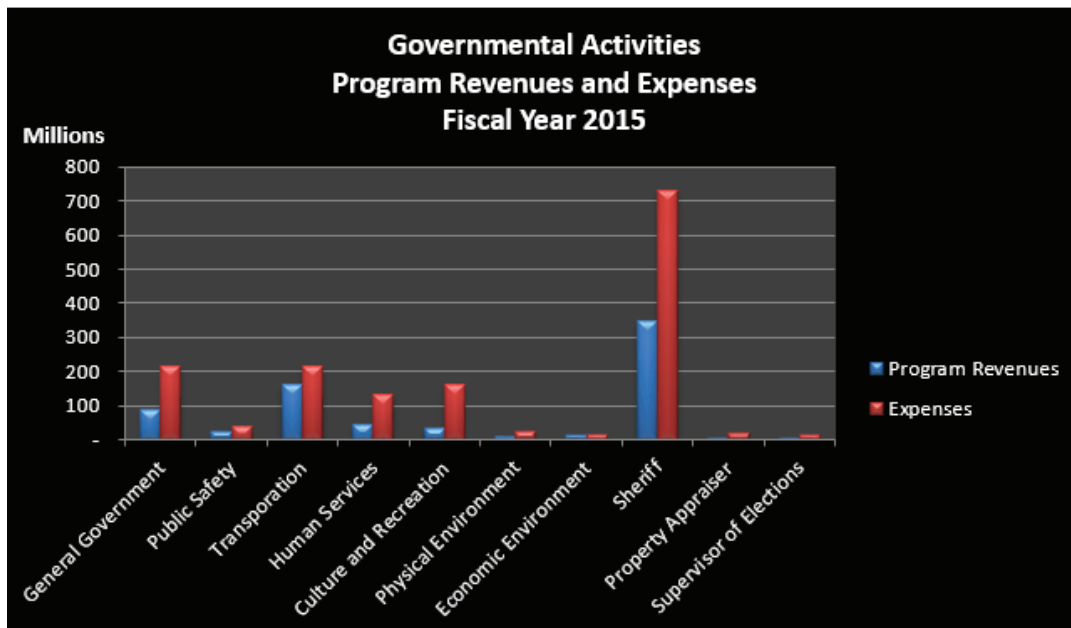
#### Expenses:

- General government expenses increased by \$3.6 million from the prior year. This increase is primarily due to a reimbursement to the business-type activities for hurricane expenses incurred in prior years.
- Public safety expenses decreased by \$5.7 million from the prior year primarily as a result of a decrease in depreciation expense of \$2.0 million combined with less equipment purchased below the threshold for capitalization.
- Transportation expenses increased by \$8.0 million from the prior year primarily as a result of higher depreciation expense and increased salary costs as a result of overtime.
- Physical environment expenses increased by \$3.0 million from the prior year primarily as a result of the write off of discontinued capital projects.
- Economic environment expenses decreased by \$2.2 million primarily as a result of the Neighborhood Stabilization Program grant expenses decreasing due to a slowdown in the program.
- Sheriff expenses decreased by \$12.8 million from the prior year primarily as a result of a credit of \$35.6 million to pension expense due to the implementation of GASB Statements No. 68 and No. 71, which was partially offset by salary increases for public safety personnel.

The following is a chart of the fiscal year 2015 governmental activities revenues by source and by percent of total revenues.



The following chart compares program revenues and expenses for the governmental activities for fiscal year 2015.





### Business-Type Activities

Net position for the business-type activities as of September 30, 2015 was \$2.5 billion. The net position increased by \$84.3 million before the prior period adjustment of \$40.3 million.

#### Revenues:

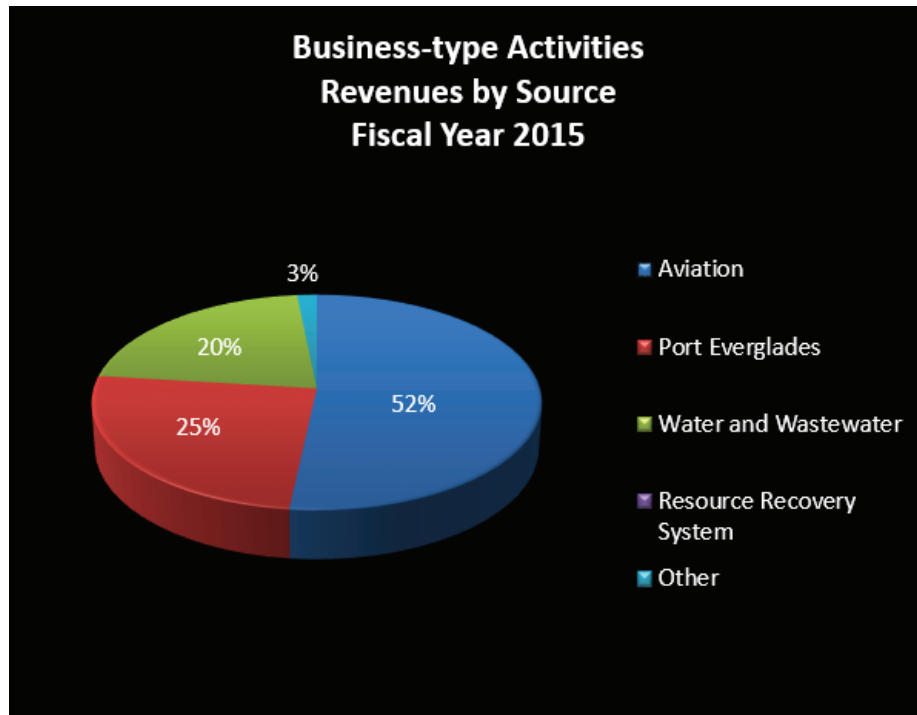
- Charges for services increased by \$26.2 million in fiscal year 2015 as compared to fiscal year 2014. Solid Waste revenues decreased by \$7.7 million primarily due to one of the large cities cancelling their centralized billing agreement as of the end of fiscal year 2014. This decrease was offset by increases in charges for services from the following:
  - Aviation revenues increased by \$25.2 million over the prior year primarily as a result of an increase of \$6.8 million in airline revenues, an increase of \$10.2 million in non-airline revenues (rental car revenues, parking fees and concession fees) and a \$5.7 million increase in passenger facility charges. The increase in airline revenues was in accordance with the residual rate-making formula in the airline agreements, as well as an increase in the level of airline activity. Rental car revenues, parking fees and concession fees increased by \$4.9 million, \$2.5 million and \$2.8 million, respectively. These increases are due mainly to increases in passenger activity and sales per passenger. The increase in concession fees is also attributable to improved concessions and the introduction of new food and beverage concessions. The increase in the passenger facility charges is due to increased passenger numbers.
  - Water and Wastewater revenues increased \$8.7 million over the prior year. The increase was primarily due to a \$2.4 million increase in retail water sales as a result of an increase of 3.5 % in water usage. Compared to the prior fiscal year, sewage flows rose by 4.0% resulting in an increase of \$3.3 million and \$2.0 million in retail and wholesale sewer services, respectively.
- Capital grants and contributions decreased \$23.9 million from the prior year primarily due to a decrease of \$24.3 million in Aviation Federal and State grants for the South Runway Expansion. Additionally, Port Everglades experienced a decrease of \$1.1 million as construction activities were slower on grant eligible projects. These decreases were slightly offset by an increase of \$1.4 million in Water and Wastewater capital contributions as a result of increased development activities.

#### Expenses:

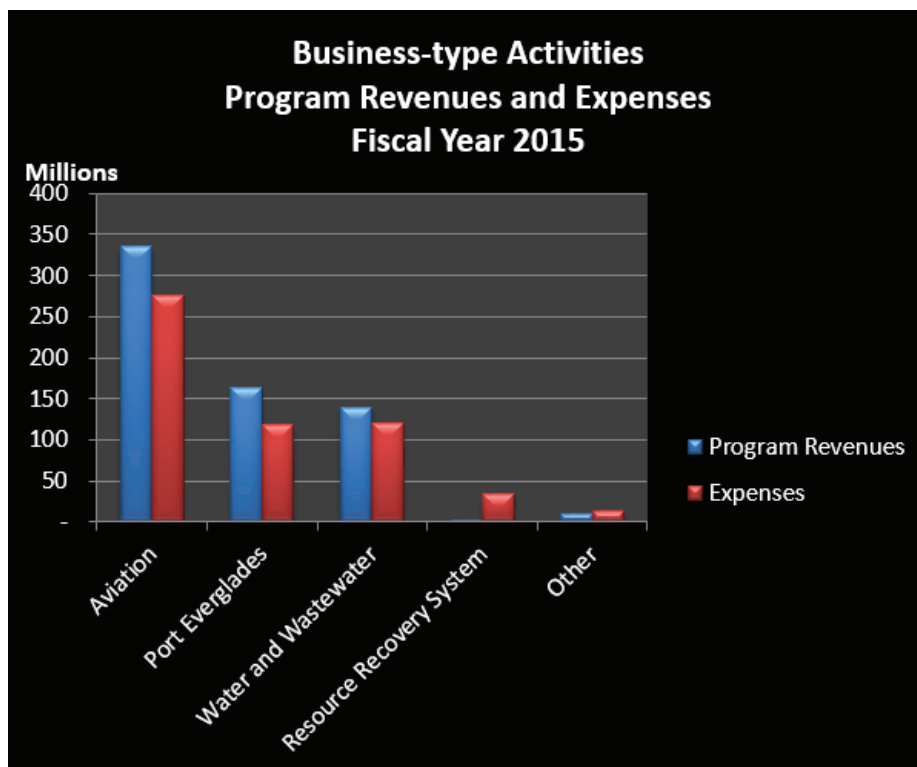
Overall expenses in the business-type activities increased by \$52.3 million as compared with the prior fiscal year. There were significant increases in the Aviation, Water and Wastewater, and Resource Recovery System expenses, which were partially offset by decreases in Port Everglades and Solid Waste expenses.

- Aviation expenses increased by \$26.8 million from the prior year. A significant portion of this increase is attributable to a capital asset donation of a navigational aid structure to the Federal Aviation Administration (FAA) of \$15.9 million. Additionally, there was a \$7.9 million increase in depreciation expense due to the half year of depreciation on the completed south runway, new maintenance building and terminal renovations. Other increases in Aviation operating expenses over the prior year are attributable to various factors, with the largest increases in contractual services and general and administrative services. Contractual services increased \$3.9 million as a result of increased parking management, shuttle service and security upgrades and maintenance fees. General and administrative services increased due to the costs associated with the airline incentive program and new parking advertising campaign, with additional software maintenance and support, and communications costs.
- Water and Wastewater expenses increased by \$6.5 million from the prior year. The increase is the result of an increase in general operating expenses of \$3.8 million, primarily in the contractual services category, bond issuance costs of \$1.5 million due to the issuance of bonds in July 2015, and discontinued project costs of \$845,000.
- The increase in the Resource Recovery System expenses of \$31.2 million is due primarily to a \$32.0 million distribution to other government agencies.
- Port Everglades expenses decreased by \$3.8 million from the prior year primarily due to a \$2.4 million decrease in interest expense and a decrease of \$1.0 million in costs as a result of discontinued projects.
- Solid Waste expenses decreased by \$8.6 million from the prior year primarily as a result of cancellation of a centralized billing agreement with a large city as of the end of fiscal year 2014.

The following is a chart of the fiscal year 2015 business-type activities revenues by source and by percent of total revenues.



The following chart compares program revenues and expenses for the business-type activities for fiscal year 2015.



## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

### Governmental Funds

The focus of the County's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Board of County Commissioners.

At September 30, 2015, the County's governmental funds reported combined ending fund balances of \$1.2 billion, an increase of \$7.2 million from the prior year. Approximately 2.3%, or \$27.0 million, of this amount constitutes unassigned fund balance that is available for spending at the County's discretion. The remainder of fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$15.3 million), 2) restricted for particular purposes (\$380.4 million), 3) committed for particular purposes (\$414.6 million), or 4) assigned for particular purposes (\$323.8 million). The General Fund is the chief operating fund of the County. At September 30, 2015, the unassigned fund balance of the General Fund was \$27.0 million while total fund balance was \$406.3 million. As a measure of the General Fund's liquidity, it may be more useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures and other financing uses. Unassigned fund balance represents 2.5% of total General Fund expenditures and other financing uses, while total fund balance represents 37.8% of that same amount.

The fund balance of the County's General Fund increased by \$16.5 million during the current fiscal year. This increase was achieved by positive variances in overall revenues, expenditures, and net transfers. Property taxes, one half-cent sales taxes, and state revenue sharing were the main contributors to the overall positive revenue variance indicating improvement in the economy.

The fund balance of the Sheriff Contractual Services Fund, a major fund, increased by \$536 thousand during the current fiscal year. Although revenues were less than the amounts estimated, this shortfall was mitigated by expenditure savings primarily in operating and capital project costs.

The fund balance in the Capital Outlay Reserve Fund, a major fund, increased by \$10.9 million during the current fiscal year as result of funding from property taxes and other financing sources exceeding planned project expenditures.

### Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail.

The Aviation Fund generated operating income of \$10.6 million and an increase in net position of \$62.2 million in fiscal year 2015. As of September 30, 2015, net position totaled \$1.4 billion of which \$80.1 million was unrestricted.

The Port Everglades Fund generated operating income of \$45.7 million and an increase in net position of \$42.0 million in fiscal year 2015. As of September 30, 2015, net position totaled \$671.8 million, of which \$226.8 million was unrestricted.

The Water and Wastewater Fund generated operating income of \$29.6 million and an increase in net position of \$13.7 million in fiscal year 2015. As of September 30, 2015, net position totaled \$389.5 million, of which \$98.8 million was unrestricted.

The Resource Recovery System Fund generated an operating loss of \$2.7 million and a decrease in net position of \$84.4 million in fiscal year 2015. As of September 30, 2015, the Resource Recover Fund was closed and future activities related to the landfill are being recorded in the nonmajor Solid Waste Fund. As such, there was no net position to report at September 30, 2015.

Other factors concerning the finances of these funds have already been addressed in the previous discussion of the County's business-type activities.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Overall, there was a \$94.8 million increase in appropriations between the original and final budget. The main components of this increase are in Office of Management and Budget (\$6.6 million), Public Works - Administration (\$15.6 million), the Sheriff (\$22.9 million), Public Safety - County Administration (\$8.0 million), Human Services - Children, Homeless and Health Care Services, Elderly and Veteran Services, Family Success (\$4.3 million), and transfers out (\$24.8 million). Of the total increase in appropriations of \$94.8 million, \$7.1 million was funded by unanticipated revenues and transfers in, with the balance of \$87.7 million funded by fund balance.

General Fund actual revenues for the 2015 fiscal year totaled \$1.0 billion or 101.7% of the final budget. Property taxes and half-cent sales taxes exceeded estimates indicating an improvement in the economy. Total expenditures of \$1.0 billion were 90.6% of the final budget as several functional areas were under budget. Significant positive variances were primarily in the general government category where expenditures were \$44.2 million less than the budget, which was attributable to capital costs budgeted but not incurred as well as other general savings in various categories. The public safety expenditures were \$38.2 million less than the final budget due to savings in operating expenditures and capital project costs related to the Sheriff. Other financing sources totaled \$76.5 million or 109.9% of the final budget, while other financing uses totaled \$68.0 million or 96.5% of the final budget. General Fund actual revenues and other financing sources exceeded expenditures and other financing uses by \$15.6 million, resulting in a positive variance with the final budget of \$130.7 million.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2015, amounted to \$6.2 billion (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, landfill, property held for leasing, buildings, improvements, utility plant in service, and equipment. In fiscal year 2015, there was a net increase in capital assets totaling \$348.8 million (additions, net of retirements and depreciation).

#### Broward County's Capital Assets (net of depreciation)

September 30, 2015 and 2014

(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 429,673	\$ 419,005	\$ 580,539	\$ 574,046	\$ 1,010,212	\$ 993,051
Construction in progress	318,923	226,445	612,161	1,012,791	931,084	1,239,236
Landfill			35,918	36,962	35,918	36,962
Property held for leasing			313,269	327,922	313,269	327,922
Buildings	659,502	666,527	439,256	441,811	1,098,758	1,108,338
Improvements	679,023	688,423	1,137,396	462,214	1,816,419	1,150,637
Utility plant in service			642,035	656,827	642,035	656,827
Equipment	220,441	202,735	91,634	95,287	312,075	298,022
<b>Total</b>	<b>\$ 2,307,562</b>	<b>\$ 2,203,135</b>	<b>\$ 3,852,208</b>	<b>\$ 3,607,860</b>	<b>\$ 6,159,770</b>	<b>\$ 5,810,995</b>

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

#### Governmental activities:

- Ongoing construction of new courthouse facility (\$57.0 million)
- Ravenswood Bus Facility reconstruction (\$18.0 million)
- Construction of new four lane road segment on Pembroke Road from S.W. 145 Avenue to Silver Shores Boulevard (\$8.6 million)
- New South Animal Care Facility construction (\$2.3 million)
- Enterprise resource planning project and software system improvements (\$12.5 million)
- New buses added to Broward County Transit Fleet (\$33.4 million)

#### Business-type activities:

- South runway expansion project, airfield improvements, and terminal projects (\$290.0 million)
- Port Everglades cruise terminal expansion, security improvements, Southport turning notch, and land and building acquisitions (\$33.0 million)
- Water and wastewater infrastructure improvements (\$54.5 million)

Additional information on the County's capital assets can be found in Note 6 to the financial statements.

### Long-Term Debt

At September 30, 2015, the County had \$2.9 billion in outstanding debt as compared to \$3.0 billion in the prior year. Of the total debt outstanding, \$256.4 million, or 9.0%, was backed by the full faith and credit of the County and the balance was secured by various specific revenue sources.

The County's financial strength and sound financial management practices are reflected in its general obligation bond ratings. The County's general obligation bonds are rated Aaa by Moody's Investors Service, AAA by Standard and Poor's Ratings Services, and AAA by Fitch.

The County's outstanding debt as of September 30, 2015, for the governmental activities decreased by \$22.4 million, while the outstanding bonded indebtedness for the business-type activities decreased by \$79.9 million during the 2015 fiscal year. These decreases are a result of payments made during the fiscal year towards outstanding obligations offset by the issuance of refunding debt.

**Broward County's Outstanding Debt**  
**September 30, 2015 and 2014**  
(In Thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
General obligation bonds	\$ 256,420	\$ 279,630			\$ 256,420	\$ 279,630
Special obligation bonds	332,210	342,790			332,210	342,790
Loans payable	12,290	13,860			12,290	13,860
Capital leases	15,306	2,342			15,306	2,342
Revenue bonds			\$ 2,242,120	\$ 2,322,000	2,242,120	2,322,000
<b>Total</b>	<b>\$ 616,226</b>	<b>\$ 638,622</b>	<b>\$ 2,242,120</b>	<b>\$ 2,322,000</b>	<b>\$ 2,858,346</b>	<b>\$ 2,960,622</b>

The County's required Annual Disclosure Statement may be found on line at [www.broward.org/Finance/InvestorRelations/Pages/Default.aspx](http://www.broward.org/Finance/InvestorRelations/Pages/Default.aspx). This disclosure report details and updates certain statistics and financial performance which form the basis for the security for the County's indebtedness. Additional information on the County's long-term debt can be found in Note 7 to the financial statements.

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

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

- Net assessed value or real and personal property within the County increased by approximately 6.9% in fiscal year 2016 over fiscal year 2015.
- Although the combined millage rate is unchanged from fiscal year 2015, the general obligation debt millage rate declined slightly in fiscal year 2016, and the general capital rate increased by the same amount. Increasing taxes dedicated to the general capital outlay program over time is essential to meeting infrastructure maintenance requirements. With over \$2.0 billion in tax-supported assets to maintain, it is essential to continue to rebuild the pay-as-you-go program with recurring revenue, until the required levels based on a detailed asset management program and national benchmarks are met. The asset management program is an area where resources are being invested in fiscal year 2016, so that capital decisions can be based on the best information possible.
- Inflationary costs were kept at a reasonable level to maintain current service levels of County agencies for fiscal year 2016.
- Enhancements included in the budget address key Board of County Commissioner priorities such as improving transportation services (traffic synchronization, expanded and cleaner bus services), greater focus on small businesses, support for Human Services needs assessment action items (juvenile detention alternatives, expanded Family Success Center hours, financial stability services and centralized billing services, improved homeless services, and support to address internal structural weaknesses emanating from the economic downturn.
- The unemployment rate for the County as of September 30, 2015 was 4.9%. This compares favorably to the State's unemployment rate of 5.3% and the national rate of 4.9%.

All of the above factors were considered in preparing the County's fiscal year 2016 budget. The increase in the net assessed value provides revenue to help address cost increases and fund improvements. Where revenues are growing, such as in the enterprise funds, the County is investing resources into infrastructure improvements guided by carefully crafted master plans that will serve the community well for years to come and strengthen the local economy.

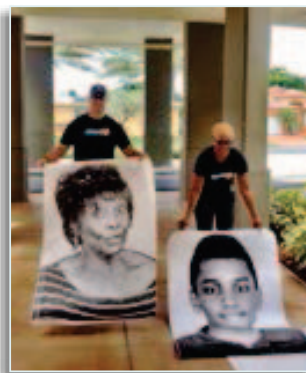
### **REQUESTS FOR INFORMATION**

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

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

# Basic Financial Statements

## *Inside Out*



*Inside Out* is a global art project that gives communities all over the world a platform to express themselves through black and white photographs. Inspired by Parisian street artist JR and his large-format street pastings, *Inside Out* gives everyone the opportunity to share their portrait and make a statement.

During the centennial celebration, more than 1,400 individuals posed for black and white headshots which were printed on posters, pasted on public spaces throughout Broward County including government buildings, and archived online. This global platform enables people to tell their untold stories and transform messages of personal identity into works of public art.

Since 2007, installations have appeared on walls, sidewalks, streets, skyscrapers and historic buildings around the globe. Over 200,000 people from more than 180 countries have participated.

**BROWARD 100**

1915 - 2015

Broward County's Centennial Celebration

# STATEMENT OF NET POSITION

September 30, 2015

(In Thousands)

	<i>Primary Government</i>			<i>Component</i>
	<i>Governmental</i>	<i>Business-type</i>	<i>Total</i>	<i>Units</i>
	<i>Activities</i>	<i>Activities</i>		
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 266,384	\$ 84,933	\$ 351,317	\$ 708
Investments	1,058,837	386,876	1,445,713	10,086
Receivables (Net)	7,649	36,878	44,527	10,416
Delinquent Taxes Receivable (Net)	905		905	
Internal Balances	18,134	(18,134)		
Due from Primary Government				190
Due from Other Governments (Net)	80,906	3,686	84,592	116
Inventories	13,461	14,537	27,998	
Prepaid Items	6,950	11,700	18,650	121
Advance to Component Unit	428		428	
Restricted Assets:				
Cash and Cash Equivalents	47,924	286,470	334,394	3,905
Investments		522,424	522,424	
Passenger Facility Charges Receivable		3,892	3,892	
Other Receivable		337	337	
Capital Assets:				
Non-depreciable	748,596	1,192,700	1,941,296	653
Depreciable (Net)	1,558,966	2,659,508	4,218,474	2,430
Total Assets	3,809,140	5,185,807	8,994,947	28,625
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Charge on Refunding	8,569	35,330	43,899	
Deferred Outflows on Pensions	109,323	7,149	116,472	3,563
Accumulated Decrease in Fair Value of Interest Rate Swap		4,895	4,895	
Total Deferred Outflows of Resources	117,892	47,374	165,266	3,563
<b>LIABILITIES</b>				
Accounts Payable	73,150	22,596	95,746	301
Accrued Liabilities	40,098	6,300	46,398	1,688
Accrued Interest Payable	9,788		9,788	90
Deposits	34,768	5,578	40,346	247
Due to Component Unit	190		190	
Due to Other Governments	8,737	5,240	13,977	2,889
Unearned Revenues	24,751	36,881	61,632	
Liabilities Payable from Restricted Assets:				
Accounts Payable		102,219	102,219	
Accrued Interest Payable		47,561	47,561	
Deposits		13,239	13,239	
Advance from Primary Government				428
Fair Value of Interest Rate Swap		4,895	4,895	
Non-current Liabilities:				
Due Within One Year	117,347	88,785	206,132	966
Due in More Than One Year	1,424,806	2,389,033	3,813,839	22,203
Total Liabilities	1,733,635	2,722,327	4,455,962	28,812
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows on Pensions	127,705	5,697	133,402	3,054
<b>NET POSITION</b>				
Net Investment in Capital Assets	1,855,616	1,691,586	3,547,202	3,083
Restricted for:				
Capital Projects	72,879	143,402	216,281	
Transportation Capital Projects	163,868		163,868	
Debt Service	11,043	226,766	237,809	
E-911	25,477		25,477	
Court Fee Funds	18,715		18,715	
Equipment Modernization	537		537	
Sheriff Special Revenue Funds	12,950		12,950	
Landfill Closure		7,852	7,852	
Operating and Maintenance		14,993	14,993	
Renewal, Replacement and Improvements		9,200	9,200	
Unrestricted (Deficit)	(95,393)	411,358	315,965	(2,761)
Total Net Position	\$ 2,065,692	\$ 2,505,157	\$ 4,570,849	\$ 322

See accompanying notes.

# STATEMENT OF ACTIVITIES

for the fiscal year ended September 30, 2015

(In Thousands)

						Net (Expenses) Revenues and Changes in Net Position									
		Program Revenues				Primary Government									
				Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units						
Expenses		Charges for Services													
Activities:															
Primary Government:															
Governmental Activities:															
General Government	\$	213,518	\$	82,582	\$	904	\$	2,697	\$	(127,335)	\$	(127,335)			
Public Safety		41,690		6,116		12,383		3,856		(19,335)		(19,335)			
Transportation		213,425		48,953		40,044		72,105		(52,323)		(52,323)			
Human Services		133,662		2,906		43,320				(87,436)		(87,436)			
Culture and Recreation		161,180		26,812		5,816		32		(128,520)		(128,520)			
Physical Environment		23,073		6,896		2,303		318		(13,556)		(13,556)			
Economic Environment		16,007		3,324		9,083				(3,600)		(3,600)			
Sheriff		729,958		321,357		25,562				(383,039)		(383,039)			
Property Appraiser		19,249		2,800						(16,449)		(16,449)			
Supervisor of Elections		13,675		885		253				(12,537)		(12,537)			
Interest on Long-term Debt		29,326								(29,326)		(29,326)			
Total Governmental Activities		1,594,763		502,631		139,668		79,008		(873,456)		(873,456)			
Business-type Activities:															
Aviation		276,234		268,546				67,269	\$	59,581		59,581			
Port Everglades		118,227		153,324				10,249		45,346		45,346			
Water and Wastewater		121,335		131,428		18		8,046		18,157		18,157			
Resource Recovery System		34,743		3						(34,740)		(34,740)			
Solid Waste		10,311		8,279						(2,032)		(2,032)			
Unincorporated Area Waste		1,125		1,301						176		176			
Water Management		1,918		816						(1,102)		(1,102)			
Total Business-type Activities		563,893		563,697		18		85,564		85,386		85,386			
Total Primary Government	\$	2,158,656	\$	1,066,328	\$	139,686	\$	164,572	\$	(873,456)	\$	85,386	\$	(788,070)	
Component Units:															
Clerk of Courts	\$	46,836	\$	46,748									\$	(88)	
Housing Finance Authority		1,165		980										(185)	
Health Facilities Authority		5		37										32	
Total Component Units	\$	48,006	\$	47,765									\$	(241)	
General Revenues:															
Taxes:															
Property Taxes								771,579				771,579			
One-Half Cent Sales Tax								77,135				77,135			
Gasoline Taxes								63,044				63,044			
Tourist Development Tax								58,250				58,250			
Other								5,067				5,067			
Revenue Sharing - Unrestricted								29,387				29,387			
Interest Income								13,738		8,870		22,608		132	
Gain on Sale of Capital Assets										146		146			
Miscellaneous								14,158		4,732		18,890			
Transfers								14,820		(14,820)					
Total General Revenues and Transfers								1,047,178		(1,072)		1,046,106		132	
Change in Net Position								173,722		84,314		258,036		(109)	
Net Position - Beginning, as Restated								1,891,970		2,420,843		4,312,813		431	
Net Position - Ending								\$	2,065,692	\$	2,505,157	\$	4,570,849	\$	322

See accompanying notes.



# GOVERNMENTAL FUNDS

## Balance Sheet

September 30, 2015

(In Thousands)

### MAJOR FUNDS

	<i>General Fund</i>	<i>Sheriff Contractual Services</i>	<i>Capital Outlay Reserve</i>	<i>Nonmajor Governmental Funds</i>	<i>Total Governmental Funds</i>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 153,720	\$ 7,049	\$ 28,960	\$ 61,488	\$ 251,217
Investments	279,495		282,308	353,692	915,495
Receivables (Net):					
Accounts	1,539			4,567	6,106
Delinquent Taxes Receivable (Net)	842	5	17	41	905
Due from Other County Funds	17,242	2,998	111	2,103	22,454
Due from Other Governments (Net)	26,567	3,134		51,150	80,851
Inventories	9,876			2,911	12,787
Prepaid Items	156		367	2,031	2,554
Advance to Component Unit			428		428
Restricted Assets:					
Cash and Cash Equivalents				47,924	47,924
<b>Total Assets</b>	<b>\$ 489,437</b>	<b>\$ 13,186</b>	<b>\$ 312,191</b>	<b>\$ 525,907</b>	<b>\$ 1,340,721</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 28,294		\$ 6,047	\$ 37,098	\$ 71,439
Accrued Liabilities	28,780		379	2,571	31,730
Deposits	20,243			14,016	34,259
Due to Other County Funds	9			17,848	17,857
Due to Component Unit	190				190
Due to Other Governments	4,635	\$ 591		3,511	8,737
Unearned Revenues	339			14,173	14,512
<b>Total Liabilities</b>	<b>82,490</b>	<b>591</b>	<b>6,426</b>	<b>89,217</b>	<b>178,724</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes	678	5	17	41	741
<b>Total Deferred Inflows of Resources</b>	<b>678</b>	<b>5</b>	<b>17</b>	<b>41</b>	<b>741</b>
<b>FUND BALANCES</b>					
Nonspendable	10,032		367	4,942	15,341
Restricted	44,729		5,544	330,129	380,402
Committed	13,231		299,837	101,578	414,646
Assigned	311,246	12,590			323,836
Unassigned	27,031				27,031
<b>Total Fund Balances</b>	<b>406,269</b>	<b>12,590</b>	<b>305,748</b>	<b>436,649</b>	<b>1,161,256</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 489,437</b>	<b>\$ 13,186</b>	<b>\$ 312,191</b>	<b>\$ 525,907</b>	<b>\$ 1,340,721</b>

See accompanying notes.

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

September 30, 2015  
(In Thousands)

Fund balances - total governmental funds \$ 1,161,256

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

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

	<i>Asset Cost</i>	<i>Accumulated Depreciation</i>	<i>Net</i>	
Land	\$ 429,673		\$ 429,673	
Construction in progress	318,923		318,923	
Buildings	1,085,708	\$ (426,206)	659,502	
Improvements	1,151,358	(472,335)	679,023	
Equipment	676,417	(457,922)	218,495	2,305,616

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the governmental funds. 741

Certain assets reported in governmental activities are not financial resources and therefore are not reported in governmental funds.  
Prepaid items 1,300

Deferred outflows of resources related to the deferred amount on refunding are applicable to future periods and, therefore, are not reported in the governmental funds. 8,569

Deferred outflows of resources and deferred inflows of resources related to pensions are applicable to future periods and, therefore are not reported in the governmental funds.

Deferred outflows of resources related to pensions	109,323	
Deferred inflows of resources related to pensions	(127,705)	(18,382)

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

General obligation bonds	(256,420)	
Special obligation bonds	(332,210)	
Loans payable	(12,290)	
Capital leases	(15,306)	
Premiums and discounts on debt	(24,081)	
Compensated absences	(105,525)	
Other post employment benefits	(114,569)	
Net pension liability	(580,487)	
Accrued interest payable	(9,788)	(1,450,676)

Internal service funds are used by management to charge the costs of self-insurance, printing, and fleet services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 57,268

**Total net position of governmental activities \$ 2,065,692**

*See accompanying notes.*

**GOVERNMENTAL FUNDS**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances**

for the fiscal year ended September 30, 2015  
(In Thousands)

**MAJOR FUNDS**

	<i>General Fund</i>	<i>Sheriff Contractual Services</i>	<i>Capital Outlay Reserve</i>	<i>Nonmajor Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues:					
Taxes (Net of Discounts)	\$ 722,747	\$ 1,742	\$ 15,336	\$ 158,125	\$ 897,950
Special Assessment/Impact Fees	6	1,078	1,437	9,850	12,371
Licenses and Permits	19,881			834	20,715
Federal Grants	253			136,392	136,645
State Revenues:					
Revenue Sharing	38,343				38,343
Grants	13,488			30,980	44,468
Licenses			466	451	917
Gasoline Taxes				23,327	23,327
One-Half Cent Sales Tax	62,163	633		14,339	77,135
Other	371			2,369	2,740
Charges for Services	119,390	284,081	371	15,424	419,266
Fines and Forfeitures	12,082			12,114	24,196
Interest Income	4,966	(207)	3,573	3,946	12,278
Miscellaneous	19,395	3,023	844	14,287	37,549
Total Revenues	1,013,085	290,350	22,027	422,438	1,747,900
Expenditures:					
Current:					
General Government	215,182			1,354	216,536
Public Safety	462,896	270,584		52,129	785,609
Transportation	121,366			62,274	183,640
Human Services	89,505			43,883	133,388
Culture and Recreation	99,724			35,180	134,904
Physical Environment	12,001			3,877	15,878
Economic Environment	4,712			11,023	15,735
Capital Outlay		7,027	48,335	160,678	216,040
Debt Service:					
Principal Retirement	536			35,360	35,896
Interest and Fiscal Charges	89			32,231	32,320
Total Expenditures	1,006,011	277,611	48,335	437,989	1,769,946
Excess (Deficiency) of Revenues Over Expenditures	7,074	12,739	(26,308)	(15,551)	(22,046)
Other Financing Sources (Uses):					
Capital Leases				13,500	13,500
Transfers In	76,479	2,879	47,304	159,712	286,374
Transfers Out	(67,988)	(15,082)	(10,098)	(178,430)	(271,598)
Total Other Financing Sources (Uses)	8,491	(12,203)	37,206	(5,218)	28,276
Net Change in Fund Balances	15,565	536	10,898	(20,769)	6,230
Fund Balances - Beginning	389,794	12,054	294,850	457,403	1,154,101
Changes in Fund Balances for Inventory and Prepaid Items	910			15	925
<b>Fund Balances - Ending</b>	<b>\$ 406,269</b>	<b>\$ 12,590</b>	<b>\$ 305,748</b>	<b>\$ 436,649</b>	<b>\$ 1,161,256</b>

See accompanying notes.

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

for the fiscal year ended September 30, 2015  
(In Thousands)

Net change in fund balances - total governmental funds	\$ 6,230	
Changes in fund balance for inventory and prepaid items	<u>925</u>	\$ 7,155
Total change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Expenditures for capital assets	207,336	
Current year depreciation	<u>(110,527)</u>	96,809
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		7,222
Some of the revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(1,484)
The issuance of long-term debt (i.e. bonds, capital leases) provides current financial resources to governmental funds, but issuing the debt increases the long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but reduces the long-term liability in the statement of net position.		
Principal payments		35,896
Capital leases		(13,500)
Governmental funds report operating leases as expenditures. However, these amounts are reported on the statement of net position as prepaid items and amortized over the life of the lease.		
Amortization of prepaid rent		(45)
Some expenses reported in the statement of activities do not require the use of financial resources and therefore are not reported as expenditures in governmental funds. These expenses are:		
Compensated absences	(1,493)	
Pension expense	41,762	
Other post employment benefits	(10,470)	
Accrued interest on long-term debt	319	
Amortization of premiums and discounts on debt	3,628	
Amortization of deferred charge on refunding	<u>(989)</u>	32,757
The net revenue of internal service funds is reported with governmental activities on the statement of activities.		8,912
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>173,722</b>

*See accompanying notes.*

# PROPRIETARY FUNDS

## Statement of Net Position

September 30, 2015

(In Thousands)

	<i>Business-type Activities-Enterprise Funds</i>						
	<i>Aviation</i>	<i>Port Everglades</i>	<i>Water and Wastewater</i>	<i>Resource Recovery System</i>	<i>Nonmajor Enterprise Funds</i>	<i>Total</i>	<i>Internal Service Funds</i>
<b>ASSETS</b>							
Current Assets:							
Cash and Cash Equivalents	\$ 29,631	\$ 26,764	\$ 13,305		\$ 15,233	\$ 84,933	\$ 15,167
Investments	105,910	187,285	85,915		7,766	386,876	143,342
Receivables (Net):							
Accounts	10,358	7,228	18,227		853	36,666	1,518
Other		196	8		8	212	25
Due from Other County Funds							9
Due from Other Governments	990	2,409	18		269	3,686	55
Inventories	380	5,349	8,694		114	14,537	674
Prepaid Items	7,184	3,179	1,337			11,700	3,096
Restricted Assets:							
Cash and Cash Equivalents	178,730	2,756	31,694			213,180	
Investments		24,184	9,023			33,207	
Other Receivable	337					337	
Total Current Assets	333,520	259,350	168,221		24,243	785,334	163,886
Noncurrent Assets:							
Restricted Assets:							
Cash and Cash Equivalents	11,580	13,327	36,752		11,631	73,290	
Investments	449,671	14,993	6,200		18,353	489,217	
Passenger Facility Charges Receivable	3,892					3,892	
Capital Assets:							
Land	363,365	210,618	4,936		1,620	580,539	
Construction in Progress	434,159	76,374	101,079		549	612,161	
Landfill (Net)					35,918	35,918	
Property Held for Leasing (Net)	280,115	33,154				313,269	
Buildings (Net)	251,943	186,539			774	439,256	
Improvements (Net)	1,070,358	57,265			9,773	1,137,396	
Utility Plant in Service (Net)			642,035			642,035	
Equipment (Net)	10,597	69,982	10,007		1,048	91,634	1,946
Total Noncurrent Assets	2,875,680	662,252	801,009		79,666	4,418,607	1,946
Total Assets	3,209,200	921,602	969,230		103,909	5,203,941	165,832
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred Charge on Refunding	3,806	2,379	29,145			35,330	
Deferred Outflows on Pensions	2,472	1,801	2,494		382	7,149	496
Accumulated Decrease in Fair Value of Interest Rate Swap		4,895				4,895	
Total Deferred Outflows of Resources	6,278	9,075	31,639		382	47,374	496

(continued)

**PROPRIETARY FUNDS**  
**Statement of Net Position, continued**  
September 30, 2015  
(In Thousands)

	<i>Business-type Activities-Enterprise Funds</i>						
	<i>Aviation</i>	<i>Port Everglades</i>	<i>Water and Wastewater</i>	<i>Resource Recovery System</i>	<i>Nonmajor Enterprise Funds</i>	<i>Total</i>	<i>Internal Service Funds</i>
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable	\$ 4,838	\$ 10,968	\$ 5,694		\$ 1,096	\$ 22,596	\$ 1,711
Accrued Liabilities	4,159	836	1,133		172	6,300	8,368
Deposits	5,417				161	5,578	509
Due to Other County Funds	4,397	209				4,606	
Due to Other Governments	427	750	4,032		31	5,240	
Unearned Revenues	36,131				750	36,881	10,239
Claims Payable							23,372
Compensated Absences	1,879	1,180	1,744		277	5,080	399
Payable from Restricted Assets:							
Accounts Payable	92,777		9,442			102,219	
Accrued Interest Payable	38,275	934	8,352			47,561	
Deposits		4,191	9,048			13,239	
Revenue Bonds Payable	48,015	21,815	13,875			83,705	
Total Current Liabilities	236,315	40,883	53,320		2,487	333,005	44,598
Noncurrent Liabilities:							
Revenue Bonds Payable (Net)	1,578,912	199,729	539,373			2,318,014	
Claims Payable							74,130
Compensated Absences	2,573	1,209	1,815		329	5,926	565
Other Post Employment Benefits	1,110	610	762		159	2,641	
Net Pension Liability	13,943	10,158	14,067		2,152	40,320	2,799
Liability for Closure and Postclosure Care Costs					22,132	22,132	
Fair Value of Interest Rate Swap		4,895				4,895	
Total Noncurrent Liabilities	1,596,538	216,601	556,017		24,772	2,393,928	77,494
Total Liabilities	1,832,853	257,484	609,337		27,259	2,726,933	122,092
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Inflows on Pensions	1,970	1,435	1,988		304	5,697	396
<b>NET POSITION</b>							
Net Investment in Capital Assets	946,104	425,094	270,706		49,682	1,691,586	1,946
Restricted for:							
Capital Projects	143,402					143,402	
Debt Service	211,068	1,823	13,875			226,766	
Landfill Closure					7,852	7,852	
Operating and Maintenance		14,993				14,993	
Renewal, Replacement and Improvements		3,000	6,200			9,200	
Unrestricted	80,081	226,848	98,763		19,194	424,886	41,894
<b>Total Net Position</b>	<b>\$ 1,380,655</b>	<b>\$ 671,758</b>	<b>\$ 389,544</b>	<b>\$ -</b>	<b>\$ 76,728</b>	<b>2,518,685</b>	<b>\$ 43,840</b>
Adjustments to reflect the consolidation of internal service fund activities related to business-type activities						\$ (13,528)	
<b>Net position of business-type activities</b>						<b>\$ 2,505,157</b>	

*See accompanying notes.*

# PROPRIETARY FUNDS

## Statement of Revenues, Expenses, and Changes in Net Position

for the fiscal year ended September 30, 2015

(In Thousands)

<i>Business-type Activities-Enterprise Funds</i>							
	<i>Aviation</i>	<i>Port Everglades</i>	<i>Water and Wastewater</i>	<i>Resource Recovery System</i>	<i>Nonmajor Enterprise Funds</i>	<i>Total</i>	<i>Internal Service Funds</i>
Operating Revenues:							
Airline Revenues	\$ 60,398					\$ 60,398	
Rental Cars	63,864					63,864	
Parking Fees	44,221	\$ 8,765				52,986	
Concessions	27,379					27,379	
Vessel, Cargo and Passenger Services	2,164	127,734				129,898	
Leasing of Facilities		14,823				14,823	
Wastewater Treatment Charges			\$ 76,159			76,159	
Water Sales			47,796			47,796	
Tipping Fees				\$ 3	\$ 7,096	7,099	
General Aviation and Fixed Based Operators	7,169					7,169	
Non-airline Terminal Rent and Other Rents	4,851					4,851	
North Perry Airport	1,259					1,259	
Recycling					92	92	
Assessments					1,146	1,146	
Miscellaneous	2,635	2,002	7,473		2,062	14,172	\$ 118,256
Total Operating Revenues	213,940	153,324	131,428	3	10,396	509,091	118,256
Operating Expenses:							
Personal Services	32,874	19,180	24,405		4,063	80,522	7,586
General Operating	102,532	60,664	42,480	446	9,152	215,274	107,598
Depreciation	67,908	27,749	34,962	2,297	117	133,033	490
Total Operating Expenses	203,314	107,593	101,847	2,743	13,332	428,829	115,674
Operating Income (Loss)	10,626	45,731	29,581	(2,740)	(2,936)	80,262	2,582
Non-Operating Revenues (Expenses):							
Grants			18			18	
Interest Income	6,906	1,113	351	233	267	8,870	1,460
Interest Expense (Net)	(56,129)	(9,561)	(16,385)			(82,075)	
Bond Issuance Costs			(1,506)			(1,506)	
Discontinued Projects Costs	(122)	(489)	(1,344)			(1,955)	
Capital Asset Donation	(15,900)					(15,900)	
Gain (Loss) on Sale of Capital Assets	210	(138)	71	2	1	146	137
Passenger Facility Charges	54,606					54,606	
Distribution to Other Governments				(32,000)		(32,000)	
Other	(126)	659	433		3,766	4,732	3,061
Total Non-Operating Revenues (Expenses)	(10,555)	(8,416)	(18,362)	(31,765)	4,034	(65,064)	4,658
Income (Loss) Before Capital Contributions and Transfers	71	37,315	11,219	(34,505)	1,098	15,198	7,240
Capital Contributions	67,269	10,249	8,046			85,564	
Transfers In				100	51,458	51,558	44
Transfers Out	(5,160)	(5,557)	(5,522)	(50,034)	(105)	(66,378)	
Change in Net Position	62,180	42,007	13,743	(84,439)	52,451	85,942	7,284
Net Position - Beginning, as Restated	1,318,475	629,751	375,801	84,439	24,277		36,556
<b>Net Position - Ending</b>	<b>\$ 1,380,655</b>	<b>\$ 671,758</b>	<b>\$ 389,544</b>	<b>\$ -</b>	<b>\$ 76,728</b>		<b>\$ 43,840</b>
Adjustments to reflect the allocation of internal service fund net revenue (expense) to business-type activities						\$ (1,628)	
<b>Change in net position of business-type activities</b>						<b>\$ 84,314</b>	

See accompanying notes.

# PROPRIETARY FUNDS

## Statement of Cash Flows

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>Business-type Activities-Enterprise Funds</i>						
	<i>Aviation</i>	<i>Port Everglades</i>	<i>Water and Wastewater</i>	<i>Resource Recovery System</i>	<i>Nonmajor Enterprise Funds</i>	<i>Total</i>	<i>Internal Service Funds</i>
Cash Flows from Operating Activities:							
Cash Received from Customers	\$ 228,056	\$ 152,652	\$ 128,787	\$ 318	\$ 11,623	\$ 521,436	\$ 8,352
Cash Received for Premiums							105,898
Cash Payments to Suppliers for Goods and Services	(101,878)	(61,082)	(43,305)		(11,104)	(217,369)	(82,212)
Cash Payments to Employees for Services	(33,107)	(19,344)	(24,838)		(4,132)	(81,421)	(7,709)
Cash Payments for Claims							(22,409)
Other Cash Received	163	1,694	469		3,766	6,092	3,049
Other Cash Paid	(289)	(527)				(816)	
Net Cash Provided by Operating Activities	92,945	73,393	61,113	318	153	227,922	4,969
Cash Flows from Noncapital Financing Activities:							
Transfers In				100	20,773	20,873	44
Transfers Out	(5,160)	(5,557)	(5,522)	(19,349)	(105)	(35,693)	
Payments to Other Governments				(32,000)		(32,000)	
Net Cash Provided by (Used for) Noncapital Financing Activities	(5,160)	(5,557)	(5,522)	(51,249)	20,668	(46,820)	44
Cash Flows from Capital and Related Financing Activities:							
Proceeds from Bond Refunding			653			653	
Payment to Refunded Bond Escrow Agent			(748)			(748)	
Acquisition and Construction of Capital Assets	(266,406)	(47,400)	(48,355)	(518)	(333)	(363,012)	(877)
Proceeds from Sale of Capital Assets	217	134	71	2	1	425	140
Debt Principal Payments	(42,580)	(20,945)	(13,705)			(77,230)	
Interest and Fiscal Charges Paid	(77,448)	(11,123)	(26,892)			(115,463)	
Payment of Other Debt Service Costs	(89)	(377)	(582)			(1,048)	
Capital Contributions	86,460	15,816	4,863			107,139	
Receipt of Passenger Facility Charges	53,758					53,758	
Net Cash Used for Capital and Related Financing Activities	(246,088)	(63,895)	(84,695)	(516)	(332)	(395,526)	(737)
Cash Flows from Investing Activities:							
Purchase of Investment Securities	(429,086)	(206,084)	(235,835)		(6,168)	(877,173)	(17,559)
Proceeds from Sale and Maturities of Investment Securities	579,033	219,338	232,437	24,629	7,809	1,063,246	8,428
Interest and Dividends on Investments	7,051	1,099	721	233	267	9,371	1,436
Net Cash Provided by (Used for) Investing Activities	156,998	14,353	(2,677)	24,862	1,908	195,444	(7,695)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,305)	18,294	(31,781)	(26,585)	22,397	(18,980)	(3,419)
Cash and Cash Equivalents, October 1	221,246	24,553	113,532	26,585	4,467	390,383	18,586
<b>Cash and Cash Equivalents, September 30</b>	<b>\$ 219,941</b>	<b>\$ 42,847</b>	<b>\$ 81,751</b>	<b>\$ -</b>	<b>\$ 26,864</b>	<b>\$ 371,403</b>	<b>\$ 15,167</b>

(continued)



# PROPRIETARY FUNDS

## Statement of Cash Flows, continued

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>Business-type Activities-Enterprise Funds</i>						<i>Internal Service Funds</i>
	<i>Aviation</i>	<i>Port Everglades</i>	<i>Water and Wastewater</i>	<i>Resource Recovery System</i>	<i>Nonmajor Enterprise Funds</i>	<i>Total</i>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>							
Operating Income (Loss)	\$ 10,626	\$ 45,731	\$ 29,581	\$ (2,740)	\$ (2,936)	\$ 80,262	\$ 2,582
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:							
Depreciation Expense	67,908	27,749	34,962	2,297	117	133,033	490
Other Non-Operating Revenues (Expenses)	(126)	1,167	469		3,766	5,276	3,049
Decrease (Increase) in Assets and Deferred Outflows of Resources:							
Accounts Receivable (Net)	(2,094)	(913)	(3,732)	270	1,227	(5,242)	(820)
Other Receivable (Net)		28				28	
Due from Other County Funds				13		13	(3)
Due from Other Governments							16
Inventories	80	312	(183)		30	239	78
Prepaid Items	201	(33)	(223)			(55)	412
Deferred Outflows on Pensions	(865)	(630)	(873)		(134)	(2,502)	(173)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:							
Accounts Payable	(957)	438	(419)	190	(1,685)	(2,433)	554
Accrued Liabilities	808	95	74		13	990	221
Deposits	142	723	150		27	1,042	(46)
Due to Other County Funds	687	(991)			(13)	(317)	
Due to Other Governments	26	(144)	941			823	(3)
Unearned Revenues	15,960	(510)				15,450	(4,030)
Claims Payable							2,603
Compensated Absences	101	62	(65)		(14)	84	(32)
Other Post Employment Benefits	92	50	72		11	225	
Net Pension Liability	4,231	3,083	4,269		654	12,237	848
Liability for Closure and Postclosure Care Costs				288	(311)	(23)	
Deferred Inflows on Pensions	(3,875)	(2,824)	(3,910)		(599)	(11,208)	(777)
Total Adjustments	82,319	27,662	31,532	3,058	3,089	147,660	2,387
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 92,945</b>	<b>\$ 73,393</b>	<b>\$ 61,113</b>	<b>\$ 318</b>	<b>\$ 153</b>	<b>\$ 227,922</b>	<b>\$ 4,969</b>
<b>Noncash Investing, Capital and Related Financing Activities:</b>							
Issuance of Refunding Bonds to Refund Existing Debt			\$ 221,328			\$ 221,328	
Capital Assets Acquired through Current Accounts Payable	\$ 92,777	\$ 7,572	13,150			113,499	
Capital Asset Donation	(15,900)					(15,900)	
Capital Contributions	990	2,409	3,183			6,582	
Transfer of Assets, Liabilities, and Net Position				\$ (30,685)	\$ 30,685		
Amortization of Deferred Charge on Refunding	346	1,205	1,679			3,230	
Amortization of Bond Discounts and Premiums	(5,402)	(317)	(2,438)			(8,157)	
Change in Fair Value of Interest Rate Swap		904				904	
Change in Fair Value of Investments	3,000	(361)	279	20	91	3,029	\$ 458

See accompanying notes.

---

**AGENCY FUNDS**  
**Statement of Fiduciary Assets and Liabilities**  
September 30, 2015  
(In Thousands)

		<i><b>Total</b></i>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$	26,652
Investments		8,146
Accounts Receivable (Net)		1,772
Delinquent Taxes Receivable		23,807
Due from Other Governments (Net)		41
<b>Total Assets</b>	<b>\$</b>	<b>60,418</b>
<b>LIABILITIES</b>		
Accounts Payable	\$	361
Due to Other Governments		11,411
Due to Individuals		4,197
Deposits		42,548
Evidence Seizures		1,901
<b>Total Liabilities</b>	<b>\$</b>	<b>60,418</b>

*See accompanying notes.*

## COMPONENT UNITS

### Statement of Net Position

September 30, 2015

(In Thousands)

	<i>Clerk of Courts</i>	<i>Housing Finance Authority</i>	<i>Health Facilities Authority</i>	<i>Total</i>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 218	\$ 420	\$ 70	\$ 708
Investments		10,086		10,086
Receivables (Net)	7,291	3,125		10,416
Due from Primary Government	190			190
Due from Other Governments	116			116
Prepaid Items	121			121
Restricted Assets:				
Cash and Cash Equivalents	3,657	248		3,905
Capital Assets:				
Non-depreciable		653		653
Depreciable (Net)	1,882	548		2,430
Total Assets	13,475	15,080	70	28,625
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows on Pensions	3,518	45		3,563
<b>LIABILITIES</b>				
Accounts Payable	301			301
Accrued Liabilities	1,315	373		1,688
Accrued Interest Payable		90		90
Deposits		247		247
Due to Other Governments	2,889			2,889
Advance from Primary Government		428		428
Non-current Liabilities:				
Due Within One Year	925	41		966
Due in More Than One Year	21,889	314		22,203
Total Liabilities	27,319	1,493		28,812
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows on Pensions	3,018	36		3,054
<b>NET POSITION</b>				
Net Investment in Capital Assets	1,882	1,201		3,083
Unrestricted (Deficit)	(15,226)	12,395	70	(2,761)
<b>Total Net Position</b>	<b>\$ (13,344)</b>	<b>\$ 13,596</b>	<b>\$ 70</b>	<b>\$ 322</b>

*See accompanying notes*

## COMPONENT UNITS

### Statement of Activities

for the fiscal year ended September 30, 2015  
(In Thousands)

	<i>Clerk of Courts</i>	<i>Housing Finance Authority</i>	<i>Health Facilities Authority</i>	<i>Total</i>
Program Expenses:				
Personal Services	\$ 39,727	\$ 607	\$	40,334
Professional Fees		200	\$ 5	205
General Operating	5,863	316		6,179
Depreciation	1,246	37		1,283
Interest Expense		5		5
Total Program Expenses	46,836	1,165	5	48,006
Program Revenues:				
Charges for Services				
Court Related Revenues	43,820			43,820
Recording Fees	2,928			2,928
Authority Fees		511	37	548
Rentals		112		112
Bond Issuance and Redemption Income		1		1
Program Contributions		356		356
Total Program Revenues	46,748	980	37	47,765
Program Income (Loss)	(88)	(185)	32	(241)
General Revenues:				
Interest Income		132		132
Total General Revenues and Special Item		132		132
Change in Net Position	(88)	(53)	32	(109)
Net Position - Beginning, as Restated	(13,256)	13,649	38	431
<b>Net Position - Ending</b>	<b>\$ (13,344)</b>	<b>\$ 13,596</b>	<b>\$ 70</b>	<b>\$ 322</b>

*See accompanying notes.*

# NOTES TO FINANCIAL STATEMENTS - CONTENTS

September 30, 2015

Note		Page
I	Summary of Significant Accounting Policies	31
2	Stewardship, Compliance, and Accountability	41
3	Deposits and Investments	41
4	Restricted Assets	43
5	Receivables and Payables	44
6	Capital Assets	45
7	Long-Term Obligations	48
8	Interfund Balances and Interfund Transfers	55
9	Fund Balances	57
10	Risk Management	58
11	Landfill Closure and Postclosure Care Costs	59
12	Large User Agreements	60
13	Retirement Plans	60
14	Other Post Employment Benefits (OPEB)	67
15	Commitments and Contingent Liabilities	69
16	Subsequent Events	71

## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

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

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

### Blended Component Units

Water Control Districts are special taxing districts created to maintain and improve water resource and drainage programs in the County. The BOCC is the governing body of the Water Control Districts. Management of the County has operational responsibility for the Water Control Districts and manages the activities in essentially the same manner in which it manages its own programs, departments, or agencies. The financial results of the four individual Water Control Districts (District No. 2, District No. 3, District No. 4, and Cocomar) are combined into one special revenue fund to facilitate presentation. Separate financial statements are not required or prepared for the Water Control Districts.

The legal authority by which each of the following Water Control Districts was created is as follows:

**Broward County Water Control District No. 2** - Section 298.01, F.S.; County Ordinance No. 79-93.

**Broward County Water Control District No. 3** - Section 298.01, F.S.; County Referendum 4/15/69.

**Broward County Water Control District No. 4** - Section 298.01, F.S.; County Referendum 3/29/66.

**Cocomar Water Control District** - Section 125.01(5) (a), F.S.; County Ordinance No. 80-17.

The following organizations are also shown as blended component units:

The **Broward County Community Redevelopment Agency (CRA)** acts in an advisory capacity to the County to establish and carry out redevelopment objectives in economically deprived areas of the County. It was established by Florida Statute Section 163.356 and County Ordinance No. 80-110. The BOCC is the governing body of the CRA. The services of the CRA exclusively benefit the County, even though it does not provide services directly to the County. The CRA did not conduct any financial transactions during the year and has no assets, deferred outflows of resources, liabilities, deferred inflows of resources, or fund balance.

The **Broward County Educational Facilities Authority (EFA)** acts in an advisory capacity to the County in alleviating the shortage of educational facilities and projects in the County. It was established by Florida Statute Section 243.21 and County Ordinance No. 86-15. The BOCC appoints the governing body and is able to impose its will on the EFA. The services of the EFA exclusively benefit the County, even though it does provide services directly to the County. The EFA did not conduct any financial transactions during the year and has no assets, deferred outflows of resources, liabilities, deferred inflows of resources, or fund balance.

The **Broward County Commission Governmental Leasing Corporation (Corporation)** has entered into master lease-purchase agreements with the County to finance the acquisition, construction or equipping of certain facilities. The Corporation was formed by the County solely for the purpose of acting as lessor of the facilities. The BOCC is the governing body of the Corporation, and the Corporation provides services exclusively to the County. The Corporation did not conduct any financial transactions during the year and has no assets, deferred outflows of resources, liabilities, deferred inflows of resources, or fund balance.

## **Discretely Presented Component Units**

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

**The Broward County Health Facilities Authority (HeFA)**, which is a legally separate entity from the County, was established in 1977 by Florida Statute Section 154.207 and County Ordinance No. 77-35 to assist in the acquisition, construction, financing, and refinancing of health facilities in the County. The HeFA is governed by a Board appointed by the BOCC and is financially accountable to the County. The HeFA is authorized to issue bonds that are not deemed to constitute a debt of HeFA, the County, or any political sub-division thereof (see Note 7). The HeFA does not meet the blending criteria and is therefore reported as a discretely presented component unit.

**The Broward County Housing Finance Authority (HFA)**, which is a legally separate entity from the County, was established in 1979 by County Ordinance No. 79-41 for the purpose of encouraging the investment of private capital and stimulating the construction of residential housing for low and moderate income families through the use of public financing. The HFA is governed by a Board appointed by the BOCC, and the County must also approve HFA's contracts and bond issues. The HFA is authorized to issue revenue bonds that are not deemed to constitute a debt of HFA, the County, or any political sub-division thereof (see Note 7). The HFA does not meet the blending criteria and is therefore reported as a discretely presented component unit.

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

### **Clerk of Circuit and County Courts**

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

### **Broward County Health Facilities Authority**

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

### **Broward County Housing Finance Authority**

110 N.E. 3rd Street, Room 300  
Fort Lauderdale, FL 33301

## **B. Basis of Presentation**

### **Government-wide Financial Statements**

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Certain indirect costs are included in the program expense reported for individual functions and activities.

## **Fund Financial Statements**

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The County reports the following major governmental funds:

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

*Sheriff Contractual Services Fund* – This fund accounts for financial resources generated by services provided by the Sheriff's Office for law enforcement services, and emergency medical and fire protection services. Revenues are generated from contracts with the Fort Lauderdale-Hollywood International Airport, Port Everglades, unincorporated areas, and a number of municipalities for police and fire rescue services.

*Capital Outlay Reserve Fund* – This fund accounts for general capital projects which typically do not have dedicated funding sources.

The County reports the following major enterprise funds:

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

*Port Everglades Fund* – This fund accounts for the operations of the County's seaport system.

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

*Resource Recovery System Fund* – This fund accounts for certain activities of the County's Resource Recovery System. At September 30, 2015, this fund was closed and all future activities related to the landfill will be recorded in the non-major Solid Waste Fund.

The County also reports the following fund types:

*Internal Service Funds* – These funds account for the County's insurance programs, vehicle management services, and printing services, all of which are provided to other County departments on a cost-reimbursement basis.

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

## **Interfund Balances and Interfund Transfers**

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.



Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for grants, which are considered to be collectible if they are collected within six months. Property taxes, intergovernmental revenues, and interest income associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liability, and other post employment benefits are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. The issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The Agency funds included in the fiduciary fund financial statements have no measurement focus, but utilize the accrual basis of accounting for reporting assets and liabilities.

### **D. Implementation of Governmental Accounting Standards Board Statements**

The County adopted the following Governmental Accounting Standards Board (GASB) Statements during the fiscal year ended September 30, 2015:

#### ***1. GASB Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27" and GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68"***

Statement No. 68 establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of this Statement. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed.

Statement No. 71 amends Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68.

The adoption of Statement No. 68 and Statement No. 71 had no impact on the County's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. However, the adoption of these Statements has resulted in the restatement of the October 1, 2014 net position in the governmental activities, business-type activities and proprietary funds (see Note I, section E).

## 2. GASB Statement No. 69 "Government Combinations and Disposals of Government Operations"

Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The distinction between a government merger and a government acquisition is based upon whether an exchange of significant consideration is present within the combination transaction. Government mergers include combinations of legally separate entities without the exchange of significant consideration. Conversely, government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger, and requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This Statement defines the term *operations* for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations. This Statement also provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. This Statement had no impact on the County's financial statements.

### E. Change in Accounting Principle

The implementation of Statement No. 68 and Statement No. 71 resulted in the restatement of the October 1, 2014 beginning net position. The adjustment to restate the beginning net position, which includes deferred outflows and deferred inflows, was as follows (in thousands):

<b>Governmental Activities:</b>	
Net Position, October 1, 2014, as Previously Stated	\$ 2,535,502
Restatement	(643,532)
Net Position, October 1, 2014, as Restated	<u>\$ 1,891,970</u>
<b>Business-Type Activities:</b>	
Net Position, October 1, 2014, as Previously Stated	\$ 2,461,184
Restatement	(40,341)
Net Position, October 1, 2014, as Restated	<u>\$ 2,420,843</u>
<b>Proprietary Funds:</b>	
<b>Major Enterprise Funds:</b>	
<b>Aviation:</b>	
Net Position, October 1, 2014, as Previously Stated	\$ 1,332,425
Restatement	(13,950)
Net Position, October 1, 2014, as Restated	<u>\$ 1,318,475</u>
<b>Port Everglades:</b>	
Net Position, October 1, 2014, as Previously Stated	\$ 639,914
Restatement	(10,163)
Net Position, October 1, 2014, as Restated	<u>\$ 629,751</u>

**Water and Wastewater:**

Net Position, October 1, 2014, as Previously Stated	\$	389,876
Restatement		(14,075)
Net Position, October 1, 2014, as Restated	\$	<u>375,801</u>

**Nonmajor Enterprise Funds:****Solid Waste:**

Net Position, October 1, 2014, as Previously Stated	\$	18,625
Restatement		(1,268)
Net Position, October 1, 2014, as Restated	\$	<u>17,357</u>

**Unincorporated Area Waste Collection:**

Net Position, October 1, 2014, as Previously Stated	\$	6,452
Restatement		(111)
Net Position, October 1, 2014, as Restated	\$	<u>6,341</u>

**Water Management:**

Net Position, October 1, 2014, as Previously Stated	\$	1,353
Restatement		(774)
Net Position, October 1, 2014, as Restated	\$	<u>579</u>

**Internal Service Funds:****Self-Insurance:**

Net Position, October 1, 2014, as Previously Stated	\$	36,351
Restatement		(1,167)
Net Position, October 1, 2014, as Restated	\$	<u>35,184</u>

**Fleet Services:**

Net Position, October 1, 2014, as Previously Stated	\$	1,646
Restatement		(1,452)
Net Position, October 1, 2014, as Restated	\$	<u>194</u>

**Print Shop:**

Net Position, October 1, 2014, as Previously Stated	\$	1,360
Restatement		(182)
Net Position, October 1, 2014, as Restated	\$	<u>1,178</u>

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance****1. Deposits and Investments**

The County maintains an investment pool for substantially all cash and cash equivalents and investments of all funds. Each fund's portion of the pool is presented as "cash and cash equivalents," "investments," or "restricted assets" as appropriate. Earnings are allocated to each fund based on average daily cash and investment balances. The County also maintains cash and investments outside of the investment pool relating to bond proceeds for the purpose of funding debt service payments and bond reserve requirements, as well as for investment purposes. The County considers cash and cash equivalents to be cash on hand, demand deposits, and investments with original maturities of three months or less from the date of acquisition. All investments are carried at fair value as determined from quoted market prices.

**2. Receivables**

All trade and other receivables are shown net of an allowance for uncollectible amounts. Long-term receivables are analyzed for their collectability based on the terms and conditions of the agreements. In addition to those receivables specifically identified as uncollectible, a general allowance is established for receivables older than one year.

### **3. Due from Other Governments**

Due from other governments includes amounts due to the County for services provided, for grants due from Federal and State agencies and for shared revenues.

### **4. Inventories and Prepaid Items**

Inventories consist principally of materials and supplies held for consumption and are recorded at cost using the first in-first out method for governmental funds and at the lower of average cost or market for proprietary funds. In the governmental funds, the cost of inventories are recorded as expenditures at the time of purchase, while in the proprietary funds, the cost of inventories are recorded as an expense when consumed. Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure/expense when consumed, rather than when purchased in both the governmental and proprietary funds. In the governmental funds, reported inventories and prepaid items are classified as nonspendable fund balances.

### **5. Restricted Assets**

Restricted assets of the governmental and enterprise funds primarily represent amounts set aside for construction, debt service, operating and maintenance, and renewal, replacement and improvements under the terms of outstanding bond agreements and regulatory requirements. The bond construction accounts include bond proceeds available for design and construction of capital projects. The debt service accounts contain the principal and interest amounts required for payments due within one year. The bond reserve accounts contain the maximum amount of principal and interest requirements pursuant to the bond resolutions. The operating and maintenance accounts contain the amount required per bond resolution to be set aside for operating expenses during the next two fiscal months. The renewal, replacement, and improvement accounts contain the amounts required to be set aside for the renewal and replacement of equipment and infrastructure. Restricted assets also include the passenger facility charges account which contains amounts collected and receivables, amounts set aside for the landfill escrow closure account, and amounts set aside for deposits.

### **6. Capital Assets**

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the business-type activities during fiscal year 2015 was \$106,021,000. Of this amount, \$23,946,000 was included as part of the cost of capital assets under construction in connection with various construction projects.

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

Buildings, Structures, and Improvements	3-65 years
Runways, Aprons, and Taxiways	5-40 years
Utility Plant in Service	10-45 years
Furniture, Fixtures, and Equipment	3-30 years
Roads, Streets, and Bridges	40-50 years
Sidewalks and Traffic Signals	30 years
Lakes, Waterways, and Water Control Structures	50-75 years

## **7. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The category of deferred outflow of resources reported in the Statement of Net Position in the governmental activities, business-type activities, and the proprietary funds is related to debt refunding, the interest rate swap, and pensions. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt. A deferred outflow of resources has been reported for the accumulated decrease in fair value of the interest rate swap in the Statement of Net Position for the government-wide business-type activities and for the proprietary funds. Deferred outflows on pension activities are more fully discussed in Note I section F item 10, and Note 13.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has reported items in this category which arise only under the modified accrual basis of accounting. Accordingly, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for property taxes where revenue is not available. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County's deferred inflows of resources reported on the Statement of Net Position for the governmental activities, business-type activities, and the proprietary funds relate to pensions. Deferred inflows on pension activities are more fully discussed in Note I section F, item 10, and Note 13.

## **8. Long-term Obligations**

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds on a straight line basis. Bonds payable are reported net of the applicable unamortized bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issues are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

## **9. Compensated Absences**

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

## **10. Pensions**

In the governmental activities, business-type activities, and proprietary funds, Statement of Net Position, pension liabilities are recognized for the County's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (Pension Plan) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan, and additions to and deductions from the Pension Plan's and the HIS's fiduciary net position, have been determined on the same basis as they are reported by the Pension Plan and HIS plans. Changes in the net pension liability during the period are recorded as pension expense, deferred outflows of resources, or deferred inflows of resources, depending on the nature of the change. Those changes in the net pension liability that are recorded as deferred outflows of resources or deferred inflows of resources that arise from changes in actuarial assumptions or other inputs, changes in the proportionate share of the net pension liability, and differences between expected or actual experience, are amortized over the average expected remaining service lives of all employees that are provided with pensions through the pension plans, and recorded as a component of pension expense beginning with the period in which they arose. Differences between projected and actual investment earnings are reported as deferred outflows of resources or deferred inflows of resources, and are amortized as a component of pension expense using a systematic and rational method over a five year period.

## **11. Net Position and Net Position Flow Assumption**

Net position represents the residual interest in the County's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of three components: net investment in capital assets, restricted, and unrestricted net position. Net investment in capital assets includes capital assets, net of accumulated depreciation, reduced by outstanding debt incurred to acquire, construct, or improve those capital assets, excluding unexpended proceeds. The restricted category represents the balance of assets restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

## **12. Fund Balance and Fund Balance Flow Assumption**

In the fund financial statements, governmental funds report fund balance in classifications based on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

1. *Nonspendable* – amounts cannot be spent because they are not in spendable form (e.g., inventories, prepaid items, and long-term loans receivable) or are legally or contractually required to be maintained intact.
2. *Restricted* – amounts are restricted to specific purposes due to the constraints imposed externally by creditors, grantors, contributors, laws or regulations of other governments, or by law through constitutional provisions or enabling legislation.
3. *Committed* – amounts can be used for specific purposes pursuant to the constraints imposed by formal actions (ordinance) of the BOCC, the County's highest level of decision making authority. Amounts specifically committed for use in satisfying contractual obligations are also included in this classification.
4. *Assigned* – amounts are constrained by the County's intent to be used for specific purposes. Intent is expressed by the BOCC or its delegated body. The BOCC, through the Administrative Code, has authorized the Office of Management and Budget to assign fund balance. This category also includes all remaining amounts (except for negative balances) reported in the debt service, capital projects, and special revenue funds that are not classified as nonspendable and neither restricted nor committed.
5. *Unassigned* – residual amount reported in the General Fund and any negative residual amount in the debt service, capital projects, or special revenue funds.

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

## **G. Revenues and Expenditures/Expenses**

### ***1. Program Revenues***

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

### ***2. Property Taxes***

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

### ***3. Proprietary Funds Operating and Nonoperating Revenues and Expenses***

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

## **H. 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. The FAA authorized the Aviation Department to impose a PFC of \$3 per departing passenger commencing January 1, 1995. This authorization was amended to increase the charge to \$4.50 per departing passenger effective October 1, 2005.

Through initial and subsequent FAA approvals, the Aviation Department is authorized to collect PFCs up to \$1,882,637,000, of which \$734,603,000 has been collected as of September 30, 2015. The net receipts from PFCs are non-refundable 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, 2015, \$595,201,000 of the collected PFCs had been spent on approved projects or debt service, and the remaining \$139,402,000 cash, along with a receivable of \$3,892,000, including interest receivable of \$108,000, are reflected in restricted net position.

## I. Use of Estimates

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

## NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### Excess of Expenditures over Appropriations

For the year ended September 30, 2015, General Fund expenditures exceeded appropriations in the following departments (in thousands):

#### Public Safety:

Human Services - Driver Education	\$	26
Public Works - Detention and Correction Facilities	\$	16

#### Transportation:

Public Works - Road and Street Facilities	\$	5
-------------------------------------------	----	---

For the year ended September 30, 2015, the Tourist Development Tax Fund and the Half-Cent Sales Tax Revenue Bonds Debt Service Fund exceeded appropriations by \$1,322,000 and \$2,000, respectively.

## NOTE 3 - DEPOSITS AND INVESTMENTS

### A. Deposits

*Custodial Credit Risk*- The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The County mitigates custodial credit risk by generally requiring public funds to be deposited in a qualified public depository pursuant to State Statutes. Under the State Statutes, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depositories' collateral pledging level. The pledging level may range from 25% to 200% depending upon the depositories' financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any potential losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral, and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

At September 30, 2015, \$184,111,000 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institutions' trust department, but not in the County's name.

### B. Investments

The County's investment practices are governed by 218.415 of the Florida Statutes, County Code of Ordinances, Chapter I, Article I, Section I-10 and the requirements of outstanding bond covenants. The County has a formal investment policy that, in the opinion of management, is designed to ensure conformity with State Statutes and seeks to limit exposure to investment risks. The investment policy specifies the types, issuer, maturity, and performance measurement of investment securities that are permissible. Securities are held to maturity with limited exceptions outlined in the investment policy. Qualified institutions utilized for investment transactions are also addressed within the policy, as well as diversification requirements for the investment portfolio.

Under State Statutes and County Ordinances, the County is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, repurchase agreements, World Bank notes, bonds and discount notes, certificates of deposit, certain money market funds, and the Florida Local Government Investment Trust. County policy requires that securities underlying repurchase agreements must have a market value of at least 102% of the cost of the repurchase agreements.



As of September 30, 2015, the County's investments consisted of the following (in thousands):

<b>Investment Type</b>	<b>Fair Value</b>	<b>Weighted Average Maturity (Days)</b>
U.S. Treasuries	\$ 411,920	446
U.S. Agencies	1,595,107	541
Commercial Paper	40,449	75
World Bank	15,000	18
Money Market Mutual Fund	140,359	17
<b>Total Fair Value</b>	<b>\$ 2,202,835</b>	
<b>Portfolio Weighted Average Maturity</b>		<b>477</b>

*Interest Rate Risk* - In accordance with its investment policy, the County manages its exposure to interest rate volatility by limiting the weighted average maturity of its investment portfolio within the following maturity categories: overnight 35%; 1-30 days 80%; 31-90 days 80%; 91 days to 1 year 70%; 1-2 years 40%; 2-3 years 20%; 3-4 years 15%; 4-5 years 10%. Assets held pursuant to bond covenants are exempt from these maturity limitations. As of September 30, 2015, the portfolio weighted average maturity was 477 days, and was in accordance with the County's investment policy.

*Credit Risk* - The County's investment policy contains specific rating criteria for certain investments. The policy states that commercial paper, as well as 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 Investors Service and/or Standard and Poor's Ratings Services. Investments in Securities and Exchange Commission registered money market funds must have the highest credit quality rating from a nationally recognized rating agency.

The County's investments in U.S. Treasuries and U.S. Agencies, except for investments in the Federal Agricultural Mortgage Corporation which are not rated, are rated AA+ by Standard & Poor's Rating Services and Aaa by Moody's Investors Services. The County's investments in commercial paper and World Bank notes are rated A-1+ by Standard & Poor's Rating Services and P-1 by Moody's Investors Service. The County's investments in the Money Market Mutual Fund are rated AAAm by Standard & Poor's Ratings Services and Aaa-mf by Moody's Investors Services.

*Concentration of Credit Risk* - The County places no limit on the amount that may be invested in securities of the U. S. Government and U.S. 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 Statement No. 40, "Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3" requires disclosure when 5% or more is invested in any one issuer. The investment in the Federal Home Loan Bank is 17.39%, the Federal Home Loan Mortgage Corporation is 25.50%, the Federal National Mortgage Association is 16.27%, the Federal Farm Credit Bank is 6.78%, and the Federal Agricultural Mortgage Corporation is 6.38%.

## NOTE 4 - RESTRICTED ASSETS

The components of restricted assets for the County's individual major and nonmajor funds are as follows (in thousands):

	<b>Nonmajor Governmental</b>	<b>Aviation</b>	<b>Port Everglades</b>	<b>Water and Wastewater</b>	<b>Nonmajor Enterprise</b>	<b>Total</b>
Bond Construction Accounts		\$ 154,740		\$ 9,335		\$ 164,075
Debt Service Accounts	\$ 47,924	249,343	\$ 22,749	22,227		342,243
Bond Reserve Accounts		96,725	10,327	36,752		143,804
Passenger Facility Charges Account		143,402				143,402
Landfill Closure Escrow Account					\$ 29,984	29,984
Operating and Maintenance Accounts			14,993			14,993
Renewal, Replacement, and Improvement Accounts			3,000	6,200		9,200
Other Restricted Accounts			4,191	9,155		13,346
<b>Total</b>	<b>\$ 47,924</b>	<b>\$ 644,210</b>	<b>\$ 55,260</b>	<b>\$ 83,669</b>	<b>\$ 29,984</b>	<b>\$ 861,047</b>

Restricted assets for the County's governmental funds and enterprise funds are classified on the governmental funds balance sheet and proprietary fund Statement of Net Position, respectively, as follows (in thousands):

	<b>Nonmajor Governmental</b>	<b>Aviation</b>	<b>Port Everglades</b>	<b>Water and Wastewater</b>	<b>Nonmajor Enterprise</b>	<b>Total</b>
Restricted Assets						
Cash and Cash Equivalents	\$ 47,924					\$ 47,924
Current Restricted Assets						
Cash and Cash Equivalents		\$ 178,730	\$ 2,756	\$ 31,694		213,180
Investments			24,184	9,023		33,207
Other Receivable		337				337
Noncurrent Restricted Assets						
Cash and Cash Equivalents		11,580	13,327	36,752	\$ 11,631	73,290
Investments		449,671	14,993	6,200	18,353	489,217
Passenger Facility Charges Receivable		3,892				3,892
<b>Total</b>	<b>\$ 47,924</b>	<b>\$ 644,210</b>	<b>\$ 55,260</b>	<b>\$ 83,669</b>	<b>\$ 29,984</b>	<b>\$ 861,047</b>

## NOTE 5 - RECEIVABLES AND PAYABLES

### Receivables

Receivables as of September 30, 2015, for the County's individual major and nonmajor funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows (in thousands):

<b>Governmental Activities</b>	<b>General</b>	<b>Sheriff Contractual Services</b>	<b>Capital Outlay Reserve</b>	<b>Nonmajor Governmental</b>	<b>Internal Service</b>	<b>Total</b>
Emergency Services	\$ 729	\$ 4,507				\$ 5,236
Liens Receivable	3,239			1,342		4,581
Slot Machine Revenues	478					478
Tourist Development Taxes				3,055		3,055
Convention Center				1,357		1,357
Credit Card Rebate	305					305
Franchise Fees and Service Tax	180					180
Note Receivable			\$ 10,877			10,877
Loan Receivable				\$ 43,652		43,652
Interest Receivable					\$ 25	25
Other	1,909	139	3	744	1,518	4,313
Allowance for Uncollectible	(5,301)	(4,646)	(10,880)	(45,583)		(66,410)
Total Governmental Activities	\$ 1,539	\$	\$	\$ 4,567	\$ 1,543	\$ 7,649

<b>Business-type Activities</b>	<b>Aviation</b>	<b>Port Everglades</b>	<b>Water and Wastewater</b>	<b>Nonmajor Enterprise</b>	<b>Total</b>
Airlines and Concessionaires	\$ 10,729				\$ 10,729
Cruise Lines and Concessionaires		\$ 7,660			7,660
Water and Sewer Retail/Wholesale Customers			\$ 26,269		26,269
Solid Waste Disposal and Collection Customers				\$ 1,121	1,121
Interest Receivable		106	8	8	122
Other		119			119
Allowance for Uncollectible	(371)	(461)	(8,042)	(268)	(9,142)
Total Business-type Activities	\$ 10,358	\$ 7,424	\$ 18,235	\$ 861	\$ 36,878

### Payables

Accounts payable balances in each fund are 100% payable to vendors.

## NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015, was as follows (in thousands):

	<b>Balance October 1, 2014</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance September 30, 2015</b>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 419,005	\$ 10,765	\$ (97)	\$ 429,673
Construction in Progress	226,445	117,219	(24,741)	318,923
Total Capital Assets Not Being Depreciated	645,450	127,984	(24,838)	748,596
Capital Assets Being Depreciated:				
Buildings	1,062,877	22,831		1,085,708
Improvements	1,128,102	23,256		1,151,358
Equipment	642,316	66,635	(18,916)	690,035
Total Capital Assets Being Depreciated	2,833,295	112,722	(18,916)	2,927,101
Less Accumulated Depreciation for:				
Buildings	(396,350)	(29,856)		(426,206)
Improvements	(439,679)	(32,656)		(472,335)
Equipment	(439,581)	(48,505)	18,492	(469,594)
Total Accumulated Depreciation	(1,275,610)	(111,017)	18,492	(1,368,135)
Total Capital Assets Being Depreciated, Net	1,557,685	1,705	(424)	1,558,966
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 2,203,135</b>	<b>\$ 129,689</b>	<b>\$ (25,262)</b>	<b>\$ 2,307,562</b>
<b>Business-type Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 574,046	\$ 6,493		\$ 580,539
Construction in Progress	1,012,791	356,753	\$ (757,383)	612,161
Total Capital Assets Not Being Depreciated	1,586,837	363,246	(757,383)	1,192,700
Capital Assets Being Depreciated:				
Landfill	48,577			48,577
Property Held for Leasing	539,804	1,764	(650)	540,918
Buildings	732,734	22,787	(1,708)	753,813
Improvements	881,110	748,515	(26,545)	1,603,080
Utility Plant in Service	1,124,870	18,577		1,143,447
Equipment	241,409	13,521	(6,912)	248,018
Total Capital Assets Being Depreciated	3,568,504	805,164	(35,815)	4,337,853
Less Accumulated Depreciation for:				
Landfill	(11,615)	(1,044)		(12,659)
Property Held for Leasing	(211,882)	(16,417)	650	(227,649)
Buildings	(290,923)	(23,634)		(314,557)
Improvements	(418,896)	(46,788)		(465,684)
Utility Plant in Service	(468,043)	(33,369)		(501,412)
Equipment	(146,122)	(11,781)	1,519	(156,384)
Total Accumulated Depreciation	(1,547,481)	(133,033)	2,169	(1,678,345)
Total Capital Assets Being Depreciated, Net	2,021,023	672,131	(33,646)	2,659,508
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 3,607,860</b>	<b>\$ 1,035,377</b>	<b>\$ (791,029)</b>	<b>\$ 3,852,208</b>

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

<b>Governmental Activities</b>	
General Government	\$ 18,229
Public Safety	8,948
Transportation	40,183
Human Services	1,330
Culture and Recreation	22,445
Physical Environment	1,977
Economic Environment	299
Sheriff	16,420
Property Appraiser	192
Supervisor of Elections	994
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 111,017</b>
<b>Business-type Activities</b>	
Aviation	\$ 67,908
Port Everglades	27,749
Water and Wastewater	34,962
Resource Recovery System	2,297
Other	117
<b>Total Depreciation Expense - Business-type Activities</b>	<b>\$ 133,033</b>

#### Construction Commitments

At September 30, 2015, the County had in process various uncompleted construction projects with commitments totaling approximately \$615,290,000. The retainage payable on these contracts totaled \$66,436,000. Funding for these projects is to be made primarily through the proceeds of related bond issues, loans and future taxes.

#### Discretely Presented Component Units

Capital asset activity for the year ended September 30, 2015, is as follows (in thousands):

<b>Governmental Activities</b>	<b>Balance October 1, 2014</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance September 30, 2015</b>
Capital Assets Not Being Depreciated:				
Land	\$ 653			\$ 653
Total Capital Assets Not Being Depreciated	653			653
Capital Assets Being Depreciated:				
Buildings	1,115			1,115
Equipment	24,803	\$ 375	\$ (18)	25,160
Total Capital Assets Being Depreciated	25,918	375	(18)	26,275
Less Accumulated Depreciation for:				
Buildings	(554)	(28)		(582)
Equipment	(22,026)	(1,255)	18	(23,263)
Total Accumulated Depreciation	(22,580)	(1,283)	18	(23,845)
Total Capital Assets Being Depreciated, Net	3,338	(908)		2,430
<b>Capital Assets, Net</b>	<b>\$ 3,991</b>	<b>\$ (908)</b>	<b>\$</b>	<b>\$ 3,083</b>

### Property Held for Leasing

Property held for leasing consists of land and buildings leased under operating leases to commercial enterprises by the Aviation and Port Everglades departments. Lease terms vary from one to ninety-nine years and require, in some cases, the construction of leasehold improvements that will be contributed to the County at lease termination. The following is a schedule of minimum future rentals on non-cancelable operating leases as of September 30, 2015 (in thousands):

<b><i>Years Ending</i></b>		
<b><i>September 30</i></b>		
2016	\$	93,601
2017		66,390
2018		65,092
2019		42,041
2020		31,925
2021-2025		126,748
2026-2030		83,054
2031-2035		29,193
2036-2040		9,219
2041-2045		5,647
2046-2050		6,512
2051-2055		5,912
2056-2060		7,193
2061-2065		8,751
2066-2070		10,647
2071-2075		12,954
2076-2080		15,760
2081-2085		19,174
2086-2090		23,329
2091-2093		11,149
<b>Total</b>	<b>\$</b>	<b>674,291</b>

Total minimum future rentals do not include contingent rentals that may be received under certain concession leases on the basis of a percentage of the tenant's gross revenues in excess of stipulated minimums. Contingent rentals for the fiscal year ended September 30, 2015, amounted to \$38,845,000.

The County has five year lease and use agreements with its major airline tenants (the signatory airline agreements). 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. The agreements require that landing fees and terminal rentals be reviewed annually and adjusted, as necessary, so that the total revenue is sufficient to meet the Aviation Fund's requirements as determined by the 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 unearned revenue by the Aviation Fund at September 30, 2015. For the year ended September 30, 2015, these funds amounted to \$33,766,000.

## NOTE 7 - LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended September 30, 2015, were as follows (in thousands):

<b>Governmental Activities</b>	<b>Balance October 1, 2014 *</b>			<b>Balance September 30, Due Within 2015 One Year</b>	
	<b>Additions</b>	<b>Reductions</b>			
General Obligation Bonds	\$ 279,630		\$ (23,210)	\$ 256,420	\$ 24,385
Special Obligation Bonds	342,790		(10,580)	332,210	11,375
Loans Payable	13,860		(1,570)	12,290	1,490
Unamortized Bond Premiums and Discounts	27,709		(3,628)	24,081	
Total Bonds and Loans, Net of Premiums and Discounts	663,989		(38,988)	625,001	37,250
Capital Leases	2,342	\$ 13,500	(536)	15,306	5,005
Claims Payable	94,899	71,097	(68,494)	97,502	23,372
Compensated Absences	105,028	74,754	(73,293)	106,489	51,720
Other Post Employment Benefits	104,099	21,959	(11,489)	114,569	
Net Pension Liability	372,041	211,245		583,286	
<b>Total</b>	<b>\$ 1,342,398</b>	<b>\$ 392,555</b>	<b>\$ (192,800)</b>	<b>\$ 1,542,153</b>	<b>\$ 117,347</b>

<b>Business-type Activities</b>	<b>Balance October 1, 2014</b>			<b>Balance September 30, Due Within 2015 One Year</b>	
	<b>Additions</b>	<b>Reductions</b>			
Revenue Bonds Payable	\$ 2,322,000	\$ 199,810	\$ (279,690)	\$ 2,242,120	\$ 83,705
Unamortized Bond Premiums and Discounts	145,348	23,024	(8,773)	159,599	
Total Revenue Bonds, Net of Premiums and Discounts	2,467,348	222,834	(288,463)	2,401,719	83,705
Compensated Absences	10,922	4,612	(4,528)	11,006	5,080
Other Post Employment Benefits	2,416	450	(225)	2,641	
Net Pension Liability	28,083	12,237		40,320	
Liability for Closure and Postclosure Care Costs	22,155	750	(773)	22,132	
<b>Total</b>	<b>\$ 2,530,924</b>	<b>\$ 240,883</b>	<b>\$ (293,989)</b>	<b>\$ 2,477,818</b>	<b>\$ 88,785</b>

For the governmental activities, compensated absences, net pension liability and other post employment benefits are generally liquidated by the general fund.

\* The October 1, 2014 beginning balances were restated due to the implementation of GASB Statements No. 68 and No. 71.

The debt service requirements for all bonds and loans outstanding as of September 30, 2015, are as follows (in thousands):

<b>GOVERNMENTAL ACTIVITIES</b>									<b>BUSINESS-TYPE ACTIVITIES</b>	
<b>Years Ending September 30</b>	<b>General Obligation Bonds</b>		<b>Special Obligation Bonds</b>		<b>Loans Payable</b>		<b>Total Governmental</b>		<b>Revenue Bonds Payable</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2016	\$ 24,385	\$ 11,493	\$ 11,375	\$ 18,333	\$ 1,490	\$ 595	\$ 37,250	\$ 30,421	\$ 83,705	\$ 105,023
2017	24,485	10,355	11,920	17,787	1,560	529	37,965	28,671	77,500	104,362
2018	25,580	9,266	12,525	17,204	845	459	38,950	26,929	81,020	100,746
2019	26,725	8,121	13,270	16,567	885	418	40,880	25,106	84,790	96,744
2020	27,930	6,908	14,020	15,887	930	375	42,880	23,170	89,050	92,373
2021-2025	127,315	13,793	82,375	67,302	4,505	1,185	214,195	82,280	495,635	388,588
2026-2030			71,035	43,421	2,075	201	73,110	43,622	447,975	264,387
2031-2035			45,340	27,870			45,340	27,870	337,800	174,578
2036-2040			57,495	13,660			57,495	13,660	336,095	89,458
2041-2045			12,855	421			12,855	421	208,550	18,391
<b>Total</b>	<b>\$ 256,420</b>	<b>\$ 59,936</b>	<b>\$ 332,210</b>	<b>\$ 238,452</b>	<b>\$ 12,290</b>	<b>\$ 3,762</b>	<b>\$ 600,920</b>	<b>\$ 302,150</b>	<b>\$ 2,242,120</b>	<b>\$ 1,434,650</b>

The following is a summary of the major provisions and significant debt service requirements for the outstanding bonds at September 30, 2015 (in thousands):

	Primary Purpose	Type	Interest Payment	
			Rate %	Date
Governmental Activities				
General Obligation Bonds (GOB):				
2005 GOB	Parks and Land Preservation	serial	3.0-5.0	1-1 7-1
2007 GOB A Refunding	Library Partial Advance Refunding	serial	4.0-5.0	1-1 7-1
2007 GOB B Refunding	Parks Partial Advance Refunding	serial	5.0	1-1 7-1
2012 GOB Refunding	Parks Partial Advance Refunding	serial	2.0-5.0	1-1 7-1
Total General Obligation Bonds				
Special Obligation Bonds:				
2006 Professional Sports Facilities	Civic Arena - Refunding Issue - A	serial/term	4.0-5.0	3-1 9-1
2006 Professional Sports Facilities	Civic Arena - Refunding Issue - B	serial/term	5.663-5.998	3-1 9-1
2010 Half-Cent Sales Tax - Series A	Main Courthouse Project	serial/term	2.5-5.25	4-1 10-1
2010 Half-Cent Sales Tax - Series B	Main Courthouse Project	term	5.764-6.206	4-1 10-1
2010 Half-Cent Sales Tax - Series C	Main Courthouse Project	term	6.556	4-1 10-1
Total Special Obligation Bonds				
Business-type Activities Revenue Bonds				
Aviation Fund				
2001 J-2 Airport System Revenue	Improvements	serial	5.8-6.8	4-1 10-1
2001 J-2 Airport System Revenue	Improvements	term	6.9	4-1 10-1
2004 L Airport System Revenue	Improvements	serial	3.0-5.0	4-1 10-1
2009 O Airport System Revenue	Refunding Issue	serial	2.0-5.0	4-1 10-1
2009 O Airport System Revenue	Refunding Issue	term	5.0-5.375	4-1 10-1
2012 P-1 Airport System Revenue	Refunding Issue	serial	3.0-5.0	4-1 10-1
2012 P-2 Airport System Revenue	Refunding Issue	serial	3.25-5.0	4-1 10-1
2012 Q-1 Airport System Revenue	Improvements	serial	3.0-5.0	4-1 10-1
2012 Q-1 Airport System Revenue	Improvements	term	4.0-5.0	4-1 10-1
2012 Q-2 Airport System Revenue	Improvements	serial	5.0	4-1 10-1
2012 Q-2 Airport System Revenue	Improvements	term	5.0	4-1 10-1
2013 A Airport System Revenue	Improvements	serial	1.25-5.25	4-1 10-1
2013 A Airport System Revenue	Improvements	term	5.125-5.25	4-1 10-1
2013 B Airport System Revenue	Improvements	serial	2.0-5.5	4-1 10-1
2013 B Airport System Revenue	Improvements	term	5.0-5.25	4-1 10-1
2013 C Airport System Revenue	Improvements	serial	1.25-5.5	4-1 10-1
2013 C Airport System Revenue	Improvements	term	5.125-5.25	4-1 10-1
Total Aviation Bonds				
Port Everglades Fund				
2008 Subordinate Port Facilities	Refunding Issue	demand	3.642	monthly
2009 A Port Facilities	Improvements	serial	3.0-6.0	3-1 9-1
2009 A Port Facilities	Improvements	term	5.25-5.50	3-1 9-1
2011 A Port Facilities	Refunding Issue	serial	5.0	3-1 9-1
2011 B Port Facilities	Refunding Issue	serial	5.0	3-1 9-1
2011 B Port Facilities	Refunding Issue	term	4.625	3-1 9-1
2011 C Port Facilities	Refunding Issue	serial	1.098-3.0	3-1 9-1
Total Port Everglades Bonds				
Water and Wastewater Fund				
2005 A Water and Sewer Utility	Improvements	term	5.0	4-1 10-1
2009 A Water and Sewer Utility	Improvements	serial	2.1-5.2	4-1 10-1
2009 A Water and Sewer Utility	Improvements	term	5.25-5.3	4-1 10-1
2012 A Water and Sewer Utility	Improvements	serial	1.0-5.0	4-1 10-1
2012 A Water and Sewer Utility	Improvements	term	5.0	4-1 10-1
2012 B Water and Sewer Utility	Refunding Issue	serial	4.0-5.0	4-1 10-1
2012 C Water and Sewer Utility	Refunding Issue	serial	0.44-1.9	4-1 10-1
2015 A Water and Sewer Utility	Refunding Issue	serial	5.0	4-1 10-1
2015 B Water and Sewer Utility	Refunding Issue	serial	3.0-5.0	4-1 10-1
Total Water and Wastewater Bonds				
Total Revenue Bonds				



Redemption		Year	Final Maturity Date	Original Amount Issued	Retired/ Refunded	Outstanding at September 30, 2015
Optional (O) or Mandatory (M)						
O		2015	1/1/2025	\$ 154,135	\$ (138,830)	\$ 15,305
N/A		N/A	1/1/2021	86,690	(24,750)	61,940
O		2021	1/1/2024	77,830		77,830
O		2022	1/1/2025	101,345		101,345
						<b>\$ 256,420</b>
O		2016	9/1/2028	\$ 124,290	\$ (35,655)	\$ 88,635
O		2016	9/1/2028	52,475	(14,215)	38,260
O		2021	10/1/2036	95,960	(9,375)	86,585
O		2021	10/1/2030	69,950		69,950
O		2021	10/1/2040	48,780		48,780
						<b>\$ 332,210</b>
N/A		N/A	10/1/2015	\$ 73,725	\$ (63,820)	\$ 9,905
M		2016	10/1/2021	75,460		75,460
O		2014	10/1/2027	142,015	(85,625)	56,390
O		2019	10/1/2020	29,395	(11,305)	18,090
M		2021	10/1/2029	71,745		71,745
O		2022	10/1/2026	217,080	(42,705)	174,375
O		2022	10/1/2026	92,775	(700)	92,075
O		2022	10/1/2033	283,600	(16,575)	267,025
M		2034	10/1/2042	232,020		232,020
O		2022	10/1/2032	51,800	(1,695)	50,105
M		2033	10/1/2042	53,910		53,910
O		2023	10/1/2033	81,345	(2,445)	78,900
M		2034	10/1/2043	83,960		83,960
O		2023	10/1/2033	27,395	(855)	26,540
M		2034	10/1/2043	28,005		28,005
O		2023	10/1/2033	103,265	(3,105)	100,160
M		2034	10/1/2043	107,710		107,710
						<b>1,526,375</b>
O		2015	9/1/2027	46,145	(14,485)	31,660
O		2019	9/1/2025	48,085	(16,480)	31,605
M		2023	9/1/2029	35,150		35,150
O		2021	9/1/2025	12,370		12,370
O		2021	9/1/2023	69,055	(9,835)	59,220
M		2025	9/1/2027	31,640		31,640
N/A		N/A	9/1/2016	54,195	(37,880)	16,315
						<b>217,960</b>
M		2028	10/1/2030	53,675	(53,675)	
O		2019	10/1/2029	63,555	(50,355)	13,200
M		2031	10/1/2034	111,825	(111,825)	
O		2023	10/1/2033	51,295	(2,965)	48,330
M		2035	10/1/2037	89,330		89,330
O		2023	10/1/2027	110,920		110,920
N/A		N/A	10/1/2018	47,655	(11,460)	36,195
O		2025	10/1/2030	42,255		42,255
O		2025	10/1/2034	157,555		157,555
						<b>497,785</b>
						<b>\$ 2,242,120</b>

Certain bond indentures contain provisions as to annual debt service, sinking fund, and minimum net revenue requirements. In addition, certain indentures require maintenance of various accounts and specify the deposits to be made to such accounts. At September 30, 2015, the County was in compliance with significant debt covenants.

## **A. Governmental Activities**

### **I. Loans Payable - First Florida Governmental Financing Commission**

The First Florida Governmental Financing Commission (Commission) was created pursuant to the Florida Interlocal Cooperation Act of 1969, Section 163.01, Florida Statutes, as amended. The Commission is a separate legal entity and public body permitted to authorize, issue, and sell bonds for the purpose of financing or refinancing any capital projects for its members. The Commission's stated purpose is to enable its participating members to benefit from the economies of scale associated with large financings. The proceeds of the Commission's bonds are used to fund loans to the participating members. The repayment terms of the loan agreements are designed to provide for the payment of principal and interest on the bonds when due. The current members of the Commission are: Broward County, Florida; City of Hollywood, Florida; City of Boca Raton, Florida; City of Gainesville, Florida; City of Clearwater, Florida; City of Sarasota, Florida; and the City of St. Petersburg, Florida.

It is bond counsel's opinion that each member of the Commission is liable only to the extent of the payments due pursuant to its loan agreement. At September 30, 2015, the County had loans payable to the Commission totaling \$12,290,000. The loans are due in annual installments through 2028. Interest on these loans is at fixed rates ranging from 3.7% to 5.4% payable semi-annually.

### **2. Capital Leases**

During the current year, the County entered into lease agreements as lessee for financing the acquisition of public safety capital equipment. As of September 30, 2015, assets acquired under the capital leases totaled \$10,196,000. This year, \$309,000 was included in depreciation expense in the government-wide financial statements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015, are as follows (in thousands):

<i><b>Years Ending September 30</b></i>		
2016	\$	5,230
2017		5,230
2018		4,891
2019		252
2020		171
Total minimum lease payments		15,774
Less amount representing interest		(468)
Present value of minimum lease payments	\$	15,306

## **B. Business-Type Activities**

### **I. Revenue Bonds**

On July 21, 2015, the County issued Water and Sewer Utility Revenue Refunding Bonds, Series 2015A (Non Taxable) and Water and Sewer Utility Revenue Refunding Bonds, Series 2015B (Non Taxable) in the principal amounts of \$42,255,000 and \$157,555,000, respectively, with interest rates of 5.0% (2015A) and 3.0%-5.0% (2015B) (the combined true interest rate on the Series 2015A and B bonds is 3.5%). The proceeds were used to advance refund all of the outstanding Series 2005A Bonds and a portion of the Series 2009A Bonds of \$49,130,000 and \$153,330,000, respectively, which had interest rates ranging from 4.25% to 5.3%. The net proceeds of \$225,259,000 (consisting of the par amount of \$199,810,000, plus the original issue premium of \$23,024,000, plus related debt service reserve funds of \$747,000 and debt service funds of \$3,183,000 and after the payment of underwriting fees and other issues costs of \$1,506,000), were deposited in an irrevocable trust with an escrow agent to provide funds for the debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position.

The reacquisition price exceeded the net carrying amount of the old debt by \$19,000,000. This amount is deferred and amortized over the remaining life of the refunding bonds using the straight-line method. The County completed the refunding to reduce its total debt service payments over the next 20 years by \$27,819,000, which represents an economic gain (the difference between the present value of the old and new debt service payments) of \$19,857,000.

## **2. Demand Bonds**

Long-term debt for the business-type activities includes \$31,660,000 of 2008 Subordinate Port Facilities Refunding Revenue demand bonds (Series 2008 Bonds) maturing serially through September 1, 2027. The proceeds of the bonds were used to refund the County's outstanding Subordinate Port Facilities Refunding Revenue Bonds, Series 1998. The bonds are secured by subordinate pledged revenue derived from the operation of the Port.

The Series 2008 Bonds are subject to purchase on the demand of the holder or a mandatory tender for purchase at a price equal to principal plus accrued interest. The County's remarketing agent is authorized to use its best efforts to sell the repurchased bonds at a price equal to 100 percent of the principal amount by adjusting the interest rate.

An irrevocable Direct-Pay Letter of Credit was issued by the Royal Bank of Canada (RBC) pursuant to a Letter of Credit Reimbursement Agreement dated July 1, 2014, between the County and RBC as a replacement for the original expiring Direct-Pay Letter of Credit provided by the Bank of Nova Scotia. The Letter of Credit was issued in an amount equal to the outstanding \$35,735,000 of original aggregate principal of the Series 2008 Bonds, plus 56 days' interest thereon at the rate of 15% per annum, totaling \$822,395. The Letter of Credit will terminate upon the earlier to occur of RBC's close of business on (a) October 2, 2019 (as extended from time to time) or (b) earlier dates as defined in the Letter of Credit Reimbursement Agreement.

In the event that a demand for purchase by an owner or a mandatory tender for purchase of the Series 2008 Bonds is not remarketed, the Trustee, complying with the terms of the Letter of Credit, is authorized to draw an amount sufficient to pay principal and interest when due and to pay the applicable portion of the purchase price of Series 2008 Bonds and accrued interest. Letter of Credit drawings to pay the portion of the purchase price of principal not remarketed bear interest at a Base Rate, which is defined as a per annum rate equal to the highest of (i) the sum of the Prime Rate for such day plus 2.5%, (ii) the sum of the Federal Funds Rate for such day plus 3.0%, and (iii) 8%. Within the first 90 days, interest is at the Base Rate. Between 91-180 days, interest is at the Base Rate plus 1%; thereafter, interest is at the Base Rate plus 2%. Letter of Credit drawings that remain outstanding on the first day of the third month following the draw date are payable quarterly, in an amount equal to one-twelfth of the outstanding principal amount plus accrued interest, up to a maximum of two years, after which time the remaining outstanding balance becomes payable in full. As of September 30, 2015, no amounts have been drawn from the Letter of Credit.

The County, commencing October 1, 2014, is required to pay RBC, on a quarterly basis, in arrears, a facility fee for the Letter of Credit. For the period commencing on July 1, 2014 through termination, the fee may vary based upon the bond ratings from Moody's Investors Services, Standard & Poor's Rating Services, and Fitch Rating Services. The current rate is 0.92% per annum. In addition, the remarketing agent is paid an annual fee equal to 0.045% of the then outstanding aggregate principal amount of the Series 2008 Bonds.

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

The County entered into an interest rate swap agreement in July 2008, with Goldman Sachs Capital Markets, L.P. to provide a synthetic fixed rate structure for the \$46,145,000 Port Facilities Refunding Revenue Bonds, Series 2008 that bear interest at a variable weekly rate. Interest rate swaps are considered to be derivative instruments and are carried on the Statement of Net Position at fair value.

*Objective of the interest rate swap* - The interest rate swap agreement was a means to lower the County's true borrowing costs when compared against fixed-rate bonds at the time of issuance. The intention of the swap was to effectively fix the County's variable interest rate so that the County pays a synthetic fixed rate of 3.642%.

*Terms* - The interest rate swap was entered into at the same time that the Series 2008 Bonds were issued in July 2008. The Series 2008 Bonds and the related interest rate swap agreement expire on September 1, 2027. The interest rate swap's original notional amount of \$46,145,000 matches the original principal amount of the Series 2008 Bonds. The outstanding notional amount of the interest rate swap matches the principal amortization schedule of the Series 2008 Bonds. Under the terms of the interest rate swap agreement, the County pays the counterparty a fixed rate of 3.642% and receives a variable rate payment based on the SIFMA Municipal Swap Index.

*Fair value* - As of September 30, 2015, the swap had a negative fair value of \$4,895,000, an increase of \$904,000 from the prior year. The swap's fair value is reported as a deferred outflow of resources - accumulated decrease in fair value of interest rate swap, and as a liability - fair value of interest rate swap, in the accompanying Statement of Net Position for the government-wide business-type activities and the Port proprietary fund. The swap's notional amount of \$31,660,000 as of September 30, 2015, equals the principal amount of the outstanding bonds. The fair value is developed by a pricing service that considers the significant assumptions to be proprietary.

*Credit risk* - As of September 30, 2015, the County was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value become positive, the County could be exposed to credit risk in the amount of the swap's fair value. The swap agreement is subject to termination prior to September 1, 2027, upon the occurrence of certain termination events.

*Basis risk* - Municipal interest rate swaps are normally based on a fixed payment and an indexed variable receipt instead of the actual variable debt payment. Any difference between the indexed variable receipt and the actual market-determined variable rate paid on the bonds is called "basis risk." The County is exposed to basis risk on its interest rate swap because the variable rate payments received are based on the weekly SIFMA Municipal Swap Index which may differ from the interest rates the County pays on the variable rate debt, which is remarketed every seven days.

*Termination risk* - Under certain conditions, the County or the counterparty may terminate the swap. If the swap is terminated, the County would be exposed to variability in the amount of its debt service payments resulting from changes in the variable interest rate on the Series 2008 Bonds. While this could increase the County's total debt service, if, at the time of termination, the swap has a negative fair value by approximately the amount of such negative fair value, the counterparty would have no claim against the County for any other compensation.

The interest rate swap agreement does not affect the obligation of the County under the indenture to repay the principal and variable interest on the Series 2008 Bonds. However, during the term of the swap agreement, the County effectively pays a fixed rate on the debt. The debt service requirements to maturity for these bonds (presented in this note) are based on that fixed rate. The County will be exposed to variable rates if the counterparty to the swap defaults or if the swap agreement is terminated. A termination or default of the swap agreement may also result in the County making or receiving a termination payment.

*Swap payments and associated debt* - As interest rates vary, the variable-rate interest payments and swap payments will vary. Debt service requirements to maturity of the variable-rate bonds and the swap payments, assuming the synthetic fixed rate of 3.642% are as follows (in thousands):

<b>Years Ending September 30</b>	<b>Variable Rate Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 2,145	\$ 1,153	\$ 3,298
2017	2,230	1,075	3,305
2018	2,310	994	3,304
2019	2,395	909	3,304
2020	2,480	822	3,302
2021-2025	13,840	2,688	16,528
2026-2027	6,260	344	6,604
<b>Total</b>	<b>\$ 31,660</b>	<b>\$ 7,985</b>	<b>\$ 39,645</b>

## D. Defeased Bonds

The County has entered into refunding transactions whereby refunding bonds have been issued to facilitate the retirement of the County's obligation with respect to certain outstanding bond issues. The net proceeds of the refunding issues have been placed in irrevocable escrow accounts and invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for future payments of interest and principal on the bond issues being refunded. The refunded bonds are not included in the County's Statement of Net Position as a liability since the County has legally satisfied its obligations through the refunding transactions. The following is a summary of the County's outstanding defeased bonds (in thousands):

<b>Year of Defeasance</b>	<b>Bond Issue Defeased</b>	<b>Principal Outstanding September 30, 2015</b>
1989	Port Facilities Revenue Bonds Series 1986	\$ 15,335
2012	Water and Sewer Utility Revenue Bonds Series 2005 A (Partially Refunded)	27,610
2015	Water and Sewer Utility Revenue Bonds Series 2005 A (Fully Refunded)	49,130
2015	Water and Sewer Utility Revenue Bonds Series 2009 A (Partially Refunded)	153,330
<b>Total</b>		<b>\$ 245,405</b>

## E. Pledged Revenues

The County issues bonds that are secured by a pledge of specific revenues. Total pledged revenues to repay the principal and interest of revenue bonds as of September 30, 2015, are as follows (in thousands):

### Governmental Activities:

Source of Revenue Pledged	Professional Sports Franchise Facilities Tax, Professional Sports Franchise Sales Tax Rebate, and the County Preferred Revenue Allocation	Half-Cent Sales Tax and Federal Direct Payments from Build America Bonds
Current Revenue Pledged	\$ 29,311	\$ 79,832
Current Year Debt Service	\$ 13,992	\$ 15,452
Total Future Revenue Pledged*	\$ 177,232	\$ 393,430
Description of Debt	Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2006 A & B	Half-Cent Sales Tax Revenue Bonds, Series 2010 A, B, & C
Purpose of Debt	To refund Civic Arena Bonds Series 1996	Financing the acquisition and construction of a new courthouse and related parking facility
Term of Commitment	2007-2028	2011-2041
Percentage of Debt Service to Pledged Revenues (Current Year)	47.7%	19.4%

### Business-type Activities:

Source of Revenue Pledged	Airport Net Revenues	Port Everglades Net Revenues	Water and Sewer Net Revenues
Current Revenue Pledged	\$ 115,696	\$ 73,191	\$ 64,740
Current Year Debt Service	\$ 68,871	\$ 32,068	\$ 40,597
Total Future Revenue Pledged*	\$ 2,580,785	\$ 293,775	\$ 802,210
Description of Debt	Airport System Revenue Bonds, issued 2001-2013	Port Facility Revenue Bonds, issued 2008-2011	Water and Sewer Utility Revenue Bonds, issued 2009-2015
Purpose of Debt	Improvement and Refunding	Improvement and Refunding	Improvement and Refunding
Term of Commitment	2001-2044	2008-2029	2009-2038
Percentage of Debt Service to Pledged Revenues (Current Year)	59.5%	43.8%	62.7%

\*Total future principal and interest payments

## F. Conduit Debt

## F. Conduit Debt

Two component units of the County, HeFA and HFA, are authorized to issue bonds to fulfill their corporate purposes. Bonds issued by HeFA and HFA shall not be deemed to constitute a debt of the HeFA, HFA, the County, or any political sub-division thereof. As of September 30, 2015, the total revenue bonds outstanding for HeFA are \$13,055,000 and HFA are \$292,927,000.

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

## NOTE 8 - INTERFUND BALANCES AND INTERFUND TRANSFERS

### Interfund Balances

Interfund balances at September 30, 2015, were as follows (in thousands):

Due To	Due From				Total
	General	Aviation	Port Everglades	Nonmajor Governmental	
General	\$	1,608		\$ 15,634	\$ 17,242
Sheriff Contractual Services		2,789	\$ 209		2,998
Capital Outlay Reserve				111	111
Nonmajor Governmental				2,103	2,103
Internal Service	\$ 9				9
<b>Total</b>	<b>\$ 9</b>	<b>\$ 4,397</b>	<b>\$ 209</b>	<b>\$ 17,848</b>	<b>\$ 22,463</b>

- The \$1,608,000 due to the General Fund from the Aviation Fund is for amounts due for permits related to various airport construction projects.
- The \$2,998,000 due to the Sheriff Contractual Services Fund from the Aviation Fund and the Port Everglades Fund is for police and fire protection services provided.
- \$5,428,000 of the \$15,634,000 due to the General Fund from the Nonmajor Governmental Funds is for amounts due to cover transit-related projects.
- \$3,173,000 of the amount due to the General Fund from the Nonmajor Governmental Funds is for the reimbursement of certain expenditures.
- \$6,952,000 of the \$15,634,000 due to the General Fund from the Nonmajor Governmental Funds and \$884,000 of the \$2,103,000 due to the Nonmajor Governmental Funds from other Nonmajor Governmental Funds are for temporary loans to cover negative cash.
- \$1,219,000 of the \$2,103,000 due to the Nonmajor Governmental Funds from other Nonmajor Governmental Funds is for amounts due to cover debt service payments.

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

## Interfund Transfers

Interfund transfers for the year ended September 30, 2015, were as follows (in thousands):

Transfer To	Transfer From									Total
	General	Sheriff Contractual Services	Capital Outlay Reserve	Aviation	Port Everglades	Water and Wastewater	Resource Recovery	Nonmajor Governmental	Nonmajor Enterprise	
General		\$ 14,667	\$ 2,030		\$ 25	\$ 828		\$ 58,924	\$ 5	\$ 76,479
Sheriff Contractual Services	\$ 2,879									2,879
Capital Outlay Reserve	28,846			\$ 5,160	5,532	4,694		3,072		47,304
Resource Recovery									100	100
Internal Service	44									44
Nonmajor Governmental	34,911	415	7,952					116,434		159,712
Enterprise	1,308		116				\$ 50,034			51,458
<b>Total</b>	<b>\$ 67,988</b>	<b>\$ 15,082</b>	<b>\$ 10,098</b>	<b>\$ 5,160</b>	<b>\$ 5,557</b>	<b>\$ 5,522</b>	<b>\$ 50,034</b>	<b>\$ 178,430</b>	<b>\$ 105</b>	<b>\$ 337,976</b>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Purposes of significant transfers made during the 2015 fiscal year are as follows:

- The transfer from the General Fund to the Capital Outlay Reserve Fund of \$28,846,000 was to fund general capital outlay projects.
- The transfer from the General Fund to the Nonmajor Governmental Funds of \$34,911,000 includes \$19,916,000 to establish the Tourist Development Tax Fund and \$13,115,000 to fund debt service payments on the Half Cent Sales Tax Revenue Bonds.
- Of the \$14,667,000 transferred from the Sheriff Contractual Services Fund to the General Fund, \$6,863,000 was funding for the other post employment benefits reserve and \$7,804,000 was for indirect costs charged to contract municipalities and other agencies.
- The transfer from the Resource Recovery Fund to the Nonmajor Enterprise Funds of \$50,034,000 was to close out the Resource Recovery Fund as all future activities related to the landfill will be recorded in the Solid Waste Fund.
- Of the \$58,923,000 transferred from the Nonmajor Governmental Funds to the General Fund, \$57,000,000 was funding for mass transit operations.
- The \$116,434,000 transfer from the Nonmajor Governmental Funds to the Nonmajor Governmental Funds includes \$26,809,000 to fund debt service payments on 2006 Professional Sports Facilities and Civic Arena Bonds, \$15,400,000 to fund Tourist Development activities, \$25,135,000 to establish the County Transportation Trust Fund, \$22,085,000 to fund transportation capital projects, and \$20,004,000 to fund Convention Center capital projects, .

## NOTE 9 - FUND BALANCES

The following schedule details the fund balances of the governmental funds as of September 30, 2015 (in thousands):

	MAJOR FUNDS				
		Sheriff Contractual Services	Capital Outlay Reserve	Nonmajor Governmental	Total Governmental Funds
Fund Balances:					
Nonspendable					
Inventories	\$	9,876		2,911	\$ 12,787
Prepaid Items		156	\$ 367	\$ 2,031	2,554
Total Nonspendable		10,032	367	4,942	15,341
Restricted for:					
E-911		25,477			25,477
Court Fee Funds		18,715			18,715
Equipment Modernization		537			537
Debt Service				20,688	20,688
Parks and Land Preservation			5,544	24,263	29,807
Beach Renourishment				69,014	69,014
Libraries				14,834	14,834
Transportation Capital Projects				163,868	163,868
Building and Improvements				24,369	24,369
Public Safety - Sheriff				10,590	10,590
Inmate Welfare - Sheriff				2,503	2,503
Total Restricted		44,729	5,544	330,129	380,402
Committed to:					
Park Open Space and Recreational			3,442		3,442
Public Art and Design			1,641		1,641
Public Safety			7,479	4,968	12,447
Air Quality and Pollution Recovery	1,468			1,191	2,659
Animal Care	671				671
Community Services				1,140	1,140
Transportation Capital Projects				7,740	7,740
Greater Fort Lauderdale Convention and Visitors Bureau				17,666	17,666
Water Control Districts				3,411	3,411
Law Library	873				873
Board of Rules and Appeals	2,134				2,134
Manatee Protection Plan	1,372				1,372
Municipal Lighting District	227				227
Community Redevelopment and Affordable Housing			20,423		20,423
Convention Center Capital Projects				27,465	27,465
Unincorporated Area Capital Projects				37,997	37,997
Park Improvements			17,021		17,021
Buildings and Improvements			233,073		233,073
Library Improvements			7,002		7,002
Other Capital Projects			9,756		9,756
Other Purposes	6,486				6,486
Total Committed	13,231		299,837	101,578	414,646

(continued)



Governmental fund balances in detail as of September 30, 2015, (in thousands) continued:

	MAJOR FUNDS				
	General	Sheriff Contractual Services	Capital Outlay Reserve	Nonmajor Governmental	Total Governmental Funds
Assigned to:					
Emergencies and Cash Flow	\$ 106,000				\$ 106,000
Fuel Increase	3,000				3,000
Future Capital Projects	7,741				7,741
Courthouse	2,950				2,950
Sheriff	1,465	\$ 12,590			14,055
Other Post Employment Benefits	60,032				60,032
FRS Increases	3,100				3,100
Economic Development Initiatives	20,850				20,850
Dispatch Services	2,966				2,966
Future Debt Service	4,100				4,100
Municipal Service District	7,440				7,440
Building Code Services	5,700				5,700
Mass Transit - Operating	16,196				16,196
Central Examining Board	3,585				3,585
Grant Match	1,000				1,000
Other Purposes	12,636				12,636
Subsequent Year's Budget	52,485				52,485
Total Assigned	311,246	12,590			323,836
Unassigned	27,031				27,031
Total Fund Balances	\$ 406,269	\$ 12,590	\$ 305,748	\$ 436,644	\$ 1,161,256

## NOTE 10 - RISK MANAGEMENT

The County is exposed to various risks and losses related to alleged torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For its self-insured workers' compensation exposure, the County purchases excess coverage above a \$1,500,000 retention limit and pays any claims below the retention from its Self-Insurance Fund. Mass transit liability, auto liability, medical malpractice, and general liability are entirely self-insured, with the County providing coverage up to the statutory limits of \$200,000 per person and \$300,000 per occurrence. On January 1, 2015, the County entered into a contract with Humana to provide for employee health insurance through a self-insurance program with Humana as a third party payer. The County has also purchased stop-loss coverage for the group medical and pharmacy plan with a specific deductible of \$400,000. The County (through the Self-Insurance Fund) purchases commercial insurance for airport liability, seaport liability, property coverage, and numerous smaller policies that are required by lease agreements, union contracts, state statutes, etc. Settled claims have not exceeded this commercial coverage in the past three years.

The Sheriff's Office is a constitutionally separate office from the County which operates its own Self-Insurance Program for law enforcement, auto, and workers' compensation liability risks. The Sheriff provides coverage up to the statutory limits of \$200,000 per person and \$300,000 per occurrence. Excess coverage for losses up to \$2,500,000 per occurrence is provided through commercial coverage. Settled claims have not exceeded this commercial coverage in the past three years.

Funds participating in the Self-Insurance Program make payments to the Self-Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and fund reserves for all losses. Participating funds are indemnified against any losses in a given year in excess of the fees charged. Fees charged are expensed as incurred in all funds. The estimated liabilities for self-insured losses were determined by independent actuarial valuations performed as of September 30, 2015. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The claims liability estimates also include amounts for incremental adjustment expenses as well as estimated recoveries from salvage or subrogation. The claims liability is based on an estimate, and the ultimate settlement of the claims may differ from the amounts recorded.

Changes in the Program's claims liability amount in fiscal year 2015 and 2014 were as follows (in thousands):

<i>Insurance Type</i>	<i>Balance October 1, 2014</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Liability Claims Payments</i>	<i>Balance September 30, 2015</i>
Workers' Compensation				
County	\$ 23,743	\$ 5,867	\$ (4,658)	\$ 24,952
BSO	48,102	10,052	(11,351)	46,803
Law Enforcement and Auto Liability - BSO	15,261	3,645	(3,957)	14,949
General Liability and Other - County	7,793	2,662	(2,420)	8,035
Health Insurance - County		48,871	(46,108)	2,763
<b>Total</b>	<b>\$ 94,899</b>	<b>\$ 71,097</b>	<b>\$ (68,494)</b>	<b>\$ 97,502</b>

<i>Insurance Type</i>	<i>Balance October 1, 2013</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Liability Claims Payments</i>	<i>Balance September 30, 2014</i>
Workers' Compensation				
County	\$ 22,588	\$ 7,741	\$ (6,586)	\$ 23,743
BSO	52,194	6,959	(11,051)	48,102
Law Enforcement and Auto Liability - BSO	16,644	1,816	(3,199)	15,261
General Liability and Other - County	7,752	1,634	(1,593)	7,793
<b>Total</b>	<b>\$ 99,178</b>	<b>\$ 18,150</b>	<b>\$ (22,429)</b>	<b>\$ 94,899</b>

## NOTE 11 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

At September 30, 2015, the County estimates that the cost of permanently capping and maintaining its landfills in accordance with existing regulations will be \$41,196,000. Of this amount, the County has accrued a landfill closure and post-closure care liability of \$22,132,000 based on the use of the estimated capacity of the landfills. The County will recognize the remaining estimated cost of closure and post-closure care of \$19,064,000 as the remaining estimated capacity is filled. The total liability is included in noncurrent liabilities on the Proprietary Funds Statement of Net Position.

The County's three landfills are the Davie landfill, which has been closed and is now Vista View Park, the Southwest Regional (interim contingency) landfill and the Resource Recovery landfill (Ash Monofill). A summary of the landfill account liabilities is as follows (dollars in thousands):

	<i>Davie Landfill</i>	<i>Southwest Regional (Interim Contingency ) Landfill</i>	<i>Resource Recovery Landfill</i>
Liability 9/30/15	\$	\$ 10,756	\$ 11,376
Estimated Obligation Remaining to be Recognized	\$	\$ 12,249	\$ 6,815
Estimated Remaining Life of Landfill (in Years)	N/A-closed	24.7	10
Capacity Used to Date	100%	62%	74%

The \$41,196,000 cost estimate was determined by the County's consulting engineers. However, existing regulations may change which may require the County to incur additional closure and post-closure costs. The cost estimate, which pertains only to the permitted portions of each landfill, does not include contingent liabilities, including but not limited to landfill-related environmental conditions caused by storm events. The cost estimate also does not include required landfill care and maintenance for the period beyond thirty years after landfill closure.

The County is required by state laws and regulations to make annual deposits to finance closure and post-closure care costs. At September 30, 2015, cash and investments of \$29,984,000 are held for these purposes and are reported as restricted assets on the Proprietary Funds Statement of Net Position. The County expects that future inflation costs will be paid from interest earnings on these annual deposits. However, if interest earnings are inadequate or additional closure or postclosure care requirements are determined; these costs may need to be covered by charges to future landfill users.

## **NOTE 12 - LARGE USER AGREEMENTS**

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

## **NOTE 13 - RETIREMENT PLANS**

All of the County's eligible employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the Pension Plan and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) alternative to the Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Florida Legislature establishes and may amend the contribution requirements and benefit terms of all FRS plans.

The plan administrator for FRS prepares and publishes its own stand-alone comprehensive annual financial report, including financial statements and required supplementary information. Copies of this report can be obtained from the Department of Management Services, Division of Retirement, Bureau of Research and Member Communications, P.O. Box 9000, Tallahassee, Florida 32315-9000; or at the Division's website ([www.frs.myflorida.com](http://www.frs.myflorida.com)).

### **A. Pension Plan**

*Plan Description* - The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

The general classes of membership for the County are as follows:

- Regular Class - Members of the FRS who do not qualify for membership in the other classes.
- Senior Management Service Class (SMSC) - Members in senior management level positions.
- Special Risk Class - Members who are employed as law enforcement officers and firefighters and other specified positions which qualify for this class.
- Elected Officers' Class (EOC) - Members who hold specified elected offices of local government.

Employees enrolled in the Pension Plan prior to July 1, 2011, vest after six years of creditable service, and employees enrolled in the Pension Plan on or after July 1, 2011, vest after eight years of creditable service. Regular Class, SMSC, and EOC members initially enrolled in the Pension Plan before July 1, 2011, once vested, are eligible for normal retirement benefits at age 62 or at any age after 30 years of creditable service. Members in these classes initially enrolled in the Pension Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Special Risk members initially enrolled in the Pension Plan before July 1, 2011, once vested, are eligible for normal retirement benefits at age 55 or at any age after 25 years of creditable service. Members in these classes initially enrolled in the Pension Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 60 or any age after 30 years of creditable service. Early retirement may be taken any time after vesting within 20 years of normal retirement age, however, there is a 5.0% benefit reduction for each year prior to the normal retirement age.

DROP is available under the Pension Plan when the member first reaches eligibility for normal retirement. The DROP allows a member to retire while continuing employment for up to 60 months. While in the DROP, the member's retirement benefits accumulate in the FRS Trust Fund increased by a cost-of-living adjustment each July, and earn monthly interest equivalent to an annual rate of 1.30%. DROP participants with an effective DROP commencement date before July 1, 2011, earn monthly interest equivalent to an annual rate of 6.50%.

*Benefits Provided* - Benefits under the Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned. The following chart shows the percentage value for each year of service credit earned.

<b>Class, Initial Enrollment, and Retirement Age/Years of Service</b>	<b>% Value (Per Year of Service)</b>
<b>Regular Class Members Initially Enrolled Before July 1, 2011</b>	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%
<b>Regular Class Members Initially Enrolled On or After July 1, 2011</b>	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%
<b>Senior Management Service Class</b>	2.00%
<b>Special Risk Class</b>	
Service from December 1, 1970, through September 30, 1974	2.00%
Service on or after October 1, 1974	3.00%
<b>Elected Officers' Class</b>	
Service as elected county officer	3.00%

The benefits received by retirees and beneficiaries are increased by a cost-of-living adjustment (COLA) each July. If the member was initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before that time, the annual COLA is 3.0% per year. The annual COLA for retirees with an effective retirement date or DROP date beginning on or after August 1, 2011, who were initially enrolled before July 1, 2011, is a proportion of 3.0% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3.0%. Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

*Contributions* - Effective July 1, 2011, all enrolled members of the Pension Plan, other than DROP participants, are required to contribute 3.0% of their salary to the Pension Plan. In addition to member contributions, governmental employers are required to make contributions to the Pension Plan based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from July 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively, were as follows: Regular - 6.07% and 5.56%; Senior Management Service - 19.84% and 19.73%; Special Risk - 18.52% and 20.34%; Elected Officers' - 41.94% and 40.57%; and DROP participants - 11.02% and 11.64%. These employer contribution rates do not include the HIS Plan contribution rate and the administrative cost assessment.

For the fiscal year ending September 30, 2015, contributions, including employee contributions of \$6.808 million, to the Pension Plan for the County, excluding the Broward Sheriff's Office (BSO), totaled \$25.325 million. For the fiscal year ending September 30, 2015, BSO contributions, including employee contributions of \$8.922 million totaled \$58.526 million.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2015, the County reported a liability of \$383.517 million for its proportionate share of the Pension Plan's net pension liability. Of this amount, \$109.219 million was for the County, excluding BSO, and \$274.298 million was for BSO. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The County's and BSO's proportionate share of the net pension liability was based on the County's and BSO's 2014-2015 fiscal year contributions relative to the 2014-2015 fiscal year contributions of all participating members. At June 30, 2015, the County's proportionate share excluding BSO was 0.84559%, and BSO's proportionate share was 2.12365%. The proportionate share for the County and BSO at June 30, 2015 as compared to June 30, 2014 was a decrease of 0.00415% and an increase of 0.00383%, respectively.

For the fiscal year ended September 30, 2015, the County recognized pension expense of \$7.350 million for the County, excluding BSO, and \$9.128 million for BSO. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to the Pension Plan from the following sources (in thousands):

	<b>County, Excluding BSO</b>		<b>BSO</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 11,530	\$ (2,591)	\$ 28,958	\$ (6,505)
Change of Assumptions	7,249		18,206	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		(26,079)		(65,498)
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	6,479	(813)	502	(30,818)
Pension Plan Contributions Subsequent to the Measurement Date	4,386		15,028	
<b>Total</b>	<b>\$ 29,644</b>	<b>\$ (29,483)</b>	<b>\$ 62,694</b>	<b>\$ (102,821)</b>

The deferred outflows of resources related to the Pension Plan, totaling \$4.386 million for the County, excluding BSO, and \$15.028 million for BSO, resulting from contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows (in thousands):

<b>Years Ending September 30</b>	<b>County, Excluding BSO</b>		<b>BSO</b>
2016	\$	(7,298)	\$ (28,771)
2017		(7,298)	(28,771)
2018		(7,298)	(28,771)
2019		14,218	25,266
2020		2,831	4,224
Thereafter		620	1,668
<b>Total</b>	<b>\$</b>	<b>(4,225)</b>	<b>\$ (55,155)</b>

*Actuarial Assumptions* - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.60%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	7.65%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013. The assumptions used in this valuation were unchanged from those used in the prior valuation as of July 1, 2014.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation*</b>	<b>Annual Arithmetic Return</b>	<b>Compound Annual (Geometric) Return</b>	<b>Standard Deviation</b>
Cash	1.0%	3.2%	3.1%	1.7%
Fixed Income	18.0%	4.8%	4.7%	7.0%
Global Equity	53.0%	8.5%	7.2%	17.7%
Real Estate (Property)	10.0%	6.8%	6.2%	12.0%
Private Equity	6.0%	11.9%	8.2%	30.0%
Strategic Investments	12.0%	6.7%	6.1%	11.4%
Assumed Inflation - Mean		2.6%		1.9%

\*As outlined in the Pension Plan's investment policy.

*Discount Rate* - The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at the statutorily required rates. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

*Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate* - The following represents the County's, excluding BSO, and BSO's proportionate shares of the net pension liability calculated using the discount rate of 7.65%, as well as what the proportionate shares of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.65%) or one percentage point higher (8.65%) than the current rate (dollars in thousands):

	<b>County, Excluding BSO</b>			<b>BSO</b>		
	1%	Current	1%	1%	Current	1%
	Decrease	Discount	Increase	Decrease	Discount	Increase
	6.65%	Rate 7.65%	8.65%	6.65%	Rate 7.65%	8.65%
Proportional Share of the Net Pension Liability	\$ 283,011	\$ 109,219	\$ (35,405)	\$ 710,768	\$ 274,298	\$ (88,916)

*Pension Plan Fiduciary Net Position* - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

*Payables to the Pension Plan* - At September 30, 2015, the County, excluding BSO, and BSO, reported payables in the amounts of \$1.378 million and \$3.993 million, respectively, for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2015.

## **B. HIS Plan**

*Plan Description* - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

*Benefits Provided* - For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

*Contributions* - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. The employer contributions are a percentage of gross compensation for all active FRS members. The employer contribution rates for the period from July 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015 were 1.26% and 1.66%, respectively. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

For the fiscal year ending September 30, 2015, contributions to the HIS Plan for the County, excluding BSO, and BSO totaled \$3.513 million and \$4.634 million, respectively.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* - At September 30, 2015, the County reported a liability of \$240.089 million for its proportionate share of the HIS Plan's net pension liability. Of this amount \$106.659 million was for the County, excluding BSO, and \$133.430 million was for BSO. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. Liabilities originally calculated as of the actuarial valuation date have been recalculated as of June 30, 2015 using a standard actuarial roll-forward technique. The County's and BSO's proportionate share of the net pension liability was based on the County's and BSO's 2014-2015 fiscal year contributions relative to the 2014-2015 fiscal year contributions of all participating members. At June 30, 2015, the County's proportionate share excluding BSO was 1.04583% and BSO's proportionate share was 1.30834%. The proportionate share for the County and BSO at June 30, 2015 as compared to June 30, 2014 was a decrease of 0.00388% and an increase of 0.01654%, respectively.

For the fiscal year ended September 30, 2015, the County recognized pension expense of \$6.964 million for the County, excluding BSO, and \$9.492 million for BSO. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources (in thousands):

	<b>County, Excluding BSO</b>		<b>BSO</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience				
Change of Assumptions	\$ 8,391		\$ 10,498	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	59		72	
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	30	\$ (1,098)	2,110	
Pension Plan Contributions Subsequent to the Measurement Date	1,204		1,770	
<b>Total</b>	<b>\$ 9,684</b>	<b>\$ (1,098)</b>	<b>\$ 14,450</b>	<b>\$ -</b>

The deferred outflows of resources related to the HIS Plan, totaling \$1.204 million for the County, excluding BSO, and \$1.770 million for BSO, resulting from contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows (in thousands):

<b>Years Ending September 30</b>	<b>County, Excluding BSO</b>		<b>BSO</b>	
2016	\$	1,265	\$	2,194
2017		1,265		2,194
2018		1,265		2,194
2019		1,254		2,179
2020		1,248		2,172
Thereafter		1,085		1,747
<b>Total</b>	<b>\$</b>	<b>7,382</b>	<b>\$</b>	<b>12,680</b>

*Actuarial Assumptions* - Actuarial valuations for the HIS plan are conducted biennially. The July 1, 2014 HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for June 30, 2015. Liabilities originally calculated as of the actuarial valuation date have been recalculated as of June 30, 2015 using a standard actuarial roll-forward technique. The total pension liability as of June 30, 2015 was determined using the following actuarial assumptions:

Inflation	2.60%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	3.80%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions that determined the total pension liability as of June 30, 2015 were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.



**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2015 was 3.80%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2014 valuation was updated from 4.29% to 3.80%, reflecting the change in the Bond Buyer General Obligation 20- Bond Municipal Bond Index as of June 30, 2015.

**Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate** - The following represents the County's, excluding BSO, and BSO's proportionate shares of the net pension liability calculated using the discount rate of 3.80%, as well as what the proportionate shares of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.80%) or one percentage point higher (4.80%) than the current rate (dollars in thousands):

	<b>County, Excluding BSO</b>			<b>BSO</b>		
	Current			Current		
	1%	Discount	1%	1%	Discount	1%
	Decrease	Rate	Increase	Decrease	Rate	Increase
	2.80%	3.80%	4.80%	2.80%	3.80%	4.80%
Proportional Share of the Net Pension Liability	\$ 121,532	\$ 106,659	\$ 94,256	\$ 152,037	\$ 133,430	\$ 117,914

**Pension Plan Fiduciary Net Position** - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

**Payables to the HIS Plan** - At September 30, 2015, the County, excluding BSO, and BSO, reported payables in the amounts of \$335,930 and \$428,530, respectively, for outstanding contributions to the HIS plan required for the fiscal year ended September 30, 2015.

### C. Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the defined benefit pension plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida State Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Effective July 1, 2012, allocations to the investment member's accounts, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Senior Management Service class 7.67%, Special Risk class 14.0%, and Elected Officers' class 11.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2015, the

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Investment Plan pension expense for the County, excluding BSO, and BSO totaled \$4.460 million and \$9.408 million, respectively, for the fiscal year ended September 30, 2015.

At September 30, 2015, the County, excluding BSO, and BSO, reported payables in the amounts of \$382,271 and \$745,063, respectively, for outstanding contributions to the Investment Plan required for the fiscal year ended September 30, 2015.

## **NOTE 14 - OTHER POST EMPLOYMENT BENEFITS (OPEB)**

### **Plan Description**

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

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

The County makes no direct contribution to the County plan. Retirees and their beneficiaries pay the same group rates as are charged to the County for active employees. The County's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits in the same manner as the BSO actuaries.

BSO retirees and their beneficiaries pay the same blended rates as active employees. However, BSO provides a discount of 2% for each year of service with BSO up to 50% of the blended rates if retirees and their beneficiaries meet certain qualifications and if the retiree was hired prior to October 1, 2007. BSO also pays 100% of the premiums for line-of-duty disabled retirees.

BSO makes no advance funding contributions to the plan; rather, it pays the discounts for retirees and their beneficiaries when due. In addition, the actuaries calculate an offset to the cost of these benefits that it includes in the Employer Contributions. This offset equals the total age-adjusted costs paid by BSO or its active employees for coverage of the retirees and their dependents for the year, net of the retirees' own payments for the year. Cumulatively, the County has set aside a reserve for future plan costs of \$55.28 million, including \$9.46 million during fiscal year 2015. The reserve balance also includes accumulated interest of \$1.81 million. The County intends to set aside additional funds for this purpose when available in the future. However, the County did not establish an irrevocable trust fund, so these amounts are not considered as plan "funding" under the definitions of GASB Statement No. 45, *"Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions."*

OPEB costs for each plan are 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 costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The annual OPEB cost for the County and BSO for the current year and related information for each plan are as follows (in thousands):

	<b>County</b>		<b>BSO</b>	
Required Contribution Rates:				
Employer	Pay-as-you-go		Pay-as-you-go	
Active Plan Members	N/A		N/A	
Annual Required Contribution	\$	2,426	\$	19,789
Interest on Net OPEB Obligation		558		3,437
Adjustment to Annual Required Contribution		(630)		(3,170)
Annual OPEB Cost		2,354		20,056
Contributions Made		(1,187)		(10,528)
Increase in Net OPEB Obligation		1,167		9,528
Net OPEB Obligation - Beginning of Year		14,866		91,649
Net OPEB Obligation - End of Year	\$	16,033	\$	101,177

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015, 2014, and 2013 for each of the plans were as follows (dollars in thousands):

	<b>County</b>			<b>BSO</b>		
Fiscal Year Ended	9/30/2015	9/30/2014	9/30/2013	9/30/2015	9/30/2014	9/30/2013
Annual OPEB Cost	\$ 2,354	\$ 2,263	\$ 2,542	\$ 20,056	\$ 19,522	\$ 20,960
Percentage of OPEB Cost Contributed	52.45%	48.30%	48.50%	52.50%	49.10%	47.20%
Net OPEB Obligation	\$ 16,033	\$ 14,866	\$ 13,696	\$ 101,177	\$ 91,649	\$ 81,722

#### Funded Status and Funding Progress

The funded status of the plans as of October 1, 2013, the date of the latest actuarial valuation, was as follows (dollars in thousands):

	<b>County</b>	<b>BSO</b>
Actuarial Accrued Liability	\$ 25,389	\$ 252,946
Actuarial Value of Plan Assets	-	-
Unfunded Actuarial Accrued Liability	\$ 25,389	\$ 252,946
Funded Ratio	0.00%	0.00%
Covered Payroll	\$ 242,246	\$ 315,753
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	10.48%	80.11%

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

## Actuarial Methods and Assumptions

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

	<b>County</b>	<b>BSO</b>
Actuarial Valuation Date	10/1/2013	10/1/2013
Actuarial Cost Method	Entry age	Entry age
Amortization Method	Level percent, closed	Level percent, open
Remaining Amortization Period	23 years	30 years
Asset Valuation Method	Unfunded	Unfunded
Actuarial Assumptions:		
Investment Rate of Return*	3.75%	3.75%
Projected Salary Increases*	4.0%-8.38%	4.5%-9.5%
Healthcare Cost Trend Rate	8.5% initial; 4.5% ultimate	8.5% initial; 4.5% ultimate

\*Includes 3.0% general inflation rate for Broward County Employees and 3.25% for Broward Sheriff Employees.

## NOTE 15 - COMMITMENTS AND CONTINGENT LIABILITIES

A lawsuit has been filed on behalf of a class of taxicabs and luxury sedan operators, who claim that the County has unconstitutionally taken their property through the County's 2015 regulation of for-hire-transportation services including transportation network companies. The lawsuit asserts damages in excess of \$150 million. If preliminary motions do not dispose the case, trial in the matter is scheduled for March 2017.

A claim for approximately \$13.2 million has been submitted by a contractor to the County related to the construction of the new courthouse. There are material issues with the validity of the claim and there are entities other than the County that would be responsible if portions of the claim were found to be valid.

Claims have been submitted by contractors to the County related to the runway construction, improvements to security screening check points and Taxiway C construction at the Fort Lauderdale-Hollywood International Airport. Additionally, three lawsuits were filed regarding the expansion of the south runway of the Fort Lauderdale-Hollywood International Airport. Two of those lawsuits purport to state claims for unconstitutional takings under the Florida Constitution on behalf of individuals who reside in close proximity to the south runway. The third purports to state a class action in federal court against the County for due process violation claims under the United States and Florida Constitutions and negligence, and claims against numerous airlines for unjust enrichment and civil trespass. The County has filed answers and affirmative defenses and is conducting discovery in the two state law cases, and has filed a motion to dismiss in the third action. In addition, thirty-one claims were filed with the County under the Bert J. Harris Private Property Rights Protection Act ("Bert Harris Act"), Florida Statutes Section 70.001. Most of the claimants under the Bert Harris Act are also named plaintiffs in the two state law cases. The County has responded to all of the Bert Harris Act claims denying any claim for relief above and beyond what was previously offered to qualifying residents through an Interlocal Agreement with the City of Dania Beach pre-dating the lawsuits.

The County is also currently engaged in various lawsuits including cases where the redress sought is for other than monetary damages, i.e., mandamus, injunction, and declaratory relief, as well as cases for which the County has insurance or is named as a nominal defendant.

The County will continue to vigorously defend all claims. The Office of the County Attorney is of the opinion that the possible exposure resulting from the outcome of the claims would not have a material adverse economic effect on the County.

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

The County leases office facilities and equipment under various leases, most of which have been executed on a year-to-year basis. Rental expenses for equipment leases and office facilities for the year ended September 30, 2015, amounted to \$8,898,000. Future commitments under operating leases at September 30, 2015, are as follows (in thousands):

<b>Years Ending September 30</b>		
2016	\$	7,402
2017		6,374
2018		4,696
2019		3,374
2020		1,856
2021-2025		1,579
2026-2030		1,487
2031-2035		1,479
2036-2040		382
2041-2043		168
<b>Total</b>	<b>\$</b>	<b>28,797</b>

The County has entered into annexation agreements that provide a commitment by the County to fund certain improvements on the annexed properties as the improvements occur.

The County's encumbrance policy is for fiscal year end individual encumbrances exceeding \$500,000 to be considered significant encumbrances. All encumbrances are classified as Restricted, Committed, or Assigned fund balance in the governmental funds.

Significant encumbrances as of September 30, 2015, were (in thousands):

	<i>General Fund</i>	<i>Capital Outlay Reserve</i>	<i>Nonmajor Governmental</i>	<i>Total</i>
<b>Buildings and Improvements</b>				
Broward Addiction Recovery Center		\$ 18,741		\$ 18,741
Family Court House		14,900		14,900
General Government Facilities		1,543		1,543
Libraries			\$ 6,752	6,752
Main Court House			18,144	18,144
Main Jail		1,460		1,460
Nancy J. Cotterman Center		614		614
South Animal Care Facility		13,508		13,508
Other Court House Projects			1,429	1,429
<b>Equipment</b>				
911 Emergency Dispatch Services	\$ 522			522
Enterprise Resource Planning Project		1,781		1,781
Public Safety Radio Communications	616			616
Telecommunications		2,743		2,743
<b>Engineering Road Projects</b>				
Road Improvements			6,480	6,480
Traffic Signals			12,451	12,451
<b>Neighborhood Improvements Projects</b>				
Broadview Estates			1,680	1,680
<b>Beach Renourishment Projects</b>				
Broward Shore Protection Project			1,810	1,810
Port Everglades Inlet Sand Mgmt. Feasibility Study			1,472	1,472
<b>Mass Transit Projects</b>				
Buses			9,049	9,049
Transit Facilities			5,625	5,625
Other Transit Projects			4,130	4,130
<b>Total</b>	<b>\$ 1,138</b>	<b>\$ 55,290</b>	<b>\$ 69,022</b>	<b>\$ 125,450</b>

## **NOTE 16 - SUBSEQUENT EVENTS**

On November 16, 2015, the County issued \$426,315,000 in Airport System Revenue Bonds, Series 2015A (AMT) with interest rates ranging from 2.0% to 5.0%, \$9,575,000 in Airport System Revenue Bonds, Series 2015B (Non-AMT) with an interest rate of 5.0%, and \$46,305,000 in Airport System Revenue Refunding Bonds, Series 2015C (AMT) with interest rates ranging from 2.0% to 5.0%, with a combined premium of \$56,813,000 resulting in combined true interest rate of 4.01%. The Series 2015A and Series 2015B Bonds were issued to provide funding for terminal renovation and expansion projects and related airport improvement projects, fund the reserve account to satisfy the reserve requirements, and pay the underwriters' discount and certain other costs of issuance. The Series 2015C Bonds were issued to advance refund \$52,915,000 of Series 2004L Bonds, which had interest rates ranging from 4.0% to 5.0%. The net proceeds of \$53,241,000 (consisting of the par amount of \$46,305,000, plus original issue premium of \$6,656,000, plus \$521,000 accumulated in the Aviation Fund relating to the refunded bonds and after the payment of underwriting fees and other issuance costs of \$241,000), were deposited in an irrevocable trust with an escrow agent to provide funds for the debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position.

The County completed the advance refunding to reduce its total debt service payment over the next twelve years by \$10,459,000, which represents an economic gain (the difference between the present values of the old and new debt service payments) of \$8,335,000.

## Required Supplementary Information

### *Duende*



Broward County's yearlong centennial celebration culminated with a weekend of spectacular events known as *Duende*. Activities began with a showcase of Broward-based dancers and street performers who transformed the downtown area with music performances, art and dance. Three stages between the Broward Center for the Performing Arts and Himmarshee Village came to life as over 300 artists performed. Families enjoyed youth performances at the Amaturo Theater and a Petting Zoo, along with collaborative mural and costume making at Esplanade Park. In addition to an ArtsPark movie, families also enjoyed some of the greatest local bands at the Pompano Beach Amphitheater.

The highlight and grand finale of the weekend was the Saturday night performance of "*WE...The Passion & Rhythm of the People*," a theatrical presentation directed and produced by Broadway Director and Cirque Dreams founder Neil Goldberg. The production, which was performed at the Broward Center for the Performing Arts, was created especially for Broward's centennial celebration. More than 100 of the most talented local artists and performers performed along with Broadway legend and recording powerhouse, Linda Eder and Grammy award-winning star, Jon Secada.



Broward County's Centennial Celebration

# GENERAL FUND

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

### Budget and Actual

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>Original Budgeted Amounts</i>	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance With Final Budget Positive (Negative)</i>
Revenues:				
Taxes (Net of Discounts)	\$ 758,235	\$ 758,235	\$ 722,747	\$ (35,488)
Special Assessment/Impact Fees			6	6
Licenses and Permits	18,200	18,381	19,881	1,500
Federal Grants			253	253
State Revenues:				
Revenue Sharing	35,877	35,877	38,343	2,466
Grants	15,322	15,322	13,488	(1,834)
One-Half Cent Sales Tax	60,620	60,620	62,163	1,543
Other	384	384	371	(13)
Charges for Services	119,394	118,415	119,390	975
Fines and Forfeitures	13,464	13,464	12,082	(1,382)
Interest Income	3,096	3,096	4,966	1,870
Miscellaneous	18,951	22,823	19,395	(3,428)
Subtotal	1,043,543	1,046,617	1,013,085	(33,532)
Less 5% of Anticipated Revenue	(50,266)	(50,266)		50,266
Total Revenues	993,277	996,351	1,013,085	16,734
Expenditures:				
Current:				
General Government				
County Commission	13,896	14,163	13,214	949
Property Appraiser	18,890	19,655	19,457	198
Supervisor of Elections	14,044	14,044	12,829	1,215
County Administrator	5,046	6,243	4,910	1,333
Office of Management and Budget	50,948	57,545	43,265	14,280
Governmental Relations	4,769	4,967	4,761	206
Finance and Administrative Services	59,119	61,693	57,895	3,798
Boards and Other Agencies	5,162	5,225	4,521	704
Judicial	7,793	9,134	7,118	2,016
Environmental Protection and Growth Management	13,821	14,345	12,013	2,332
Public Works - Administration	36,721	52,365	35,199	17,166
Total General Government	230,209	259,379	215,182	44,197
Public Safety				
Sheriff	448,946	471,808	441,365	30,443
County Administration	11,422	19,377	12,471	6,906
Boards and Other Agencies - Medical Examiner and Trauma Services	5,789	5,857	5,627	230
Human Services - Driver Education	950	1,034	1,060	(26)
Environmental Protection and Growth Management - Consumer Affairs	2,315	2,575	1,974	601
Public Works - Detention and Correction Facilities	107	107	123	(16)
Public Works - Facilities Improvements	290	288	250	38
Public Works - School Guard	33	33	26	7
Total Public Safety	469,852	501,079	462,896	38,183
Transportation				
Transit	129,410	129,410	121,191	8,219
Public Works - Road and Street Facilities	170	170	175	(5)
Total Transportation	\$ 129,580	\$ 129,580	\$ 121,366	\$ 8,214

(continued)



# GENERAL FUND

## Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual, continued

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>Original Budgeted Amounts</i>	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance With Final Budget Positive (Negative)</i>
Human Services				
Human Services - Children, Homeless and Health Care Services, Elderly and Veteran Services, Family Success	\$ 83,853	\$ 88,142	\$ 81,461	\$ 6,681
Environmental Protection and Growth Management - Animal Care	5,538	5,758	5,707	51
Judicial - Legal Aid	1,153	1,153	1,153	
Public Works - Mosquito Control	1,237	1,251	1,184	67
Total Human Services	91,781	96,304	89,505	6,799
Culture and Recreation				
Libraries, Parks, and Cultural	101,385	104,148	99,296	4,852
Public Works - Libraries, Parks and Recreation	434	441	428	13
Total Culture and Recreation	101,819	104,589	99,724	4,865
Physical Environment				
Environmental Protection and Growth Management	12,290	13,660	11,943	1,717
Public Works - Administration		58	58	
Total Physical Environment	12,290	13,718	12,001	1,717
Economic Environment				
Environmental Protection and Growth Management - Housing Finance and Community Development	179	181	168	13
Office of Economic Development	2,532	2,803	2,368	435
Office of Equal Opportunity	1,828	1,843	1,635	208
Human Services - Veteran's Services	534	547	533	14
Public Works - Administration		8	8	
Total Economic Environment	5,073	5,382	4,712	670
Debt Service:				
Principal Retirement		536	536	
Interest and Fiscal Charges		89	89	
Total Debt Service		625	625	
Total Expenditures	1,040,604	1,110,656	1,006,011	104,645
Excess (Deficiency) of Revenues Over Expenditures	(47,327)	(114,305)	7,074	121,379
Other Financing Sources (Uses):				
Transfers In	65,579	69,616	76,479	6,863
Transfers Out	(45,660)	(70,442)	(67,988)	2,454
Total Other Financing Sources (Uses)	19,919	(826)	8,491	9,317
Net Change in Fund Balance	(27,408)	(115,131)	15,565	130,696
Fund Balance - Beginning	221,920	323,306	389,794	66,488
Changes in Fund Balance for Inventory and Prepaid Items			910	910
<b>Fund Balance - Ending</b>	<b>\$ 194,512</b>	<b>\$ 208,175</b>	<b>\$ 406,269</b>	<b>\$ 198,094</b>

**SHERIFF CONTRACTUAL SERVICES FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>Original Budgeted Amounts</i>	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance With Final Budget Positive (Negative)</i>
Revenues:				
Taxes (Net of Discounts)	\$ 1,800	\$ 1,800	\$ 1,742	\$ (58)
Special Assessment/Impact Fees	1,104	1,104	1,078	(26)
State Revenues:				
One-Half Cent Sales Tax	620	620	633	13
Charges for Services	285,021	285,166	284,081	(1,085)
Interest Income			(207)	(207)
Miscellaneous	2,418	2,918	3,023	105
Subtotal	290,963	291,608	290,350	(1,258)
Less 5% of Anticipated Revenue	(233)	(233)		233
Total Revenues	290,730	291,375	290,350	(1,025)
Expenditures:				
Current:				
Public Safety				
Sheriff	275,521	277,023	270,584	6,439
Capital Outlay	5,948	7,598	7,027	571
Total Expenditures	281,469	284,621	277,611	7,010
Excess (Deficiency) of Revenues Over Expenditures	9,261	6,754	12,739	5,985
Other Financing Sources (Uses):				
Transfers In	2,005	2,877	2,879	2
Transfers Out	(8,223)	(15,082)	(15,082)	
Total Other Financing Sources (Uses)	(6,218)	(12,205)	(12,203)	2
Net Change in Fund Balance	3,043	(5,451)	536	5,987
Fund Balance - Beginning	273	12,044	12,054	10
<b>Fund Balance - Ending</b>	<b>\$ 3,316</b>	<b>\$ 6,593</b>	<b>\$ 12,590</b>	<b>\$ 5,997</b>

## FLORIDA RETIREMENT SYSTEM PENSION PLAN (I)

### Schedule of the Proportionate Share of the Net Pension Liability

Last Ten Fiscal Years  
(Dollars In Thousands)

	County, Excluding BSO		BSO	
	2015	2014	2015	2014
Proportion of the Net Pension Liability	0.84559%	0.84974%	2.12365%	2.11982%
Proportionate Share of the Net Pension Liability	\$ 109,219	\$ 51,846	\$ 274,298	\$ 129,340
Covered-Employee Payroll	\$ 265,152	\$ 261,215	\$ 359,985	\$ 346,484
Proportionate Share of the Net Pension Liability as a Percentage of Its Covered-Employee Payroll	41.19%	19.85%	76.20%	37.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.00%	96.09%	92.00%	96.09%

Note: The information in this schedule is not required to be presented retroactively. Therefore, years will be added to this schedule in future fiscal years until ten years of information are available.

(I) The amounts presented for each fiscal year were determined as of June 30.

## FLORIDA RETIREMENT SYSTEM PENSION PLAN (I)

### Schedule of Contributions

Last Ten Fiscal Years  
(Dollars In Thousands)

	County, Excluding BSO		BSO	
	2015	2014	2015	2014
Contractually Required Contribution	\$ 18,517	\$ 17,908	\$ 49,604	\$ 46,213
Contributions in Relation to the Contractually Required Contribution	\$ (18,517)	\$ (17,908)	\$ (49,604)	\$ (46,213)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 265,603	\$ 261,933	\$ 362,407	\$ 352,643
Contributions as a Percentage of Covered-Employee Payroll	6.97%	6.84%	13.69%	13.10%

Note: The information in this schedule is not required to be presented retroactively. Therefore, years will be added to this schedule in future fiscal years until ten years of information are available.

(I) The amounts present for each fiscal year were determined as of September 30.

## FLORIDA RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY PENSION PLAN (I)

### Schedule of the Proportionate Share of the Net Pension Liability

Last Ten Fiscal Years  
(Dollars In Thousands)

	County, Excluding BSO		BSO	
	2015	2014	2015	2014
Proportion of the Net Pension Liability	1.04583%	1.04971%	1.30834%	1.29180%
Proportionate Share of the Net Pension Liability	\$ 106,659	\$ 98,151	\$ 133,430	\$ 120,786
Covered-Employee Payroll	\$ 265,152	\$ 261,215	\$ 359,988	\$ 346,484
Proportionate Share of the Net Pension Liability as a Percentage of Its Covered-Employee Payroll	40.23%	37.57%	37.07%	34.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.50%	0.50%	0.50%	0.50%

Note: The information in this schedule is not required to be presented retroactively. Therefore, years will be added to this schedule in future fiscal years until ten years of information are available.

(1) The amounts presented for each fiscal year were determined as of June 30.

## FLORIDA RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY PENSION PLAN (I)

### Schedule of Contributions

Last Ten Fiscal Years  
(Dollars In Thousands)

	County, Excluding BSO		BSO	
	2015	2014	2015	2014
Contractually Required Contribution	\$ 3,513	\$ 3,118	\$ 4,634	\$ 4,013
Contributions in Relation to the Contractually Required Contribution	\$ (3,513)	\$ (3,118)	\$ (4,634)	\$ (4,013)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 265,603	\$ 261,933	\$ 362,407	\$ 352,643
Contributions as a Percentage of Covered-Employee Payroll	1.32%	1.19%	1.28%	1.14%

Note: The information in this schedule is not required to be presented retroactively. Therefore, years will be added to this schedule in future fiscal years until ten years of information are available.

(1) The amounts presented for each fiscal year were determined as of September 30.

## OTHER POST EMPLOYMENT BENEFITS

### Schedule of Funding Progress

for the fiscal year ended September 30, 2015

(Dollars In Thousands)

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<b>County Employees Plan</b>	10/1/2009	\$ -	\$ 40,098	\$ 40,098	0.00%	\$ 245,050	16.36%
	10/1/2011	\$ -	\$ 24,800	\$ 24,800	0.00%	\$ 231,302	10.72%
	10/1/2013	\$ -	\$ 25,389	\$ 25,389	0.00%	\$ 242,246	10.48%
<b>Broward Sheriff's Office Plan</b>	10/1/2009	\$ -	\$ 251,707	\$ 251,707	0.00%	\$ 306,099	82.23%
	10/1/2011	\$ -	\$ 249,287	\$ 249,287	0.00%	\$ 313,042	79.63%
	10/1/2013	\$ -	\$ 252,946	\$ 252,946	0.00%	\$ 315,753	80.11%

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

September 30, 2015

### **NOTE 1 - BUDGETARY INFORMATION**

State Statutes require that all county governments establish budgetary systems and approve balanced annual budgets for such funds as may be required by law or by sound financial practices and accounting principles generally accepted in the United States. The BOCC, after review of the tentative budgets, holds public hearings and then adopts the annual budget for the General, certain Special Revenue, and Debt Service Funds. The Constitutional Officers, except for the Clerk, prepare annual operating budgets for their general funds which are reflected as part of the County's General Fund. No annual budgets are established for the Sheriff's Special Revenue Fund, the Federal and State Grants Fund, and the Capital Projects Funds. The Sheriff's Special Revenue Fund has no budget since all costs incurred are budgeted in the Sheriff's General Fund and are reimbursed by the Sheriff's Special Revenue Fund. The Federal and State Grants Fund does not have an appropriated budget since other means control the use of these resources and sometimes span a period of more than one year. The Capital Projects Funds are budgeted on a multi-year basis. All governmental fund appropriations lapse at year end except capital outlay items.

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

### **NOTE 2 - PENSION INFORMATION**

The discount rate used to measure the pension liability of the HIS plan at June 30, 2015 was decreased from 4.29% to 3.80%, reflecting the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of June 30, 2015.

## Combining and Individual Fund Financial Statements and Schedules

### *Broward 100 Ice Cream*



No birthday celebration is complete without ice cream! Locally famous Jaxson's Ice Cream Parlor and Restaurant in Dania Beach, itself celebrating more than 59 years in Broward County, and visitors to this iconic ice cream parlor joined the centennial celebration. Jaxson's conducted a social media contest challenging Broward residents to create the next great flavor of Broward. More than 200 residents shared what they considered to be the winning recipe. Jaxson's blue ribbon panel of ice cream aficionados unanimously selected Caramel Mocha Coconut Crackle as Broward's scoop of the century. Residents now enjoy Broward 100 ice cream among their many favorites at Jaxson's.

**BROWARD 100**

1915 - 2015

Broward County's Centennial Celebration

[THIS PAGE INTENTIONALLY LEFT BLANK]



## NONMAJOR GOVERNMENTAL FUNDS

### NONMAJOR SPECIAL REVENUE FUNDS

**County Transportation Trust Fund** - To account for transportation construction and maintenance projects funded by state and local gasoline taxes, developer contributions, and payments from other governments.

**Tourist Development Tax Fund** - To account for tourist development tax receipts used to promote tourism in Broward County.

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

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

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

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

**Federal and State Grants Fund** - To account for revenues and expenditures associated with funding from Federal and State granting agencies except for certain transit and other specific grants.

### NONMAJOR DEBT SERVICE FUNDS

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

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

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

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

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

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

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

### NONMAJOR CAPITAL PROJECTS FUNDS

**2010 Main Courthouse Revenue Bonds Fund** - To account for the construction and replacement of the Main Courthouse.

**Convention Center Capital Projects Fund** - To account for the improvements to the Convention Center.

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

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

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

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

**Transit Capital Projects Fund** - To account for transit capital outlay and certain transit capital grants.

**Transportation Capital Projects Fund** - To account for the construction and maintenance of roads, bridges, and traffic engineering projects.

# NONMAJOR GOVERNMENTAL FUNDS

## Combining Balance Sheet

September 30, 2015

(In Thousands)

	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>Total Nonmajor Governmental Funds</i>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 26,639	\$ 7,414	\$ 27,435	\$ 61,488
Investments	58,179	2,172	293,341	353,692
Receivables (Net):				
Accounts	4,567			4,567
Delinquent Taxes Receivable (Net)	2	39		41
Due from Other County Funds		1,219	884	2,103
Due from Other Governments (Net)	46,100		5,050	51,150
Inventories	2,911			2,911
Prepaid Items	6		2,025	2,031
Restricted Assets:				
Cash and Cash Equivalents		9,883	38,041	47,924
<b>Total Assets</b>	<b>\$ 138,404</b>	<b>\$ 20,727</b>	<b>\$ 366,776</b>	<b>\$ 525,907</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 13,867		\$ 23,231	\$ 37,098
Accrued Liabilities	2,412		159	2,571
Deposits	14,016			14,016
Due to Other County Funds	17,797		51	17,848
Due to Other Governments	3,511			3,511
Unearned Revenues	13,428		745	14,173
Total Liabilities	65,031		24,186	89,217
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	2	\$ 39		41
Total Deferred Inflows of Resources	2	39		41
<b>FUND BALANCES</b>				
Nonspendable	2,917		2,025	4,942
Restricted	34,338	20,688	275,103	330,129
Committed	36,116		65,462	101,578
Total Fund Balances	73,371	20,688	342,590	436,649
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 138,404</b>	<b>\$ 20,727</b>	<b>\$ 366,776</b>	<b>\$ 525,907</b>

**NONMAJOR GOVERNMENTAL FUNDS**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**

for the fiscal year ended September 30, 2015  
(In Thousands)

	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>Total Nonmajor Governmental Funds</i>
Revenues:				
Taxes (Net of Discounts)	\$ 122,574	\$ 35,551		\$ 158,125
Special Assessment/Impact Fees	9,850			9,850
Licenses and Permits	834			834
Federal Grants	100,957	2,697	\$ 32,738	136,392
State Revenues:				
Grants	24,760		6,220	30,980
Licenses	451			451
Gasoline Taxes	23,327			23,327
One-Half Cent Sales Tax	14,339			14,339
Other	2,369			2,369
Charges for Services	15,424			15,424
Fines and Forfeitures	12,114			12,114
Interest Income	823	82	3,041	3,946
Miscellaneous	8,078	4,743	1,466	14,287
Total Revenues	335,900	43,073	43,465	422,438
Expenditures:				
Current:				
General Government	43		1,311	1,354
Public Safety	52,129			52,129
Transportation	62,274			62,274
Human Services	43,883			43,883
Culture and Recreation	35,180			35,180
Physical Environment	3,877			3,877
Economic Environment	11,023			11,023
Capital Outlay	11,380		149,298	160,678
Debt Service:				
Principal Retirement		35,360		35,360
Interest and Fiscal Charges		32,231		32,231
Total Expenditures	219,789	67,591	150,609	437,989
Excess (Deficiency) of Revenues Over Expenditures	116,111	(24,518)	(107,144)	(15,551)
Other Financing Sources (Uses):				
Capital Leases	13,500			13,500
Transfers In	62,051	40,639	57,022	159,712
Transfers Out	(137,389)	(15,466)	(25,575)	(178,430)
Total Other Financing Sources (Uses)	(61,838)	25,173	31,447	(5,218)
Net Change in Fund Balances	54,273	655	(75,697)	(20,769)
Fund Balances - Beginning	19,083	20,033	418,287	457,403
Changes in Fund Balances for Inventory and Prepaid Items	15			15
<b>Fund Balances - Ending</b>	<b>\$ 73,371</b>	<b>\$ 20,688</b>	<b>\$ 342,590</b>	<b>\$ 436,649</b>

# NONMAJOR SPECIAL REVENUE FUNDS

## Combining Balance Sheet

September 30, 2015

(In Thousands)

	<i>County Transportation Trust</i>	<i>Tourist Development Tax</i>	<i>Local Housing Assistance Trust</i>	<i>Water Control Districts</i>	<i>Other Special Revenue</i>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,266	\$ 1,546	\$ 232	\$ 337	\$ 220
Investments	30,267	14,410	2,196	3,185	2,077
Receivables (Net):					
Accounts		4,412			
Delinquent Taxes Receivable (Net)				2	
Due from Other Governments (Net)	17,010				101
Inventories	2,911				
Prepaid Items					
<b>Total Assets</b>	<b>\$ 53,454</b>	<b>\$ 20,368</b>	<b>\$ 2,428</b>	<b>\$ 3,524</b>	<b>\$ 2,398</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 649	\$ 1,207	\$ 13	\$ 105	\$ 30
Accrued Liabilities	721	205	8		37
Deposits	13,765	41	1	6	
Due to Other County Funds	6,423	1,249			
Due to Other Governments					
Unearned Revenues			2,406		
<b>Total Liabilities</b>	<b>21,558</b>	<b>2,702</b>	<b>2,428</b>	<b>111</b>	<b>67</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes				2	
<b>Total Deferred Inflows of Resources</b>				<b>2</b>	
<b>FUND BALANCES</b>					
Nonspendable	2,911				
Restricted	21,245				
Committed	7,740	17,666		3,411	2,331
<b>Total Fund Balances</b>	<b>31,896</b>	<b>17,666</b>		<b>3,411</b>	<b>2,331</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 53,454</b>	<b>\$ 20,368</b>	<b>\$ 2,428</b>	<b>\$ 3,524</b>	<b>\$ 2,398</b>

---

<i><b>Sheriff Special Revenue</b></i>	<i><b>Federal and State Grants</b></i>	<i><b>Total</b></i>
\$ 21,038	\$ 26,639	
6,044	58,179	
155	4,567	
	2	
2,104	\$ 26,885	46,100
		2,911
6		6
<b>\$ 29,347</b>	<b>\$ 26,885</b>	<b>\$ 138,404</b>
\$ 1,237	\$ 10,626	\$ 13,867
769	672	2,412
	203	14,016
3,173	6,952	17,797
3,114	397	3,511
2,987	8,035	13,428
11,280	26,885	65,031
		2
		2
6		2,917
13,093		34,338
4,968		36,116
18,067		73,371
<b>\$ 29,347</b>	<b>\$ 26,885</b>	<b>\$ 138,404</b>

# NONMAJOR SPECIAL REVENUE FUNDS

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

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>County Transportation Trust</i>	<i>Tourist Development Tax</i>	<i>Local Housing Assistance Trust</i>	<i>Water Control Districts</i>	<i>Other Special Revenue</i>
Revenues:					
Taxes (Net of Discounts)	\$ 63,044	\$ 58,250		\$ 1,280	
Special Assessment/Impact Fees	9,850				
Licenses and Permits	94				\$ 740
Federal Grants					
State Revenues:					
Grants			\$ 309		
Licenses	451				
Gasoline Taxes	23,327				
One-Half Cent Sales Tax	14,339				
Other	369	2,000			
Charges for Services	2,153	5,718	244		1,380
Fines and Forfeitures		137			
Interest Income	422	215	26	42	23
Miscellaneous	90	113			4
Total Revenues	114,139	66,433	579	1,322	2,147
Expenditures:					
Current:					
General Government					
Public Safety					
Transportation	22,185				
Human Services					
Culture and Recreation		32,956			741
Physical Environment				705	1,047
Economic Environment			579		
Capital Outlay	61	326		709	235
Total Expenditures	22,246	33,282	579	1,414	2,023
Excess (Deficiency) of Revenues Over Expenditures	91,893	33,151		(92)	124
Other Financing Sources (Uses):					
Capital Leases					
Transfers In	25,135	35,316			
Transfers Out	(85,383)	(50,801)			(53)
Total Other Financing Sources (Uses)	(60,248)	(15,485)			(53)
Net Change in Fund Balances	31,645	17,666		(92)	71
Fund Balances - Beginning				3,503	2,260
Changes in Fund Balances for Inventory and Prepaid Items	251				
<b>Fund Balances - Ending</b>	<b>\$ 31,896</b>	<b>\$ 17,666</b>	<b>\$ -</b>	<b>\$ 3,411</b>	<b>\$ 2,331</b>

---

<i><b>Sheriff Special Revenue</b></i>	<i><b>Federal and State Grants</b></i>	<i><b>Total</b></i>
	\$	122,574
		9,850
		834
\$ 19,273	\$ 81,684	100,957
6,289	18,162	24,760
		451
		23,327
		14,339
		2,369
1,323	4,606	15,424
11,977		12,114
47	48	823
5,735	2,136	8,078
44,644	106,636	335,900
	43	43
43,112	9,017	52,129
	40,089	62,274
	43,883	43,883
	1,483	35,180
	2,125	3,877
	10,444	11,023
10,049		11,380
53,161	107,084	219,789
(8,517)	(448)	116,111
13,500		13,500
	1,600	62,051
	(1,152)	(137,389)
13,500	448	(61,838)
4,983		54,273
13,320		19,083
(236)		15
<b>\$ 18,067</b>	<b>\$ -</b>	<b>\$ 73,371</b>

[THIS PAGE INTENTIONALLY LEFT BLANK]



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

for the fiscal year ended September 30, 2015  
(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance With Final Budget Positive (Negative)</i>
Revenues:			
Taxes (Net of Discounts)	\$ 61,064	\$ 63,044	\$ 1,980
Special Assessment/Impact Fees	4,029	9,850	5,821
Licenses and Permits	565	94	(471)
Licenses	377	451	74
State Revenues:			
Gasoline Taxes	22,125	23,327	1,202
One-Half Cent Sales Tax	13,979	14,339	360
Other	390	369	(21)
Charges for Services	1,598	2,153	555
Interest Income	96	422	326
Miscellaneous	271	90	(181)
Less 5% of Anticipated Revenue	(5,225)		5,225
Total Revenues	99,269	114,139	14,870
Expenditures:			
Current:			
Transportation			
Public Works - Road and Street Facilities	25,110	22,185	2,925
Capital Outlay	78	61	17
Total Expenditures	25,188	22,246	2,942
Excess (Deficiency) of Revenues Over Expenditures	74,081	91,893	17,812
Other Financing Sources (Uses):			
Transfers In	22,512	25,135	2,623
Transfers Out	(85,383)	(85,383)	
Total Other Financing Sources (Uses)	(62,871)	(60,248)	2,623
Net Change in Fund Balance	11,210	31,645	20,435
Fund Balance - Beginning			
Changes in Fund Balance for Inventory and Prepaid Items		251	251
<b>Fund Balance - Ending</b>	<b>\$ 11,210</b>	<b>\$ 31,896</b>	<b>\$ 20,686</b>

**TOURIST DEVELOPMENT TAX FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
for the fiscal year ended September 30, 2015  
(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance With Final Budget Positive (Negative)</i>
Revenues:			
Taxes (Net of Discounts)	\$ 53,872	\$ 58,250	\$ 4,378
State Revenues:			
Other	2,000	2,000	
Charges for Services	5,800	5,718	(82)
Fines and Forfeitures		137	137
Interest Income	85	215	130
Miscellaneous		113	113
Less 5% of Anticipated Revenue	(3,088)		3,088
Total Revenues	58,669	66,433	7,764
Expenditures:			
Current:			
Culture and Recreation			
Greater Fort Lauderdale Convention and Visitors Bureau	34,494	32,956	1,538
Capital Outlay	437	326	111
Total Expenditures	34,931	33,282	1,649
Excess (Deficiency) of Revenues Over Expenditures	23,738	33,151	9,413
Other Financing Sources (Uses):			
Transfers In	35,345	35,316	(29)
Transfers Out	(47,830)	(50,801)	(2,971)
Total Other Financing Sources (Uses)	(12,485)	(15,485)	(3,000)
Net Change in Fund Balance	11,253	17,666	6,413
Fund Balance - Beginning			
<b>Fund Balance - Ending</b>	<b>\$ 11,253</b>	<b>\$ 17,666</b>	<b>\$ 6,413</b>

---

**LOCAL HOUSING ASSISTANCE TRUST FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
for the fiscal year ended September 30, 2015  
(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance With Final Budget Positive (Negative)</i>
Revenues:			
State Revenues:			
Grants	\$ 3,325	\$ 309	\$ (3,016)
Charges for Services		244	244
Interest Income		26	26
Total Revenues	3,325	579	(2,746)
Expenditures:			
Current:			
Economic Environment			
Environmental Protection and Growth Management -			
Housing Finance and Community Development	3,325	579	2,746
Total Expenditures	3,325	579	2,746
Excess (Deficiency) of Revenues Over Expenditures			
Fund Balance - Beginning			
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

---

**WATER CONTROL DISTRICTS FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
for the fiscal year ended September 30, 2015  
(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance With Final Budget Positive (Negative)</i>
Revenues:			
Taxes (Net of Discounts)	\$ 1,371	\$ 1,280	\$ (91)
Interest Income	16	42	26
Subtotal	1,387	1,322	(65)
Less 5% of Anticipated Revenue	(69)		69
Total Revenues	1,318	1,322	4
Expenditures:			
Current:			
Physical Environment			
Public Works	864	705	159
Capital Outlay	1,586	709	877
Total Expenditures	2,450	1,414	1,036
Excess (Deficiency) of Revenues Over Expenditures	(1,132)	(92)	1,040
Fund Balance - Beginning	3,505	3,503	(2)
<b>Fund Balance - Ending</b>	<b>\$ 2,373</b>	<b>\$ 3,411</b>	<b>\$ 1,038</b>

**OTHER SPECIAL REVENUE FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
for the fiscal year ended September 30, 2015  
(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance With Final Budget Positive (Negative)</i>
Revenues:			
Licenses and Permits	\$ 680	\$ 740	\$ 60
Charges for Services	1,190	1,380	190
Interest Income	5	23	18
Miscellaneous		4	4
Subtotal	1,875	2,147	272
Less 5% of Anticipated Revenue	(94)		94
Total Revenues	1,781	2,147	366
Expenditures:			
Current:			
Culture and Recreation			
Libraries, Parks, and Cultural	1,272	741	531
Physical Environment			
Environmental Protection and Growth Management	1,107	1,047	60
Capital Outlay	475	235	240
Total Expenditures	2,854	2,023	831
Excess (Deficiency) of Revenues Over Expenditures	(1,073)	124	1,197
Other Financing Sources (Uses):			
Transfers Out	(53)	(53)	
Total Other Financing Sources (Uses)	(53)	(53)	
Net Change in Fund Balance	(1,126)	71	1,197
Fund Balance - Beginning	2,262	2,260	(2)
<b>Fund Balance - Ending</b>	<b>\$ 1,136</b>	<b>\$ 2,331</b>	<b>\$ 1,195</b>

# NONMAJOR DEBT SERVICE FUNDS

## Combining Balance Sheet

September 30, 2015

(In Thousands)

	<i>2001A / 2007A General Obligation Bonds</i>	<i>2004 / 2005 / 2007B General Obligation Bonds</i>	<i>Tourist Tax Revenue Bonds</i>	<i>2006 Professional Sports Facilities and Civic Arena Bonds</i>	<i>Half-Cent Sales Tax Revenue Bonds</i>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 25	\$ 6		\$ 7,184	
Investments	238	55			
Delinquent Taxes Receivable (Net)	13	26			
Due from Other County Funds				1,219	
Restricted Assets:					
Cash and Cash Equivalents					\$ 9,883
<b>Total Assets</b>	<b>\$ 276</b>	<b>\$ 87</b>	<b>\$ -</b>	<b>\$ 8,403</b>	<b>\$ 9,883</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes	\$ 13	\$ 26			
Total Deferred Inflows of Resources	13	26			
<b>FUND BALANCES</b>					
Restricted	263	61		\$ 8,403	\$ 9,883
Total Fund Balances	263	61		8,403	9,883
<b>Total Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 276</b>	<b>\$ 87</b>	<b>\$ -</b>	<b>\$ 8,403</b>	<b>\$ 9,883</b>

---

<i>Florida Financing Loan Pool</i>	<i>Certificates of Participation</i>	<i>Total</i>
\$ 199	\$	7,414
1,879		2,172
		39
		1,219
		9,883
<b>\$ 2,078</b>	<b>\$ -</b>	<b>\$ 20,727</b>
	\$	39
		39
\$ 2,078		20,688
2,078		20,688
<b>\$ 2,078</b>	<b>\$ -</b>	<b>\$ 20,727</b>

## NONMAJOR DEBT SERVICE FUNDS

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

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>2001A / 2007A General Obligation Bonds</i>	<i>2004 / 2005 / 2007B General Obligation Bonds</i>	<i>Tourist Tax Revenue Bonds</i>	<i>2006 Professional Sports Facilities and Civic Arena Bonds</i>	<i>Half-Cent Sales Tax Revenue Bonds</i>
Revenues:					
Taxes (Net of Discounts)	\$ 11,766	\$ 23,785			
Federal Grants					\$ 2,697
Interest Income	12	40		\$ (4)	(2)
Miscellaneous				3,992	
Total Revenues	11,778	23,825		3,988	2,695
Expenditures:					
Debt Service:					
Principal Retirement	8,650	14,560		7,045	3,535
Interest and Fiscal Charges	3,299	9,374		6,952	11,925
Total Expenditures	11,949	23,934		13,997	15,460
Excess (Deficiency) of Revenues Over Expenditures	(171)	(109)		(10,009)	(12,765)
Other Financing Sources (Uses):					
Transfers In		16		26,809	13,115
Transfers Out	(16)		\$ (44)	(15,404)	
Total Other Financing Sources (Uses)	(16)	16	(44)	11,405	13,115
Net Change in Fund Balances	(187)	(93)	(44)	1,396	350
Fund Balances - Beginning	450	154	44	7,007	9,533
<b>Fund Balances - Ending</b>	<b>\$ 263</b>	<b>\$ 61</b>	<b>\$ -</b>	<b>\$ 8,403</b>	<b>\$ 9,883</b>



---

<i><b>Florida Financing Loan Pool</b></i>	<i><b>Certificates of Participation</b></i>	<i><b>Total</b></i>
	\$	35,551
		2,697
\$ 36		82
751		4,743
787		43,073
1,570		35,360
681		32,231
2,251		67,591
(1,464)		(24,518)
699		40,639
\$	(2)	(15,466)
699	(2)	25,173
(765)	(2)	655
2,843	2	20,033
<b>\$ 2,078</b>	<b>\$ -</b>	<b>\$ 20,688</b>

[THIS PAGE INTENTIONALLY LEFT BLANK]

---

## 2001A / 2007A GENERAL OBLIGATION BONDS DEBT SERVICE FUND

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

#### Budget and Actual

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance With Final Budget Positive (Negative)</i>
Revenues:			
Taxes (Net of Discounts)	\$ 12,331	\$ 11,766	\$ (565)
Interest Income	9	12	3
Subtotal	12,340	11,778	(562)
Less 5% of Anticipated Revenue	(617)		617
Total Revenues	11,723	11,778	55
Expenditures:			
Debt Service:			
Principal Retirement	8,650	8,650	
Interest and Fiscal Charges	3,303	3,299	4
Total Expenditures	11,953	11,949	4
Excess (Deficiency) of Revenues Over Expenditures	(230)	(171)	59
Other Financing Sources (Uses):			
Transfers Out	(16)	(16)	
Total Other Financing Sources (Uses)	(16)	(16)	
Net Change in Fund Balance	(246)	(187)	59
Fund Balance - Beginning	451	450	(1)
<b>Fund Balance - Ending</b>	<b>\$ 205</b>	<b>\$ 263</b>	<b>\$ 58</b>

# 2004 / 2005 / 2007B GENERAL OBLIGATION BONDS DEBT SERVICE FUND

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

### Budget and Actual

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance With Final Budget Positive (Negative)</i>
Revenues:			
Taxes (Net of Discounts)	\$ 24,977	\$ 23,785	\$ (1,192)
Interest Income	40	40	
Subtotal	25,017	23,825	(1,192)
Less 5% of Anticipated Revenue	(1,251)		1,251
Total Revenues	23,766	23,825	59
Expenditures:			
Debt Service:			
Principal Retirement	14,560	14,560	
Interest and Fiscal Charges	9,376	9,374	2
Total Expenditures	23,936	23,934	2
Excess (Deficiency) of Revenues Over Expenditures	(170)	(109)	61
Other Financing Sources (Uses):			
Transfers In	16	16	
Total Other Financing Sources (Uses)	16	16	
Net Change in Fund Balance	(154)	(93)	61
Fund Balance - Beginning	154	154	
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 61</b>	<b>\$ 61</b>

---

## TOURIST TAX REVENUE BONDS DEBT SERVICE FUND

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

#### Budget and Actual

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance With Final Budget Positive (Negative)</i>
Revenues:			
Expenditures:			
Other Financing Sources (Uses):			
Transfers Out	\$ (45)	\$ (44)	\$ 1
Total Other Financing Sources (Uses)	(45)	(44)	1
Net Change in Fund Balance	(45)	(44)	1
Fund Balance - Beginning	45	44	(1)
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

**2006 PROFESSIONAL SPORTS FACILITIES AND  
CIVIC ARENA BONDS DEBT SERVICE FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**

for the fiscal year ended September 30, 2015  
(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance With Final Budget Positive (Negative)</i>
Revenues:			
Interest Income	\$ 10	\$ (4)	\$ (14)
Miscellaneous	3,996	3,992	(4)
Subtotal	4,006	3,988	(18)
Less 5% of Anticipated Revenue	(200)		200
Total Revenues	3,806	3,988	182
Expenditures:			
Debt Service:			
Principal Retirement	7,045	7,045	
Interest and Fiscal Charges	6,952	6,952	
Total Expenditures	13,997	13,997	
Excess (Deficiency) of Revenues Over Expenditures	(10,191)	(10,009)	182
Other Financing Sources (Uses):			
Transfers In	23,839	26,809	2,970
Transfers Out	(15,404)	(15,404)	
Total Other Financing Sources (Uses)	8,435	11,405	2,970
Net Change in Fund Balance	(1,756)	1,396	3,152
Fund Balance - Beginning	6,996	7,007	11
<b>Fund Balance - Ending</b>	<b>\$ 5,240</b>	<b>\$ 8,403</b>	<b>\$ 3,163</b>

# HALF-CENT SALES TAX REVENUE BONDS DEBT SERVICE FUND

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

### Budget and Actual

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance With Final Budget Positive (Negative)</i>
Revenues:			
Federal Grants	\$ 2,700	\$ 2,697	\$ (3)
Interest Income		(2)	(2)
Total Revenues	2,700	2,695	(5)
Expenditures:			
Debt Service:			
Principal Retirement	3,535	3,535	
Interest and Fiscal Charges	11,923	11,925	(2)
Total Expenditures	15,458	15,460	(2)
Excess (Deficiency) of Revenues Over Expenditures	(12,758)	(12,765)	(7)
Other Financing Sources (Uses):			
Transfers In	13,115	13,115	
Total Other Financing Sources (Uses)	13,115	13,115	
Net Change in Fund Balance	357	350	(7)
Fund Balance - Beginning	9,531	9,533	2
<b>Fund Balance - Ending</b>	<b>\$ 9,888</b>	<b>\$ 9,883</b>	<b>\$ (5)</b>

# FLORIDA FINANCING LOAN POOL DEBT SERVICE FUND

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

### Budget and Actual

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance With Final Budget Positive (Negative)</i>
Revenues:			
Interest Income	\$ 35	\$ 36	\$ 1
Miscellaneous	751	751	
Subtotal	786	787	1
Less 5% of Anticipated Revenue	(2)		2
Total Revenues	784	787	3
Expenditures:			
Debt Service:			
Principal Retirement	1,570	1,570	
Interest and Fiscal Charges	682	681	1
Total Expenditures	2,252	2,251	1
Excess (Deficiency) of Revenues Over Expenditures	(1,468)	(1,464)	4
Other Financing Sources (Uses):			
Transfers In	699	699	
Total Other Financing Sources (Uses)	699	699	
Net Change in Fund Balance	(769)	(765)	4
Fund Balance - Beginning	2,840	2,843	3
<b>Fund Balance - Ending</b>	<b>\$ 2,071</b>	<b>\$ 2,078</b>	<b>\$ 7</b>



---

# CERTIFICATES OF PARTICIPATION DEBT SERVICE FUND

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

### Budget and Actual

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>Final Budgeted Amounts</i>	<i>Actual Amounts</i>	<i>Variance With Final Budget Positive (Negative)</i>
Revenues:			
Interest Income	\$ 1	\$	(1)
Total Revenues	1		(1)
Expenditures:			
Excess (Deficiency) of Revenues Over Expenditures	1		(1)
Other Financing Sources (Uses):			
Transfers Out	(3)	\$ (2)	1
Total Other Financing Sources (Uses)	(3)	(2)	1
Net Change in Fund Balance	(2)	(2)	
Fund Balance - Beginning	2	2	
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

# NONMAJOR CAPITAL PROJECTS FUNDS

## Combining Balance Sheet

September 30, 2015

(In Thousands)

	<i>2010 Main Courthouse Revenue Bonds</i>	<i>Convention Center Capital Projects</i>	<i>Beach Renourishment</i>	<i>Unincorporated Area Capital Projects</i>	<i>2001 General Obligation Bonds</i>
<b>ASSETS</b>					
Cash and Cash Equivalents		\$ 2,651	\$ 6,647	\$ 3,684	\$ 201
Investments		25,030	62,691	34,750	14,865
Due from Other County Funds					
Due from Other Governments (Net)					
Prepaid Items	\$ 1,621				
Restricted Assets:					
Cash and Cash Equivalents	38,041				
<b>Total Assets</b>	<b>\$ 39,662</b>	<b>\$ 27,681</b>	<b>\$ 69,338</b>	<b>\$ 38,434</b>	<b>\$ 15,066</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 13,660	\$ 216	\$ 324	\$ 437	\$ 232
Accrued Liabilities	12				
Due to Other County Funds					
Unearned Revenues					
Total Liabilities	13,672	216	324	437	232
<b>FUND BALANCES</b>					
Nonspendable	1,621				
Restricted	24,369		69,014		14,834
Committed		27,465		37,997	
Total Fund Balances	25,990	27,465	69,014	37,997	14,834
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 39,662</b>	<b>\$ 27,681</b>	<b>\$ 69,338</b>	<b>\$ 38,434</b>	<b>\$ 15,066</b>

2004 / 2005							
General							
Obligation		Transit Capital	Transportation				
Bonds		Projects	Capital Projects	Total			
\$	334	\$	1,591	\$	27,435		
	24,562		15,041		293,341		
				884	884		
			2,913	2,137	5,050		
	58			346	2,025		
					38,041		
\$	24,954	\$	19,545	\$	132,096	\$	366,776
\$	605	\$	2,378	\$	5,379	\$	23,231
	28		16		103		159
			41		10		51
					745		745
	633		2,435		6,237		24,186
	58				346		2,025
	24,263		17,110		125,513		275,103
							65,462
	24,321		17,110		125,859		342,590
\$	24,954	\$	19,545	\$	132,096	\$	366,776

# NONMAJOR CAPITAL PROJECTS FUNDS

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

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>2010 Main Courthouse Revenue Bonds</i>	<i>Convention Center Capital Projects</i>	<i>Beach Renourishment</i>	<i>Unincorporated Area Capital Projects</i>	<i>2001 General Obligation Bonds</i>
Revenues:					
Federal Grants					
State Grants			\$ 213		
Interest Income	\$ (147)	\$ 198	701	\$ 412	\$ 34
Miscellaneous	7				13
Total Revenues	(140)	198	914	412	47
Expenditures:					
Current:					
General Government				1,308	
Capital Outlay:					
Parks				758	
Beach Renourishment			1,675		
Libraries					954
Stormwater Drainage				155	
Transportation					
Convention Center		4,238			
Courthouse	57,823				
Other Projects				412	
Total Expenditures	57,823	4,238	1,675	2,633	954
Excess (Deficiency) of Revenues Over Expenditures	(57,963)	(4,040)	(761)	(2,221)	(907)
Other Financing Sources (Uses):					
Transfers In	7,952	20,004	2,465		
Transfers Out				(440)	
Total Other Financing Sources (Uses)	7,952	20,004	2,465	(440)	
Net Change in Fund Balances	(50,011)	15,964	1,704	(2,661)	(907)
Fund Balances - Beginning	76,001	11,501	67,310	40,658	15,741
<b>Fund Balances - Ending</b>	<b>\$ 25,990</b>	<b>\$ 27,465</b>	<b>\$ 69,014</b>	<b>\$ 37,997</b>	<b>\$ 14,834</b>

---

<i>2004 / 2005</i>				
<i>General</i>				
<i>Obligation</i>		<i>Transit Capital</i>	<i>Transportation</i>	
<i>Bonds</i>		<i>Projects</i>	<i>Capital Projects</i>	<i>Total</i>
	\$	32,456	\$ 282	\$ 32,738
		1,117	4,890	6,220
\$ 375		141	1,327	3,041
182			1,264	1,466
557		33,714	7,763	43,465
3				1,311
4,364				5,122
				1,675
				954
				155
		39,298	39,621	78,919
				4,238
				57,823
				412
4,367		39,298	39,621	150,609
(3,810)		(5,584)	(31,858)	(107,144)
		4,516	22,085	57,022
			(25,135)	(25,575)
		4,516	(3,050)	31,447
(3,810)		(1,068)	(34,908)	(75,697)
28,131		18,178	160,767	418,287
<b>\$ 24,321</b>	<b>\$</b>	<b>17,110</b>	<b>\$ 125,859</b>	<b>\$ 342,590</b>

## PROPRIETARY FUNDS

### NONMAJOR ENTERPRISE FUNDS

***Solid Waste Fund*** - To account for solid waste activities, recycling programs, and landfill closure costs.

***Unincorporated Area Waste Collection Fund*** - To account for solid waste services provided to the unincorporated areas of the County.

***Water Management Fund*** - To account for water management services provided to the residents of the County in order to meet the County's needs for flood protection and an ample urban water supply.

### INTERNAL SERVICE FUNDS

***Self-Insurance Fund*** - To account for the County's insurance programs.

***Fleet Services Fund*** - To account for vehicle management services provided to all County departments.

***Print Shop Fund*** - To account for printing services provided to all County departments.

# NONMAJOR ENTERPRISE FUNDS

## Combining Statement of Net Position

September 30, 2015

(In Thousands)

	<i>Solid Waste</i>	<i>Unincorporated Area Waste Collection</i>	<i>Water Management</i>	<i>Total</i>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 14,410	\$ 684	\$ 139	\$ 15,233
Investments		6,450	1,316	7,766
Receivables (Net):				
Accounts	838	15		853
Other	8			8
Due from Other Governments	269			269
Inventories			114	114
Total Current Assets	15,525	7,149	1,569	24,243
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents	11,631			11,631
Investments	18,353			18,353
Capital Assets:				
Land	1,620			1,620
Construction in Progress	549			549
Landfill (Net)	35,918			35,918
Buildings (Net)	774			774
Improvements (Net)	9,773			9,773
Equipment (Net)	841	20	187	1,048
Total Noncurrent Assets	79,459	20	187	79,666
Total Assets	94,984	7,169	1,756	103,909
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows on Pensions	225	20	137	382
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	1,044	11	41	1,096
Accrued Liabilities	109	12	51	172
Deposits	161			161
Due to Other Governments	31			31
Unearned Revenues	750			750
Compensated Absences	180	21	76	277
Total Current Liabilities	2,275	44	168	2,487
Noncurrent Liabilities:				
Compensated Absences	218	14	97	329
Other Post Employment Benefits	129		30	159
Net Pension Liability	1,267	111	774	2,152
Liability for Closure and Postclosure Care Costs	22,132			22,132
Total Noncurrent Liabilities	23,746	125	901	24,772
Total Liabilities	26,021	169	1,069	27,259
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows on Pensions	179	16	109	304
<b>NET POSITION</b>				
Net Investment in Capital Assets	49,475	20	187	49,682
Restricted for:				
Landfill Closure	7,852			7,852
Unrestricted	11,682	6,984	528	19,194
Total Net Position	\$ 69,009	\$ 7,004	\$ 715	\$ 76,728

## NONMAJOR ENTERPRISE FUNDS

### Combining Statement of Revenues, Expenses, and Changes in Net Position

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>Solid Waste</i>	<i>Unincorporated Area Waste Collection</i>	<i>Water Management</i>	<i>Total</i>
Operating Revenues:				
Tipping Fees	\$ 7,096		\$	7,096
Recycling	77	\$ 15		92
Assessments		1,146		1,146
Miscellaneous	1,106	140	\$ 816	2,062
Total Operating Revenues	8,279	1,301	816	10,396
Operating Expenses:				
Personal Services	2,523	366	1,174	4,063
General Operating	7,696	756	700	9,152
Depreciation	72	2	43	117
Total Operating Expenses	10,291	1,124	1,917	13,332
Operating Income (Loss)	(2,012)	177	(1,101)	(2,936)
Non-Operating Revenues (Expenses):				
Interest Income	182	73	12	267
Gain (Loss) on Sale of Capital Assets		1		1
Other	3,349	412	5	3,766
Total Non-Operating Revenues (Expenses)	3,531	486	17	4,034
Income (Loss) Before Transfers	1,519	663	(1,084)	1,098
Transfers In	50,238		1,220	51,458
Transfers Out	(105)			(105)
Change in Net Position	51,652	663	136	52,451
Net Position - Beginning, as Restated	17,357	6,341	579	24,277
<b>Net Position - Ending</b>	<b>\$ 69,009</b>	<b>\$ 7,004</b>	<b>\$ 715</b>	<b>\$ 76,728</b>



# NONMAJOR ENTERPRISE FUNDS

## Combining Statement of Cash Flows

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>Solid Waste</i>	<i>Unincorporated Area Waste Collection</i>	<i>Water Management</i>	<i>Total</i>
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 9,496	\$ 1,311	\$ 816	\$ 11,623
Cash Payments to Suppliers for Goods and Services	(9,592)	(806)	(706)	(11,104)
Cash Payments to Employees for Services	(2,576)	(370)	(1,186)	(4,132)
Other Cash Received	3,349	412	5	3,766
Net Cash Provided by (Used for) Operating Activities	677	547	(1,071)	153
Cash Flows from Noncapital Financing Activities:				
Transfers In	19,553		1,220	20,773
Transfers Out	(105)			(105)
Net Cash Provided by Noncapital Financing Activities	19,448		1,220	20,668
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(150)	(21)	(162)	(333)
Proceeds from Sale of Capital Assets		1		1
Net Cash Used for Capital and Related Financing Activities	(150)	(20)	(162)	(332)
Cash Flows from Investing Activities:				
Purchase of Investment Securities	(5,427)	(705)	(36)	(6,168)
Proceeds from Sales and Maturities of Investment Securities	7,809			7,809
Interest and Dividends on Investments	182	73	12	267
Net Cash Provided by (Used for) Investing Activities	2,564	(632)	(24)	1,908
Net Increase (Decrease) in Cash and Cash Equivalents	22,539	(105)	(37)	22,397
Cash and Cash Equivalents, October 1	3,502	789	176	4,467
<b>Cash and Cash Equivalents, September 30</b>	<b>\$ 26,041</b>	<b>\$ 684</b>	<b>\$ 139</b>	<b>\$ 26,864</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for)</b>				
<b>Operating Activities:</b>				
Operating Income (Loss)	\$ (2,012)	\$ 177	\$ (1,101)	\$ (2,936)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation Expense	72	2	43	117
Miscellaneous Non-Operating Revenues	3,349	412	5	3,766
Decrease (Increase) in Assets and Deferred Outflows of Resources:				
Accounts Receivable (Net)	1,217	10		1,227
Inventories			30	30
Deferred Outflows on Pensions	(79)	(7)	(48)	(134)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:				
Accounts Payable	(1,599)	(50)	(36)	(1,685)
Accrued Liabilities	8		5	13
Deposits	27			27
Due to Other County Funds	(13)			(13)
Compensated Absences	(22)		8	(14)
Other Post Employment Benefits	8		3	11
Net Pension Liability	385	34	235	654
Liability for Closure and Postclosure Care Costs	(311)			(311)
Deferred Inflows on Pensions	(353)	(31)	(215)	(599)
Total Adjustments	2,689	370	30	3,089
<b>Net Cash Provided by (Used For) Operating Activities</b>	<b>\$ 677</b>	<b>\$ 547</b>	<b>\$ (1,071)</b>	<b>\$ 153</b>
<b>Noncash Investing, Capital and Related Financing Activities:</b>				
Transfer of Assets, Liabilities, and Net Position	\$ 30,685			\$ 30,685
Change in Fair Value of Investments	63	\$ 24	\$ 4	91

# INTERNAL SERVICE FUNDS

## Combining Statement of Net Position

September 30, 2015

(In Thousands)

	<i>Self- Insurance</i>	<i>Fleet Services</i>	<i>Print Shop</i>	<i>Total</i>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 15,058	\$ 11	\$ 98	\$ 15,167
Investments	142,322	101	919	143,342
Receivables (Net):				
Accounts	1,517		1	1,518
Other	25			25
Due from Other County Funds		3	6	9
Due from Other Governments		49	6	55
Inventories		654	20	674
Prepaid Items	3,096			3,096
Total Current Assets	162,018	818	1,050	163,886
Noncurrent Assets:				
Capital Assets:				
Equipment (Net)	17	1,537	392	1,946
Total Noncurrent Assets	17	1,537	392	1,946
Total Assets	162,035	2,355	1,442	165,832
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows on Pensions	207	257	32	496
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	1,359	321	31	1,711
Accrued Liabilities	8,243	108	17	8,368
Deposits	509			509
Unearned Revenues	10,239			10,239
Claims Payable	23,372			23,372
Compensated Absences	191	188	20	399
Total Current Liabilities	43,913	617	68	44,598
Noncurrent Liabilities:				
Claims Payable	74,130			74,130
Compensated Absences	296	228	41	565
Net Pension Liability	1,167	1,451	181	2,799
Total Noncurrent Liabilities	75,593	1,679	222	77,494
Total Liabilities	119,506	2,296	290	122,092
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows on Pensions	165	205	26	396
<b>NET POSITION</b>				
Net Investment in Capital Assets	17	1,537	392	1,946
Unrestricted	42,554	(1,426)	766	41,894
Total Net Position	\$ 42,571	\$ 111	\$ 1,158	\$ 43,840

## INTERNAL SERVICE FUNDS

### Combining Statement of Revenues, Expenses, and Changes in Net Position

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>Self- Insurance</i>		<i>Fleet Services</i>		<i>Print Shop</i>		<i>Total</i>
Operating Revenues:							
Charges for Services	\$ 109,919	\$	7,557	\$	780	\$	118,256
Operating Expenses:							
Personal Services	4,607		2,590		389		7,586
General Operating	102,389		4,927		282		107,598
Depreciation	8		345		137		490
Total Operating Expenses	107,004		7,862		808		115,674
Operating Income (Loss)	2,915		(305)		(28)		2,582
Non-Operating Revenues (Expenses):							
Interest Income	1,449				11		1,460
Gain (Loss) on Sale of Capital Assets			140		(3)		137
Other	3,023		38				3,061
Total Non-Operating Revenues (Expenses)	4,472		178		8		4,658
Income (Loss) Before Transfers	7,387		(127)		(20)		7,240
Transfers In			44				44
Change in Net Position	7,387		(83)		(20)		7,284
Net Position - Beginning, as Restated	35,184		194		1,178		36,556
<b>Net Position - Ending</b>	<b>\$ 42,571</b>	<b>\$</b>	<b>111</b>	<b>\$</b>	<b>1,158</b>	<b>\$</b>	<b>43,840</b>

# INTERNAL SERVICE FUNDS

## Combining Statement of Cash Flows

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>Self-Insurance</i>	<i>Fleet Services</i>	<i>Print Shop</i>	<i>Total</i>
Cash Flows From Operating Activities:				
Cash Received from Customers		\$ 7,576	\$ 776	\$ 8,352
Cash Received for Premiums	\$ 105,898			105,898
Cash Payments to Suppliers for Goods and Services	(77,176)	(4,767)	(269)	(82,212)
Cash Payments to Employees for Services	(4,596)	(2,716)	(397)	(7,709)
Cash Payments for Claims	(22,409)			(22,409)
Other Cash Received	3,011	38		3,049
Net Cash Provided by Operating Activities	4,728	131	110	4,969
Cash Flows from Noncapital Financing Activities:				
Transfers In		44		44
Net Cash Used for Noncapital Financing Activities		44		44
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(2)	(811)	(64)	(877)
Proceeds from Sale of Capital Assets		140		140
Net Cash Used for Capital and Related Financing Activities	(2)	(671)	(64)	(737)
Cash Flows from Investing Activities:				
Purchase of Investment Securities	(17,484)		(75)	(17,559)
Proceeds from Sale and Maturities of Investment Securities	7,994	434		8,428
Interest and Dividends on Investments	1,425		11	1,436
Net Cash Provided by (Used for) Investing Activities	(8,065)	434	(64)	(7,695)
Net Decrease in Cash and Cash Equivalents	(3,339)	(62)	(18)	(3,419)
Cash and Cash Equivalents, October 1	18,397	73	116	18,586
<b>Cash and Cash Equivalents, September 30</b>	<b>\$ 15,058</b>	<b>\$ 11</b>	<b>\$ 98</b>	<b>\$ 15,167</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>				
Operating Income (Loss)	\$ 2,915	\$ (305)	\$ (28)	\$ 2,582
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	8	345	137	490
Miscellaneous Non-Operating Revenues	3,011	38		3,049
Decrease (Increase) in Assets and Deferred Outflows of Resources:				
Accounts Receivable (Net)	(822)		2	(820)
Due from Other County Funds		3	(6)	(3)
Due from Other Governments		16		16
Inventories		78		78
Prepaid Items	412			412
Deferred Outflows on Pensions	(72)	(90)	(11)	(173)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:				
Accounts Payable	456	85	13	554
Accrued Liabilities	219	1	1	221
Deposits	(46)			(46)
Due to Other Governments		(3)		(3)
Unearned Revenues	(4,030)			(4,030)
Claims Payable	2,603			2,603
Compensated Absences	44	(74)	(2)	(32)
Net Pension Liability	354	440	54	848
Deferred Inflows on Pensions	(324)	(403)	(50)	(777)
Total Adjustments	1,813	436	138	2,387
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 4,728</b>	<b>\$ 131</b>	<b>\$ 110</b>	<b>\$ 4,969</b>
<b>Noncash Investing, Capital and Financing Activities:</b>				
Change in Fair Value of Investments	\$ 454		\$ 4	\$ 458

## **FIDUCIARY FUNDS**

### **Agency Funds**

**Revenue Collection Fund** - To account for the collection and distribution of taxes and licenses for the County and other entities.

**Other Agency Fund** - To account for funds received and disbursed to other government agencies for Hunting and Fishing Licenses, School Impact Fees, Recording, Tax Certificates, Tags and Other Licenses, and Building Permit Surcharges.

**Sheriff Agency Fund** - To account for funds received and disbursed by the Sheriff's Office in a fiduciary capacity.

## FIDUCIARY FUNDS

### Combining Statement of Assets and Liabilities - Agency Funds

September 30, 2015

(In Thousands)

	<i>Revenue Collection</i>	<i>Other Agency</i>	<i>Sheriff Agency</i>	<i>Total</i>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 9,911	\$ 10,568	\$ 6,173	\$ 26,652
Investments	6,998	1,148		8,146
Accounts Receivable (Net)	198		1,574	1,772
Delinquent Taxes Receivable	23,807			23,807
Due from Other Governments (Net)		41		41
<b>Total Assets</b>	<b>\$ 40,914</b>	<b>\$ 11,757</b>	<b>\$ 7,747</b>	<b>\$ 60,418</b>
<b>LIABILITIES</b>				
Accounts Payable		\$ 18	\$ 343	\$ 361
Due to Other Governments	\$ 5	10,233	1,173	11,411
Due to Individuals			4,197	4,197
Deposits	40,909	1,506	133	42,548
Evidence Seizures			1,901	1,901
<b>Total Liabilities</b>	<b>\$ 40,914</b>	<b>\$ 11,757</b>	<b>\$ 7,747</b>	<b>\$ 60,418</b>

## FIDUCIARY FUNDS

### Combining Statement of Changes in Assets and Liabilities - Agency Funds

for the fiscal year ended September 30, 2015

(In Thousands)

	<i>Balance October 1, 2014</i>		<i>Additions</i>		<i>Deductions</i>		<i>Balance September 30, 2015</i>
<b><u>REVENUE COLLECTION</u></b>							
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 12,273	\$	6,379,806	\$	6,382,168	\$	9,911
Investments			6,998				6,998
Accounts Receivable (Net)	310		81,199		81,311		198
Delinquent Taxes Receivable	24,050		2,957		3,200		23,807
Due From Other Governments (Net)	4,566				4,566		
<b>Total Assets</b>	<b>\$ 41,199</b>	<b>\$</b>	<b>6,470,960</b>	<b>\$</b>	<b>6,471,245</b>	<b>\$</b>	<b>40,914</b>
<b>LIABILITIES</b>							
Due to Other Governments		\$	2,461,881	\$	2,461,876	\$	5
Deposits	41,199		4,494,083		4,494,373		40,909
<b>Total Liabilities</b>	<b>\$ 41,199</b>	<b>\$</b>	<b>6,955,964</b>	<b>\$</b>	<b>6,956,249</b>	<b>\$</b>	<b>40,914</b>
<b><u>OTHER AGENCY</u></b>							
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 7,842	\$	1,271,983	\$	1,269,257	\$	10,568
Investments	2,914		1,148		2,914		1,148
Due from Other Governments (Net)	48		53		60		41
<b>Total Assets</b>	<b>\$ 10,804</b>	<b>\$</b>	<b>1,273,184</b>	<b>\$</b>	<b>1,272,231</b>	<b>\$</b>	<b>11,757</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 14	\$	705	\$	701	\$	18
Due to Other Governments	9,436		294,792		293,995		10,233
Deposits	1,354		129,632		129,480		1,506
<b>Total Liabilities</b>	<b>\$ 10,804</b>	<b>\$</b>	<b>425,129</b>	<b>\$</b>	<b>424,176</b>	<b>\$</b>	<b>11,757</b>
<b><u>SHERIFF AGENCY</u></b>							
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 7,894	\$	339,276	\$	340,997	\$	6,173
Accounts Receivable (Net)	1,393		18,728		18,547		1,574
Due from Other Governments (Net)			19,710		19,710		
<b>Total Assets</b>	<b>\$ 9,287</b>	<b>\$</b>	<b>377,714</b>	<b>\$</b>	<b>379,254</b>	<b>\$</b>	<b>7,747</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 1,238	\$	6	\$	901	\$	343
Due to Other Governments	1,159		3,912		3,898		1,173
Due to Individuals	4,397		13,052		13,252		4,197
Deposits	94		180		141		133
Evidence Seizures	2,399		1,778		2,276		1,901
<b>Total Liabilities</b>	<b>\$ 9,287</b>	<b>\$</b>	<b>18,928</b>	<b>\$</b>	<b>20,468</b>	<b>\$</b>	<b>7,747</b>

(continued)

## FIDUCIARY FUNDS

### Combining Statement of Changes in Assets and Liabilities - Agency Funds, continued for the fiscal year ended September 30, 2015 (In Thousands)

	<i>Balance October 1, 2014</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance September 30, 2015</i>
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 28,009	\$ 7,991,065	\$ 7,992,422	\$ 26,652
Investments	2,914	8,146	2,914	8,146
Accounts Receivable (Net)	1,703	99,927	99,858	1,772
Delinquent Taxes Receivable	24,050	2,957	3,200	23,807
Due from Other Governments (Net)	4,614	19,763	24,336	41
<b>Total Assets</b>	<b>\$ 61,290</b>	<b>\$ 8,121,858</b>	<b>\$ 8,122,730</b>	<b>\$ 60,418</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,252	\$ 711	\$ 1,602	\$ 361
Due to Other Governments	10,595	2,760,585	2,759,769	11,411
Due to Individuals	4,397	13,052	13,252	4,197
Deposits	42,647	4,623,895	4,623,994	42,548
Evidence Seizures	2,399	1,778	2,276	1,901
<b>Total Liabilities</b>	<b>\$ 61,290</b>	<b>\$ 7,400,021</b>	<b>\$ 7,400,893</b>	<b>\$ 60,418</b>



**APPENDIX C**

**THE MASTER TRUST INDENTURE;  
THE FORM OF THIRD SUPPLEMENTAL TRUST INDENTURE**

[THIS PAGE INTENTIONALLY LEFT BLANK]

MASTER TRUST INDENTURE

between

BROWARD COUNTY, FLORIDA  
The County

and

THE BANK OF NEW YORK,  
The Trustee

securing

BROWARD COUNTY, FLORIDA PROFESSIONAL  
SPORTS FACILITIES TAX AND REVENUE BONDS  
(BROWARD COUNTY CIVIC ARENA PROJECT)

DATED AS OF SEPTEMBER 1, 1996

D06:102119.DOC5.BR20203271MASTER\_INDENTURE-4

SECTION 4.02. Application of Professional Sports Franchise Facilities Tax Revenues, Sales Tax Rebate and County Preferred Revenue Allocation; Allocation of Moneys in Revenue Fund . . . . .	28
SECTION 4.03. Bond Fund . . . . .	33
SECTION 4.04. Bond Reserve Fund and Surplus Fund . . . . .	34
SECTION 4.05. The Construction Fund . . . . .	36
SECTION 4.06. Investment of Pledged Funds . . . . .	39
SECTION 4.07. Moneys to be Held in Trust . . . . .	41
SECTION 4.08. Nonpresentment of Bonds . . . . .	41
SECTION 4.09. Rebate Fund . . . . .	41

ARTICLE V

THE TRUSTEE, REGISTRAR, PAYING AGENTS AND AUTHENTICATING AGENTS

SECTION 5.01. Trustee's Acceptance and Responsibilities . . . . .	43
SECTION 5.02. Certain Rights and Obligations of the Trustee . . . . .	44
SECTION 5.03. Fees, Charges and Expenses of Trustee, Registrar, Paying Agents and Authenticating Agents . . . . .	47
SECTION 5.04. Intervention by Trustee . . . . .	48
SECTION 5.05. Successor Trustee . . . . .	48
SECTION 5.06. Appointment of Co-Trustee . . . . .	48
SECTION 5.07. Resignation by the Trustee . . . . .	49
SECTION 5.08. Removal of the Trustee . . . . .	49
SECTION 5.09. Appointment of Successor Trustee . . . . .	50
SECTION 5.10. Adoption of Authentication . . . . .	51
SECTION 5.11. Registrar . . . . .	51
SECTION 5.12. Designation and Succession of Paying Agents . . . . .	52
SECTION 5.13. Designation and Succession of Authenticating Agents . . . . .	53
SECTION 5.14. Dealing in Bonds . . . . .	54
SECTION 5.15. Representations, Agreements and Covenants of Trustee . . . . .	54
SECTION 5.16. Right of Trustee to Pay Taxes and Other Charges . . . . .	54
SECTION 5.17. Supplemental Indentures . . . . .	54

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES  
OF TRUSTEE AND HOLDERS

SECTION 6.01. Defaults; Events of Default . . . . .	55
SECTION 6.02. Notice of Default . . . . .	56
SECTION 6.03. No Acceleration . . . . .	56
SECTION 6.04. Remedies; Rights of Holders . . . . .	56
SECTION 6.05. Right of Holders to Direct Proceedings . . . . .	57
SECTION 6.06. Rights of Credit Facility Provider . . . . .	57
SECTION 6.07. Application of Moneys . . . . .	57

D06:103119.DOC5.BR20203271MASTER\_INDENTURE-6.

TABLE OF CONTENTS

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions . . . . .	5
SECTION 1.02. Interpretation . . . . .	15
SECTION 1.03. Captions and Headings . . . . .	16

ARTICLE II

AUTHORIZATION AND TERMS OF BONDS

SECTION 2.01. Authorization of Bonds . . . . .	17
SECTION 2.02. Form of Bonds . . . . .	17
SECTION 2.03. Issuance and Delivery of Bonds . . . . .	17
SECTION 2.04. Execution and Authentication of Bonds . . . . .	18
SECTION 2.05. Sources of Payment and Security for the Bonds . . . . .	19
SECTION 2.06. Payment and Ownership of Bonds . . . . .	19
SECTION 2.07. Transfer and Exchange of Bonds . . . . .	20
SECTION 2.08. Mutilated, Lost, Wrongfully Taken or Destroyed Bonds . . . . .	21
SECTION 2.09. Cancellation of Bonds . . . . .	22
SECTION 2.10. Special Agreement with Holders . . . . .	22

ARTICLE III

REDEMPTION OF BONDS

SECTION 3.01. Redemption of Bonds . . . . .	24
SECTION 3.02. Partial Redemption . . . . .	24
SECTION 3.03. County's Election to Redeem . . . . .	24
SECTION 3.04. Notice of Redemption . . . . .	25
SECTION 3.05. Extraordinary Optional Redemption . . . . .	25
SECTION 3.06. Payment of Redeemed Bonds . . . . .	26
SECTION 3.07. Delivery of Moneys for Redemption or Purchase . . . . .	26
SECTION 3.08. Variation of Redemption Provisions . . . . .	27

ARTICLE IV

FUNDS AND PAYMENTS

SECTION 4.01. Creation of Funds . . . . .	28
-------------------------------------------	----

D06:103119.DOC5.BR20203271MASTER\_INDENTURE-6.

SECTION 6.08. Remedies Vested in Trustee . . . . .	58
SECTION 6.09. Rights and Remedies of Holders . . . . .	58
SECTION 6.10. Termination of Proceedings . . . . .	59
SECTION 6.11. Waivers of Events of Default . . . . .	59
SECTION 6.12. Appointment of Receiver . . . . .	60
SECTION 6.13. Agreement to Pay Attorneys' Fees and Expenses . . . . .	60

ARTICLE VII

SUPPLEMENTAL INDENTURES

SECTION 7.01. Supplemental Indentures Generally . . . . .	61
SECTION 7.02. Supplemental Indentures Not Requiring Consent of Holders . . . . .	61
SECTION 7.03. Supplemental Indentures Requiring Consent of Holders . . . . .	62
SECTION 7.04. Reserved . . . . .	64
SECTION 7.05. Authorization to Trustee; Effect of Supplement . . . . .	64
SECTION 7.06. Opinion of Bond Counsel . . . . .	64
SECTION 7.07. Modification by Unanimous Consent . . . . .	64

ARTICLE VIII

DEFEASANCE

SECTION 8.01. Release of Indenture . . . . .	65
SECTION 8.02. Payment and Discharge of Bonds . . . . .	65
SECTION 8.03. Survival of Certain Provisions . . . . .	66
SECTION 8.04. Notice of Payment and Discharge . . . . .	66
SECTION 8.05. Reservation of Right to Designate or Replace Redemption Dates . . . . .	67

ARTICLE IX

COVENANTS AND AGREEMENTS  
OF THE COUNTY

SECTION 9.01. Covenants and Agreements of the County . . . . .	69
SECTION 9.02. County Deficiency Covenant; Covenant to Budget and Appropriate . . . . .	70
SECTION 9.03. Observance and Performance of Covenants, Agreements, Authority and Actions . . . . .	70

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Limitation of Rights . . . . .	71
SECTION 10.02. Severability . . . . .	71

D06:103119.DOC5.BR20203271MASTER\_INDENTURE-6.

SECTION 10.03. Notices	71
SECTION 10.04. Suspension of Mail	72
SECTION 10.05. Payments Due on Saturdays, Sundays and Holidays	72
SECTION 10.06. Instruments of Holders	72
SECTION 10.08. Priority of this Master Indenture and Supplemental Indentures	73
SECTION 10.09. Validity of Assignments and Security Interest	73
SECTION 10.10. Extent of Covenants; No Personal Liability	73
SECTION 10.11. Survival of Representations and Warranties	74
SECTION 10.12. Binding Effect	74
SECTION 10.13. Counterparts	74
SECTION 10.14. Governing Law	74

## MASTER TRUST INDENTURE

THIS MASTER TRUST INDENTURE (the "Master Indenture" and as supplemented and amended from time to time, the "Indenture") is made and entered into as of September 1, 1996 between BROWARD COUNTY, FLORIDA, a political subdivision of the State of Florida and a public body corporate and politic (the "County") and THE BANK OF NEW YORK, a banking corporation duly organized and validly existing under the laws of the State of New York and having one of its principal trust offices in Jacksonville, Florida, as trustee (said banking corporation and any bank or trust company becoming successor trustee under this Master Indenture being herein called the "Trustee").

### RECITATIONS:

1. Pursuant to Chapter 125, Part IV, Florida Statutes, the Board of County Commissioners of Broward County, Florida (the "Board") enacted by ordinance a home rule charter; by referendum held on November 5, 1974, the home rule charter was approved by the electorate of the County and became effective as of January 1, 1975; and as of this date the County is operating under and pursuant to its home rule charter.

2. In order to promote tourism and recreation and enhance the economy of the State of Florida (the "State"), the State Legislature enacted Section 125.0104, Florida Statutes, as amended, authorizing counties to levy and collect a tourist development tax, including an additional one percent tax under Section 125.0104(3)(l) and an additional one percent tax under Section 125.0104(3)(o) (the taxes imposed pursuant to paragraphs (l) and (o) of Section 125.0104(3) hereafter collectively referred to as the "Professional Sports Franchise Facilities Tax") on certain rentals of living quarters or accommodations in hotels, apartment hotels, motels, resort motels, apartments, apartment motels, roominghouses, mobile home parks, recreational vehicle parks, or condominiums for a term of 6 months or less, for the purpose of using said tax revenues to pay debt service on bonds issued to finance the construction of certain professional sports franchise facilities and to pay the planning and design costs incurred prior to the issuance of such bonds.

3. On April 23, 1996 the Board enacted Ordinance No. 96-9 and Ordinance No. 96-10, imposing the Professional Sports Franchise Facilities Tax within the County, to be used to assist in the payment of debt service on bonds issued to finance the acquisition and construction of a professional sports franchise facility in the County (as hereinafter defined, the "Facility") and pay planning and other costs related thereto.

4. The County has been certified by the State as a "facility for a new professional sports franchise" under and pursuant to Section 288.1162, Florida Statutes, as amended, and pursuant to Section 212.20, Florida Statutes, as amended, the State will pay to the County the monthly sum of \$166,667 for thirty years (the "Sales Tax Rebate") to be utilized to pay for the construction of the Facility, to pay debt service on bonds and related obligations issued for the construction of the Facility or for the reimbursement of costs for such construction.

5. On June 4, 1996, the Board approved and the County entered into that certain Broward County Civic Arena Development Agreement (the "Development Agreement") with

DO6:103119.DOC5.BR20203271MASTER\_INDENTURE-6.

iv

DO6:103119.DOC5.BR20203271MASTER\_INDENTURE-6

Arena Development Company, Ltd. (the "Project Developer"), providing for the design and construction of the Facility and a plan of finance with respect thereto, which Development Agreement contemplates the creation of this Master Indenture to provide, among other things, for monies from the Construction Fund created hereunder to be utilized for construction of the Facility.

6. On June 4, 1996, the Board also approved and the County entered into that certain Broward County Civic Arena License Agreement (the "License Agreement") with the Florida Panthers Hockey Club, Ltd. (the "Team") and Arena Operating Company, Ltd. (the "Operator") setting forth the terms and conditions under which the Team will occupy and use the Facility when completed, and the Board also approved and the County entered into that certain Broward County Civic Arena Operating Agreement (the "Operating Agreement" and together with the Development Agreement and the License Agreement, the "Facility Agreements") with the Operator for the operation and management of the Facility.

7. By Resolution No. 96-0741, adopted on August 20, 1996, the Board has authorized the execution and delivery of this Master Indenture providing for the issuance of Broward County, Florida Professional Sports Facilities Tax and Revenue Bonds (the "Bonds"), in one or more series, pursuant to supplemental indentures, which may include taxable and/or tax exempt Bonds, which are to be payable from and secured by proceeds of the Professional Sports Franchise Facilities Tax and Sales Tax Rebate, among other security described in this Master Indenture, for the purpose of planning, developing, acquiring and constructing the Facility.

8. The Indenture will secure the issuance of the Bonds by fixing and declaring the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become owners thereof, to secure the orderly construction of the Facility, and to secure payment of the Bonds and the performance and observance of the covenants, agreements and conditions therein contained.

9. All acts, conditions and things required by the laws of the State of Florida to happen, exist and be performed precedent to and in the execution and delivery of this Master Indenture have happened, exist and have been performed as so required to make this Master Indenture a valid and binding trust indenture for the security of the Bonds in accordance with its terms.

10. The Trustee has accepted the trusts created by this Master Indenture.

NOW, THEREFORE, This Master Indenture WITNESSETH, that to secure the payment of Debt Service Charges on the Bonds according to their true intent and meaning, to secure the performance and observance of all of the covenants, agreements, obligations and conditions contained therein and herein, and to declare the terms and conditions upon and subject to which the Bonds are and are intended to be issued, held, secured and enforced, and in consideration of the premises and the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the Bonds by the Holders, and for other good and valuable consideration, the receipt of which is acknowledged, the County has executed and delivered this Master Indenture and by this Master Indenture the County hereby grants security interests in, and pledges and assigns to the Trustee, and to its successors in trust, and its and their assigns,

all right, title and interest of the County in and to the Pledged Revenues, including without limitation, amounts held in or for the credit of the Pledged Funds;

TO HAVE AND TO HOLD unto the Trustee and its successors in that trust and its and their assigns forever;

BUT IN TRUST, NEVERTHELESS, and subject to the provisions hereof,

(a) except as provided otherwise herein or in a Supplemental Indenture, for the equal and proportionate benefit, security and protection of all present and future Holders of the Bonds issued or to be issued under and secured by this Master Indenture,

(b) for the enforcement of the payment of the Debt Service Charges on the Bonds, when payable, according to the true intent and meaning thereof and of this Master Indenture, and

(c) to secure the performance and observance of and compliance with the covenants, agreements, obligations, terms and conditions of this Master Indenture,

in each case without preference, priority or distinction, as to lien or otherwise, of any one Bond over any other of the same Series, and in the case of a Series which is issued on a parity with any other Series pursuant to Section 2.03 hereof, without preference, distinction or priority of any Bond over any other Bond issued on a parity therewith, by reason of designation, number, date of the Bonds or of authorization, issuance, sale, execution, authentication, delivery or maturity thereof, or otherwise, so that, except as otherwise provided in Section 2.05 hereof, each Bond and all Bonds shall have the same right, lien and privilege under the Indenture and shall be secured equally and ratably hereby, it being intended that the lien and security of this Master Indenture shall take effect from the date hereof, without regard to the date of the actual issue, sale or disposition of the Bonds, as though upon that date all of the Bonds were actually issued, sold and delivered to purchasers for value; provided, however, that if

(i) the principal of the Bonds and the interest due or to become due thereon, together with any premium required by redemption of any of the Bonds prior to maturity, shall be well and truly paid, at the times and in the manner to which reference is made in the Bonds, according to the true intent and meaning thereof, or the Outstanding Bonds shall have been paid and discharged in accordance with Article VIII hereof, and

(ii) all of the covenants, agreements, obligations, terms and conditions of the County under this Master Indenture shall have been kept, performed and observed and there shall have been paid to the Trustee, the Registrar, the Paying Agents and the Authenticating Agents all sums of money due or to become due to them in accordance with the terms and provisions hereof,

then this Master Indenture and the rights assigned hereby shall cease, determine and be void, except as provided in Section 8.03 hereof with respect to the survival of certain provisions hereof; otherwise, this Master Indenture shall be and remain in full force and effect.

DO6:103119.DOC5.BR20203271MASTER\_INDENTURE-6.

- 2 -

DO6:103119.DOC5.BR20203271MASTER\_INDENTURE-6.

- 3 -

IT IS DECLARED that all Bonds issued hereunder and secured hereby are to be issued, authenticated and delivered, and that all of the Pledged Revenues pledged and assigned hereby are to be dealt with and disposed of under, upon and subject to, the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses and purposes provided in this Master Indenture. The County has agreed and covenanted, and agrees and covenants with the Trustee and with each and all Holders, as follows:

(Balance of page intentionally left blank)

## ARTICLE I

### DEFINITIONS

**SECTION 1.01. Definitions.** In addition to the words and terms defined elsewhere in this Master Indenture or by reference to the Facility Agreements, unless the context or use clearly indicates another meaning or intent, the following words and terms shall have the meanings set forth below:

"Accreted Value" means, with respect to any Compounding Interest Bond, (a) the amount representing the Accreted Value of such Bonds as of any Compounding Date, as established by the schedule of Accreted Values relating to such Bond, which amount represents the initial principal amount thereof plus the amount of interest that has accrued to such Compounding Date calculated on the basis of a three hundred and sixty (360) day year of twelve (12) thirty (30) day months, and (b) as of any date other than a Compounding Date, the sum of (i) the Accreted Value on the preceding Compounding Date plus (ii) the product of (x) a fraction, the numerator of which is the number of days having elapsed from the preceding Compounding Date and the denominator of which is the number of days from such preceding Compounding Date to the next succeeding Compounding Date, multiplied by (y) the difference between the Accreted Values on such Compounding Dates, which amount represents the principal plus the amount of interest that has accrued to such date of determination. The County may provide by Supplemental Indenture that, with respect to any Series, the Accreted Value as of any date other than a Compounding Date shall be determined using a constant interest rate method rather than as provided in (b).

"Act" means the Constitution and laws of the State, including, without limitation, Chapter 125, Florida Statutes, Chapter 166, Florida Statutes, Section 212.20, Florida Statutes, Section 288.1162, Florida Statutes, and with respect to Taxable Bonds, Chapter 159, Part VII, Florida Statutes, each as amended, and the County's home rule charter.

"Aggregate Principal Amount" means the aggregate outstanding principal amount of Bonds, provided that with respect to a particular Series, the amount designated or determined to be the Aggregate Principal Amount of that Series in or pursuant to the Supplemental Indenture authorizing that Series shall be the Aggregate Principal Amount of that Series.

"Amortization Requirements" means such moneys required to be deposited in the Principal Account of the Bond Fund for the purpose of paying when due or redeeming prior to maturity any Term Bonds issued pursuant to the Indenture, the specific amounts to be determined in accordance with or under the authority of a Supplemental Indenture authorizing the issuance of such Term Bonds.

"Arena" shall have the same meaning assigned to it in the Operating Agreement and is more fully defined and described in the Design Development Documents identified in the Development Agreement.

"Authenticating Agent" means the Trustee and the Registrar and any other bank, trust company or other Person designated as an Authenticating Agent for a Series of Bonds by or in

006:103119.DOCX.BK2020327MASTER\_INDENTURE-6.

- 4 -

006:103119.DOCX.BK2020327MASTER\_INDENTURE-6.

- 5 -

accordance with Section 5.13 of this Master Indenture, each of which shall be a transfer agent registered in accordance with Section 17A(c) of the Securities Exchange Act of 1934, as amended.

"Authorized County Representative" means the person or persons at the time designated to act on behalf of the County by written certificate furnished to the Project Developer, the Operator and the Trustee, containing the specimen signature of each such person and signed on behalf of the County by the Chair of the Board.

"Authorized Denominations" means (i) the denomination of \$5,000 or any integral multiple thereof or (ii) with respect to a particular Series, any denominations authorized in a Supplemental Indenture for that Series.

"Authorized Operator Representative" means the person or persons at the time designated to act on behalf of the Operator by written certificate furnished to the County and the Trustee, containing the specimen signature of each such person and signed on behalf of the President of its general partner. In the event that all persons so designated become unavailable or unable to act and the Operator fails to designate a replacement within ten days after such unavailability or inability to act, the Trustee may appoint an interim Authorized Operator Representative until such time as the Operator designates that person.

"Authorized Project Developer Representative" means the person or persons at the time designated to act on behalf of the Project Developer by written certificate furnished to the County and the Trustee, containing the specimen signature of each such person and signed on behalf of the Project Developer by the President of its general partner. In the event that all persons so designated become unavailable or unable to act and the Project Developer fails to designate a replacement within ten days after such unavailability or inability to act, the Trustee may appoint an interim Authorized Project Developer Representative until such time as the Project Developer designates that person.

"Board" means the Board of County Commissioners of Broward County, Florida, or any successor of the board or body in which the general legislative powers of the County shall be vested.

"Bondholder" or "Holder" means the registered owner of a Bond.

"Bond Counsel" means a firm of attorneys of nationally recognized standing in matters pertaining to obligations issued by states and their political subdivisions, appointed by the County Attorney of the County and approved by the Board.

"Bond Fund" means the Broward County Civic Arena Bond Fund, a special fund created and designated by Section 4.01 hereof, together with any accounts and subaccounts created thereunder.

"Bond Reserve Fund" means the Broward County Civic Arena Bond Reserve Fund, a special fund created and designated by Section 4.01 hereof, together with any accounts and subaccounts created thereunder.

006:103119.DOCX.BK2020327MASTER\_INDENTURE-6

- 6 -

"Book-Entry Bonds" means Bonds which are subject to a Book-Entry System.

"Book-Entry System" means a system under which either (a) Bond certificates are not issued and the ownership of Bonds is reflected solely by the Register, or (b) physical certificates in fully registered form are issued to a securities depository or to its nominee as Bondholder, with the certificated Bonds held by and "immobilized" in the custody of such securities depository, and under which records maintained by Persons, other than the Registrar, constitute the written record that identifies the ownership and transfer of the beneficial interests in those Bonds.

"Bonds" means, collectively, any bonds issued under and secured by the Indenture.

"Capital Appreciation Bond" means a Bond which is a Compounding Interest Bond throughout its entire term.

"Chair" means the Chair of the Board, or in the absence of the Chair, the Vice Chair or the officer or officers succeeding to that function.

"Code" means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder and applied to the Bonds or the use of proceeds thereof, and also includes all amendments and successor provisions unless the context clearly requires otherwise.

"Completion Date" means the date which is forty (40) calendar days after the date on which the Project Architects deliver their certificates to the Project Developer and the County pursuant to clause (b) of the definition of "Substantial Completion" in the Development Agreement. Upon receipt thereof, the County shall immediately deliver copies of such certificates to the Trustee.

"Compounding Date" means, with respect to any Compounding Interest Bond, the date on which interest is compounded for purposes of determining its Accreted Value.

"Compounding Interest Bond" means a Bond, the interest on which (a) shall be compounded periodically, (b) shall be payable at maturity or redemption prior to maturity, and (c) shall be determined by reference to Accreted Value and includes, but is not limited to, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds.

"Construction Fund" means the Broward County Civic Arena Construction Fund, a special fund created and designated by Section 4.01 hereof, together with any accounts and subaccounts created thereunder.

"Construction Period" means the period between the beginning of the acquisition, construction, installation, equipment or improvement of the Facility or the date on which the Bonds are delivered to the Original Purchaser, whichever is earlier, and the date which is forty days after the occurrence of "Substantial Completion", as such term is defined in the Development Agreement.

006:103119.DOCX.BK2020327MASTER\_INDENTURE-6.

- 7 -

"Convertible Capital Appreciation Bond" means a Bond which is a Compounding Interest Bond until a conversion date specified therein, and from and after such conversion date is payable not less often than annually, calculated on the basis of the Accreted Value thereof on such conversion date, and the Accreted Value of which as of said conversion date is treated as the principal amount thereof for purposes of payment or redemption after such conversion date.

"Cost" or "Costs" as applied to all or any part of the Facility, means and shall embrace the cost of acquisition and construction and all obligations for expenses and all items of cost which are set forth in Section 4.05 of this Master Indenture.

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

"County Administrator" means the County Administrator and ex-officio Clerk of the Board or his designee or the officer or officers succeeding to his principal functions.

"County Attorney" means the County Attorney of the County, his designee or the officer or officers succeeding to the principal functions of that office.

"County Deficiency Covenant" means the covenant of the County set forth Section 9.02 hereof.

"County Preferred Revenue Allocation" shall have the same meaning ascribed to that term in Exhibit C to the Development Agreement and paid by the Operator pursuant to the terms of Section 5.2.1 of the Operating Agreement.

"County Reimbursement Obligations" means the repayment of all moneys paid pursuant to the County Deficiency Covenant by the County to the Trustee as required by Section 4.04(a) hereof.

"Credit Facility" means a policy of insurance, a letter of credit, surety bond or other financial product obtained by the County which guarantees the prompt payment of all or any portion of the principal of, premium, if any, or interest on any of the Bonds, or to provide funds for the purchase of any Bonds for retirement or remarketing, or to fulfill other financial obligations of the County set forth in the Indenture.

"Credit Facility Provider" means an insurance company, bank, or other organization which has provided a Credit Facility in connection with any Series of Bonds.

"Credit Facility Reimbursement Obligations" means, for any period or payable at any time, the reimbursement obligations of the County to the Credit Facility Provider with respect to moneys provided by the Credit Facility Provider for the payment of Debt Service Charges.

"Debt Service Charges" means, for any period or payable at any time, the principal (including Amortization Requirements), interest and any premium due on the Bonds for that period or payable at that time whether due at maturity or upon redemption.

006:\03119.DOC5.BR2020327\MASTER\_INDENTURE-6.

- 8 -

"Finance Director" means the Director of the Department of Finance and Administrative Services of the County, his designee or the officer or officers succeeding to his principal functions.

"Fiscal Year" means the fiscal year of the County, currently beginning October 1 and ending September 30.

"Indenture" means this Master Trust Indenture as supplemented and amended by Supplemental Indentures from time to time.

"Interest" or "interest" means the interest on the specified obligations; in the case of Compounding Interest Bonds, the interest component included in the Maturity Amount (and in the Accreted Value thereof payable at redemption) shall be deemed to constitute principal; provided, however, that for purposes of any limitation contained herein or in any Supplemental Indenture on the issuance of an aggregate principal amount of Bonds of any Series, the principal amount of Compounding Interest Bonds shall be the initial principal amount thereof on the date of issuance of such Bonds.

"Interest Payment Date" means, when used with reference to any Bonds, the dates on which interest is stated to be due thereon as provided by Supplemental Indenture with respect to each Series of Bonds.

"License Agreement" means the Broward County Civic Arena License Agreement dated as of June 4, 1996 by and among the County, the Team and the Operator.

"Master Indenture" means this Master Trust Indenture dated as of September 1, 1996, between the County and the Trustee.

"Maturity Amount" means, with respect to any Compounding Interest Bond, the value of such Compounding Interest Bond which is due at the stated maturity thereof.

"Maximum Debt Service Charges" means, as of any particular date of calculation, the greatest amount of scheduled Debt Service Charges on all outstanding Bonds for the then current or any future Fiscal Year.

"Non-Ad Valorem Revenues" shall mean all revenues of the County derived from any source other than ad valorem taxation on real or personal property, which are legally available to make the payments required in Section 4.04(a) hereof.

"Notice Address" means:

- (a) As to the County:
- County Administrator  
Broward County, Florida  
115 S. Andrews Avenue, Room 409  
Ft. Lauderdale, Florida 33301

006:\03119.DOC5.BR2020327\MASTER\_INDENTURE-6.

- 10 -

"Defeasance Obligations" means (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 of the United States of America), or obligations the timely payment of the principal of and interest on which is unconditionally guaranteed by the United States of America, (ii) certificates which evidence ownership of the right to the payments of the principal of and interest on obligations described in clause (i) or in specified portions thereof, including, without limitation, portions consisting solely of the principal thereof or solely of the interest thereon, and (iii) with respect to a particular Series, obligations which have been determined in the Supplemental Indenture authorizing that Series to be Defeasance Obligations and which shall be Defeasance Obligations only as to that Series.

"Design Development Documents" means those documents referred to in and attached as part of the Development Agreement, providing the plan and design for construction of the Facility.

"Development Agreement" means the Broward County Civic Arena Development Agreement dated as of June 4, 1996 between the County and the Project Developer.

"Eligible Investments" means and includes such obligations as shall be permitted to be legal investments of the County from time to time by the laws of the State; provided, however that if a Credit Facility Provider for any Series of Bonds requires a list of Eligible Investments, then, to the extent permitted by law, the requirements of the Credit Facility Provider shall prevail and shall be considered the "Eligible Investments" for that Series of Bonds.

"Event of Default" means an Event of Default hereunder, as defined in Section 6.01 hereof.

"Extraordinary Services" and "Extraordinary Expenses" mean all services rendered and all reasonable expenses properly incurred by the Trustee under the Indenture, other than Ordinary Services and Ordinary Expenses.

"Facility" means the Project Site, the Arena and the Parking Areas with all improvements, additions, facilities, fixtures, furniture, machinery and equipment, attachments and appurtenances attaching thereto, as more fully described in the Design Development Documents.

"Facility Agreements" means collectively, the Development Agreement, the License Agreement, and the Operating Agreement.

"Facility Costs" means the Facility Costs identified in or pursuant to Section 4.05 hereof.

"Facility Purposes" means acquiring, constructing, installing, equipping and improving the Facility through completion, including the refunding or refinancing of all or any Bonds or other obligations issued or incurred in connection therewith.

"Fiduciaries" means the Trustee, the Registrar, the Paying Agents and the Authenticating Agents, as applicable.

006:\03119.DOC5.BR2020327\MASTER\_INDENTURE-6.

- 9 -

with copy to: Director, Department of Finance  
and Administrative Services  
Same as above, Room 121

with copy to: County Attorney  
Broward County  
Same as above, Room 423

(b) As to the Operator:

Arena Operating Company, Ltd.  
c/o Huizenga Holdings, Inc.  
Sixth Floor  
200 S. Andrews Avenue  
Fort Lauderdale, Florida 33301

(c) As to the Team:

Florida Panthers Hockey Club, Ltd.  
100 Northeast Third Avenue  
Tenth Floor  
Fort Lauderdale, Florida 33301

(d) As to the Project Developer:

Arena Development Company, Ltd.  
c/o Huizenga Holdings, Inc.  
Sixth Floor  
200 S. Andrews Avenue  
Fort Lauderdale, Florida 33301  
Attention: President

(e) As to the Trustee:

The Bank of New York  
10161 Centurion Parkway  
Jacksonville, Florida 32256  
Attention: Corporate Trust  
Administration

"Operating Agreement" means that certain Broward County Civic Arena Operating Agreement dated as of June 4, 1996 between the County and the Operator.

"Operator" means Arena Operating Company, Ltd., a limited partnership organized under the laws of the State, and its lawful successors and assigns to the extent permitted by the Operating Agreement.

"Opinion of Bond Counsel" means an opinion in writing signed by Bond Counsel.

006:\03119.DOC5.BR2020327\MASTER\_INDENTURE-6.

- 11 -

"Ordinary Services" and "Ordinary Expenses" mean those services normally rendered, and those expenses normally incurred, by a trustee under instruments similar to the Indenture.

"Original Purchaser" means, as to each Series, the Person or Persons identified as the Original Purchaser or Purchasers of the Bonds in the Supplemental Indenture or the Purchase Agreement for that Series.

"Outstanding Bonds", "Bonds outstanding" or "outstanding" as applied to Bonds mean, as of the applicable date, all Bonds which have been authenticated and delivered, or which are being delivered by the Trustee under the Indenture, except:

- (a) Bonds canceled upon surrender, exchange or transfer, or canceled because of payment or redemption on or prior to that date;
- (b) Bonds, or the portion thereof, for the payment, redemption or purchase for cancellation of which sufficient money has been deposited and credited with the Trustee or any Paying Agents on or prior to that date for that purpose (whether upon or prior to the maturity or redemption date of those Bonds); provided, that if any of those Bonds are to be redeemed prior to their maturity, notice of that redemption shall have been given or arrangements satisfactory to the Trustee shall have been made for giving notice of that redemption, or waiver by the affected Holders of that notice satisfactory in form to the Trustee shall have been filed with the Trustee;
- (c) Bonds, or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of the Indenture, and
- (d) Bonds in lieu of which others have been authenticated under Section 2.08 of this Master Indenture.

"Parking Areas" means the areas of the Facility designated for parking.

"Paying Agent" means any bank, trust company or other Person (including the County) designated as a Paying Agent by or in accordance with Section 5.12 of this Master Indenture.

"Person" or words importing persons means firms, associations, partnerships (including, without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

"Pledged Funds" means collectively (i) the Construction Fund but not including the Project Developer Construction Account therein, (ii) the Revenue Fund, (iii) the Bond Fund, (iv) the Bond Reserve Fund, (v) the Surplus Fund, and (vi) any other funds and accounts permitted by, established under or identified in this Master Indenture or any Supplemental Indenture or any resolution authorizing the Bonds as funds and accounts specifically pledged to the payment of Debt Service Charges of the Bonds or particular Series of Bonds. The Pledged Funds do not include the Rebate Fund.

006:103119.DOC5.BR2020327\MASTER\_INDENTURE-6.

- 12 -

"Purchase Agreement" means, as to a particular Series, the bond purchase agreement or other similar agreements between the County and the Original Purchaser of that Series.

"Rating Service" means Moody's Investors Service, Inc., Standard & Poor's Ratings Service, a division of McGraw-Hill, Inc., Fitch Investors Service and any other nationally recognized securities rating agency which has assigned a rating to any Series of Bonds.

"Rebate Fund" means any Rebate Fund established with respect to a Series of Tax-Exempt Bonds by Supplemental Indenture.

"Registrar" means the books kept and maintained by the Registrar for registration and transfer of Bonds pursuant to Section 2.07 hereof.

"Registrar" means the Trustee, or with respect to any Series of Bonds, any other bank, trust company or Person (including the County) appointed to act in such capacity by Supplemental Indenture.

"Regular Record Date" means the fifteenth (15th) day of the month preceding any Interest Payment Date, or with respect to any Series of Bonds such other day preceding any Interest Payment Date that is established as the Regular Record Date for purposes of the Indenture by Supplemental Indenture.

"Reimbursement Obligations" means Credit Facility Reimbursement Obligations and County Reimbursement Obligations.

"Reserve Fund Credit Facility" means a surety bond, a policy of insurance, a letter of credit, or other financial product obtained by the County with respect to any Bonds, from an entity that is rated in one of the two highest rating categories by at least one Rating Service and which financial product provides for payment of Debt Service Charges on such Bonds in amounts not greater than the Reserve Requirement in the event of an insufficiency of available moneys herein to pay when due Debt Service Charges on such Bonds.

"Reserve Requirement" means the lesser of (i) fifty percent (50%) of the Maximum Debt Service Charges or (ii) the greatest amount allowable under the Code.

"Revenue Allocation Date" means the fifth (5th) day immediately preceding each Interest Payment Date or Principal Payment Date.

"Revenue Fund" means the Broward County Civic Arena Revenue Fund, a special fund created and designated by Section 4.01 hereof, together with any accounts and subaccounts created thereunder.

"Sales Tax Rebate" has the meaning ascribed to it in the Recitations section of this Master Indenture.

"Serial Bonds" means the Bonds of a Series which shall be stated to mature in sequential years.

006:103119.DOC5.BR2020327\MASTER\_INDENTURE-6.

- 14 -

"Pledged Revenues" means (a) the Professional Sports Franchise Facilities Tax Revenues, (b) all proceeds from the Sales Tax Rebate, (c) the County Preferred Revenue Allocation, (d) other revenue sources pledged by the County to the payment of Debt Service Charges from time to time by Supplemental Indenture and (e) moneys in, including investments credited to, the Pledged Funds, and income from the investment thereof.

"Predecessor Bond" of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by the particular Bond. For the purposes of this definition, any Bond authenticated and delivered under Section 2.08 of this Master Indenture in lieu of a lost, stolen or destroyed Bond shall, except as otherwise provided in Section 2.08, be deemed to evidence the same debt as the lost, stolen or destroyed Bond.

"Principal" or "principal" means the principal of the specified obligations; in the case of Compounding Interest Bonds, the interest component of the Maturity Amount (or Accreted Value thereof payable upon redemption) shall be deemed to constitute principal; provided that for purposes of any limitation contained herein or in any Supplemental Indenture on the aggregate principal amount of Bonds of any Series, the principal amount thereof shall be the initial principal amount on the date of issuance thereof.

"Principal Payment Date" means, when used with reference to any Bonds, the dates on which principal is stated to be due thereon (including from Amortization Requirements) as provided by Supplemental Indenture with respect to each Series of Bonds.

"Professional Sports Franchise Facilities Tax" has the meaning ascribed to it in the Recitations section of this Master Indenture.

"Professional Sports Franchise Facilities Tax Ordinances" means Ordinance No. 96-9 and Ordinance No. 96-10 enacted by the Board on April 23, 1996.

"Professional Sports Franchise Facilities Tax Revenues" means all monies received by the County from the levy and collection by the County of the Professional Sports Franchise Facilities Tax other than the portion thereof paid to the Finance Director for costs of administration in accordance with the Professional Sports Franchise Facilities Tax Ordinances.

"Project Developer" means Arena Development Company, Ltd., a limited partnership organized under the laws of the State, and its lawful successors and assigns to the extent permitted by the Development Agreement.

"Project Developer Contributions" means the amounts which the Project Developer has agreed to deposit with the Trustee for deposit in the Construction Fund pursuant to Sections 2.3(e) and 6.5 of the Development Agreement, which may be satisfied by the deposit of a letter of credit as described in the Development Agreement.

"Project Site" means the real estate described in Exhibit A to the Development Agreement.

006:103119.DOC5.BR2020327\MASTER\_INDENTURE-6.

- 13 -

"Series" means those Bonds which are issued pursuant to a Supplemental Indenture as a separate Series of Bonds.

"Special Record Date" means, with respect to any Bond, the date established by the Trustee in connection with the payment of overdue interest on that Bond pursuant to Section 2.06 hereof.

"State" means the State of Florida.

"Supplemental Indenture" means any indenture supplemental to this Master Indenture entered into between the County and the Trustee in accordance with Article VII hereof.

"Surplus Fund" means the Broward County Civic Arena Surplus Fund, a special fund created and designated by Section 4.01 hereof, together with any accounts and subaccounts created thereunder.

"Tax-Exempt Bonds" means Bonds the interest on which is intended, on the date of issuance thereof, to be excluded from gross income for federal income tax purposes under the Code.

"Taxable Bonds" means Bonds the interest on which is intended, on the date of issuance thereof, to be included in gross income for federal income tax purposes under the Code.

"Team" means the Florida Panthers Hockey Club, Ltd., a limited partnership organized under the laws of the State, and its lawful successors and assigns.

"Term Bonds" means that portion of the Bonds of any Series which are stated to mature on one date in a calendar year and which shall be subject to mandatory redemption by operation of Amortization Requirements.

"Trustee" means The Bank of New York, until a successor Trustee shall have become such pursuant to the applicable provisions of this Master Indenture, and thereafter, "Trustee" shall mean the successor Trustee.

**SECTION 1.02. Interpretation.** Any reference herein to the County or the Board or to any member or officer of the foregoing includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their functions.

Any reference to a section, provision or chapter of the Act, or laws and regulations of the United States, includes that section, provision or chapter as amended, modified, revised, supplemented or superseded from time to time to the extent applicable; provided, that no amendment, modification, revision, supplement or superseding section, provision or chapter shall be applicable solely by reason of this paragraph, if it constitutes in any way an impairment of the rights or obligations of the County, the Holders or the Trustee, under this Master Indenture, any Supplemental Indenture, any legislation of the County authorizing any Series of Bonds, the Bonds or any other instrument or document entered into in connection with any of the foregoing.

006:103119.DOC5.BR2020327\MASTER\_INDENTURE-6.

- 15 -

including without limitation, any alteration of the obligation to pay Debt Service Charges in the amount and manner, at the times, and from the sources provided in the legislation of the County authorizing each Series of Bonds and the Indenture, except as permitted herein.

Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa. The terms "hereof", "hereby", "herein", "hereio", "hereunder", "hereinafter" and similar terms refer to this Master Indenture; and the term "hereafter" means after, and the term "heretofore" means before, the date of this Master Indenture. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

**SECTION 1.03. Captions and Headings.** The captions and headings in this Master Indenture are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

(End of Article I)

006:\03119.DOC5.BR2020327\MASTER\_INDENTURE-6.

- 16 -

will be issued in compliance with the provisions of this Master Indenture and the related Supplemental Indenture.

2. Copies of the executed Facility Agreements and any amendments or supplements to such agreements which are necessary or advisable to provide that such Series will be issued in compliance with the provisions of this Master Indenture and the related Supplemental Indenture.

3. A copy of a resolution of the Board authorizing the issuance of the Bonds of that Series, certified by an authorized officer of the Board.

4. A request and authorization to the Trustee (as Trustee and Authenticating Agent) on behalf of the County, signed by an Authorized County Representative, to authenticate and deliver the Bonds of that Series to, or on the order of, the Original Purchaser thereof upon payment to the County of the amount specified therein (including without limitation, any accrued interest), which amount shall be deposited as provided in the related Supplemental Indenture.

5. An Opinion of Bond Counsel to the effect that: (i) the documents submitted to the Trustee in connection with the request then being made comply with the requirements of this Master Indenture and the related Supplemental Indenture; (ii) the issuance of the Bonds of that Series has been duly authorized; and (iii) all conditions precedent to the delivery of the Bonds of that Series have been fulfilled.

6. An Opinion of Bond Counsel to the effect that: (i) when executed for and in the name and on behalf of the County and when authenticated by the Authenticating Agent and delivered by the Trustee the Bonds of that Series will be valid and legal special obligations of the County enforceable in accordance with their terms.

7. Evidence satisfactory to the Trustee that upon delivery of that Series of Bonds and receipt and application of the amount specified in the request and authorization to which reference is made in paragraph 4 above, there will be on deposit in the Bond Reserve Fund an amount equal to the Reserve Requirement.

When (i) the documents listed above have been received by the Trustee, and (ii) the Bonds of the Series then to be issued have been executed and authenticated, the Trustee shall deliver the Bonds of that Series to or on the order of the Original Purchaser thereof, but only upon payment to the Trustee of the specified amounts (including, without limitation, any accrued interest) set forth in the request and authorization to which reference is made in paragraph 4 above.

**SECTION 2.04. Execution and Authentication of Bonds.** Upon the execution and delivery of the related Supplemental Indenture, and satisfaction of the conditions established by the County and in the Purchase Agreement for delivery of the related Series, the County shall execute the Bonds of that Series and deliver them to the Trustee. Thereupon, the Authenticating Agent shall authenticate the Bonds of that Series and the Trustee shall deliver them to, or on the order of, the Original Purchaser thereof, as directed by the County in accordance with this Section 2.04. Each Bond shall be executed by the Chair of the Board and attested by the County

006:\03119.DOC5.BR2020327\MASTER\_INDENTURE-6.

- 18 -

## ARTICLE II

### AUTHORIZATION AND TERMS OF BONDS

**SECTION 2.01. Authorization of Bonds.** Pursuant to the authority of the Act, the County may issue, sell and deliver one or more Series of Bonds for Facility Purposes as specified in the Supplemental Indenture authorizing such Series, upon satisfaction of the conditions and in the manner provided in this Master Indenture. A Supplemental Indenture may provide for the issuance of multiple Series of Bonds.

**SECTION 2.02. Form of Bonds.** Unless otherwise provided in the Supplemental Indenture authorizing a Series, each Series of Bonds shall be designated "Broward County, Florida Professional Sports Facilities Tax and Revenue Bonds, Series \_\_\_\_ (Broward County Civic Arena Project)," with the appropriate Series designation to be provided in the Supplemental Indenture, shall be issued only in fully registered form, shall be numbered or otherwise designated in such manner as determined by the Trustee in order to distinguish each Bond from any other Bond, shall be in Authorized Denominations and shall be transferable and exchangeable for Bonds of Authorized Denominations as provided in Section 2.07 hereof. The County may provide in a Supplemental Indenture for a particular Series of Bonds for the issuance of that Series in any manner then permitted by law.

The County shall provide for the terms of each Series of Bonds in the Supplemental Indenture for the particular Series of Bonds including, without limitation, the following: whether such Bonds shall be issued as Tax-Exempt or Taxable Bonds; whether such Bonds shall be issued as "Book-Entry Bonds"; the date of the Bonds or the manner for determining the date; the Aggregate Principal Amount of the Bonds of that Series; whether such Bonds shall be Serial and/or Term Bonds; the interest or appreciation rate or rates, or the method for determining the interest or appreciation rate or rates for that Series; any Interest Payment Date or Dates; the date or dates on which the principal of the Series matures or is payable, whether by stated maturity, mandatory redemption or tender for purchase or otherwise, including the Principal Payment Date or Dates for that Series and the Amortization Requirements for Term Bonds; the redemption provisions in addition to those contained in Article III hereof; the designation for the Series which shall be such as to distinguish each Series from another Series; the appointment of any necessary Fiduciaries; and any other provisions determined by the County to be appropriate for the issuance of and security for the Series.

**SECTION 2.03. Issuance and Delivery of Bonds.** Subject to the provisions of the Indenture, the Bonds of each Series shall be on a parity with the Bonds of each other Series theretofore or thereafter issued and outstanding as to the assignment to the Trustee of the County's right, title and interest in the Pledged Revenues to provide for payment of Debt Service Charges on the Bonds;

Before the Trustee shall deliver any Series, the Trustee shall receive the following items:

1. An original executed counterpart of the Supplemental Indenture relating to the Series then to be issued, which contains the information required by Sections 2.02 and 4.01 hereof, and any other documents which are necessary or advisable to provide that such Series

006:\03119.DOC5.BR2020327\MASTER\_INDENTURE-6.

- 17 -

Administrator (provided that either or both of those signatures may be facsimiles). In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be that officer before the issuance of the Bond, the signature of that officer or the facsimile thereof nevertheless shall be valid and sufficient for all purposes, the same as if that officer had remained in office until that time. Any Bond may be executed on behalf of the County by an officer who, on the date of execution is the proper officer, although on the date of the Bond that person was not the proper officer.

No Bond shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Master Indenture or any Supplemental Indenture unless and until a certificate of authentication, substantially in the form set forth in the related Supplemental Indenture, has been signed by the Authenticating Agent. The authentication by the Authenticating Agent upon any Bond shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered hereunder and is entitled to the security and benefit of this Master Indenture and the related Supplemental Indenture. The certificate of the Authenticating Agent may be executed by any person authorized by the Authenticating Agent, but it shall not be necessary that the same authorized person sign the certificates of authentication on all of the Bonds of a Series.

**SECTION 2.05. Sources of Payment and Security for the Bonds.** To the extent provided in and except as otherwise permitted by this Master Indenture and any Supplemental Indenture, the Bonds shall be special limited obligations of the County, and the Debt Service Charges thereon shall be payable equally and ratably solely as provided in the Indenture. The payment of Debt Service Charges on the Bonds shall be secured by the pledge and assignment by the County of the Pledged Revenues under the Indenture. The Bonds shall not constitute a debt of the County within the meaning of any constitutional, statutory or other provision, and the County is not obligated to pay the Debt Service Charges thereon except from the Pledged Revenues. Neither the full faith and credit nor the ad valorem taxing power of the County are pledged to the payment of the Debt Service Charges on the Bonds.

**SECTION 2.06. Payment and Ownership of Bonds.** Debt Service Charges shall be payable in lawful money of the United States of America without deduction for the services of the Trustee or any Paying Agent. Subject to the provisions of Section 2.10 of this Master Indenture,

(i) principal of and any premium on any Bond shall be payable on each Principal Payment Date to the Holder of such Bond upon presentation and surrender of such Bond at the principal corporate trust office of the Trustee or at the office, designated by the Trustee, of any Paying Agent, and

(ii) interest on any Bond shall be payable on each Interest Payment Date by check or draft which the Trustee shall cause to be mailed on that date to the Holder of such Bond (or one or more Predecessor Bonds) as of the close of business on the Regular Record Date applicable to such Interest Payment Date at the address appearing in the Register.

006:\03119.DOC5.BR2020327\MASTER\_INDENTURE-6.

- 19 -



If and to the extent, however, that the County shall fail to make payment or provision for payment of interest on any Bond on any Interest Payment Date, that interest shall cease to be payable to the Person who was the Holder of such Bond (or of one or more Predecessor Bonds) as of the applicable Regular Record Date. In such event, when moneys become available for payment of such interest, (x) the Trustee shall establish a Special Record Date for the payment of that interest which shall be not more than 15 nor fewer than 10 days prior to the date of the proposed payment, and (y) the Trustee shall cause notice of the proposed payment and of the Special Record Date to be mailed by first class mail, postage prepaid, not fewer than 10 days prior to the Special Record Date, to each Holder at its address as it then appears on the Register and, thereafter, the interest shall be payable to the Persons who are the Holders of the Bonds (or their respective Predecessor Bonds) at the close of business on the Special Record Date.

Subject to the foregoing provisions of this Section 2.06, each Bond delivered under the Indenture upon transfer thereof, or in exchange for or in replacement of any other Bond, shall carry the right to interest accrued and unpaid, and to accrue on that Bond, or which were carried by that Bond.

Except as provided in this Section 2.06 and in the first paragraph of Section 2.08 hereof, (i) the Holder of any Bond shall be deemed and regarded as the absolute owner thereof for all purposes of the Indenture, (ii) payment of or on account of the Debt Service Charges on any Bond shall be made only to or upon the order of that Holder or its duly authorized attorney in the manner permitted by the Indenture, and (iii) to the extent permitted by law, neither the County, the Trustee, the Registrar nor any Paying Agent or Authenticating Agent shall be affected by notice to the contrary. All of those payments shall be valid and effective to satisfy and discharge the liability upon that Bond, including without limitation, the interest thereon, to the extent of the amount or amounts so paid.

**SECTION 2.07. Transfer and Exchange of Bonds.** So long as any of the Bonds remain outstanding, the County will cause books for the registration and transfer of Bonds, as provided in this Master Indenture, to be maintained and kept at the designated office of the Registrar.

Bonds may be exchanged, at the option of their Holder, for Bonds of the same Series and of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unamatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds being exchanged. The exchange shall be made upon presentation and surrender of the Bonds being exchanged at the designated office of the Registrar or at the designated office of any Authenticating Agent for that Series of Bonds, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar or the Authenticating Agent, as the case may be.

Any Bond may be transferred upon the Register, upon presentation and surrender thereof at the designated office of the Registrar or the designated office of any Authenticating Agent for the Series thereof, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar or the Authenticating Agent, as the case may be. Upon transfer of any Bond and on request of the Registrar or the

DOC: [03119.DOC5.BR2020327]MASTER\_INDENTURE-6

- 20 -

If any lost, wrongfully taken or destroyed Bond shall have matured, then instead of issuing a new Bond, the Authorized County Representative may direct the Trustee to pay that Bond without surrender thereof upon the furnishing of satisfactory evidence and indemnity as in the case of issuance of a new Bond pursuant to the immediately preceding paragraph. The County, the Registrar, the Authenticating Agent and the Trustee may charge the Holder of a mutilated, lost, wrongfully taken or destroyed Bond their reasonable fees and expenses in connection with their actions pursuant to this Section.

Every new Bond issued pursuant to this Section by reason of any Bond being mutilated, lost, wrongfully taken or destroyed (i) shall constitute a Bond, to the extent of the outstanding principal amount of, and having the same terms as, the Bond lost, mutilated, wrongfully taken or destroyed, regardless of whether such mutilated, lost, wrongfully taken or destroyed Bond shall be enforceable at any time by anyone and (ii) shall be entitled to all of the benefits of the Indenture to the same extent as the Bond that was mutilated, lost, wrongfully taken or destroyed.

All Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, wrongfully taken or destroyed Bonds and, to the extent permitted by law, shall preclude any and all other rights and remedies with respect to the replacement or payment of negotiable instruments or other investment securities without their surrender, notwithstanding any law or statute to the contrary now existing or enacted hereafter.

**SECTION 2.09. Cancellation of Bonds.** Any Bond surrendered pursuant to this Article for the purpose of payment or retirement or for exchange, replacement or transfer shall be canceled upon presentation and surrender thereof to the Registrar, the Trustee or any Paying Agent or Authenticating Agent. Any Bond canceled by the Trustee or a Paying Agent or Authenticating Agent shall be transmitted promptly to the Registrar by the Trustee, Paying Agent or Authenticating Agent.

The County may deliver at any time to the Registrar for cancellation any Bonds previously authenticated and delivered hereunder, which the County may have acquired in any manner whatsoever. All Bonds so delivered shall be canceled promptly by the Registrar. Certification of the surrender and cancellation shall be made to the County and the Trustee (if the Trustee is not acting as Registrar) by the Registrar at least twice each calendar year. Unless otherwise directed in writing by the Authorized County Representative, canceled Bonds shall be retained and stored by the Registrar for a period of one year after their cancellation. Canceled Bonds shall be destroyed by the Registrar by shredding or incineration promptly after the one year anniversary of their cancellation or promptly after such earlier time directed in writing by the Authorized County Representative. The Registrar shall provide certificates describing the destruction of canceled Bonds to the County and the Trustee (if the Trustee is not acting as Registrar).

**SECTION 2.10. Special Agreement with Holders.** Notwithstanding any provision of this Master Indenture, of any Supplemental Indenture or of any Bond to the contrary, the Trustee may enter into a written agreement with any Holder providing for making any payment to that Holder of principal of and interest and any premium on that Bond or any part thereof at a place and in a manner other than as provided in this Master Indenture, any Supplemental Indenture

DOC: [03119.DOC5.BR2020327]MASTER\_INDENTURE-6

- 22 -

Authenticating Agent, the County shall execute in the name of the transferee, and the Authenticating Agent shall authenticate and deliver, a new Bond or Bonds of the same Series, of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unamatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds presented and surrendered for transfer.

In all cases in which Bonds shall be exchanged or transferred hereunder, the County shall execute, and the Authenticating Agent shall authenticate and deliver, Bonds in accordance with the provisions of this Master Indenture. The exchange or transfer shall be made without charge; provided, that the County and the Registrar or the Authenticating Agent, as the case may be, may make a charge for every exchange or transfer of Bonds sufficient to reimburse them for any tax or excise required to be paid with respect to the exchange or transfer. The charge shall be paid before a new Bond is delivered.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid special obligations of the County, evidencing the same debt, and entitled to the same benefits under the Indenture, as the Bonds surrendered for transfer or exchange. Neither the County, the Registrar nor any Authenticating Agent, as the case may be, shall be required to make any exchange or transfer of a Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or to transfer or exchange any Bonds selected for redemption, in whole or in part.

In case any Bond is redeemed in part only, on or after the redemption date and upon presentation and surrender of the Bond, the County, subject to the provisions of Section 2.10 hereof, shall cause execution of, and the Registrar or any Authenticating Agent for the Series of that Bond shall authenticate and deliver, a new Bond or Bonds of the same Series in Authorized Denominations in an aggregate principal amount equal to the unamatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date or dates as, the Bond redeemed in part.

For purposes of this Section, the Trustee shall establish the designated office of the Registrar and the Authenticating Agent.

**SECTION 2.08. Mutilated, Lost, Wrongfully Taken or Destroyed Bonds.** If any Bond is mutilated, lost, wrongfully taken or destroyed and if the County, the Registrar or an Authenticating Agent have not received written notice that such lost, wrongfully taken or destroyed Bond has been acquired by a bona fide purchaser, then the County shall execute, and an Authenticating Agent shall authenticate and deliver, a new Bond of like date, maturity and denomination and of the same Series as the Bond mutilated, lost, wrongfully taken or destroyed; provided, that (i) in the case of any mutilated Bond, the mutilated Bond first shall be surrendered to the Registrar or an Authenticating Agent, and (ii) in the case of any lost, wrongfully taken or destroyed Bond, there first shall be furnished to the County, the Trustee and the Registrar evidence of the loss, wrongful taking or destruction satisfactory to the Authorized County Representative, the Trustee and the Registrar, together with indemnity satisfactory to them.

DOC: [03119.DOC5.BR2020327]MASTER\_INDENTURE-6

- 21 -

and in the Bond, without presentation or surrender of the Bond, upon any conditions which shall be satisfactory to the Trustee in its sole discretion; provided, that payment in any event shall be made to the Person in whose name a Bond shall be registered on the Register, with respect to payment of principal and premium, on the date such principal and premium is due, and, with respect to the payment of interest, as of the applicable Regular Record Date or Special Record Date, as the case may be.

The Trustee will furnish a copy of each executed agreement entered into pursuant to this Section 2.10, certified to be correct by an officer of the Trustee, to the Registrar (if the Trustee is not acting as Registrar), the Paying Agents and the County. Any payment of principal, premium or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this Master Indenture and the related Supplemental Indenture.

(End of Article II)

DOC: [03119.DOC5.BR2020327]MASTER\_INDENTURE-6

- 23 -

## ARTICLE III

### REDEMPTION OF BONDS

**SECTION 3.01. Redemption of Bonds.** The Bonds of each Series shall be subject to redemption prior to stated maturity as provided in this Master Indenture and in the Supplemental Indenture relating to that Series.

**SECTION 3.02. Partial Redemption.** If fewer than all of the outstanding Bonds of a Series that are stated to mature in different years are called for redemption at one time (other than redemption pursuant to mandatory sinking fund requirements), the selection of the maturities of Bonds of such Series to be redeemed shall be made by the County and the Authorized County Representative shall notify the Trustee of such selection in writing. If fewer than all of the Bonds of a single maturity of a Series are to be redeemed, the selection of Bonds of that Series within such maturity to be redeemed, or portions thereof in Authorized Denominations of that Series, unless otherwise provided in the Supplemental Indenture relating to that Series, shall be made by lot by the Trustee in any manner which the Trustee may determine.

In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than the minimum Authorized Denomination of that Series are then outstanding, each unit of principal thereof equal to the minimum Authorized Denomination shall be treated as though it were a separate Bond of that minimum Authorized Denomination. If it is determined that one or more, but not all of the units of minimum Authorized Denomination represented by a Bond are to be called for redemption, then upon notice of redemption of such a unit or units, the Holder of that Bond shall surrender the Bond to the Trustee (a) for payment of the redemption price of the unit or units of the Bond called for redemption (including without limitation, the interest accrued to the date fixed for redemption and any premium), and (b) for issuance, without charge to the Holder thereof, of a new Bond or Bonds of the same Series, of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Bond surrendered.

**SECTION 3.03. County's Election to Redeem.** Except in the case of redemption pursuant to any mandatory sinking fund requirements or pursuant to other mandatory redemption provisions, Bonds shall be redeemed only by written notice from the Authorized County Representative to the Trustee. That notice shall specify the redemption date and the principal amount of each maturity of Bonds of each Series to be redeemed, and shall be given at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. In the event that notice of redemption shall have been given by the Trustee to the Holders as provided in Section 3.04 hereof, there shall be deposited with the Trustee prior to or at the redemption date, funds which, in addition to any other moneys available therefor and held by the Trustee, will be sufficient to redeem at the redemption price thereof, plus interest accrued to the redemption date, all of the redeemable Bonds for which notice of redemption has been given.

thereof, including without limitation, the imposition of federal, state or other ad valorem, property, income or other taxes not being imposed on the date of this Master Indenture, any Supplemental Indenture or the Facility Agreements, or (C) interest on the Tax-Exempt Bonds shall no longer be excludable from gross income for federal income tax purposes as confirmed in an Opinion of Bond Counsel delivered to the County and the Trustee.

To exercise the option granted in this Section, the Authorized County Representative shall, within ninety (90) days following the event authorizing the exercise of that option, or at any time during the continuation of any condition referred to in clause (iii) above, give notice to the Trustee specifying the date on which the County will deliver the funds required for that redemption, which date shall be not more than ninety (90) days from the date that notice is mailed and shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption and for the redemption of the Bonds.

**SECTION 3.06. Payment of Redeemed Bonds.** Notice having been mailed in the manner provided in Section 3.04 hereof, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, including interest accrued to the redemption date.

If money for the redemption of all of the Bonds and portions thereof to be redeemed, including without limitation interest accrued thereon to the redemption date, is held by the Trustee or any Paying Agent on the redemption date, so as to be available therefor on that date and if notice of redemption has been deposited in the mail as aforesaid, then from and after the redemption date those Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding hereunder. If those moneys shall not be so available on the redemption date, those Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

All moneys deposited in the Bond Fund and held by the Trustee or a Paying Agent for the redemption of particular Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds.

**SECTION 3.07. Delivery of Moneys for Redemption or Purchase.** Nothing in this Master Indenture or any Supplemental Indenture is intended to prevent the County from delivering moneys to the Trustee for the purchase of Bonds in the secondary market or the redemption of Bonds in accordance with their terms.

If the Trustee is provided at any time with moneys which are sufficient, together with investments then in the Pledged Funds, to redeem a principal amount of Outstanding Bonds which will be subject to redemption on the next available date on which Bonds may be redeemed, the Trustee, upon the written request of the Authorized County Representative, shall make available from the Pledged Funds the amount required to accomplish the redemption, together with the other moneys provided, so long as the balance remaining thereafter in each Pledged Fund, and each account therein, is not thereby reduced below the amount which would

**SECTION 3.04. Notice of Redemption.** The notice of the call for redemption of Bonds shall identify (i) by Series, designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. Unless otherwise provided for a particular Series in the related Supplemental Indenture, the notice shall be given by the Trustee on behalf of the County by mailing a copy of the redemption notice by first class mail, postage prepaid, not less than thirty (30) days prior to the date fixed for redemption, to the Holder of each Bond subject to redemption in whole or in part at the Holder's address then shown on the Register. Failure to receive notice by mailing or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any other Bond.

Further notice of redemption shall be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comparable to the Bonds (such depositories now being The Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, and Philadelphia Depository Trust Corporation of Philadelphia, Pennsylvania) and to one or more national information services selected by the Trustee that disseminate notices of redemption obligations such as the Bonds (such as Financial Information, Inc.'s Financial Daily Called Bond Service, Kenny Information Service's Called Bond Service, Moody's Municipal and Governmental Called Bond Service and Standard & Poor's Called Bond Record).

**SECTION 3.05. Extraordinary Optional Redemption.** Unless otherwise provided in a Supplemental Indenture and in addition to any other redemption provisions contained in a Supplemental Indenture, at the direction and sole discretion of the County, the Bonds (but solely the Tax-Exempt Bonds upon the event described in clause (iii)(C) below) are subject to extraordinary optional redemption in whole or in part on any date at a redemption price of one hundred percent (100%) of the principal amount to be redeemed plus interest accrued to the redemption date, if any of the following shall have occurred:

(i) the Facility shall have been damaged or otherwise destroyed;

(ii) title to, or the temporary use of, all or a significant part of the Facility shall have been taken under the exercise of the power of eminent domain, or transferred in lieu of or under the threat of such action;

(iii) as a result of any changes in the Constitution of the State, the Constitution of the United States of America, or state or federal laws or as a result of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the County or the Operator in good faith, (A) this Master Indenture, any Supplemental Indenture or the Facility Agreements shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in this Master Indenture, any Supplemental Indenture or the Facility Agreements, or (B) unreasonable burdens or excessive liabilities as determined by the County shall have been imposed with respect to the Facility or the operation

be required hereby to be on deposit therein on the redemption date, with respect to the Bonds which will not be redeemed.

**SECTION 3.08. Variation of Redemption Provisions.** The provisions of this Article III, insofar as they apply to any Series of Bonds, may be varied by the Supplemental Indenture providing for that Series.

(End of Article III)

## ARTICLE IV

### FUNDS AND PAYMENTS

**SECTION 4.01. Creation of Funds.** The funds and accounts described in this Section are created hereby and are designated as indicated. Each fund and account is to be maintained as a separate trust account (except when invested in Eligible Investments), provided that separate accounts may be created and maintained in any such fund and separate subaccounts may be created and maintained in any such account.

The following funds and accounts are created hereby and are to be maintained as separate deposit accounts in the custody of the Trustee (except when invested in Eligible Investments):

- (i) the Construction Fund designated the "Broward County Civic Arena Construction Fund" and the "Capitalized Interest Account", the "County Bond Proceeds Account", the "Equity Account" and the "Project Developer Construction Account" therein;
- (ii) the Revenue Fund designated the "Broward County Civic Arena Revenue Fund" and the "Tax Account" and the "Facilities Account" therein;
- (iii) the Bond Fund designated the "Broward County Civic Arena Bond Fund" and the "Interest Account" and the "Principal Account" therein;
- (iv) the Bond Reserve Fund designated the "Broward County Civic Arena Bond Reserve Fund";
- (v) the Surplus Fund designated the "Broward County Civic Arena Surplus Fund" and the "Reserve Account" and the "General Account" therein.

The proceeds of the sale of each Series of Bonds (including without limitation, premium, if any, and interest accrued thereon) shall be allocated and deposited by the Trustee as provided in the Supplemental Indenture authorizing that Series, which may provide for additional funds, accounts and subaccounts.

**SECTION 4.02. Application of Professional Sports Franchise Facilities Tax Revenues, Sales Tax Rebate and County Preferred Revenue Allocation: Allocation of Moneys in Revenue Fund.** Upon the issuance of the initial Series of Bonds, all Professional Sports Franchise Facilities Tax Revenues and the proceeds of all Sales Tax Rebate then in the possession of the County and not theretofore appropriated or set aside for other purposes shall be deposited in the Tax Account of the Revenue Fund. Commencing on the day of the delivery of the initial Series of Bonds and so long as there are any outstanding Bonds or any Reimbursement Obligations for which payment, or provision for payment satisfactory to the party to whom payment is due, has not been made, the County shall, upon receipt, cause all Professional Sports Franchise Facilities Tax Revenues and the proceeds of all Sales Tax Rebate to be deposited in the Tax Account of the Revenue Fund. In addition, the County shall (i) cause the Operator to pay the County Preferred Revenue Allocation, not later than the seventh (7th) day preceding each Interest

Payment Date occurring after the Completion Date, directly to the Trustee for deposit in the Facilities Account of the Revenue Fund and (ii) unless otherwise provided by Supplemental Indenture, cause any other revenue sources hereinafter pledged to the payment of Debt Service Charges to be paid to the Trustee for deposit in the Facilities Account of the Revenue Fund.

On and after the date of delivery of the initial Series of Bonds, moneys in the Revenue Fund shall be applied as set forth below.

(1) In the event that Tax-Exempt Bonds are issued and while Tax-Exempt Bonds are outstanding, moneys in the accounts of the Revenue Fund shall be applied to make the following deposits to the following funds and accounts in the following order:

(a) From the Tax Account to the Bond Fund:

(i) Into the Interest Account of the Bond Fund, on each Revenue Allocation Date, and after giving effect to any amounts on deposit in that account and in the Capitalized Interest Account of the Construction Fund with respect to Tax-Exempt Bonds, an amount sufficient to pay the interest due on all outstanding Tax-Exempt Bonds on the next Interest Payment Date; and

(ii) Into the Principal Account of the Bond Fund, on each Revenue Allocation Date occurring in a Fiscal Year on which a Principal Payment Date occurs with respect to Tax-Exempt Bonds, and after giving effect to any amounts on deposit in that account with respect to Tax-Exempt Bonds, an amount such that, if the same amount were paid in each such Revenue Allocation Date preceding such next Principal Payment Date, the aggregate of the amounts so paid would be sufficient to pay the principal amount due on all outstanding Tax-Exempt Bonds on such next Principal Payment Date as a result of maturity or mandatory redemption from Amortization Requirements.

(b) From the Facilities Account to the Bond Fund:

(i) Into the Interest Account of the Bond Fund, on each Revenue Allocation Date, and after giving effect to any amounts on deposit in that account and in the Capitalized Interest Account of the Construction Fund with respect to Taxable Bonds, an amount sufficient to pay the interest due on all outstanding Taxable Bonds on the next Interest Payment Date; and

(ii) Into the Principal Account of the Bond Fund, on each Revenue Allocation Date occurring in a Fiscal Year on which a Principal Payment Date occurs with respect to Taxable Bonds, and after giving effect to any amounts on deposit in that account with respect to Taxable Bonds, an amount such that, if the same amount were paid in each such Revenue Allocation Date preceding such next Principal Payment Date, the aggregate of the amounts so paid would be sufficient to pay the principal due on all outstanding Taxable Bonds on such next Principal Payment Date as a result of maturity or mandatory redemption from Amortization Requirements.

D06: [03119.DOC5.BR2020327]MASTER\_INDENTURE-6.

- 28 -

D06: [03119.DOC5.BR2020327]MASTER\_INDENTURE-6.

- 29 -

(c) To the extent that the application of moneys from the Tax Account pursuant to clause (a) above is insufficient to satisfy the required deposits under said clause (a), moneys available in the Facilities Account after the application of clause (b) above shall be deposited, to the extent necessary, to make up deficiencies first, in the Interest Account and then, in the Principal Account with respect to Tax-Exempt Bonds.

(d) To the extent that the application of moneys from the Facilities Account pursuant to clause (b) above is insufficient to satisfy the required deposits under said clause (b), moneys available in the Tax Account after the application of clause (a) above shall be deposited, to the extent necessary, to make up deficiencies first, in the Interest Account and then, in the Principal Account with respect to Taxable Bonds.

(e) Notwithstanding the foregoing, if after the application of moneys in the Revenue Fund as described in clauses (a) through (d) above and the transfer of moneys to the Bond Fund from the Surplus Fund and Bond Reserve Fund as described in Section 4.04 hereof, (i) there are insufficient moneys in the Interest Account on any Interest Payment Date (which is not also a Principal Payment Date) to pay interest then due on all Bonds, the Trustee shall (A) to the extent that there are sufficient moneys on deposit in the Principal Account to make up such deficiency, transfer from the Principal Account moneys (without regard to source of deposit) in the amount of such deficiency to the Interest Account and apply such moneys, together with all moneys then on deposit in the Interest Account, to the payment of interest on the Bonds, or (B) to the extent that there are not sufficient moneys on deposit in the Principal Account to make up such deficiency, apply all moneys on deposit in the Bond Fund (without regard to source of deposit) as provided in Section 6.07 hereof, or (ii) there are insufficient moneys in the Interest Account and the Principal Account on any Interest Payment Date (which is also a Principal Payment Date) to pay the Debt Service Charges then due on all Bonds, as applicable, the Trustee shall apply all moneys on deposit in the Bond Fund (without regard to source of deposit) as provided in Section 6.07 hereof.

(f) First from the Tax Account and then from the Facilities Account to the Bond Reserve Fund:

(i) on each Revenue Allocation Date following an Interest Payment Date or Principal Payment Date in which the amount on deposit in the Bond Reserve Fund falls below the Reserve Requirement because moneys were transferred from the Bond Reserve Fund to the Bond Fund pursuant to the provisions of Section 4.04 hereof, one-half (1/2) of the amount required to make the balance in the Bond Reserve Fund equal to the Reserve Requirement; and

(ii) on each Revenue Allocation Date following receipt by the County of notice pursuant to Section 4.06 hereof that the balance in the Bond Reserve Fund is below an amount equal to ninety percent (90%) of the Reserve Requirement,

one-half (1/2) of the amount required to make the balance in the Bond Reserve Fund equal to the Reserve Requirement;

provided, that at such time as the amount on deposit in the Bond Reserve Fund is not less than the Reserve Requirement, the obligation to make payments under this paragraph (f) shall end until such other time as a deficiency occurs as a result of the events described in (i) or (ii) above.

(g) First from the Tax Account and then from the Facilities Account, into each Rebate Fund, on any date, amounts which are then necessary to ensure compliance with the requirements of the Code with respect to the Tax-Exempt Bonds for which such Rebate Fund was established.

(h) In each case, on each Revenue Allocation Date, and from the sources of deposit described above, any amount which may be necessary to make up any previous deficiency in any of the required deposits described above and to make up any deficiency or loss in the respective funds or accounts to which deposits are required to be made in connection with investments or otherwise, including without limitation, the restoration of any amounts paid from any of those funds or accounts pursuant to the Indenture, except as provided otherwise expressly herein.

(i) From the Tax Account into the Equity Account of the Construction Fund, on each Revenue Allocation Date occurring prior to October 1, 1998, the lesser of (A) an amount equal to Five Million Dollars (\$5,000,000) less the moneys applied from the Tax Account on such Revenue Allocation Date to make the payments required by the preceding paragraphs or (B) the moneys remaining in the Tax Account on such Revenue Allocation Date after making the payments required by the preceding paragraphs.

(j) To the Surplus Fund:

(i) Into the Reserve Account of the Surplus Fund, on each Revenue Allocation Date, all of the moneys remaining in the Tax Account of the Revenue Fund on that Revenue Allocation Date, after making the payments required by the preceding paragraphs; and

(ii) Into the General Account of the Surplus Fund, on each Revenue Allocation Date, all of the moneys remaining in the Facilities Account of the Revenue Fund on that Revenue Allocation Date, after making the payments required by the preceding paragraphs.

(2) In the event that either only Taxable Bonds are issued or only Taxable Bonds are outstanding, moneys in the Revenue Fund shall be applied first from the Tax Account and, except for (e) below, then from the Facilities Account to make the following deposits to the following funds and accounts in the following order:

D06: [03119.DOC5.BR2020327]MASTER\_INDENTURE-6.

- 30 -

D06: [03119.DOC5.BR2020327]MASTER\_INDENTURE-6.

- 31 -

(a) To the Bond Fund:

(i) Into the Interest Account of the Bond Fund, on each Revenue Allocation Date, and after giving effect to any amounts on deposit in that account and in the Capitalized Interest Account of the Construction Fund, an amount sufficient to pay the interest due on all outstanding Bonds on the next Interest Payment Date; and

(ii) Into the Principal Account of the Bond Fund, on each Revenue Allocation Date occurring in a Fiscal Year on which a Principal Payment Date occurs, and after giving effect to any amounts on deposit in that account, an amount such that, if the same amount were paid in each such Revenue Allocation Date preceding such next Principal Payment Date, the aggregate of the amounts so paid would be sufficient to pay the principal amount due on all outstanding Bonds on such next Principal Payment Date as a result of maturity or mandatory redemption from Amortization Requirements.

(b) To the Bond Reserve Fund:

(i) on each Revenue Allocation Date following an Interest Payment Date or Principal Payment Date in which the amount on deposit in the Bond Reserve Fund falls below the Reserve Requirement because moneys were transferred from the Bond Reserve Fund to the Bond Fund pursuant to the provisions of Section 4.04 hereof, one-half (1/2) of the amount required to make the balance in the Bond Reserve Fund equal to the Reserve Requirement; and

(ii) on each Revenue Allocation Date following receipt by the County of notice pursuant to Section 4.06 hereof that the balance in the Bond Reserve Fund is below an amount equal to ninety percent (90%) of the Reserve Requirement, one-half (1/2) of the amount required to make the balance in the Bond Reserve Fund equal to the Reserve Requirement;

provided, that at such time as the amount on deposit in the Bond Reserve Fund is not less than the Reserve Requirement, the obligation to make payments under this paragraph (b) shall end until such other time as a deficiency occurs as a result of the events described in (i) or (ii) above.

(c) to each Rebate Fund, on any date, amounts which are then necessary to ensure compliance with the requirements of the Code with respect to any Tax-Exempt Bonds which were previously outstanding and for which such Rebate Fund was established.

(d) In each case, and on each Revenue Allocation Date, any amount which may be necessary to make up any previous deficiency in any of the required deposits described above and to make up any deficiency or loss in the respective funds or accounts to which deposits are required to be made in connection with investments or otherwise, including without limitation, the restoration of any

amounts paid from any of those funds or accounts pursuant to the Indenture, except as provided otherwise expressly herein.

(e) Solely from the Tax Account into the Equity Account of the Construction Fund, on each Revenue Allocation Date occurring prior to October 1, 1998, the lesser of (A) an amount equal to Five Million Dollars (\$5,000,000) less the moneys applied from the Tax Account on such Revenue Allocation Date to make the payments required by the preceding paragraphs or (B) the moneys remaining in the Tax Account on such Revenue Allocation Date after making the payments required by the preceding paragraphs.

(f) To the Surplus Fund:

(i) Into the Reserve Account of the Surplus Fund, on each Revenue Allocation Date, all of the moneys remaining in the Tax Account of the Revenue Fund on that Revenue Allocation Date, after making the payments required by the preceding paragraphs; and

(ii) Into the General Account of the Surplus Fund, on each Revenue Allocation Date, all of the moneys remaining in the Facilities Account of the Revenue Fund on that Revenue Allocation Date, after making the payments required by the preceding paragraphs.

To the extent that investment earnings are credited to the Interest Account or the Principal Account in accordance with Section 4.06 of this Master Indenture or as a result of a transfer of investment earnings on any other fund or account held by the Trustee, future deposits to those Accounts shall be reduced by the amount so credited.

SECTION 4.03. Bond Fund.

(a) Moneys in the Bond Fund shall, in accordance with paragraph (c) hereof, be applied by the Trustee, or made available by the Trustee to the Paying Agent or Agents, as applicable, to pay (i) the principal or redemption price of Bonds as they mature, or become due, upon surrender thereof and (ii) the interest on Bonds as it becomes payable, and, in accordance with paragraph (d) hereof, be paid by the Trustee to the Credit Facility Provider to the extent of any amounts that the County owes the Credit Facility Provider.

(b) There shall be deposited into the Interest Account and Principal Account (and any subaccounts created thereunder), as applicable, (A) all payments to be transferred from the Revenue Fund as provided in Section 4.02 hereof and (B) all other moneys received by the Trustee under and pursuant to the provisions of the Indenture or any of the provisions of the Facility Agreements, when accompanied by directions from the Authorized County Representative that such moneys are to be paid into the Bond Fund.

(c) Except as provided in subsection (d) hereof, moneys in the Bond Fund shall be used solely for the payment of the Debt Service Charges on the Bonds from the following source or sources but only in the following order of priority:

(i) Interest:

(A) moneys held in the Interest Account;

(B) moneys transferred from the Surplus Fund to the Interest Account in accordance with Section 4.04(b) hereof;

(C) moneys transferred from the Bond Reserve Fund to the Interest Account in accordance with Section 4.04(a) hereof;

(D) moneys transferred from the Principal Account in accordance with Section 4.02(1)(f); and

(E) to the extent provided in Section 4.02(1)(f), all moneys on deposit the Bond Fund in accordance with Section 6.07.

(ii) Principal or redemption premium:

(A) moneys held in the Principal Account;

(B) moneys transferred from the Surplus Fund to the Principal Account in accordance with Section 4.04(b) hereof;

(C) moneys transferred from the Bond Reserve Fund to the Principal Account in accordance with Section 4.04(a) hereof; and

(D) to the extent provided in Section 4.02(1)(f), all moneys on deposit in the Bond Fund in accordance with Section 6.07.

(d) While a Credit Facility is in effect, any amounts in the Interest Account and Principal Account allocable to the Series of Bonds secured by such Credit Facility shall be paid to the Credit Facility Provider in reimbursement for Debt Service Charges on such Series of Bonds paid by the Credit Facility Provider which are owed to the Credit Facility Provider.

(e) Any amounts remaining in the Bond Fund after payment in full of the principal or redemption price of and interest on the Bonds (or provision for payment thereof) shall be paid, first, to the Credit Facility Provider, to the extent of any Credit Facility Reimbursement Obligations (as notified by the Credit Facility Provider in writing to the Trustee), second, to the County, to the extent of any County Reimbursement Obligations (as notified by the County in writing to the Trustee), third, to the Fiduciaries, to the extent of any expense obligations owed them (as notified by those parties in writing to the Trustee) and, fourth, to the County.

SECTION 4.04. Bond Reserve Fund and Surplus Fund.

(a) **Bond Reserve Fund.** In the event that, after any transfers to the Interest Account or the Principal Account from the Surplus Fund as described in (b) below, moneys in the Interest Account or moneys in the Principal Account are insufficient on any date on which Debt Service

Charges on the outstanding Bonds are due (whether at stated maturity or by mandatory redemption) to pay such interest or principal or any premium, respectively, the Trustee shall withdraw from the Bond Reserve Fund the moneys necessary to make up any remaining deficiency and shall transfer those moneys first to the Interest Account and then to the Principal Account, as the case may be.

Whenever the amount on deposit in the Bond Reserve Fund is less than the Reserve Requirement, moneys on deposit in the Revenue Fund shall be applied to cure such deficiency as provided in Section 4.02 hereof. If on any Revenue Allocation Date, moneys transferred from the Revenue Fund to the Bond Reserve Fund are not sufficient to make the payments then required to be made to the Bond Reserve Fund, then the deficiency shall, to the extent moneys are available thereunder, be paid from moneys on deposit in the Surplus Fund as provided in (b) below. If, after any transfer from the Surplus Fund to the Bond Reserve Fund as provided in (b) below, there remains a deficiency in the amount that was required to be deposited in the Bond Reserve Fund on such Revenue Allocation Date, the Trustee shall notify the Finance Director in writing as soon as possible, but in any event no later than the close of business on the seventh day following such Revenue Allocation Date, of that deficiency and the amount thereof and make a demand for payment by the County under, and subject to the limitations of, the County Deficiency Covenant of an amount sufficient to make up such deficiency. The County shall, subject to the limitations contained in the County Deficiency Covenant, be obligated to make such payment within one hundred and eighty (180) days following the Revenue Allocation Date to which such deficiency relates or, if earlier, the fifth (5th) day immediately preceding the date on which Debt Service Charges on the Bonds are due for the payment of which the amount of such deficiency is necessary.

When the amount on deposit in the Bond Reserve Fund is determined to be in excess of the Reserve Requirement, at the written request of the Finance Director, the Trustee shall, after payment, in order, of any outstanding, unpaid (A) Credit Facility Reimbursement Obligations, (B) County Reimbursement Obligations and (C) amounts owed any Fiduciaries, deliver the excess to the County to be used for any lawful purpose.

Notwithstanding anything to the contrary contained in this Master Resolution, the County may, in lieu of moneys required to be deposited in the Bond Reserve Fund or in substitution for all or a portion of the moneys on deposit in the Bond Reserve Fund, cause to be deposited into the Bond Reserve Fund a Reserve Fund Credit Facility, which Reserve Fund Credit Facility shall be payable (upon the giving of notice as required thereunder) on any Interest Payment Date or Principal Payment Date on which a deficiency exists in the amount available under the Indenture for the payment of the Series of Bonds for which such Reserve Fund Credit Facility was issued, which can not be cured by moneys in the Bond Reserve Fund. The County may, by Supplemental Indenture, provide additional terms and conditions relating to any Reserve Fund Credit Facility, including provisions for reimbursing the provider thereof for payments thereunder.

(b) **Surplus Fund.** In the event that, after the deposits from the Revenue Fund provided in Section 4.02 hereof, moneys in the Interest Account or moneys in the Principal Account are insufficient on any date on which Debt Service Charges on the outstanding Bonds are due (whether at stated maturity or by mandatory redemption) to pay such interest or principal and

any premium, respectively, the Trustee shall, before withdrawing any moneys in the Bond Reserve Fund and applying them to such purpose, withdraw moneys first, from the Reserve Account of the Surplus Fund, and then, from the General Account of the Surplus Fund, all in the amounts necessary in the aggregate to make up the deficiency and shall deposit those moneys in the Interest Account or the Principal Account, as the case may be.

In addition, in the event that moneys transferred from the Revenue Fund to the Bond Reserve Fund as provided in Section 4.02 hereof were not sufficient to make the payments then required to be made to the Bond Reserve Fund, the Trustee shall, but only after previously making any deposits to the Interest Account or the Principal Account from the Surplus Account as required by the preceding paragraph, withdraw moneys first, from the Reserve Account of the Surplus Fund, and then, from the General Account of the Surplus Fund, all in the amounts necessary in the aggregate to make up the deficiency and shall deposit those moneys in the Bond Reserve Fund.

Prior to the Completion Date, the Trustee shall, at the written direction of the Authorized County Representative, transfer moneys on deposit in the Surplus Fund to the Equity Account of the Construction Fund. After the Completion Date and subject to the payment obligations set forth in the immediately preceding paragraphs and provided that the Bond Reserve Fund is funded in an amount equal to the Reserve Requirement, the Trustee is authorized to disburse moneys on deposit in the Surplus Fund first, from the Reserve Account and then, from the General Account to pay the following items in the indicated order of priority and upon receipt by the Trustee of written notice from the appropriate party of the amount due:

(i) Credit Facility Reimbursement Obligations which are then due and which have not been paid from moneys on deposit in the Bond Fund, and

(ii) County Reimbursement Obligations.

If at the end of a Fiscal Year moneys remain in the Surplus Fund (and assuming that there are no deficiencies then existing in the Bond Fund, the Bond Reserve Fund is funded in an amount equal to the Reserve Requirement and the payment obligations as set forth in the preceding paragraph which are then due and payable have been met), then the Trustee shall transfer the balance in the Surplus Fund to the County, which balance may be used for any lawful purpose of the County in accordance with, and subject to the limitations of State law.

**SECTION 4.05. The Construction Fund.** The Trustee shall accept the following sources of moneys for deposit in the indicated Accounts of the Construction Fund:

- (a) proceeds of the sale of each Series of Bonds in the amount set forth in the Supplemental Indenture authorizing such Series shall be deposited by the Trustee in the County Bond Proceeds Account of the Construction Fund (or any subaccount therein established by Supplemental Indenture);
- (b) proceeds of the sale of each Series of Bonds representing capitalized interest shall be deposited by the Trustee in the Capitalized Interest Account of the

Construction Fund (or any subaccount therein established by Supplemental Indenture);

- (c) the Project Developer Contributions shall be deposited by the Trustee in the Project Developer Construction Account of the Construction Fund (or any subaccount therein established by Supplemental Indenture); and
- (d) any other payments or contributions for deposit in the Construction Fund, including deposits pursuant to Sections 4.02 and 4.04(b) hereof, shall be deposited by the Trustee in the Equity Account of the Construction Fund (or any subaccount therein established by Supplemental Indenture).

Moneys in the Capitalized Interest Account shall automatically be transferred by the Trustee to the Interest Account in the Bond Fund on or prior to each Interest Payment Date for which interest was capitalized in an amount equal to the amount of interest due on the Bonds with respect to which such interest was capitalized on such Interest Payment Date. All other moneys in the accounts in the Construction Fund shall be used by the Trustee to pay Facility Costs in the manner provided in the Indenture. The Trustee shall, subject to its receipt of any necessary written approvals, draw down moneys in the accounts (or applicable subaccounts) in the Construction Fund, other than the Capitalized Interest Account, to pay Facility Costs in the order set forth below:

- (a) the County Bond Proceeds Account;
- (b) the Equity Account;
- (c) the Project Developer Construction Account.

provided, however, that the Trustee may apply certain funds held in the specified accounts (or applicable subaccounts) of the Construction Fund to pay or reimburse the County (or particular Facility Costs, as specified by the County in a written order for payment delivered to the Trustee and signed by the Authorized County Representative in the form attached hereto as Exhibit B.

Moneys in the Construction Fund shall be disbursed as provided herein. Any such disbursement shall be made only upon written order for payment delivered to the Trustee and signed by the Authorized Project Developer Representative and/or the Authorized County Representative, as applicable, in the forms attached hereto as Exhibit A and Exhibit B. The Trustee may rely conclusively as to the certifications and representations set forth in each such disbursement request form in disbursing amounts from the Construction Fund. Disbursements from the Construction Fund (except the Capitalized Interest Account therein) shall be made only for the following Facility Costs:

- (i) Costs incurred directly or indirectly for or in connection with the acquisition, construction, installation, improvement, equipping, furnishing and development of the Facility, including costs incurred in respect of the Facility for preliminary planning and studies; architectural, financial, legal, engineering, accounting, consulting, supervisory and other services; site preparation; labor, services, utilities and materials; restoration

DOE-103119.DOCX BR20203271MASTER\_INDENTURE-6

- 36 -

DOE-103119.DOCX BR20203271MASTER\_INDENTURE-6

- 37 -

or relocation of any property damaged or destroyed in connection with the Facility; removal or relocation of any structures and the clearing of lands in connection therewith; and recording of documents and title work and including costs of acquiring lands, property, rights, rights of way, easements, franchises and other interests as may be deemed necessary or convenient by the County for the Facility;

(ii) Premiums attributable to any surety bonds and insurance required to be taken out and maintained during the Construction Period with respect to the Facility;

(iii) The reasonable fees and expenses of the Trustee, any Authenticating Agent and Paying Agents and the Registrar for their services during the Construction Period and taxes, assessments and other governmental charges in respect of the Facility that may become due and payable during the Construction Period;

(iv) Costs incurred directly or indirectly in seeking to enforce any remedy against any contractor or subcontractor or vendor in respect of any actual or claimed default in any contract relating to the acquisition, construction, improvement, equipping, furnishing or development of the Facility;

(v) Legal expenses and fees, bond insurance premiums and other Credit Facility costs, including the fees of the Credit Facility Provider, the County under the County Deficiency Covenant, financing charges, rating agency fees, expenses of recordation of legal instruments, and any other costs of preparing and issuing the Bonds; and

(vi) Any other direct out-of-pocket costs, expenses, fees and charges properly chargeable to the cost of the acquisition, construction, improvement, equipping, furnishing or development of the Facility and all expenses of administration properly chargeable to the acquisition, construction and installation of the Facility.

The Trustee shall cause to be kept and maintained adequate records pertaining to the Construction Fund and all disbursements therefrom. The Trustee shall file with the County on or before the fifth day of each month (or such other day of each month as the County and the Trustee shall mutually agree upon) copies of the records pertaining to the Construction Fund and disbursements therefrom.

Any moneys in the Construction Fund remaining after the Completion Date and payment, or provision for payment, in full of the Facility Costs (except for (i) any moneys remaining in the Capitalized Interest Account, which shall be transferred by the Trustee to the Interest Account and (ii) any moneys remaining in the Project Developer Construction Account, which shall be transferred to the Project Developer), in accordance with a certificate of the Finance Director delivered to the Trustee, shall be used promptly for one or more of the following purposes at the written direction of the Finance Director: (i) for the purchase for cancellation of Bonds at prices not exceeding the fair market value thereof plus accrued interest thereon to the date of purchase, (ii) to be escrowed until the first opportunity to redeem Bonds and applied on such date to the redemption of Bonds in accordance with the Indenture, (iii) for a combination of the foregoing, or (iv) for any other purpose as is provided in such certificate if accompanied by an Opinion of Bond Counsel to the effect that such use will not adversely affect

the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

**SECTION 4.06. Investment of Pledged Funds.** Moneys in the Revenue Fund, the Bond Fund, the Bond Reserve Fund, the Surplus Fund and the Construction Fund shall be invested and reinvested by the Trustee in Eligible Investments at the written direction of the Finance Director. The Trustee shall not be liable or responsible for any loss resulting from any investment made at the direction of the Finance Director.

Investments of moneys in the Bond Fund shall mature or be redeemable at the option of the Trustee at the times and in the amounts necessary to provide moneys to pay Debt Service Charges as they become due at stated maturity or by redemption. Each investment of moneys in the Bond Reserve Fund and the Surplus Fund shall mature or be redeemable at such times as payments are required to be made therefrom in accordance with Section 4.04 hereof (other than payments required to be made therefrom by reason of a deficiency in the Interest Account or the Principal Account on the date of any required payment from those accounts). Each investment of moneys in the Revenue Fund and the Construction Fund shall mature or be redeemable at such time as may be necessary to make payments from the Revenue Fund or the Construction Fund, as applicable. Subject to any directions from the Finance Director with respect thereto, from time to time, the Trustee may sell any investments and reinvest the proceeds therefrom in Eligible Investments maturing or redeemable as aforesaid. Any of those investments may be purchased from or sold to the Trustee, the Registrar, an Authenticating Agent or a Paying Agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. The Trustee, shall sell at the best price obtainable, or present for redemption any investments purchased pursuant hereto whenever it shall be necessary to do so in order to provide money to make any payment or transfer of money from any Pledged Fund; provided, that, subject to an alternative written direction from the Finance Director, with respect to investments in the Bond Reserve Fund and the Surplus Fund, the Trustee shall sell the investments beginning with investments having the then shortest maturity.

The Trustee shall, in any event, sell or redeem investments credited to the Bond Fund and, if necessary, the Surplus Fund and the Bond Reserve Fund to produce sufficient moneys hereunder to pay, and at the times required for the purposes of paying, Debt Service Charges when due as aforesaid, and shall do so without necessity for any order or direction on behalf of the County or any Credit Facility Provider and without restriction by reason of any order or direction.

An investment made from moneys credited to the Bond Fund, the Revenue Fund, the Construction Fund or the General Account of the Surplus Fund shall constitute part of that respective fund or account, and each such respective fund or account shall be credited with all proceeds of sale and income from investment of moneys credited thereto; provided that all net income, gain or profit from the investment of moneys in the Capitalized Interest Account shall be credited to the County Bond Proceeds Account in the Construction Fund.

An investment made from moneys credited to the Bond Reserve Fund or the Reserve Account of the Surplus Fund shall constitute part of that fund or account, as the case may be, and such fund or account shall be credited with the proceeds of sale (net of any profit, gain or

DOE-103119.DOCX BR20203271MASTER\_INDENTURE-6

- 38 -

DOE-103119.DOCX BR20203271MASTER\_INDENTURE-6

- 39 -

income included therein). Any profit or gain realized or income earned from such investments in the Bond Reserve Fund shall be transferred to the County Bond Proceeds Account in the Construction Fund during the Construction Period and thereafter shall be delivered to the County to be used for any lawful purpose; provided, that if for any reason the amount in the Bond Reserve Fund shall be less than the Reserve Requirement, all gain or profit realized or income earned from investments in the Bond Reserve Fund shall, until such insufficiency is cured, be retained in the Bond Reserve Fund. Any profit or gain realized or income earned from investments in the Reserve Account of the Surplus Fund shall be transferred to the General Account of the Surplus Fund.

The Trustee shall value the Eligible Investments in the funds and accounts hereunder, on the last day of March, June, September and December in each year, commencing September 1, 1997, and shall so value those Eligible Investments, if so directed, at any other time upon the request of the Finance Director on reasonable notice to the Trustee; provided, that such value shall be determined net of any profit, gain or income accrued with respect to any Eligible Investments therein. If as a result of any valuation, it is determined that the balance in the Bond Reserve Fund is less than ninety percent (90%) of the Reserve Requirement, the Trustee shall compute the amount by which the Reserve Requirement exceeds such balance and shall immediately give the Authorized County Representative notice of such deficiency and the amount necessary to cure the same. If the balance in the Bond Reserve Fund is greater than the Reserve Requirement, the Trustee shall notify the County of such fact and shall, on or before the next succeeding Revenue Allocation Date, transfer such excess moneys as provided in Section 4.04(a) hereof; provided that the Trustee shall not be required to sell any investments to make that transfer.

The Trustee shall not be responsible for any depreciation in the value of any investments or for any loss arising from investments, provided that those investments are Eligible Investments hereunder. In addition to the valuations of the Bond Reserve Fund required by the preceding paragraph, the Trustee also shall value the Eligible Investments in the Bond Reserve Fund immediately upon any withdrawal or transfer from the Bond Reserve Fund, exclusive of accrued interest (identifying the amount thereof), provided that a transfer of investment income in accordance with this Section shall not be considered a withdrawal from the Bond Reserve Fund. If, as of any date on which the value of Eligible Investments in the Bond Reserve Fund is determined, the balance in the Bond Reserve Fund is less than ninety percent (90%) of the Reserve Requirement, the Trustee shall compute the amount by which the Reserve Requirement exceeds such balance and shall immediately give the Authorized County Representative notice of such deficiency and the amount necessary to cure the same.

The value of Eligible Investments to be calculated hereunder shall be market value, and market value shall be calculated as follows:

(a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service (selected by the Trustee in its absolute discretion);

(c) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(d) as to any investment not specified above: the method thereof established by prior written agreement between the County and the Trustee. If more than one provision of this definition of market value shall apply at any time to any particular investment, the market value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment.

**SECTION 4.07. Moneys to be Held in Trust.** Until applied as provided in the Indenture to the payment of Bonds or transferred pursuant to paragraphs (d) or (e) of Section 4.03, Pledged Revenues in the Bond Fund shall be held by the Trustee in trust for the benefit of the Holders of all outstanding Bonds, except that any portion of the Pledged Revenues representing principal or redemption price of any Bonds, and interest on any Bonds previously matured or called for redemption in accordance with Article III of this Master Indenture or any Supplemental Indenture, shall be held for the benefit of the owners of such Bonds and, to the extent provided in Section 4.03, for the benefit of the parties specified therein.

**SECTION 4.08. Nongresentation of Bonds.** In the event that any Bond shall not be presented for payment when the principal thereof becomes due in whole or in part, either at stated maturity or by redemption, or a check or draft for interest is uncashed, if moneys sufficient to pay the principal then due of that Bond or of such check or draft shall have been made available to the Trustee for the benefit of its Holder, all liability of the County to that Holder for such payment of the principal then due of the Bond or of such check or draft there upon shall cease and be discharged completely. Thereupon, it shall be the duty of the Trustee to hold those moneys, without liability for interest thereon, for the exclusive benefit of the Holder, who shall be restricted thereafter exclusively to those moneys for any claim of whatever nature on its part under the Indenture or on or with respect to the principal then due of that Bond or of such check or draft.

Any of those moneys which shall be so held by the Trustee and which remain unclaimed by the Holder of a Bond not presented for payment or check or draft not cashed for a period of four years after the due date thereof, shall be paid to the County, free of any trust or lien, upon a request in writing by the Authorized County Representative. Thereafter, the Holder of that Bond shall look only to the County for payment and then only to the amounts so received by the County without any interest thereon, and the Trustee shall not have any responsibility with respect to those moneys.

**SECTION 4.09. Rebate Fund.** At the option of the County with respect to any Series of Bonds, there may be created by Supplemental Indenture a Rebate Fund into which moneys may

D06:103119.DOC5.BR2020327\MASTER\_INDENTURE-6

- 40 -

be deposited to be used to pay any rebate amount required by Section 148(f) of the Code, or to fund the County's estimated liability therefor. The Rebate Fund and the moneys and investments therein shall not be deemed to be a part of Pledged Revenues under this Master Indenture and the applicable Supplemental Indenture. Other than compliance with the terms of the Indenture, the Trustee shall have no responsibility regarding arbitrage rebate calculations or the appropriate funding of the Rebate Fund.

(End of Article IV)

## ARTICLE V

### THE TRUSTEE, REGISTRAR, PAYING AGENTS AND AUTHENTICATING AGENTS

**SECTION 5.01. Trustee's Acceptance and Responsibilities.** The Trustee accepts the trusts imposed upon it by the Indenture, and agrees to observe and perform those trusts, but only upon and subject to the terms and conditions set forth in this Article, to all of which the parties hereto and the Holders agree.

(a) Prior to the occurrence of an Event of Default (as defined in Section 6.01 hereof) of which the Trustee has been notified, as provided in paragraph (f) of Section 5.02 hereof, or of which by said paragraph (f) the Trustee is deemed to have notice, and after the cure or waiver of all Events of Default which may have occurred,

(i) the Trustee undertakes to perform only those duties and obligations which are set forth specifically in the Indenture, and no duties or obligations shall be implied to the Trustee;

(ii) in the absence of bad faith on its part, the Trustee may rely conclusively, as to the truth of the statements and the correctness of the opinions expressed therein, upon written notices, instructions, directions, certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture; but in the case of any such certificates or opinions which by any provision hereof are required specifically to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of the Indenture;

(iii) the Trustee shall not be considered to be acting in a negligent manner if it refuses to act without first receiving any written directions, instructions, opinions or statements that are required pursuant to the Indenture unless otherwise directed in writing by that number of Holders described in Section 5.01(c)(ii) hereof.

(b) In case an Event of Default has occurred and is continuing hereunder (of which the Trustee has been notified pursuant to Section 5.02(f) hereof, or of which by Section 5.02(f) hereof the Trustee is deemed to have notice), the Trustee shall exercise those rights and powers vested in it by the Indenture and shall use the same degree of care and skill in their exercise, as a prudent corporate trustee would exercise or use under similar circumstances.

(c) No provision of the Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that

(i) this paragraph shall not be construed to affect the limitation of the Trustee's duties and obligations provided in subparagraph (a)(i) of this Section or the Trustee's right to rely on the truth of statements and the correctness of opinions as provided in subparagraph (a)(ii) of this Section;

D06:103119.DOC5.BR2020327\MASTER\_INDENTURE-6

- 42 -

D06:103119.DOC5.BR2020327\MASTER\_INDENTURE-6

- 43 -

(ii) the Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the Holders of not less than a majority in Aggregate Principal Amount of the Bonds then outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under the Indenture; and

(iv) no provision of the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds (as determined in the Trustee's sole reasonable discretion) for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of the Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 5.01.

**SECTION 5.02. Certain Rights and Obligations of the Trustee.** Except as otherwise provided in Section 5.01 hereof:

(a) The Trustee (i) may execute any of the trusts or powers hereof and perform any of its duties hereunder by or through attorneys, agents, receivers or employees (but shall be answerable therefor only in accordance with the standard specified above), (ii) shall be entitled to the advice of counsel concerning all matters of trusts hereof and duties hereunder, and (iii) may pay reasonable compensation in all cases to all of those attorneys, agents, receivers and employees reasonably employed by it in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the County) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon that opinion or advice or upon the terms of the Indenture.

(b) Except for its certificate of authentication on the Bonds, the Trustee shall not be responsible for:

(i) any recital in this Master Indenture, any Supplemental Indenture or in the Bonds,

(ii) the validity, priority, recording, re-recording, filing or re-filing of this Master Indenture or any Supplemental Indenture,

(iii) any instrument or document of further assurance or collateral assignment.

DO6:103119.DOC5 BR2020271MASTER\_INDENTURE-6.

- 44 -

necessary or advisable; and, provided further, that the Trustee shall not be bound to secure any further evidence. The Trustee may accept a certificate of the officer, or an assistant thereto, having charge of the appropriate records, to the effect that legislation has been enacted by the Legislative Authority in the form recited in that certificate, as conclusive evidence that the legislation has been duly enacted and is in full force and effect.

(f) Except as otherwise provided in a Supplemental Indenture with respect to a particular Series of Bonds, the Trustee shall not be required to take notice, and shall not be deemed to have notice, of any Event of Default hereunder, except Events of Default described in paragraphs (a) and (b) of Section 6.01 hereof, unless the Trustee shall be notified specifically of such Event of Default in a written instrument or document delivered to it by the County or by the Holders of at least 10 percent of the Aggregate Principal Amount of Bonds then outstanding. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no Event of Default, except as noted above.

(g) At any reasonable time, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives (i) may inspect and copy fully all books, papers, records, statements, certificates or opinions of the County pertaining to the Bonds and the property financed with the Bonds, and (ii) may make any memoranda from and in regard thereto as the Trustee may desire.

(h) The Trustee shall not be required to give any bond or surety with respect to the execution of its trusts and powers hereunder or otherwise in respect of the premises.

(i) Notwithstanding anything contained elsewhere in the Indenture, the Trustee may demand any showings, certificates, reports, opinions, appraisals and other information, and any corporate action and evidence thereof, in addition to that required by the terms hereof, as a condition to the authentication of any Bonds or the taking of any action whatsoever within the purview of the Indenture, if the Trustee deems it to be desirable for the purpose of establishing the right of the County to the authentication of any Bonds or the right of any Person to the taking of any other action by the Trustee or the Trustee's failure to take any action; provided, that the Trustee shall not be required to make that demand.

(j) Before taking or omitting action hereunder pursuant to Section 5.04 or Article VI hereof (with the exception of any action required to be taken under Section 6.02 hereof), the Trustee may require that a satisfactory indemnity be furnished to it for the reimbursement of all expenses which it may incur and to protect it against all liability by reason of any action so taken, or any action that it omits taking, except liability which is adjudicated to have resulted from its negligence or willful misconduct. The Trustee may take action without that indemnity, and in that case, the County shall reimburse the Trustee for all of the Trustee's expenses pursuant to Section 5.03 hereof.

(k) Unless otherwise provided herein, all moneys received by the Trustee under the Indenture shall be held in trust for the purposes for which those moneys were

DO6:103119.DOC5 BR2020271MASTER\_INDENTURE-6.

- 46 -

(iv) any financing statements, amendments thereto or continuation statements,

(v) insurance of any property or collection of insurance moneys,

(vi) the validity of the execution by the County of this Master Indenture, any Supplemental Indenture or instruments or documents of further assurance,

(vii) the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby,

(viii) the value of or title to any property, or

(ix) the maintenance of the security hereof,

except that, in the event that the Trustee enters into possession of a part or all of any property pursuant to any provision of any instrument or document collateral hereto imposing a lien on that property, the Trustee shall use due diligence in preserving that property. The Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, agreements or obligations on the part of the County except as set forth hereinafter; but the Trustee may require of the County full information and advice as to the observance or performance of those covenants, agreements and obligations. Except as otherwise provided in Section 6.04 hereof, the Trustee shall have no obligation to observe or perform any of the duties of the County under any agreement collateral hereto.

(c) The Trustee shall not be accountable for the application by the County or any other Person of the proceeds of any Bonds authenticated or delivered hereunder.

(d) The Trustee shall be protected, in the absence of bad faith on its part, in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper authorized Person or Persons. Any action taken by the Trustee pursuant to the Indenture upon the request or authority or consent of any Person who is the Holder of any Bond at the time of making such request or giving the authority or consent, shall be conclusive and binding upon all future Holders of the same Bond and of Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or nonexistence of any fact for which the County may be responsible or as to the sufficiency or validity of any instrument, document, report, paper or proceeding, the Trustee, in the absence of bad faith on its part, shall be entitled to rely upon a certificate signed by the Authorized County Representative as sufficient evidence of the facts recited therein. Prior to the occurrence of a default or Event of Default hereunder of which the Trustee has been notified, as provided in paragraph (f) of this Section, or of which by such paragraph (f) of this Section, the Trustee is deemed to have notice, the Trustee may accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient; provided, that the Trustee in its sole discretion may require and obtain any further evidence which it deems to be prudent.

DO6:103119.DOC5 BR2020271MASTER\_INDENTURE-6.

- 45 -

received, until those moneys are used, applied or invested as provided in the Indenture; provided, that those moneys need not be segregated from other moneys, except to the extent required by the Indenture or by law. The Trustee shall not have any liability for interest on any moneys received hereunder, except to the extent expressly provided herein or agreed to in writing by the Trustee with the County.

(l) Any legislation, and any opinions, certificates and other instruments, directions, instructions and documents for which provision is made in the Indenture, may be accepted by the Trustee, in the absence of bad faith on its part, as conclusive evidence of the opinions, statements, facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for its actions taken hereunder.

(m) The permissive right of the Trustee to take any actions or omit to take any actions described specifically herein shall not be construed as a duty.

(n) In the event that the approval or satisfaction of the Trustee is required hereunder, under any Supplemental Indenture or under any other instrument or document relating to the Bonds, such approval or satisfaction shall not be withheld unreasonably and shall be given or withheld as the case may be, within 30 days after the receipt by the Trustee of the written request for the approval or satisfaction and such additional information, documentation, consents, approvals or assurances as the Trustee may reasonably require.

**SECTION 5.03. Fees, Charges and Expenses of Trustee, Registrar, Paying Agents and Authenticating Agents.** The Trustee, the Registrar and any Paying Agents or Authenticating Agents shall be entitled to payment or reimbursement by the County for reasonable fees for its Ordinary Services rendered hereunder and for all advances, counsel fees and other Ordinary Expenses reasonably and necessarily paid or incurred by them in connection with the provision of Ordinary Services. For purposes hereof, fees for Ordinary Services provided for by their respective standard fee schedules shall be considered reasonable. In the event that it should become necessary for any of them to perform Extraordinary Services, they shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable and necessary Extraordinary Expenses incurred in connection therewith. The Trustee, the Registrar and any Paying Agents or Authenticating Agents shall not be entitled to compensation or reimbursement for Extraordinary Services or Extraordinary Expenses occasioned by their neglect or willful misconduct.

Without creating a default or an Event of Default hereunder, however, the County may consent in good faith the necessity for any Extraordinary Service and Extraordinary Expense and the reasonableness of any fee, charge or expense.

The Trustee is also entitled to payment or reimbursement by the County for any and all costs, expenses and liabilities (i) incurred or paid by the Trustee in satisfaction of any obligations of the County hereunder not performed by the County in accordance with the provisions hereof, or (ii) incurred as a result of a request by the County and not otherwise required to be paid by the County under the Indenture, or (iii) incurred in the defense of any action or proceeding with respect to the Indenture, or in enforcing the Indenture, or arising out of or based upon any other

DO6:103119.DOC5 BR2020271MASTER\_INDENTURE-6.

- 47 -

document related to the issuance of the Bonds, including without limitation those liabilities described in Sections 6.12 hereof.

Any amounts payable to the Trustee, the Registrar or any Paying Agent or Authenticating Agent pursuant to this Section 5.03 shall be payable by the County to the appropriate party upon delivery by such party of its proper invoice.

**SECTION 5.04. Intervention by Trustee.** The Trustee may intervene on behalf of the Holders, and shall intervene if requested to do so in writing by the Holders of at least 40 percent of the Aggregate Principal Amount of Bonds then outstanding, in any judicial proceeding to which the County, the Operator or the Team is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Holders of the Bonds. The rights and obligations of the Trustee under this Section are subject to the approval of that intervention by a court of competent jurisdiction. The Trustee may require that a satisfactory indemnity be provided to it in accordance with Sections 5.01 and 5.02 hereof before it takes action hereunder.

**SECTION 5.05. Successor Trustee.** Anything in any other Section hereof to the contrary notwithstanding,

(a) any corporation or association (i) into which the Trustee may be converted or merged, (ii) with which the Trustee or any successor to it may be consolidated, or (iii) to which it may sell or transfer its trust business as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger, consolidation, sale or transfer, *ipso facto*, shall be and become successor Trustee hereunder and shall be vested with all of the title to the whole property or trust estate hereunder; and

(b) that corporation or association shall be vested further, as was its predecessor, with each and every trust, property, remedy, power, right, duty, obligation, discretion, privilege, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by the Indenture to be exercised by, vested in or conveyed to the Trustee, without the execution or filing of any instrument or document or any further act on the part of any of the parties hereto.

Any successor Trustee, however, (i) shall be a trust company or a bank having the powers of a trust company, (ii) shall be in good standing within the State, (iii) shall be duly authorized to exercise trust powers within the State, and (iv) shall have a reported capital and surplus on a consolidated reporting basis of not less than \$25,000,000.

**SECTION 5.06. Appointment of Co-Trustee.** It is the purpose of the Indenture that there shall be no violation of any law of any jurisdiction (including without limitation, the laws of the State) denying or restricting the right of banks or trust companies to transact business as trustees in that jurisdiction. It is recognized that it may be necessary that the Trustee, with the written consent of the County unless an Event of Default has occurred and is continuing, appoint an individual or additional institution as a co-Trustee:

the Trustee) and the Original Purchaser of each Series, and signed by or on behalf of the Holders of not less than a majority in Aggregate Principal Amount of the Bonds then outstanding.

The Trustee also may 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 provision of the Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the County, the Operator (on behalf of the County) or the Holders of not less than 20 percent in Aggregate Principal Amount of the Bonds then outstanding under the Indenture.

**SECTION 5.09. Appointment of Successor Trustee.** If (i) the Trustee shall resign, shall be removed, shall be dissolved, or shall become otherwise incapable of acting hereunder, (ii) the Trustee shall be taken under the control of any public officer or officers, or (iii) a receiver shall be appointed for the Trustee by a court, then a successor Trustee shall be appointed by the County; provided, that if a successor Trustee is not so appointed within ten days after (a) a notice of resignation or an instrument or document of removal is received by the County, as provided in Sections 5.07 and 5.08 hereof, respectively, or (b) the Trustee is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed, in each case, as provided above, then, so long as the County shall not have appointed a successor Trustee, the Holders of a majority in Aggregate Principal Amount of Bonds then outstanding may designate a successor Trustee by an instrument or document or concurrent instruments or documents in writing signed by or on behalf of those Holders. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, the Holder of any Bond outstanding hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Every successor Trustee appointed pursuant to this Section (i) shall be a trust company or a bank having the powers of a trust company (ii) shall be in good standing within the State, (iii) shall be duly authorized to exercise trust powers within the State, (iv) shall have a reported capital and surplus on a consolidated reporting basis of not less than \$25,000,000 and (v) shall be willing to accept the trusteeship under the terms and conditions of the Indenture.

Every successor Trustee appointed hereunder shall execute and acknowledge, and shall deliver to its predecessor, the County and the Operator an instrument or document in writing accepting the appointment. Thereupon, without any further act, the successor shall become vested with all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of its predecessor. Upon the written request of its successor or the County, the predecessor Trustee (i) shall execute and deliver an instrument or document transferring to its successor all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of the predecessor Trustee hereunder, and (ii) shall take any other action necessary to duly assign, transfer and deliver to its successor all property (including without limitation, all securities and moneys) held by it as Trustee. Should any instrument or document in writing from the County be requested by any successor Trustee for vesting and conveying more fully and certainly in and

(a) if there is litigation under the Indenture or other instruments or documents relating to the Bonds or the property financed with the Bonds, and in particular, in case of the enforcement hereof or thereof upon a default or an Event of Default, or

(b) if the Trustee should deem that, by reason of any present or future law of any jurisdiction, it may not (i) exercise any of the powers, rights or remedies granted herein to the Trustee, (ii) hold title to the properties, in trust, as granted herein, or (iii) take any action which may be desirable or necessary in connection therewith.

In the event that the Trustee appoints an individual or additional institution as a co-Trustee, each and every trust, property, remedy, power, right, duty, obligation, discretion, privilege, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by the Indenture to be exercised by, vested in or conveyed to the Trustee shall be exercisable by, vest in and be conveyed to that co-Trustee, but only to the extent necessary for it to be so vested and conveyed and to enable that co-Trustee to exercise it. Every covenant, agreement and obligation necessary to the exercise thereof by that co-Trustee shall run to and be enforceable by and against it. Nevertheless, the appointment of a co-Trustee shall not relieve the Trustee of any of its obligations hereunder, under any Supplemental Indenture or under the Bonds, to the extent permitted by law, and the approval or satisfaction of the Trustee shall continue to satisfy any requirement of the approval or satisfaction of the Trustee hereunder and under any Supplemental Indenture. The Trustee shall not be held liable for the negligence or willful misconduct of the co-Trustee if such co-Trustee satisfies the requirements set forth in Section 5.05(i) through (iv) herein.

Should any instrument or document in writing from the County reasonably be required by the co-Trustee so appointed by the Trustee for vesting and conveying more fully and certainly in and to that co-Trustee those trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens, that instrument or document shall be executed, acknowledged and delivered, but not prepared, by the County. In case any co-Trustee or a successor to it shall die, become incapable of acting, resign or be removed, all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of the co-Trustee shall be exercised by, vest in and be conveyed to the Trustee, to the extent permitted by law, until the appointment of a successor to the co-Trustee.

**SECTION 5.07. Resignation by the Trustee.** The Trustee may resign at any time from the trusts created hereby by giving written notice of the resignation to the Authorized County Representative, the Authorized Operator Representative, the Registrar (if the Trustee is not acting as Registrar), any Paying Agents and Authenticating Agents (other than the Trustee) and by mailing written notice of the resignation to the Holders at their names and addresses appear on the Registrar at the close of business fifteen days prior to the mailing of such notice. The resignation shall take effect upon the appointment of a successor Trustee.

**SECTION 5.08. Removal of the Trustee.** The Trustee may be removed at any time by an instrument or document or concurrent instruments or documents in writing delivered to the Trustee, with copies thereof mailed to the Authorized County Representative, the Authorized Operator Representative, the Registrar, any Paying Agents and Authenticating Agents (other than

to that successor the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens vested or conveyed or intended to be vested or conveyed hereby in or to the predecessor Trustee, the County shall execute, acknowledge and deliver that instrument or document.

In the event of a change in the Trustee, the predecessor Trustee shall cease to be custodian of any moneys which it may hold pursuant to the Indenture and shall cease to be Registrar, Authenticating Agent and a Paying Agent for any of the Bonds, to the extent it served in any of those capacities. The successor Trustee shall become custodian and, if applicable, Registrar, Authenticating Agent and a Paying Agent.

**SECTION 5.10. Adoption of Authentication.** In case any of the Bonds shall have been authenticated, but shall not have been delivered, any successor Authenticating Agent may adopt the certificate of authentication of any predecessor Authenticating Agent and may deliver those Bonds so authenticated as provided herein. In case any Bonds shall not have been authenticated, any successor Authenticating Agent may authenticate those Bonds either in the name of any predecessor or in its own name. In all cases, the certificate of authentication shall have the same force and effect as provided in the Bonds or in the Indenture with respect to the certificate of authentication of the predecessor Authenticating Agent.

#### **SECTION 5.11. Registrar.**

(a) **Succession.** Anything herein to the contrary notwithstanding, any corporation or association (i) into which a Registrar may be converted or merged, (ii) with which a Registrar or any successor to it may be consolidated, or (iii) to which it may sell or transfer its assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger, consolidation, sale or transfer, *ipso facto*, shall be and become successor Registrar to that Registrar hereunder and shall be vested with each and every power, right, duty, obligation, discretion and privilege expressed or intended by the Indenture to be exercised by or vested in the predecessor Registrar, without the execution or filing of any instrument or document or any further act on the part of any of the parties hereto.

(b) **Resignation.** A Registrar may resign at any time by giving written notice of its resignation to the County, the Operator, the Trustee (if the Trustee is not acting as Registrar), and to each Paying Agent and Authenticating Agent (other than the Trustee) for those Series, at least 60 days before the resignation is to take effect. The resignation shall take effect immediately, however, upon the appointment of a successor Registrar, if the successor Registrar is appointed and accepts that appointment before the time stated in the notice.

(c) **Removal.** The Registrar may be removed at any time by an instrument or document or concurrent instruments or documents in writing delivered to the Registrar, with copies thereof mailed to the County, the Operator and the Trustee and signed by or on behalf of the Holders of not less than a majority in Aggregate Principal Amount of the Bonds then outstanding.

(d) **Appointment of Successors.** If (i) a Registrar shall resign, shall be removed, shall be dissolved, or shall become otherwise completely incapable of acting hereunder, (ii) a Registrar shall be taken under the control of any public officer or officers, (iii) a receiver shall



be appointed for a Registrar by a court, or (iv) a Registrar shall have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws or commence a proceeding under any federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for ninety days, then a successor Registrar shall be appointed by the County, with the written consent of the Trustee; provided, that if a successor Registrar is not so appointed within ten days after (a) a notice of resignation or an instrument or document of removal is received by the County, as provided above, or (b) the Registrar is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed, in each case, as provided above, then, if the County shall not have appointed a successor Registrar, the Trustee or the Holders of a majority in Aggregate Principal Amount of Bonds then outstanding may designate a successor Registrar by an instrument or document or concurrent instruments or documents in writing signed by the Trustee, or in the case of the Holders, by or on behalf of those Holders.

Every successor Registrar appointed hereunder shall execute and acknowledge, and shall deliver to its predecessor, the County, the Operator, and the Trustee, an instrument or document in writing accepting the appointment. Thereupon, without any further act, the successor shall become vested with all of the properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, titles and interests of its predecessor. Upon the written request of its successor, the County or the Trustee, a predecessor Registrar (i) shall execute and deliver an instrument or document transferring to its successor all of the properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, titles and interests of it as predecessor Registrar hereunder, and (ii) shall take any other action necessary to duly assign, transfer and deliver to its successor all property and records (including without limitation, the Register and any canceled Bonds) held by it as Registrar. Should any instrument or document in writing from the County be requested by any successor Registrar for vesting and conveying more fully and certainly in and to that successor the properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, titles and interests vested or conveyed or intended to be vested or conveyed hereby in or to a predecessor Registrar, the County shall execute, acknowledge and deliver that instrument or document.

**SECTION 5.12. Designation and Succession of Paying Agents.** The Trustee shall be a Paying Agent for the Bonds, and, with the written consent of the Authorized County Representative, the Trustee may appoint a Paying Agent or Agents with power to act on its behalf and subject to its direction in the payment of Debt Service Charges on any Series. It is the responsibility of the Trustee to establish the duties and responsibilities of any Paying Agent for the purposes of the Indenture, to the extent not specified herein.

Any corporation or association with or into which any Paying Agent may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, consolidation or conversion to which any Paying Agent shall be a party, or any corporation or association succeeding to the trust business of any Paying Agent, shall be the successor of that Paying Agent hereunder, if that successor corporation or association is otherwise eligible hereunder, without the execution or filing of any paper or any further act on the part of the parties hereto or the Paying Agent or that successor corporation or association.

006 103119.DOCX 0820203271MASTER\_INDENTURE-6

- 52 -

The Trustee shall pay to any Authenticating Agent from time to time reasonable compensation for its services, and the Trustee shall be entitled to be reimbursed for such payments, subject to Section 5.03 hereof.

**SECTION 5.14. Dealing in Bonds.** The Trustee, a Registrar, a Paying Agent and an Authenticating Agent, their affiliates, and any directors, officers, employees or agents thereof, in good faith, may become the owners of Bonds secured hereby with the same rights which it or they would have hereunder if the Trustee, the Registrar, Paying Agents or Authenticating Agents did not serve in those capacities.

**SECTION 5.15. Representations, Agreements and Covenants of Trustee.** The Trustee hereby represents that it is duly organized under the laws of the State of New York, in good standing and duly authorized to exercise corporate trust powers in the State, and that it has an unimpaired reported capital and surplus on a consolidated reporting basis of not less than \$25,000,000. The Trustee covenants that it will take such action, if any, as is necessary to remain in good standing and duly authorized to exercise corporate trust powers in the State, and that it will maintain an unimpaired reported capital and surplus on a consolidated reporting basis of not less than \$25,000,000. The Trustee accepts and agrees to observe and perform the duties and obligations of the Trustee to which reference is made in any instrument or document providing security for any of the Bonds and collateral hereto.

**SECTION 5.16. Right of Trustee to Pay Taxes and Other Charges.** In the event that the Operator fails to do so, the Trustee is authorized, but is not obligated, to advance funds (i) to pay taxes, assessments and other governmental charges with respect to the Facility, (ii) to the discharge of any liens relating to the Facility, (iii) to obtain and maintain insurance for the Facility and pay premiums therefor, and (iv) generally, to make payments and incur expenses; provided, however, that the Operator shall have the right to contest in good faith any such taxes, charges or assessments or the collection of any such sums and pending such contest may delay or defer payment thereof and the right to contest in good faith any such lien if enforcement thereof is effectively stayed. The Trustee may make those advances, but if it does so, it shall proceed with due diligence against the Operator and/or the Operating Fund (as defined in the Operating Agreement) in any appropriate legal action or claim for failure of the Operator to make the required payments.

**SECTION 5.17. Supplemental Indentures.** Pursuant to or in addition to Section 6.06, provision may be made in a Supplemental Indenture relating to a Series of Bonds for a Credit Facility Provider to be treated as the Holder of the Bonds of that Series for purposes of receiving notices and giving notices, consenting to amendments, directing the Trustee concerning the enforcement of rights and remedies granted to the Holders and other purposes to the extent set forth in the applicable Supplemental Indenture.

(End of Article V)

006 103119.DOCX 0820203271MASTER\_INDENTURE-6

- 54 -

Any Paying Agent may at any time resign by giving written notice of resignation to the Trustee, the Registrar (if the Trustee is not acting as Registrar), the Operator and the County. The Trustee may at any time terminate the agency of any Paying Agent by giving written notice of termination to such Paying Agent, the Registrar, the Operator and the County. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Paying Agent shall cease to be eligible under this Section, the Trustee may appoint a successor Paying Agent. The Trustee shall give written notice of the appointment of a successor Paying Agent to the County, the Operator and the Registrar (if the Trustee is not acting as Registrar) and shall mail, within ten days after that appointment, notice thereof to all Holders of each Series for which such successor is to be Paying Agent as their names and addresses appear on the Register on the date of that appointment.

The Trustee shall pay to any Paying Agent from time to time reasonable compensation as authorized in Section 5.03 hereof for its services, and the Trustee shall be entitled to be reimbursed for such payments, subject to Section 5.03 hereof.

The provisions of Section 2.06 and Section 5.02(d) shall be applicable to any Paying Agent.

**SECTION 5.13. Designation and Succession of Authenticating Agents.** With the consent of the County, the Trustee may appoint an Authenticating Agent or Agents, in addition to the Registrar, with power to act on its behalf and subject to its direction in the authentication and delivery of Bonds.

Any corporation or association with or into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, consolidation or conversion to which any Authenticating Agent shall be a party, or any corporation or association succeeding to the trust business of any Authenticating Agent, shall be the successor of that Authenticating Agent hereunder, if that successor corporation or association is otherwise eligible hereunder, without the execution or filing of any paper or any further act on the part of the parties hereto or the Authenticating Agent or such successor corporation.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee, the Registrar (if the Trustee is not acting as Registrar), the County and the Operator. The Trustee may at any time terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent, the Registrar, the County and the Operator. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible under this Section, the Trustee may appoint a successor Authenticating Agent. The Trustee shall give written notice of the appointment of a successor Authenticating Agent to the County, the Operator and the Registrar (if the Trustee is not acting as the Registrar) and shall mail, within ten days after that appointment, notice thereof to all Holders as their names and addresses appear on the Register on the date of that appointment.

006 103119.DOCX 0820203271MASTER\_INDENTURE-6

- 53 -

## ARTICLE VI

### DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND HOLDERS

**SECTION 6.01. Defaults; Events of Default.** The occurrence of any of the following events is defined as, and declared to be and to constitute, an Event of Default hereunder:

(a) Payment of any interest on any Bond shall not be made when and as that interest shall become due and payable; or

(b) Payment of the principal of or any premium on any Bond shall not be made when and as that principal or premium shall become due and payable, whether at stated maturity, by redemption, pursuant to any mandatory requirements or otherwise; or

(c) Failure by the County to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in this Master Indenture, in any Supplemental Indenture or in the Bonds, which failure shall have continued for a period of ninety (90) days after written notice, by registered or certified mail, to the County specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Holders of not less than forty percent (40%) in Aggregate Principal Amount of Bonds then outstanding; provided, that the Trustee may agree in writing to a longer period prior to the expiration of the first 90-day period; provided further, that if the County shall proceed to take curative action which, if begun and prosecuted with due diligence, can be completed, but not within the first period of 90 days, then upon written notice thereof to the Trustee such period shall be increased without such written extension until such curative action (prosecuted with due diligence) has been completed (as to which efforts the Trustee shall be advised from time to time); or

(d) An event of default shall exist under any Supplemental Indenture.

The provisions of paragraph (c) of this Section are subject to the following limitations: If by reason of acts of God; fires; epidemics; landslides; floods; strikes; lockouts or other industrial disturbances; acts of public enemies; acts or orders of any kind of any governmental authority; insurrections; riots; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any cause or event not reasonably within the control of the County; the County is unable in whole or in part to carry out its agreements on its part herein contained, the County shall not be deemed in default during the continuance of such inability. The County shall, however, use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the County from carrying out its agreements.

The declaration of an Event of Default and the exercise of rights, remedies and powers upon that declaration are subject to any applicable limitations of federal bankruptcy law affecting or precluding the declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

006 103119.DOCX 0820203271MASTER\_INDENTURE-6

- 55 -

**SECTION 6.02. Notice of Default.** If an Event of Default shall occur, the Trustee shall give written notice of the Event of Default, by registered or certified mail, to the County, the Operator, the Registrar, and any Paying Agent and Authenticating Agent at their respective Notice Addresses within five business days after the Trustee has knowledge of the Event of Default. If an Event of Default occurs and the Trustee has notice pursuant to the Indenture of that Event of Default, within ten business days after the Trustee's receipt of that notice, the Trustee shall also give written notice thereof to each Holder at the close of business at its address as it then appears on the Register, provided that except in the case of an Event of Default in the payment of the principal or of premium, if any, or interest on any Bond or in the payment of any amount due in connection with any mandatory sinking fund requirement, the Trustee shall be protected in withholding that notice, if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee determines in good faith (in its sole, reasonable discretion) that the withholding of the notice is in the interests of the Holders. As used in this Section, "business day" means a day on which the Trustee is open for business.

**SECTION 6.03. No Acceleration.** Payment of the principal of and interest on the Bonds is not subject to acceleration as a result of the occurrence of an Event of Default.

**SECTION 6.04. Remedies, Rights of Holders.** Upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available right, remedy or power to enforce the payment of Debt Service Charges and the observance and performance of any other covenant, agreement or obligation under this Master Indenture, any Supplemental Indenture or any instrument providing security, directly or indirectly, for the Bonds and may exercise any remedy provided to it herein or in any such instrument.

Upon the occurrence and continuance of an Event of Default, if the Trustee is requested so to do by the Holders of at least forty percent (40%) in Aggregate Principal Amount of Bonds outstanding, the Trustee (subject to the provisions of Sections 5.01 and 5.02 and particularly subparagraph 5.01(c)(iv) and Subsection 5.02(j) of those Sections), shall exercise any rights and powers conferred by this Section.

No right, remedy or power conferred upon or reserved to the Trustee (or to the Holders) by the Indenture is intended to be exclusive of any other right, remedy or power. Each right, remedy or power shall be cumulative and shall be in addition to every other right, remedy or power given hereunder, under any Supplemental Indenture to the Trustee or to the Holders or existing at law, in equity, or by statute or otherwise now or hereafter.

No exercise, beginning of the exercise, or partial exercise by the Trustee or the Holders of any one or more rights, remedies or powers shall preclude the simultaneous or later exercise by the Trustee or the Holders of any other right, remedy or power. No delay in exercising or omission to exercise any remedy, right or power accruing upon any default or Event of Default shall impair that remedy, right or power or shall be construed to be a waiver of any default or Event of Default or acquiescence therein. Every remedy, right and power may be exercised from time to time and as often as may be deemed to be expedient.

006:\03119.DOCX.BK2020327\MASTER\_INDENTURE-6.

- 56 -

Second -- To the payment to the Holders entitled thereto of the unpaid principal of any of the Bonds (other than Bonds of that Series previously called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), whether at stated maturity, by redemption or pursuant to any mandatory sinking fund requirements, in the order of their due dates, beginning with the earliest due date, with interest on those Bonds from the respective dates upon which they became due at the rates specified in those Bonds, and if the amount available is not sufficient to pay in full all Bonds due on any particular date, together with that interest, then to the payment thereof ratably, according to the amounts of principal due on that date, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

Whenever moneys are to be applied pursuant to the provisions of this Section, those moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of moneys available for application and the likelihood of additional moneys becoming available for application in the future. Whenever the Trustee shall direct the application of those moneys, it shall fix the date upon which the application is to be made, and upon that date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided the moneys are available therefor. The Trustee shall give notice of the deposit with it of any moneys and of the fixing of that date, all consistent with the requirements of Section 2.06 hereof for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of and any premium on a Bond to the Holder thereof, until the Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

**SECTION 6.08. Remedies Vested in Trustee.** All rights of action (including without limitation, the right to file proofs of claim), remedies and powers under the Indenture or any other instrument providing security for the Bonds or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining any Holders as plaintiffs or defendants. Any recovery of judgment shall be for the benefit of the Holders of the outstanding Bonds, subject to the provisions of the Indenture.

**SECTION 6.09. Rights and Remedies of Holders.** A Holder shall not have any right to institute any suit, action or proceeding for the enforcement of the Indenture, for the execution of any trust hereof, or for the exercise of any other right, remedy or power hereunder, unless:

(a) there has occurred and is continuing an Event of Default of which the Trustee has been notified, as provided in paragraph (f) of Section 5.02 hereof, or of which it is deemed to have notice under that paragraph,

(b) the Holders of at least forty percent (40%) in Aggregate Principal Amount of Bonds then outstanding shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name,

006:\03119.DOCX.BK2020327\MASTER\_INDENTURE-6.

- 58 -

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Holders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any remedy, right or power consequent thereon.

To entitle the Trustee or the Holders to exercise any right, remedy or power hereunder, it shall not be necessary to give any notice, other than as may be required expressly herein. In exercising any available right, remedy or power, the Trustee shall take all actions which would best serve the interests of the Holders, in the judgment of the Trustee, applying the standards described in Sections 5.01 and 5.02 hereof.

**SECTION 6.05. Right of Holders to Direct Proceedings.** The Holders of a majority in Aggregate Principal Amount of Bonds then outstanding shall have the right at any time to direct, by an instrument or document or instruments or documents in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings hereunder; provided, that (i) no direction shall be other than in accordance with the provisions of law and of the Indenture, (ii) the Trustee shall be indemnified as provided in Sections 5.01 and 5.02, and (iii) the Trustee may take any other action which it deems to be proper and which is not inconsistent with the direction.

**SECTION 6.06. Rights of Credit Facility Provider.** Notwithstanding anything in the Indenture to the contrary, in the event that a Credit Facility is in full force and effect as to any Series of Bonds, the Credit Facility Provider is not insolvent and no default of the Credit Facility exists on the part of the Credit Facility Provider, then the said Credit Facility Provider, in place of the Holders of that Series of Bonds, shall have the power and authority to give any written consents and exercise any and all other rights which the Holders of that Series would otherwise have the power and authority to make, give or exercise, including, but not limited to, the exercise of remedies provided in Article VI, and the giving of written consents to Supplemental Indentures when required by Section 7.03, and such consent shall be deemed to constitute the consent of the Holders of all of those Bonds which are secured by such Credit Facility.

**SECTION 6.07. Application of Moneys.** After payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of moneys pursuant to the exercise of any right, remedy or power or any action taken under the Indenture (including without limitation, reasonable attorneys' fees and expenses, except as limited by law or judicial order or decision entered in any action taken under this Article VI) and payment of any rebate amounts then due under the Code, all moneys received by the Trustee, shall be applied as follows:

First -- To the payment to the Holders entitled thereto of all installments of interest then due in the order of the dates of maturity of the installments of that interest, beginning with the earliest date of maturity and, if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on that installment, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds; and

006:\03119.DOCX.BK2020327\MASTER\_INDENTURE-6.

- 57 -

and shall have offered indemnity to the Trustee as provided in Sections 5.01 and 5.02 hereof, and

(c) the Trustee thereafter shall have failed or refused to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name.

At the option of the Trustee, that notification (or notice), request, opportunity and offer of indemnity are conditions precedent in every case, to the institution of any suit, action or proceeding described above.

No one or more Holders of the Bonds shall have any right to affect, disturb or prejudice in any manner whatsoever the security or benefit of the Indenture by its or their action, or to enforce, except in the manner provided herein, any remedy, right or power hereunder. Any suit, action or proceedings shall be instituted, had and maintained in the manner provided herein for the benefit of the Holders of all Bonds then outstanding. Nothing in the Indenture shall affect or impair, however, the right of any Holder to enforce the payment of the Debt Service Charges on any Bond owned by that Holder at and after the maturity thereof, at the place, from the sources and in the manner expressed in that Bond.

**SECTION 6.10. Termination of Proceedings.** If the Trustee shall have proceeded to enforce any remedy, right or power under the Indenture in any suit, action or proceedings, and the suit, action or proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the County, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee and the Holders shall continue as if no suit, action or proceedings had been taken.

**SECTION 6.11. Waivers of Events of Default.** Except as hereinafter provided, at any time, in its discretion, the Trustee may waive any Event of Default hereunder and its consequences and may rescind and annul any declaration of maturity of principal of the Bonds. The Trustee shall do so upon the written request of the Holders of

(a) at least a majority in Aggregate Principal Amount of all Bonds of a Series then outstanding in respect of which an Event of Default under Section 6.01 (a) or (b) shall have occurred, or

(b) at least forty percent (40%) in Aggregate Principal Amount of all Bonds then outstanding, in the case of any other Event of Default.

There shall not be so waived, however, any Event of Default described in Section 6.01 hereof unless at the time of that waiver payments of the amounts required under the Indenture have been made or provision has been made therefor. In the case of the waiver or rescission and annulment, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default shall have been discontinued, abandoned or determined adversely to it, the County, the Trustee and the Holders shall be restored to their former positions and rights

006:\03119.DOCX.BK2020327\MASTER\_INDENTURE-6.

- 59 -

hereunder, respectively. No waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

In the event that any covenant, agreement or obligation hereunder or under any Supplemental Indenture or the Bonds shall be breached by the County, and the breach shall have been waived thereafter, the waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other or any subsequent breach thereunder. No waiver shall be deemed to apply to any existing or subsequent right, remedy or power with respect to the breach, except to the extent provided expressly in the waiver.

No failure by the Trustee or the Holders to insist upon the strict observance or performance of any covenant, agreement or obligation hereunder or under any Supplemental Indenture or the Bonds, and no failure to exercise any right, remedy or power consequent upon a breach thereof, shall constitute a waiver of any right, remedy or power to enforce strict observance or performance or a waiver of such breach.

**SECTION 6.12. Appointment of Receiver.** Upon the occurrence of an Event of Default and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the Holders, the Trustee shall be entitled as a matter of right and to the extent permitted by law, to the appointment of a receiver or receivers of all or any part of the Facility pending those proceedings, with all powers which the court making the appointment shall confer.

**SECTION 6.13. Agreement to Pay Attorneys' Fees and Expenses.** In the event the County should default under any of the provisions of the Indenture and it shall become necessary for the Trustee to employ attorneys or incur other expenses for the collection of Plotted Revenues or the enforcement of performance or observance of any obligation or agreement on the part of the County in the Indenture, the County shall on demand therefor reimburse the reasonable fees of such attorneys and such other reasonable expenses so incurred to the extent permitted by law.

(End of Article VI)

006 : (03119.DOC5.BR2020327)MASTER\_INDENTURE - 6.

- 60 -

- (i) To permit the use of a book entry system to identify the owner of an interest in a Bond issued by the County under the Indenture, whether that Bond was formerly, or could be, evidenced by a tangible security, and to facilitate (i) the transfer of Bonds from one securities depository/book entry system to another, or (ii) the withdrawal of Bonds issued to a securities depository and the issuance of replacement Bonds in fully registered form to others than a securities depository/book entry system;
- (j) To permit the Trustee to comply with any obligations imposed upon it by law;
- (k) To specify further the duties and responsibilities of, and to define further the relationship among, the Trustee, the Registrar and any Authenticating Agents or Paying Agents;
- (l) To achieve compliance of the Indenture or Bonds with any applicable federal securities or tax law;
- (m) To obtain or maintain a rating from a Rating Service; and
- (n) To permit any other amendment which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Holders.

The provisions of Subsections 7.02(j) and (l) shall not be deemed to constitute a waiver by the Trustee, the Registrar, the County or any Holder of any right which it may have in the absence of those provisions to contest the application of any change in law to the Indenture or the Bonds.

**SECTION 7.03. Supplemental Indentures Requiring Consent of Holders.** Exclusive of Supplemental Indentures to which reference is made in Section 7.02 hereof and subject to the terms, provisions and limitations contained in this Section, and not otherwise, with the written consent of the Holders of not less than a majority in Aggregate Principal Amount of either the Bonds at the time outstanding, or, if affecting less than all of the outstanding Bonds, of the Series affected, evidenced as provided in this Master Indenture, the County and the Trustee may execute and deliver Supplemental Indentures adding any provisions to, changing in any manner or eliminating any of the provisions of this Master Indenture or any Supplemental Indenture or restricting in any manner the rights of the Holders. Nothing in this Section or Section 7.02 hereof shall permit, however, or be construed as permitting:

- (a) without the written consent of the Holder of each Bond so affected, (i) an extension of the maturity of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond or the rate of interest or premium thereon, or (iii) a reduction in the amount or extension of the time of payment of any mandatory sinking fund requirements, or
- (b) without the written consent of the Holders of all Bonds then outstanding, (i) the creation of a privilege or priority of any Bond or Bonds over any other Bond or

006 : (03119.DOC5.BR2020327)MASTER\_INDENTURE - 6.

- 62 -

## ARTICLE VII

### SUPPLEMENTAL INDENTURES

**SECTION 7.01. Supplemental Indentures Generally.** The County and the Trustee may enter into Supplemental Indentures supplementing the Indenture, as provided in this Article and Article II of this Master Indenture.

**SECTION 7.02. Supplemental Indentures Not Requiring Consent of Holders.** Without the consent of, or notice to, any of the Holders, the County and the Trustee may enter into Supplemental Indentures, which shall not be inconsistent, in the opinion of the County and the Trustee, with the terms and provisions hereof, for any one or more of the following purposes:

- (a) To cure any ambiguity, inconsistency or formal defect or omission in the Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee;
- (c) To pledge or assign additional revenues and/or property under the Indenture;
- (d) To accept additional security and instruments and documents of further assurance with respect to the property financed with the Bonds;
- (e) To add to the covenants, agreements and obligations under the Indenture, other covenants, agreements and obligations to be observed for the protection of the Holders, or to surrender or limit any right, power or authority reserved to or conferred upon the County in the Indenture, including without limitation, the limitation of rights of redemption so that in certain instances Bonds of different Series will be redeemed in some prescribed relationship to one another for the protection of the Holders of a particular Series of Bonds;
- (f) To evidence any succession to the County and the assumption by its successor of the covenants, agreements and obligations of the County under this Master Indenture, any Supplemental Indenture and the Bonds;
- (g) To provide for the issuance of Series of Bonds, and make necessary or advisable amendments or additions in connection with such issuance of Bonds, all pursuant to and upon the conditions provided for in Article II hereof;
- (h) To permit the exchange of Bonds, at the option of the Holder or Holders thereof, for coupon Bonds of the same Series payable to bearer, in an Aggregate Principal Amount not exceeding the unmatured and unredeemed principal amount of the Predecessor Bonds, bearing interest at the same rate or rates and maturing on the same date or dates, with coupons attached representing all unpaid interest due or to become due thereon;

006 : (03119.DOC5.BR2020327)MASTER\_INDENTURE - 6.

- 61 -

Bonds, or (ii) a reduction in the Aggregate Principal Amount of the Bonds required for consent to a Supplemental Indenture.

If the County shall request that the Trustee execute and deliver any Supplemental Indenture for any of the purposes of this Section, then the Trustee shall, upon being satisfactorily indemnified with respect to its expenses in connection therewith, cause notice of the proposed execution and delivery of the Supplemental Indenture to be mailed by first class mail, postage prepaid, to all Holders of Bonds then outstanding or, if affecting less than all outstanding Bonds, of the Series affected, at their addresses as they appear on the Register at the close of business on the fifteenth day preceding that mailing.

The notice shall set forth briefly the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Holders.

The Trustee shall not be subject to any liability to any Holder by reason of the Trustee's failure to mail, or the failure of any Holder to receive, the notice required by this Section. Any failure of that nature shall not affect the validity of the Supplemental Indenture when there has been consent thereto as provided in this Section.

If the Trustee shall receive, within a period prescribed by the County following the mailing of the notice, an instrument or document or instruments or documents, in form to which the Trustee does not reasonably object, purporting to be executed by the Holders of not less than a majority in Aggregate Principal Amount of the Bonds then outstanding or, if affecting less than all outstanding Bonds, of the Series affected (which instrument or document or instruments or documents shall refer to the proposed Supplemental Indenture in the form described in the notice and specifically shall consent to the Supplemental Indenture in substantially that form), the Trustee shall, but shall not otherwise, execute and deliver the Supplemental Indenture in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Holder, regardless of whether that Holder shall have consented thereto.

Any consent shall be binding upon the Holder of the Bond giving the consent and, anything herein to the contrary notwithstanding, upon any subsequent Holder of that Bond and of any Bond issued in exchange thereof (regardless of whether the subsequent Holder has notice of the consent to the Supplemental Indenture). At any time after the Holders of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the County a written statement that the Holders of the required percentage of Bonds have filed those consents. That written statement shall be conclusive evidence that the consents have been so filed.

If the Holders of the required percentage in Aggregate Principal Amount of Bonds outstanding, or of the affected Series, shall have consented to the Supplemental Indenture, as provided in this Section, no Holder shall have any right

- (a) to object to (i) the execution or delivery of the Supplemental Indenture, (ii) any of the terms and provisions contained therein, or (iii) the operation thereof,

006 : (03119.DOC5.BR2020327)MASTER\_INDENTURE - 6.

- 63 -

- (b) to question the propriety of the execution and delivery thereof, or
- (c) to enjoin or restrain the Trustee or the County from that execution or delivery or from taking any action pursuant to the provisions thereof.

**SECTION 7.04. Reserved.**

**SECTION 7.05. Authorization to Trustee; Effect of Supplement.** The Trustee is authorized to join with the County in the execution and delivery of any Supplemental Indenture in accordance with this Article and to make the further agreements and stipulations which may be contained therein. Thereafter,

- (a) That Supplemental Indenture shall form a part of this Master Indenture;
- (b) All terms and conditions contained in that Supplemental Indenture as to any provision authorized to be contained therein shall be deemed to be a part of the terms and conditions of this Master Indenture for any and all purposes;
- (c) This Master Indenture shall be deemed to be modified and amended in accordance with the Supplemental Indenture; and
- (d) The respective rights, duties and obligations under the Indenture of the County, the Trustee, the Registrar, the Paying Agents, the Authenticating Agents and all Holders of Bonds then outstanding shall be determined, exercised and enforced hereunder in a manner which is subject in all respects to those modifications and amendments made by the Supplemental Indenture. If the Supplemental Indenture is issued to secure a particular Series of Bonds, this Master Indenture shall apply as applicable to that Series.

Express reference to any executed and delivered Supplemental Indenture may be made in the text of any Bonds issued thereafter, if that reference is deemed necessary or desirable by the Trustee or the County. A copy of any Supplemental Indenture for which provision is made in this Article, except a Supplemental Indenture described in Section 7.02(g) hereof, shall be mailed by the Trustee to the Registrar, and each Authenticating Agent and Paying Agent.

**SECTION 7.06. Opinion of Bond Counsel.** The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the Opinion of Bond Counsel as conclusive evidence that (i) any proposed Supplemental Indenture complies with the provisions of this Master Indenture, and (ii) it is proper for the Trustee to join in the execution of that Supplemental Indenture under the provisions of this Article.

**SECTION 7.07. Modification by Unanimous Consent.** Notwithstanding anything contained elsewhere in the Indenture, the rights and obligations of the County and of the Holders, and the terms and provisions of the Bonds and this Master Indenture or any Supplemental Indenture, may be modified or altered in any respect with the written consent of (i) the County, (ii) the Trustee, and (iii) the Holders of all of the Bonds then outstanding, or if the modification affects only a Series of Bonds, the Holders of all the Bonds then outstanding for that Series.

(End of Article VII)

DO6: [03119.DOC5.BR2020327]MASTER\_INDENTURE-6.

- 64 -

dates with respect to those Bonds, notice thereof shall have been duly given as provided in Section 8.05 hereof. If any of those Bonds are to be redeemed prior to the maturity thereof, either (i) notice of that redemption shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of that notice or (ii) notice shall have been duly given that the County has reserved the right to replace the designated redemption dates with earlier redemption dates as provided in Section 8.05 hereof.

Any moneys held by the Trustee in accordance with the provisions of this Section may be invested by the Trustee only in noncallable Defeasance Obligations having maturity dates, or having redemption dates which, at the option of the Holder of those obligations, shall be not later than the date or dates at which moneys will be required for the purposes described above. To the extent that any income or interest earned by, or increment to, the investments held under this Section is determined from time to time by the Trustee to be in excess of the amount required to be held by the Trustee for the purposes of this Section, that income, interest or increment shall be transferred at the time of that determination in the manner provided in Section 4.03 hereof for transfers of amounts remaining in the Bond Fund.

**SECTION 8.03. Survival of Certain Provisions.** Notwithstanding the foregoing, any provisions of the Indenture and any Supplemental Indenture which relate to the maturity of Bonds, interest payments and dates thereof, optional and mandatory redemption provisions, credit against mandatory sinking fund requirements, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, the holding of moneys in trust, notice of payment and discharge of Bonds, reservation of right to designate or replace redemption dates upon defeasance of Bonds, indemnification of the Trustee, and the duties of the Trustee and the Registrar in connection with all of the foregoing, shall remain in effect and be binding upon the County, the Trustee, the Registrar, the Authenticating Agents, Paying Agents and the Holders notwithstanding the release and discharge of the Indenture. The provisions of this Article shall survive the release, discharge and satisfaction of the Indenture.

**SECTION 8.04. Notice of Payment and Discharge.** If any Bonds are deemed to be paid and discharged pursuant to this Article, within thirty days after those Bonds are so deemed to be paid and discharged, the Trustee shall cause a written notice to be given to each Holder at the close of business on the date on which the Bonds are deemed to be paid and discharged at its address as it appears on the Register on that date on which the Bonds are deemed to be paid and discharged. The notice shall

- (a) state the number of the Bonds deemed to be paid and discharged, or shall state that all Bonds of a particular Series are deemed to be paid and discharged;
- (b) set forth a description of the Defeasance Obligations held as described above;
- (c) state whether any Bonds will be called for redemption prior to their scheduled maturity or their redemption pursuant to mandatory redemption, including without limitation, the mandatory sinking fund requirements;

DO6: [03119.DOC5.BR2020327]MASTER\_INDENTURE-6.

- 66 -

**ARTICLE VIII**

**DEFEASANCE**

**SECTION 8.01. Release of Indenture.** If (i) the County shall pay all of the Outstanding Bonds, or shall cause them to be paid and discharged, or if there otherwise shall be paid to the Holders of the Outstanding Bonds, all Debt Service Charges due or to become due thereon, and (ii) provision shall also be made for the payment of all other sums payable under the Indenture, then the Indenture shall cease, determine and become null and void (except for those provisions surviving by reason of Section 8.03 hereof in the event the Bonds are deemed paid and discharged pursuant to Section 8.02 hereof), and the covenants, agreements and obligations of the County and the Operator hereunder shall be released, discharged and satisfied.

Thereupon, and subject to the provisions of Section 8.03 hereof if applicable,

(i) the Trustee shall release the Indenture (except for those provisions surviving by reason of Section 8.03 hereof in the event the Bonds are deemed paid and discharged pursuant to Section 8.02 hereof), and shall execute and deliver to the County any instruments or documents in writing as shall be requisite to evidence that release and discharge or as reasonably may be requested by the County, and

(ii) the Trustee and any other Paying Agents shall assign and deliver to the County any property subject at the time to the lien of the Indenture which then may be in their possession, except for money, including without limitation investments in the Pledged Funds required to be held by the Trustee and the Paying Agents under Section 4.08 hereof or otherwise for the payment of Debt Service Charges.

**SECTION 8.02. Payment and Discharge of Bonds.** All or any part of the Bonds shall be deemed to have been paid and discharged within the meaning of the Indenture, including without limitation, Section 8.01 hereof, if:

(a) the Trustee as paying agent and any Paying Agents shall have received, in trust for and irrevocably committed thereto, sufficient moneys, or

(b) the Trustee shall have received, in trust for and irrevocably committed thereto, noncallable Defeasance Obligations which are certified by an independent certified public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient together with any moneys to which reference is made in subparagraph (a) above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as provided herein),

for the payment of all Debt Service Charges on those Bonds, at their maturity or redemption dates, as the case may be, or if a default in payment shall have occurred on any maturity or redemption date, then for the payment of all Debt Service Charges thereon to the date of the tender of payment. If the County has reserved the right to designate one or more redemption

DO6: [03119.DOC5.BR2020327]MASTER\_INDENTURE-6.

- 65 -

(d) if any Bonds will be so called for redemption, specify the date or dates on which those Bonds are to be called for redemption pursuant to a notice of redemption given or irrevocable provision made for that notice pursuant to Section 8.02 hereof, and

(e) if the County has reserved the right to designate one or more redemption dates or to replace any designated redemption date with an earlier redemption date pursuant to Section 8.05 hereof, state that the County expressly reserves the right to direct the Trustee to call the Outstanding Bonds, or any of them, for redemption on a date or dates earlier than those specified at the time of release of the Indenture or to direct that the Outstanding Bonds, or any of them, be redeemed prior to their stated maturity, on a date or dates to be designated by the County subsequent to the release of the Indenture.

**SECTION 8.05. Reservation of Right to Designate or Replace Redemption Dates.** The County may reserve the right to designate one or more redemption dates or to replace any designated redemption date with an earlier redemption date by delivering written notice to the Trustee that they expressly reserve such rights at or prior to the release of the Indenture.

In the event that the County has reserved such rights at the time of release of the Indenture, any such direction to designate one or more redemption dates or to replace any designated redemption date with an earlier redemption date shall be (i) delivered to the Trustee in writing by the Authorized County Representative not fewer than 60 days prior to the newly designated redemption date of the Outstanding Bonds, (ii) accompanied by a written report of an independent certified public accountant or firm of accountants acceptable to the Trustee that the noncallable Defeasance Obligations held by or delivered to the Trustee are of those maturities or redemption dates, have the payment dates and bear interest at those rates, in each case which will be sufficient, together with any moneys held by or delivered to the Trustee, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as provided herein) for the payment of all Debt Service Charges on the Outstanding Bonds at their maturity or redemption dates as may then be designated by the County, and (iii) accompanied by an Opinion of Bond Counsel to the effect that such direction is authorized or permitted under the terms of the Indenture. Within 30 days of the last to be received of such direction, report and opinion, the Trustee shall give notice of such direction to each Holder of a Bond on which payment of Debt Service Charges is affected thereby, at the Holder's address then shown on the Register, stating

(a) a description of the Defeasance Obligations held as described above;

(b) whether any Bonds will be called for redemption prior to their scheduled maturity or their redemption pursuant to mandatory redemption, including without limitation, the mandatory sinking fund requirements and, if applicable, whether the County (i) has exercised the right to replace any previously designated redemption date with an earlier redemption date and (ii) has continued to reserve the right to designate one or more redemption dates or to replace any designated redemption date with an earlier redemption date, and

DO6: [03119.DOC5.BR2020327]MASTER\_INDENTURE-6.

- 67 -

(c) if any Bonds will be so called for redemption, specify (i) the date or dates on which those Bonds are to be called for redemption pursuant to a notice of redemption given or irrevocable provision made for that notice pursuant to this Article and (ii) which, if any, of those dates may be replaced with an earlier redemption date in accordance with this Section.

(End of Article VIII)

## ARTICLE IX

### COVENANTS AND AGREEMENTS OF THE COUNTY

**SECTION 9.01. Covenants and Agreements of the County.** In addition to any other covenants and agreements of the County contained in this Master Indenture or the legislation of the County authorizing the issuance of each Series of Bonds, the County further covenants and agrees with the Holders and the Trustee as follows:

(a) **Payment of Debt Service Charges.** The County will pay all Debt Service Charges, or cause them to be paid, from the sources provided herein, on the dates, at the places and in the manner provided in the Indenture.

(b) **Pledged Revenues.** The County will levy the Professional Sports Franchise Facilities Tax in accordance with the provisions of the Professional Sports Franchise Facilities Tax Ordinances and take all actions to collect such Professional Sports Franchise Facilities Tax, the Sales Tax Rebate and the County Preferred Revenue Allocation. The County will not assign or grant a security interest in the Pledged Revenues or any Pledged Fund or create or authorize to be created any debt, lien or charge thereon, other than the pledge and assignment thereof under the Indenture; provided, however, that the County may grant security interests in and create debts, liens or charges upon the Pledged Revenues which are subordinate in all respects to the pledge and assignment created hereunder. To the extent permitted by law, the County will defend, preserve and protect the assignment of the Pledged Revenues and all of the rights, remedies, powers and privileges of the Trustee and the Holders hereunder against all claims and demands of all Persons whomsoever.

(c) **Inspection of Books.** All books, instruments and documents in the County's possession relating to the facilities financed with the Bonds and the Pledged Revenues shall be open to inspection at all times during the County's regular business hours by any accountants or other agents of the Trustee which the Trustee may designate from time to time.

(d) **Register.** At reasonable times and under reasonable regulations established by the Registrar, the Register may be inspected and copied by the County, the Trustee, by Holders of forty percent (40%) or more in principal amount of the Bonds then outstanding, or a designated representative thereof.

(e) **Rights and Enforcement of Remedies.** If an Event of Default occurs and is subsisting, subject to the rights of any Credit Facility Provider, the Trustee may enforce, in its name or in the name of the County, all rights of the County for and on behalf of the Holders, regardless of whether the County is in default in the pursuit or enforcement of those rights, covenants, agreements or obligations. The County, however, will do all things and take all actions on its part necessary to comply with covenants, agreements, obligations, duties and responsibilities on its part to be observed or performed under this Master Indenture, any Supplemental Indenture and any documents collateral hereto to which it is party, and will take all actions within its authority to keep those documents in effect in accordance with the terms thereof.

006:103119.DOC5.8R2020327\MASTER\_INDENTURE-6.

- 68 -

006:103119.DOC5.8R2020327\MASTER\_INDENTURE-6.

- 69 -

(f) **Approvals and Licenses.** The County will cooperate in all appropriate respects with the Project Developer, the Operator and the Team with respect to any authorizations, approvals, licenses, permits, franchises, privileges, consents, reviews, legal clearances and orders under federal, State or local laws and from federal, State or local entities or officers which are necessary or advisable to permit construction and operation of the Facility and full compliance with all covenants, agreements and obligations of the County under this Master Indenture and the Supplemental Indentures.

**SECTION 9.02. County Deficiency Covenant: Covenant to Budget and Appropriate.** In addition to any other covenants and agreements of the County contained in this Master Indenture or the Bonds, the County covenants and agrees further with the Holders and the Trustee to budget and appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts sufficient to satisfy the deposit requirements for deficiency amounts as set forth in Section 4.04(a) hereof. Such covenant and agreement on the part of the County to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the County, the County does not covenant to maintain any services or programs, now provided or maintained by the County, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the County from pledging in the future its Non-Ad Valorem Revenues, nor does it require the County to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Holders a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the County. Such covenant to appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated herein shall have the effect of making available in the manner described herein Non-Ad Valorem Revenues and placing on the County a positive duty to budget and appropriate, by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the restrictions of State law which provides that the governing body of each county make appropriations for each fiscal year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources; and subject further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the County or which are legally mandated by applicable law.

**SECTION 9.03. Observance and Performance of Covenants, Agreements, Authority and Actions.** The County will observe and perform faithfully at all times all covenants, agreements, authority, actions, undertakings, stipulations and provisions to be observed or performed on its part under this Master Indenture, the Supplemental Indentures, resolutions of the County authorizing the issuance of each Series of Bonds and the Bonds which are executed, authenticated and delivered under the Indenture.

(End of Article IX)

006:103119.DOC5.8R2020327\MASTER\_INDENTURE-6.

- 70 -

## ARTICLE X

### MISCELLANEOUS

**SECTION 10.01. Limitation of Rights.** With the exception of rights conferred expressly in the Indenture, nothing expressed or mentioned in or to be implied from the Indenture or the Bonds is intended or shall be construed to give to any Person other than the County, the Trustee, the Registrar, the Paying Agents, the Authenticating Agents, the Holders of the Bonds and any Credit Facility Providers any legal or equitable right, remedy, power or claim under or with respect to the Indenture or any covenants, agreements, conditions and provisions contained herein. The Indenture and all of those covenants, agreements, conditions and provisions are intended to be, and are, for the sole and exclusive benefit of the County, the Trustee, the Registrar, the Paying Agents, the Authenticating Agents, the Holders of the Bonds and any Credit Facility Providers, as provided herein.

**SECTION 10.02. Severability.** In case any section or provision of the Indenture, or any covenant, agreement, stipulation, obligation, condition, provision, act or action, or part thereof, made, assumed, entered into or taken under the Indenture, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder thereof or any other section, provision, covenant, agreement, stipulation, obligation, condition, provision, act or action, or part thereof, made, assumed, entered into or taken under the Indenture, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained therein.

Any illegality, invalidity or inoperability shall not affect any legal, valid and operable section, provision, covenant, agreement, stipulation, obligation, condition, provision, act, action, part or application, all of which shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law from time to time.

**SECTION 10.03. Notices.** Except as provided in Section 6.02 hereof, it shall be sufficient service or giving of any notice, request, complaint, demand or other instrument or document, if it is duly mailed by first class mail. Notices to the County, the Project Developer, the Team, the Operator and the Trustee shall be addressed to them at their respective Notice Address. Duplicate copies of each notice, request, complaint, demand or other instrument or document given hereunder or under any Supplemental Indenture by the County, the Operator, the Project Developer and the Team or the Trustee to a third party shall also be given to the others. The foregoing parties may designate, by notice given hereunder, any further or different addresses to which any subsequent notice, request, complaint, demand or other instrument or document shall be sent. The Trustee shall designate, by notice to the County, the Operator, the Project Developer and the Team the addresses to which notices or copies thereof shall be sent to the Registrar, the Authenticating Agents and the Paying Agents.

In connection with any notice mailed pursuant to the provisions of the Indenture, a certificate of the Trustee, the County, the Operator, the Team, the Project Developer, the Registrar, the Authenticating Agents or the Holders of the Bonds, whichever or whoever mailed that notice, that the notice was so mailed shall be conclusive evidence of the proper mailing of the notice.

006:103119.DOC5.8R2020327\MASTER\_INDENTURE-6.

- 71 -

SECTION 10.04. Suspension of Mail. If because of the suspension of delivery of first class mail or, for any other reason, the Trustee shall be unable to mail by the required class of mail any notice required to be mailed by the provisions of this Master Indenture or any Supplemental Indenture, the Trustee shall give such notice in such other manner as in the judgment of the Trustee shall most effectively approximate mailing thereof, and the giving of that notice in that manner for all purposes of the Indenture shall be deemed to be in compliance with the requirement for the mailing thereof. Except as otherwise provided herein or in any Supplemental Indenture, the mailing of any notice shall be deemed complete upon deposit of that notice in the mail and the giving of any notice by any other means of delivery shall be deemed complete upon receipt of the notice by the delivery service.

SECTION 10.05. Payments Due on Saturdays, Sundays and Holidays. If any Interest Payment Date, Principal Payment Date or other date upon which Debt Service Charges are payable is a Saturday, Sunday or a day on which (i) the Trustee is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed, then payment of interest, principal and any redemption premium need not be made by the Trustee or any Paying Agent on that date, but that payment may be made on the next succeeding business day on which the Trustee and the Paying Agent are open for business with the same force and effect as if that payment were made on the Interest Payment Date, Principal Payment Date or other date upon which Debt Service Charges are payable, and no interest shall accrue for the period after that date, or (ii) a Paying Agent is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed, then payment of interest, principal and any redemption premium need not be made by that Paying Agent on that date, but that payment may be made on the next succeeding business day on which that Paying Agent is open for business with the same force and effect as if that payment were made on the Interest Payment Date, Principal Payment Date or other date upon which Debt Service Charges are payable and no interest shall accrue for the period after that date; provided, that if the Trustee is open for business on the applicable Interest Payment Date, Principal Payment Date or other date upon which Debt Service Charges are payable, it shall make any payment required hereunder with respect to payment of interest on outstanding Bonds and payment of principal of and premium on Bonds presented to it for payment, regardless of whether any Paying Agent shall be open for business or closed on the applicable Interest Payment Date, Principal Payment Date or other date upon which Debt Service Charges are payable.

SECTION 10.06. Instruments of Holders. Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, required under this Master Indenture or any Supplemental Indenture to be executed by any Holder may be in any number of concurrent writings of similar tenor and may be executed by that Holder in person or by an agent or attorney appointed in writing. Proof of (i) the execution of any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, (ii) the execution of any writing appointing any agent or attorney, and (iii) the ownership of Bonds, shall be sufficient for any of the purposes of this Master Indenture or any Supplemental Indenture, if made in the following manner, and if so made, shall be conclusive in favor of the Trustee with regard to any action taken thereunder, namely:

- (a) The fact and date of the execution by any person of any writing may be proved by the certificate of any officer in any jurisdiction, who has power by law to take

acknowledgments within that jurisdiction, that the person signing the writing acknowledged that execution before that officer, or by affidavit of any witness to that execution; and

- (b) The fact of ownership of Bonds shall be proved by the Register maintained by the Registrar.

Nothing contained in this Section shall be construed to limit the Trustee to the foregoing proof, and the Trustee may accept any other evidence of the matters stated therein which it deems to be sufficient. Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, of the Holder of any Bond shall bind every future Holder of the same Bond, with respect to anything done or suffered to be done by the County, the Operator, the Trustee, the Registrar or any Paying Agent or Authenticating Agent pursuant to that writing.

SECTION 10.08. Priority of this Master Indenture and Supplemental Indentures. This Master Indenture and all Supplemental Indentures shall be superior to any liens which may be placed upon the Pledged Revenues or any other funds or accounts created pursuant to this Master Indenture or any Supplemental Indenture.

SECTION 10.09. Validity of Assignments and Security Interest. To the extent permitted by law,

- (a) The Pledged Revenues and the funds and accounts created hereunder are subject to the assignments made herein without any further act.

- (b) The assignments are valid and binding against all parties having claims of any kind against the County, without regard to whether those parties have notice of the assignments.

- (c) The assignments are absolute and unconditional present assignments without the necessity for separation or delivery of the Pledged Revenues or the funds and accounts created hereunder or for the filing, recording or registration hereof or of any resolution, legislation, instrument or document by which the assignments are made or the filing, recording or registration of any certificate, statement or other instrument or document with respect to the assignments.

- (d) The assignments are effective and the moneys, including, without limitation, investments, therefrom, thereof and therein may be applied to the purposes for which the assignments are made without the necessity of any further act of appropriation.

SECTION 10.10. Extent of Covenants; No Personal Liability. All covenants, stipulations, obligations and agreements of the County contained in this Master Indenture are and shall be deemed to be covenants, stipulations, obligations and agreements of the County to the full extent authorized by the Act. No covenant, stipulation, obligation or agreement of the County contained in this Master Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the County or the Board in other than that person's official capacity. Neither the members of the

006:103119.DOCX BR2020327 MASTER\_INDENTURE-6

- 72 -

Board nor any official executing the Bonds, this Master Indenture, any Supplemental Indenture, the Facility Agreements, or any amendment or supplement hereto or thereto shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance or execution hereof or thereof.

SECTION 10.11. Survival of Representations and Warranties. All representations and warranties contained herein shall survive the execution and delivery hereof and the issuance and delivery of the Bonds.

SECTION 10.12. Binding Effect. The Indenture shall inure to the benefit of and shall be binding upon the County and the Trustee and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 10.13. Counterparts. This Master Indenture may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument. It shall not be necessary in proving this Master Indenture to produce or account for more than one of those counterparts.

SECTION 10.14. Governing Law. The Indenture and the Bonds shall be deemed to be contracts made under the laws of the State and for all purposes shall be governed by and construed in accordance with the laws of the State.

(End of Article X)

006:103119.DOCX BR2020327 MASTER\_INDENTURE-6

- 73 -

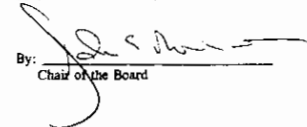
IN WITNESS WHEREOF, the County has caused this Master Indenture to be executed and delivered for it and in its name and on its behalf by its duly authorized officers; and the Trustee has caused this Master Indenture to be executed and delivered for it and in its name and on its behalf by its duly authorized officer, all as of the day and year first above written.

(SEAL)

Attest:

County Administrator and ex-officio clerk of the Board


BROWARD COUNTY, FLORIDA

By:   
Chair of the Board

(SEAL)



THE BANK OF NEW YORK,  
As Trustee, acting by and through  
The Bank of New York Trust Company  
of Florida, N.A., its agent

By:   
Assistant Vice President

Prepared By:

Squire, Sanders & Dempsey,  
Bond Counsel

006:103119.DOCX BR2020327 MASTER\_INDENTURE-6

- 74 -

006:103119.DOCX BR2020327 MASTER\_INDENTURE-6

- 75 -

## EXHIBIT A

## FORM OF DEVELOPER DISBURSEMENT REQUEST

STATEMENT NO. \_\_\_\_\_ REQUESTING DISBURSEMENT OF FUNDS FROM  
THE CONSTRUCTION FUND PURSUANT TO  
SECTIONS 2.3(d), 2.5 AND 6.3 OF THE DEVELOPMENT AGREEMENT  
BETWEEN BROWARD COUNTY, FLORIDA AND  
THE ARENA DEVELOPMENT COMPANY, LTD.

Pursuant to Sections 2.3(d), 2.5 and 6.3 of the Development Agreement (the "Agreement") between Broward County, Florida (the "County") and Arena Development Company, Ltd. (the "Project Developer"), the undersigned Authorized Project Developer Representative hereby requests and authorizes The Bank of New York, as trustee (the "Trustee"), as depository of the Construction Fund created by the Master Indenture between the County and the Trustee dated as of September 1, 1996 (as supplemented and amended, the "Indenture") and defined in the Agreement, to disburse to \_\_\_\_\_ (INSERT EXACT NAME OF PERSON(S) AND FEDERAL EMPLOYER IDENTIFICATION NUMBER(S) TO WHOM DISBURSEMENT IS TO BE MADE) \_\_\_\_\_ out of the moneys deposited in the \_\_\_\_\_ (IDENTIFY ACCOUNT AND SUBACCOUNT) of the Construction Fund the sum of \$ \_\_\_\_\_.

The Project Developer represents that it is requesting such disbursement to pay such person(s) or to reimburse the Project Developer in full, as indicated in the Disbursement Schedule, for the items listed in the Disbursement Schedule attached hereto as Attachment I.

In connection with the foregoing request and authorization, the undersigned hereby certifies that:

- Each item for which disbursement is requested hereunder is properly payable from funds to be disbursed from the Construction Fund in accordance with the terms and conditions of the Agreement and none of those items has heretofore been paid from said Construction Fund.
- Each such item is or was necessary for pre-development costs, Project Developer's general requirements costs, pre-opening costs, architect costs, engineering costs, project consulting costs or furniture, fixtures and equipment costs with regard to the Facility, as defined in the Agreement.
- Each such item is attributable to the following category(ies) in the following dollar amount (check category and insert dollar amount if more than one category):

Dollar Amount	Category
_____ \$ _____	Payment to General Contractor and Concurred in by Project Developer
_____ \$ _____	Construction Costs
_____ \$ _____	Site-related Costs
_____ \$ _____	Payment to the Project Developer
_____ \$ _____	Pre-Development Costs
_____ \$ _____	Project Developer's General Requirements Costs
_____ \$ _____	Pre-opening Costs
_____ \$ _____	Architect Costs
_____ \$ _____	Engineering Costs
_____ \$ _____	Project Consulting Costs
_____ \$ _____	Furniture, Fixtures and Equipment Costs

- This statement and all attachments and exhibits hereto, including the Disbursement Schedule (Attachment I) and the Developer's Certificate (Attachment II), shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection and authority to the Trustee for its actions taken pursuant hereto.

This \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

By: \_\_\_\_\_  
its Authorized Project Developer Representative

The undersigned Authorized County Representative hereby authorizes the Trustee as of this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_, to make the foregoing disbursement from the Construction Fund to the person(s) named above.

By: \_\_\_\_\_  
its Authorized County Representative

006:103119.DOC5.BR2020327MASTER\_INDENTURE-6. - A-1 -

006:103119.DOC5.BR2020327MASTER\_INDENTURE-6. - A-2 -

## ATTACHMENT I

## DISBURSEMENT SCHEDULE

TO STATEMENT NO. \_\_\_\_\_ REQUESTING AND AUTHORIZING  
DISBURSEMENT OF FUNDS FROM THE CONSTRUCTION FUND TO THE  
PURSUANT TO SECTIONS 2.3(d), 2.5 AND 6.3 OF  
DEVELOPMENT AGREEMENT BETWEEN BROWARD COUNTY, FLORIDA AND THE  
ARENA DEVELOPMENT COMPANY, LTD..

AMOUNT	PURPOSE
--------	---------

## ATTACHMENT II

## DEVELOPER'S CERTIFICATE

Arena Development Company, Ltd. (the "Project Developer"), pursuant to Section \_\_\_\_ of that certain Development Agreement (the "Agreement") dated as of June 4, 1996, between Broward County, Florida (the "County") and the Project Developer, hereby certifies to the County as follows (all terms used in this Developer's Certificate shall have the meanings given to such terms in the Agreement):

(a) **Project Cost Amendments.** Attached hereto as Schedule A is a true and complete description of all Project Cost Amendments from the date of the last Developer's Certificate submitted pursuant to the Agreement through the date hereof.

(b) **Land Acquisition and Project Development Budget.** Attached hereto as Schedule B is a true and correct copy of the Land Acquisition and Project Development Budget as in effect on the date hereof. The Contingency Fund (not reallocated to any other Project cost category) set forth in such Land Acquisition and Project Development Budget is \$ \_\_\_\_\_.

(c) **Effect of Project Cost Amendments.** Based on the Project Cost Amendments referred to in Schedule A hereto, the Land Acquisition and Project Development Budget attached hereto as Schedule B shows an \_\_\_\_\_ increase or a \_\_\_\_\_ decrease in aggregate amount of the last Land Acquisition and Project Development Budget equal to \$ \_\_\_\_\_. Attached hereto as Schedule C is a true and correct copy of the Schedule as in effect on the date hereof (which takes account of the effect of the Project Cost Amendments referred to in Schedule A hereto).

(d) **Budget vs. Actual.** Attached hereto as Schedule D is a true and complete comparison of actual Project costs incurred through the date hereof and the costs projected to be incurred to complete the Project with the Land Acquisition and Project Development Budget.

(e) **Estimated Remaining Project Cost Drawdown Schedule.** Attached hereto as Schedule E is a projection of remaining amounts required to be drawn down and paid from the Construction Fund each month from the month after the month hereof until the month in which Substantial Completion occurs.

(f) **Shortfall.** As the date hereof, the amount of the Shortfall, if any, is \$ \_\_\_\_\_.

(g) **Letter of Credit.** As of the date hereof, the amount, if any, of cash or Letter of Credit required to satisfy the Interim LOC Test or Full LOC Test pursuant to Section 6.5 of the Agreement is \$ \_\_\_\_\_.

Dated: \_\_\_\_\_, 199\_\_ ARENA DEVELOPMENT COMPANY, LTD.

By: Arena Development Company, Inc.,  
general partner

By: \_\_\_\_\_  
Title: \_\_\_\_\_

006:103119.DOC5.BR2020327MASTER\_INDENTURE-6. - I-1 -

006:103119.DOC5.BR2020327MASTER\_INDENTURE-6. - II-1 -

## EXHIBIT B

## FORM OF COUNTY DISBURSEMENT REQUEST

STATEMENT NO. \_\_\_\_\_ REQUESTING DISBURSEMENT OF FUNDS FROM  
THE CONSTRUCTION FUND PURSUANT TO  
SECTIONS 2.3(d), 2.5 AND 6.3 OF THE DEVELOPMENT AGREEMENT  
BETWEEN BROWARD COUNTY, FLORIDA AND  
THE ARENA DEVELOPMENT COMPANY, LTD.

Pursuant to Sections 2.3(d), 2.5 and 6.3 of the Development Agreement (the "Agreement") between Broward County, Florida (the "County") and the Arena Development Company, Ltd. (the "Project Developer"), the undersigned Authorized County Representative hereby requests and authorizes The Bank of New York, as trustee (the "Trustee"), as depository of the Construction Fund created by the Master Indenture between the County and the Trustee dated as of September 1, 1996 (as supplemented and amended, the "Indenture") and defined in the Agreement, to disburse to \_\_\_\_\_ (INSERT EXACT NAME OF PERSON(S) AND FEDERAL EMPLOYER IDENTIFICATION NUMBER(S) TO WHOM DISBURSEMENT IS TO BE MADE) \_\_\_\_\_ out of the moneys deposited in the (IDENTIFY ACCOUNT AND SUBACCOUNT) \_\_\_\_\_ of the Construction Fund the sum of \$ \_\_\_\_\_.

The County represents that it is requesting such disbursement to pay such person(s) or to reimburse the County in full, as indicated in the Disbursement Schedule, for the items listed in the Disbursement Schedule attached hereto as Attachment I.

In connection with the foregoing request and authorization, the undersigned hereby certifies that:

- (a) Each item for which disbursement is requested hereunder is properly payable from funds to be disbursed from the Construction Fund in accordance with the terms and conditions of the Agreement and none of those items has heretofore been paid from said Construction Fund.
- (b) Each such item is or was necessary for pre-development costs, land acquisition costs, County furnished materials costs or amounts payable through the Contingent County Project Funding with regard to the Facility, as defined in the Agreement.
- (c) Each such item is attributable to the following category(ies) in the following dollar amount (check category and insert dollar amount if more than one category):

Dollar Amount

Category

Payment to the County or to the County's Designee

\_\_\_\_\_ \$ \_\_\_\_\_

Pre-development Costs

\_\_\_\_\_ \$ \_\_\_\_\_

Land Acquisition Costs

\_\_\_\_\_ \$ \_\_\_\_\_

County-Furnished Materials Costs

\_\_\_\_\_ \$ \_\_\_\_\_

Contingent County Project Funding Costs

- (d) This statement and all attachments and exhibits hereto, including the Disbursement Schedule (Attachment I), shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection and authority to the Trustee for its actions taken pursuant hereto.

This \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

By: \_\_\_\_\_  
its Authorized County Representative

D06:103119.DOCX.BR2020327MASTER\_INDENTURE-6.

- B-1 -

D06:103119.DOCX.BR2020327MASTER\_INDENTURE-6.

- B-2 -

## ATTACHMENT I

## DISBURSEMENT SCHEDULE

TO STATEMENT NO. \_\_\_\_\_ REQUESTING AND AUTHORIZING  
DISBURSEMENT OF FUNDS FROM THE CONSTRUCTION FUND TO  
PURSUANT TO SECTIONS 2.3(d) 2.5 AND 6.3 OF THE  
DEVELOPMENT AGREEMENT BETWEEN BROWARD COUNTY, FLORIDA AND THE  
ARENA DEVELOPMENT COMPANY, LTD.

AMOUNT

PURPOSE

[THIS PAGE INTENTIONALLY LEFT BLANK]

D06:103119.DOCX.BR2020327MASTER\_INDENTURE-6.

- I-1 -



TABLE OF CONTENTS

Page

ARTICLE I  
DEFINITIONS

Section 1.01.	Definitions.....	4
Section 1.02.	Interpretation.....	7
Section 1.03.	Captions and Headings.....	8

ARTICLE II  
AUTHORIZATION AND TERMS OF THE  
SERIES 2016 BONDS

Section 2.01.	Authorization of the Series 2016 Bonds .....	8
Section 2.02.	Terms of Series 2016 Bonds .....	9
Section 2.03.	Delivery and Application of Proceeds of Series 2016 Bonds .....	10
Section 2.04.	Terms of Redemption of Series 2016 Bonds .....	11
Section 2.05.	Conditional Notice of Redemption .....	12

ARTICLE III  
ADDITIONAL FUNDS, ACCOUNTS AND SUBACCOUNTS;  
ADDITIONAL COVENANTS

Section 3.01.	Creation of Additional Funds, Accounts and Subaccounts.....	13
Section 3.02.	Tax Covenant with respect to the Series 2016 Bonds.....	14
Section 3.03.	Covenants for the Benefit of Series 2016 Reserve Fund Credit Facility Provider.....	15

ARTICLE IV  
MISCELLANEOUS

Section 4.01.	Concerning the Trustee .....	19
Section 4.02.	The Master Indenture .....	20
Section 4.03.	Limitation of Rights .....	20
Section 4.04.	Severability .....	20
Section 4.05.	Validity of Assignments and Security Interest .....	21
Section 4.06.	Extent of Covenants, No Personal Liability .....	21
Section 4.07.	Survival of Representations and Warranties .....	21
Section 4.08.	Binding Effect .....	21
Section 4.09.	Counterparts.....	21
Section 4.10.	Governing Law; Venue .....	22

i

FORM OF  
THIRD SUPPLEMENTAL TRUST INDENTURE

BETWEEN  
BROWARD COUNTY, FLORIDA

AND

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.  
(successor to The Bank of New York and to The Bank of New York Trust Company, N.A.)

as Trustee

DATED AS OF OCTOBER 1, 2016

Securing:

\$ \_\_\_\_\_  
Broward County, Florida  
Professional Sports Facilities Tax and Revenue Refunding Bonds,  
Series 2016  
(Broward County Civic Arena Project)

THIRD SUPPLEMENTAL TRUST INDENTURE

THIS THIRD SUPPLEMENTAL TRUST INDENTURE (the "Third Supplemental Indenture"), is made and entered into as of October 1, 2016 between BROWARD COUNTY, FLORIDA, a political subdivision of the State of Florida and a public body corporate and politic (the "County") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (successor to The Bank of New York and to The Bank of New York Trust Company, N.A.), a national banking association duly organized and validly existing under the laws of the United States of America and having one of its principal trust offices in Jacksonville, Florida, as trustee (said banking corporation and any bank or trust company becoming successor trustee under the Master Indenture being herein called the "Trustee"), under the circumstances summarized in the following recitals (the capitalized terms used herein shall be as defined in the Master Indenture, Article I hereof and in the following recitals).

RECITATIONS:

A. Pursuant to and in accordance with the laws of the State of Florida, including the Act, the County has authorized, executed and delivered to the Trustee the Master Indenture to secure any Bonds that might thereafter be issued pursuant to Article II thereof;

B. The County has in all respects complied with the provisions of the Master Indenture so as to be entitled at this time to execute and have authenticated and delivered its Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2016 (Broward County Civic Arena Project) (the "Series 2016 Bonds");

C. The County has determined to issue and sell the Series 2016 Bonds to refinance the Series 2006A Bonds, to purchase a Reserve Fund Credit Facility, and to pay costs of issuance of the Series 2016 Bonds;

D. The Series 2006A Bonds were issued under the Master Indenture, as supplemented by a Second Supplemental Indenture, and the County is authorized to execute and deliver this Third Supplemental Indenture for the purpose of refinancing all of the Series 2006A Bonds and to observe and perform all covenants, agreements and obligations to be observed or performed on its part hereunder;

E. The Series 2006B Bonds were issued under the Master Indenture and the Second Supplemental Indenture and remain outstanding thereunder;

F. On June 4, 1996, the Board approved and the County subsequently entered into that certain Broward County Civic Arena Development Agreement, which was amended and supplemented from time to time (the "1996 Development Agreement"), with Arena Development Company, Ltd., providing for the design and construction of the Facility, which 1996 Development Agreement was terminated effective in December of 2015;

G. On June 4, 1996, the Board also approved and the County subsequently entered into that certain Broward County Civic Arena License Agreement, as amended and supplemented (the "1996 License Agreement"), with the Florida Panthers Hockey Club, Ltd. (the "Team") and Arena Operating Company, Ltd. (the "Operator") setting forth the terms and conditions under which the Team initially occupied the Facility, which 1996 License Agreement was amended and restated by the Amended and Restated License Agreement dated as of \_\_\_\_\_, 20\_\_ between the same parties (the "20\_\_ License Agreement");

H. The Board also approved and the County subsequently entered into that certain Broward County Civic Arena Operating Agreement, as amended and supplemented (the "1996 Operating Agreement"), with the Operator for the initial operation and management of the Facility;

I. The County, the Operator, the Team and Sunrise Sports & Entertainment LLC entered into an Amended and Restated Operating Agreement dated as of December 8, 2015 to replace the previous 1996 Operating Agreement in order to clarify, consolidate and restate their respective rights and obligations as therein specified (the "Amended and Restated Operating Agreement");

J. All acts, conditions and things required by the laws of the State to happen, exist and be performed precedent to and in connection with the execution and delivery of this Third Supplemental Indenture and the issuance of the Series 2016 Bonds have happened, exist and have been performed, or at the delivery of the Series 2016 Bonds will have happened, will exist and will have been performed, (i) to make the Master Indenture, as supplemented by this Third Supplemental Indenture, a valid and binding trust indenture for the security of the Series 2016 Bonds in accordance with its terms; and (ii) to make the Series 2016 Bonds, when issued, authenticated and delivered, legal, valid and binding special limited obligations of the County in accordance with the terms thereof and hereof; and

K. The Trustee has accepted the additional trusts created under this Third Supplemental Indenture, and in evidence thereof, this Third Supplemental Indenture has been executed and delivered thereby;

NOW, THEREFORE, this Third Supplemental Indenture WITNESSETH, that to secure the payment of Debt Service Charges on the Series 2016 Bonds according to their true intent and meaning, to secure the performance and observance of all of the covenants, agreements, obligations and conditions contained therein and herein, and to declare the terms and conditions upon and subject to which the Series 2016 Bonds are and are intended to be issued, held, secured and enforced, and in consideration of the premises and the acceptance by the Trustee of the additional trusts created herein and of the purchase and acceptance of the Series 2016 Bonds by the Holders, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the County has executed and delivered this Third Supplemental Indenture, and by the Master Indenture the County has granted security interests in, and pledged and assigned to the Trustee, and its assigns, all right, title and interest of the

County in and to the Pledged Revenues, including without limitation, amounts held in or for the credit of the Pledged Funds;

TO HAVE AND TO HOLD unto the Trustee and its assigns forever;

BUT IN TRUST, NEVERTHELESS, and subject to the provisions hereof and of the Master Indenture,

(a) except as provided otherwise herein, for the equal and proportionate benefit, security and protection of all present and future Holders of the Series 2016 Bonds and any Bonds hereafter issued or to be issued under and secured by the Master Indenture,

(b) for the enforcement of the payment of the Debt Service Charges on the Series 2016 Bonds and any Bonds hereafter issued, when payable, according to the true intent and meaning thereof and of the Master Indenture, as supplemented by this Third Supplemental Indenture, and

(c) to secure the performance and observance of and compliance with the covenants, agreements, obligations, terms and conditions of the Master Indenture, as supplemented by this Third Supplemental Indenture,

in each case, without preference, priority or distinction, as to lien or otherwise, of any one Bond over any other of the same Series, and in the case of a Series which is issued on a parity with any other Series pursuant to Section 2.03 of the Master Indenture, without preference, distinction or priority of any Bond over any other Bond issued on a parity therewith, by reason of designation, number, date of the Bonds or of authorization, issuance, sale, execution, authentication, delivery or maturity thereof, or otherwise, so that, except as otherwise provided in Section 2.05 of the Master Indenture, each such Bond and all Bonds shall have the same right, lien and privilege under the Master Indenture and under this Third Supplemental Indenture and shall be secured equally and ratably thereby and hereby, it being intended that the lien and security of the Master Indenture, as supplemented by this Third Supplemental Indenture and all other Supplemental Indentures hereinbefore and hereafter executed, shall take effect from the date of the Master Indenture, without regard to the date of the actual issue, sale or disposition of the Series 2016 Bonds and any Bonds hereafter issued, as though upon that date all of the Bonds were actually issued, sold and delivered to purchasers for value; provided, however, that if:

(i) the principal of the Series 2016 Bonds and the interest due or to become due thereon, together with any premium required by redemption of any of the Series 2016 Bonds prior to maturity, shall be paid well and truly, at the times and in the manner to which reference is made in the Series 2016 Bonds, according to the true intent and meaning thereof, or the Outstanding Series 2016 Bonds shall have been paid and discharged in accordance with Article VIII of the Master Indenture, and

3

"Discrete Portion" means, with respect to the Facility, the following:

1. Suites and co-op suite levels of Premium Seating
2. Locker Rooms, weight rooms and like training facilities
3. Team Office Space
4. Operator's Office Space
5. Team Retail Store
6. Interactive Area
7. Restaurant Area
8. Team Box Office
9. Coaches' Office
10. Parking allocable exclusively to other portions of the Discrete Portion
11. Other areas or spaces identified by Bond Counsel

"Financial Advisor" means Stifel, Nicolaus & Company, Incorporated or another financial advisor of nationally recognized standing in matters pertaining to obligations issued by states and their political subdivisions, appointed by the Finance Director and approved by the Board.

"First Supplemental Indenture" means the First Supplemental Trust Indenture, dated as of September 1, 1996, between the County and the Trustee, as amended or supplemented from time to time.

"Incremental County Preferred Revenue Allocation" shall have the meaning as set forth in Section 1.73 of the Amended and Restated Operating Agreement.

"Indenture" means the Master Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture and this Third Supplemental Indenture, and as further supplemented and amended by Supplemental Indentures from time to time.

"Interest Payment Dates" means March 1 and September 1 of each year in which Series 2016 Bonds remain Outstanding, commencing March 1, 2017.

"Late Payment Rate" shall be as defined in Section 3.03(b) hereof.

"Master Indenture" means the Master Trust Indenture dated as of September 1, 1996, between the County and the Trustee.

"Net Operating Income" shall have the same meaning as set forth in Section 1.86 of the Amended and Restated Operating Agreement.

"Original Purchaser" means the underwriters named in the Purchase Agreement.

5

(ii) all of the covenants, agreements, obligations, terms and conditions of the County under this Third Supplemental Indenture shall have been observed and performed, and there shall have been paid to the Trustee, the Registrar, the Paying Agents and the Authenticating Agents all sums of money due or to become due to them in accordance with the terms and provisions hereof and of the Master Indenture,

then this Third Supplemental Indenture and the rights assigned hereby shall cease, determine and be void, except as provided in Section 8.03 of the Master Indenture with respect to survival of certain provisions hereof; otherwise this Third Supplemental Indenture shall be and remain in full force and effect; and provided, further, that the Master Indenture shall cease, determine and be void as provided in the granting clauses thereof and otherwise the Master Indenture shall be and remain in full force and effect.

IT IS DECLARED that all Bonds issued under and secured by the Master Indenture and this Third Supplemental Indenture are to be issued, authenticated and delivered in accordance with the covenants, agreements, obligations, terms and conditions contained therein and herein. The County has agreed and covenanted, and agrees and covenants with the Trustee and with each and all Holders, as follows:

## ARTICLE I DEFINITIONS

**Section 1.01. Definitions.** Words and terms used herein and defined in the Master Indenture shall have the meaning given to them in the Master Indenture. In addition to the words and terms defined elsewhere in this Third Supplemental Indenture, unless the context or use clearly indicates another meaning or intent, the following words and terms shall have the meanings set forth below:

"Amended and Restated Operating Agreement" means the Amended and Restated Operating Agreement dated December 8, 2015 which replaces the 1996 Operating Agreement.

"Authorized Denominations" means \$5,000 or any integral multiple thereof.

"Cost of Issuance Fund" means the Broward County Civic Arena 2016 Cost of Issuance Fund, a special fund created and designated by Section 3.01 hereof, together with any accounts and subaccounts created thereunder.

"Depository" means The Depository Trust Company, New York, New York, until a successor Depository shall have become such pursuant to the applicable provisions of this Third Supplemental Indenture and, thereafter, Depository shall mean the successor Depository. Any Depository shall be a securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of book-entry interests in Series 2016 Bonds or Debt Service Charges thereon, and to effect transfers of book-entry interests in Series 2016 Bonds.

4

"Principal Payment Dates" means September 1 in each of the years 2017 through 2028, inclusive, in each case being the dates on which principal of the Series 2016 Bonds is due whether by stated maturity or from Amortization Requirements.

"Private Payments" means:

1. Payments by the Team or the Operator for additions which constitute enlargements or upgrades to the Facility and which are owned by the County, except to the extent in the opinion of Bond Counsel such payments do not constitute private payments; and
2. Payments of the County Preferred Revenue Allocation, reduced by the amount of Annual Contributions paid by the County pursuant to Section 15.1.9 of the Amended and Restated Operating Agreement (other than the portion of such amounts deposited in the Renewal and Replacement Account), in excess of the lesser of:
  - a. Debt Service Charges on the Series 2006B Bonds less capitalized interest attributable thereto and paid from the proceeds of the Series 2006B Bonds, or
  - b. Reasonable compensation for the use of the Series 2006B Facility Project (as defined in the Second Supplemental Indenture) based on the final costs thereof; and
3. Supplemental County Preferred Revenue Payments paid to the County pursuant to Section 20.5 of the Amended and Restated Operating Agreement; and
4. Payments of the County Share of Expansion Proceeds pursuant to Section 20.3 of the Amended and Restated Operating Agreement; and
5. Payments of the County Share of net profits realized by the Current Owners in a transaction or series of transactions resulting in a Change of Control pursuant to Section 20.2 of the Amended and Restated Operating Agreement; and
6. Any Termination Payment paid to the County as a result of an exercise of Early Termination Option pursuant to Section 3.3 of the Amended and Restated Operating Agreement; and
7. Any other payments deemed Private Payments by Bond Counsel, including but not limited to, payments under the Amended and Restated Operating Agreement and any loan or guaranty payments from the Team or the Operator to the County.

6

"Private Payments Cap" means the amount equal to ten percent (10%) of the present value of the aggregate Debt Service Charges made or reasonably expected to be made on the Series 1996A Bonds, Series 2006A Bonds and Series 2016 Bonds, such present value to be determined as of the date of issuance of the Series 1996 Bonds based on the discount rate equal to the combined yield on the Series 1996A Bonds, Series 2006A Bonds and Series 2016 Bonds.

"Purchase Agreement" means, with respect to the Series 2016 Bonds, the Bond Purchase Agreement dated October \_\_, 2016 between the County and the Original Purchaser.

"Second Supplemental Indenture" means the Second Supplemental Trust Indenture, dated as of July 1, 2006, between the County and the Trustee, as amended and supplemented from time to time.

"Series 2006 Bonds" means collectively, the Series 2006A Bonds and the Series 2006B Bonds.

"Series 2006A Bonds" means the County's \$124,290,000 original Aggregate Principal Amount of Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2006A (Broward County Civic Arena Project), currently Outstanding in the Aggregate Principal Amount of \$[83,375,000].

"Series 2006B Bonds" means the County's \$52,475,000 original Aggregate Principal Amount of Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Taxable Series 2006B (Broward County Civic Arena Project) currently Outstanding in the Aggregate Principal Amount of \$36,110,000.

"Series 2016 Bonds" means the County's \$\_\_\_\_\_ Aggregate Principal Amount of Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2016 (Broward County Civic Arena Project) described in Article II hereof.

"Series 2016 Reserve Fund Credit Facility Provider" shall mean Municipal Assurance Corp., a stock insurance company.

"2016 Surety Bond" means the Reserve Fund Credit Facility issued by the Series 2016 Reserve Fund Credit Facility Provider in connection with the Reserve Requirement for the Series 2016 Bonds.

**Section 1.02. Interpretation.** Any reference herein to the County or the Board or to any member or officer of the foregoing includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their functions.

Any reference to a section, provision or chapter of the Act, or laws or regulations of the United States, includes that section, provision or chapter as amended, modified, revised, supplemented or superseded from time to time to the extent applicable; provided, that no

7

#### **Section 2.02. Terms of Series 2016 Bonds.**

(a) **General Terms.** The Series 2016 Bonds (i) shall be issued as Tax-Exempt Bonds; (ii) shall be issued in Authorized Denominations; (iii) shall be dated their date of delivery; (iv) shall bear interest from their date of delivery; (v) shall be executed and delivered only in fully registered form, substantially as set forth in Exhibit A to this Third Supplemental Indenture; (vi) shall be numbered in a manner determined by the Trustee which will distinguish each Series 2016 Bond from each other Series 2016 Bond; (vii) shall be transferable and exchangeable for fully registered Series 2016 Bonds of Authorized Denominations as provided in Article II of the Master Indenture, subject to the limitations with respect to Series 2016 Bonds held under the Book-Entry System as set forth in paragraph (d) of this Section 2.02; and (viii) shall be subject to redemption prior to maturity as provided in Section 2.04 hereof and Article III of the Master Indenture.

(b) **Maturities and Interest Rates.** The Series 2016 Bonds shall consist of Serial Bonds [and/or Term Bonds (the "Series 2016 Term Bonds")] maturing on the following Principal Payment Dates in the following principal amounts and bearing interest while outstanding at the following rates per annum, payable on each Interest Payment Date and computed on the basis of a 360-day year consisting of twelve 30-day months:

##### Serial Bonds

Principal Payment Date (September 1)	Principal Amount	Interest Rate
-----------------------------------------	------------------	---------------

##### Term Bonds

Principal Payment Date (September 1)	Principal Amount	Interest Rate
-----------------------------------------	------------------	---------------

(c) **Security.** The Series 2016 Bonds shall be secured as provided in the Master Indenture and herein.

(d) **Book-Entry System.** The Series 2016 Bonds shall only be issued to a Depository for holding in a Book-Entry System, without further action by the County. One Series 2016 Bond shall be issued for each maturity of the Series 2016 Bonds representing the aggregate principal amount of such maturity of the Series 2016 Bonds, and such Series 2016 Bonds shall be registered in the name of the Depository or its nominee, as Holder, and immobilized in the custody of the Depository. Series 2016 Bonds held in a Book-Entry System shall not be transferable or exchangeable, except for (i) transfer to a successor Depository or its nominee, (ii)

9

amendment, modification, revision, supplement or superseding section, provision or chapter shall be applicable solely by reason of this paragraph, if it constitutes in any way an impairment of the rights or obligations of the County, the Holders or the Trustee under the Master Indenture, this Third Supplemental Indenture, any legislation of the County authorizing the Series 2016 Bonds, the Series 2016 Bonds or any other instrument or document entered into in connection with any of the foregoing, including without limitation any alteration of the obligation to pay Debt Service Charges in the amount and manner, at the times, and from the sources provided in the legislation of the County authorizing the Series 2016 Bonds, the Master Indenture and this Third Supplemental Indenture, except as permitted herein.

Unless the context shall otherwise indicate, words importing the singular number shall include the plural number, and vice versa. The terms "hereof," "hereby," "herein," "hereto," "hereunder," "hereinafter" and similar terms refer to this Third Supplemental Indenture; and the term "hereafter" means after, and the term "heretofore" means before, the date of this Third Supplemental Indenture. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

Any reference to the Operating Agreement in the Master Trust Indenture shall be interpreted to be a reference to the Amended and Restated Operating Agreement and such references to section numbers shall be construed to reference the applicable sections of the Amended and Restated Operating Agreement. References to the Development Agreement shall be disregarded and construed as null and void in that the Development Agreement is no longer in force or effect.

**Section 1.03. Captions and Headings.** The captions and headings in this Third Supplemental Indenture are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

## **ARTICLE II AUTHORIZATION AND TERMS OF THE SERIES 2016 BONDS**

**Section 2.01. Authorization of the Series 2016 Bonds.** The Series 2016 Bonds shall be designated "Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2016 (Broward County Civic Arena Project)". The Aggregate Principal Amount of Series 2016 Bonds which shall be issued hereunder is \$\_\_\_\_\_. The County shall issue, sell and deliver the Series 2016 Bonds, together with other available funds, to (i) refund on a current basis all of the Outstanding Series 2006A Bonds, (ii) pay the premium for the 2016 Surety Bond, which is a Reserve Fund Credit Facility, and (iii) pay the costs associated with the issuance and sale of the Series 2016 Bonds.

8

withdrawal of the Series 2016 Bonds from the Depository as provided in paragraph (e) of this Section 2.02 and (iii) exchange of a Series 2016 Bond for a Book-Entry Bond of the same Series, interest rate, and maturity and in an amount equal to the outstanding aggregate principal amount of the Series 2016 Bonds maturing on that date. The owners of book-entry interests in the Series 2016 Bonds shall not have any right to receive Series 2016 Bonds in the form of physical certificates.

(e) **Change of Depository and Replacement Series 2016 Bonds.** If any Depository determines not to continue to act as a Depository for the Series 2016 Bonds, the County may attempt to have established a Book-Entry System relationship with another Depository under this Third Supplemental Indenture. If the County does not or is unable to do so, after the Trustee has made provision for notification of the owners of book-entry interests in the Series 2016 Bonds by appropriate notice to the then Depository, the County and the Trustee shall permit withdrawal of the Series 2016 Bonds from the Depository, and the Authenticating Agent shall authenticate and deliver Series 2016 Bond certificates in fully registered form and in Authorized Denominations to the assignees of the Depository or its nominee. If the event is not the result of County action or inaction, such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing or otherwise preparing and delivering such replacement Series 2016 Bond certificates) of those persons requesting that authentication and delivery.

(f) **Payment and Ownership of Series 2016 Bonds.** Debt Service Charges shall be payable:

(i) on any Series 2016 Bond held in a Book-Entry System registered in the name of the Depository or its nominee, in same day funds or federal funds (i) in the case of principal of and any premium on such Series 2016 Bond, delivered or transmitted to the Depository or its authorized representative when due, upon presentation and surrender of such Series 2016 Bond at the principal corporate trust office of the Trustee or at the office, designated by the Trustee, of any Paying Agent, except as otherwise provided pursuant to an agreement in accordance with Section 2.10 of the Master Indenture, and (ii) in the case of interest on such Series 2016 Bond, delivered or transmitted on any Interest Payment Date to the Depository or nominee that was the Holder of that Series 2016 Bond (or a predecessor Series 2016 Bond) at the close of business on the Regular Record Date applicable to that Interest Payment Date; and

(ii) on any Series 2016 Bond not held in a Book-Entry System, as provided in the first paragraph of Section 2.06 of the Master Indenture.

The provisions of Section 2.06 of the Master Indenture (other than, while the Series 2016 Bonds are held in a Book-Entry System, the first paragraph of that Section) shall apply to all Series 2016 Bonds, including Series 2016 Bonds in a Book-Entry System.

**Section 2.03. Delivery and Application of Proceeds of Series 2016 Bonds.** Upon the execution and delivery of this Third Supplemental Indenture, and satisfaction of the conditions

10

established by the County for the delivery of the Series 2016 Bonds, the County shall execute the Series 2016 Bonds and deliver them to the Trustee. Thereupon, the Authenticating Agent shall authenticate the Series 2016 Bonds and the Trustee shall deliver them to, or on the order of, the Original Purchaser, as directed by the County in accordance with Section 2.03 of the Master Indenture and this Section 2.03 and apply the proceeds, as follows:

(i) the Trustee shall apply the net proceeds of the Series 2016 Bonds, less \$\_\_\_\_\_ to be paid directly to the Series 2016 Reserve Fund Credit Facility Provider for the premium for the 2016 Surety Bond, received by the Trustee as follows:

(A) transmit \$\_\_\_\_\_ to pay the redemption price for the optional redemption of the Series 2006 Bonds;

(B) deposit to the Series 2016 Account of the Cost of Issuance Fund, \$\_\_\_\_\_; and

(ii) the Trustee shall release \$\_\_\_\_\_ from the Series 2006A Subaccount of the Interest Account of the Bond Fund and use such additional amounts to provide additional funds for the redemption of the Series 2006 Bonds.

Prior to delivery by the Trustee of any Series 2016 Bonds, the Trustee shall have received the items required by Section 2.03 of the Master Indenture, including a written request and authorization to the Trustee (as Trustee and Authenticating Agent) on behalf of the County, signed by an Authorized County Representative, to authenticate and deliver the Series 2016 Bonds to, or on the order of, the Original Purchaser upon payment to the Trustee of the purchase price for the Series 2016 Bonds provided in the Purchase Agreement.

**Section 2.04. Terms of Redemption of Series 2016 Bonds.** The Series 2016 Bonds are subject to redemption prior to stated maturity as provided in Article III of the Master Indenture and as follows:

(a) **Mandatory Sinking Fund Redemption.** The Series 2016 Term Bonds maturing on September 1, 20\_\_ are subject to mandatory sinking fund redemption in part, by lot, prior to maturity, at a redemption price of one hundred percent (100%) of the principal amount redeemed, on September 1 in the following years and from the following Amortization Requirements, plus in each case interest accrued to such redemption date (which shall be payable from the Series 2016 Subaccount of the Interest Account):

Year	Amortization Requirements
20__	\$
20__*	

\* Final Maturity.

or (2) 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 Finance Director 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 Series 2016 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 funds available shall constitute an Event of Default under the Indenture. The Trustee shall give immediate notice to the securities information repositories and the affected Bondholders that the redemption did not occur and that the Series 2016 Bonds called for redemption remain Outstanding.

### ARTICLE III ADDITIONAL FUNDS, ACCOUNTS AND SUBACCOUNTS; ADDITIONAL COVENANTS

**Section 3.01. Creation of Additional Funds, Accounts and Subaccounts.** In accordance with the provisions of Section 4.01 of the Master Indenture, there are hereby created the following funds, accounts and subaccounts, all of which shall be held in the custody of the Trustee:

(a) within the Interest Account of the Bond Fund, the "Series 2016 Subaccount" into which deposits to the Interest Account allocable to the Series 2016 Bonds shall be made and from which, subject to Section 4.02(1)(f) of the Master Indenture, interest due on the Series 2016 Bonds shall be paid, in accordance with the Master Indenture;

(b) within the Principal Account of the Bond Fund, the "Series 2016 Subaccount" into which deposits to the Principal Account allocable to the Series 2016 Bonds shall be made and from which, subject to Section 4.02(1)(f) of the Master Indenture, principal due on the Series 2016 Bonds shall be paid in accordance with the Master Indenture;

(c) within the Bond Reserve Fund, into which, in lieu of a deposit of moneys and in substitution of all of the moneys therein and in full satisfaction of the Reserve Requirement, the County shall cause to be deposited therein the 2016 Surety Bond. Subject to the conditions set forth in the 2016 Surety Bond, the Trustee shall demand under the 2016 Surety Bond moneys necessary to make up deficiencies in the Subaccounts of the Interest Account and/or Principal Account as provided in Section 4.04(a) of the Master Indenture. Notwithstanding anything to the contrary contained in the Master Indenture, so long as the 2016 Surety Bond is on deposit in the Bond Reserve Fund, and if the Trustee has made a drawing on the 2016 Surety Bond to make up deficiencies in the Subaccounts of the Interest Account and/or Principal Account, then on each Revenue Allocation Date following an Interest Payment Date in which the amount of the 2016 Surety Bond Coverage, as defined in the 2016 Surety Bond, is less than the Reserve

The County shall have the option to deliver for cancellation to the Registrar any Series 2016 Term Bonds in any aggregate principal amount, and to receive a credit therefor against the applicable Amortization Requirements (and corresponding mandatory sinking fund redemption obligations) of the County set forth above.

That option shall be exercised by the County, on or before the sixtieth (60th) day preceding a redemption date, by: (i) furnishing to the Trustee a certificate, executed by the Authorized County Representative, setting forth the extent of the credit to be applied with respect to the Amortization Requirements, and (ii) delivering to the Registrar the Series 2016 Term Bonds so purchased for cancellation (to the extent such Series 2016 Term Bonds have not previously been so delivered). If the certificate is not furnished timely to the Trustee, no credit shall be made against said Amortization Requirements (and corresponding mandatory sinking fund redemption obligations) although credits may be available against subsequent Amortization Requirements.

To the extent not applied theretofore as a credit against any Amortization Requirements, a credit against the applicable Amortization Requirements therefor (and the corresponding mandatory sinking fund redemption obligations) shall also be received by the County for any Series 2016 Term Bonds which prior thereto have been purchased or redeemed other than through the operation of the Amortization Requirements.

Each Series 2016 Term Bond so delivered, redeemed previously, or purchased and canceled, shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the applicable Amortization Requirements therefor, subject to the completion of the procedures described above. Any excess of that amount over the then current Amortization Requirements shall be credited against subsequent Amortization Requirements for such Series 2016 Term Bonds in the order directed in writing by the Authorized County Representative by following the procedures described above.

(b) **Optional Redemption.** The Series 2016 Bonds maturing on and after September 1, 20\_\_ are subject to optional redemption by the County prior to maturity, on and after September 1, 20\_\_, in whole or in part at any time, and if in part as selected by the County among maturities and by lot by the Trustee within a maturity, at the redemption price equal to one hundred percent (100%) of the principal amount or portions thereof to be redeemed without premium, plus interest accrued to the redemption date.

(c) **Extraordinary Mandatory Redemption.** The Series 2016 Bonds are also subject to extraordinary optional redemption pursuant to the provisions of Section 3.05 of the Master Indenture.

**Section 2.05. Conditional Notice of Redemption.** Notwithstanding anything to the contrary contained in the Master Indenture, in the case of an optional redemption, any notice of redemption for the Series 2016 Bonds may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee, Paying Agent or a fiduciary institution acting as escrow agent no later than the redemption date

Requirement because of such drawing, the Trustee shall pay such amounts as are required to be deposited to the Bond Reserve Fund pursuant to Sections 4.02(f), 4.04(a) or 4.04(b) of the Master Indenture to the Series 2016 Reserve Fund Credit Facility Provider as reimbursement for such drawing under the 2016 Surety Bond, and as further described in Section 3.03 below.

(d) the Series 2016 Rebate Fund designated the "Broward County Civic Arena Series 2016 Rebate Fund" into which deposits allocable to the Series 2016 Bonds shall be made and from which rebate amounts due with respect to the Series 2016 Bonds under Section 148(f) of the Code shall be paid, all in accordance with the Master Indenture;

(e) the Cost of Issuance Fund designated the "Broward County Civic Arena 2016 Cost of Issuance Fund" and the "Series 2016 Account" therein, from which Account costs of issuance of the Series 2016 Bonds shall be paid upon delivery to the Trustee of written requisitions for payment signed by the Authorized County Representative and specifying the payee therefor and the amount due such payee from such Account. The Trustee may rely conclusively upon such requisition. Any moneys remaining on deposit in the Account six (6) months after the date of delivery of the Series 2016 Bonds shall be transferred to the corresponding Subaccount of the Interest Account of the Bond Fund.

**Section 3.02. Tax Covenant with respect to the Series 2016 Bonds.** The County covenants and agrees that so long as any Series 2016 Bonds remain outstanding for federal income tax purposes, it shall comply with all requirements of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2016 Bonds, including any arbitrage rebate requirements, except to the extent that to not so comply would, in the Opinion of Bond Counsel, not result in the interest payable on the Series 2016 Bonds being included in gross income for federal income tax purposes under the Code. The County acknowledges that, if the net present value of the Private Payments actually received through September 1 of any year, together with the net present value of the Private Payments reasonably expected to be received over the remaining term of the Series 2016 Bonds, exceeds the Private Payments Cap, the County must, and covenants that it will, take such remedial action, including retiring and/or defeasing all outstanding Series 2016 Bonds, as is necessary in the Opinion of Bond Counsel to maintain the exclusion from gross income of interest on the Series 2016 Bonds.

In particular, the County agrees that unless the County and the Trustee have received an Opinion of Bond Counsel that the interest on the Series 2016 Bonds shall continue to be excludable from gross income for federal income tax purposes, upon the County's receipt of the "Termination Payment" (as defined in Section 3.3.4 of the Amended and Restated Operating Agreement) due to the occurrence of an "Early Termination Option" (as defined in Section 3.3 of the Amended and Restated Operating Agreement) the County shall notify the Trustee and provide for the date upon which the County will deliver the funds required for a redemption of the Series 2016 Bonds to occur hereunder, and the redemption date shall be within ninety (90) days following the receipt of the Termination Payment.

**Section 3.03. Covenants for the Benefit of Series 2016 Reserve Fund Credit Facility Provider.**

As long as the 2016 Surety Bond as the Reserve Fund Credit Facility for the Series 2016 Bonds is in full force and effect and the Series 2016 Reserve Fund Credit Facility Provider is not in default thereunder or hereunder, the following provisions shall apply:

(a) The prior written consent of the Series 2016 Reserve Fund Credit Facility Provider shall be a condition precedent to the deposit of any Reserve Fund Credit Facility credited to the Bond Reserve Fund established for the Series 2016 Bonds in lieu of a cash deposit into the Bond Reserve Fund. Amounts drawn under the 2016 Surety Bond shall be available only for the payment of scheduled principal and interest on the Series 2016 Bonds when due.

(b) The County shall repay any draws under the 2016 Surety Bond and pay all related reasonable expenses incurred by the Series 2016 Reserve Fund Credit Facility Provider related to a draw and shall pay interest thereon from the date by the Series 2016 Reserve Fund Credit Facility Provider at the Late Payment Rate. "Late Payment Rate" means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Series 2016 Bonds and (y) the maximum rate permissible under Florida usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Series 2016 Reserve Fund Credit Facility Provider shall specify in writing to the Trustee and the County. If the interest provisions of this subparagraph (b) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the amounts owed by the County hereunder, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by Series 2016 Reserve Fund Credit Facility Provider, with the same force and effect as if the County had specifically designated such extra sums to be so applied and the Series 2016 Reserve Fund Credit Facility Provider had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed to or actual exaction as consideration for the amounts owed hereunder exceed the limits imposed or provided by the laws applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following any

15

(f) The Trustee shall ascertain the necessity for a claim upon the 2016 Surety Bond in accordance with the provisions of subparagraph (b) above and Section 4.04(a) of the Master Indenture. The Trustee shall provide notice to the Series 2016 Reserve Fund Credit Facility Provider at least five business days prior to each Revenue Allocation Date. The Trustee shall give notice to the Series 2016 Reserve Fund Credit Facility Provider of any failure of the County to make timely payment in full of deposits to the Interest Account or the Principal Account within two business days of the date due.

(g) The County will pay or reimburse the Series 2016 Reserve Fund Credit Facility Provider any and all reasonable charges, fees, costs, losses, liabilities and expenses which Series 2016 Reserve Fund Credit Facility Provider may pay or incur, including, but not limited to, reasonable fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) the administration, enforcement, defense or preservation of any rights in respect of the Master Indenture or any document executed in connection with the Series 2016 Bonds (the "Related Documents"), including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the County) relating to the Master Indenture or any other Related Document, any party to the Master Indenture or any other Related Document or the transactions contemplated by the Related Documents, (ii) the foreclosure against, sale or other disposition of any collateral securing any obligations under the Master Indenture or any other Related Document, if any, or the pursuit of any remedies under the Master Indenture or any other Related Document, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, (iii) any amendment, waiver or other action with respect to, or related to the Master Indenture, the 2016 Surety Bond or any other Related Document whether or not executed or completed, or (iv) any action taken by the Series 2016 Reserve Fund Credit Facility Provider to cure a default or termination or similar event (or to mitigate the effect thereof) under the Master Indenture or any other Related Document. The County grants to the Series 2016 Reserve Fund Credit Facility Provider the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Master Indenture or any other Related Document. Amounts payable by the County hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by Series 2016 Reserve Fund Credit Facility Provider until the date the Series 2016 Reserve Fund Credit Facility Provider is paid in full.

(h) The obligation of the County to pay all amounts due to the Series 2016 Reserve Fund Credit Facility Provider shall be a special limited obligation of the County payable solely from the Pledged Revenues or pursuant to the County Deficiency Covenant pursuant to the Master Indenture, and will be paid or performed strictly in accordance with the provisions of this Section 3.03, irrespective of (i) any lack of validity or enforceability of or any amendment or other modifications of, or waiver with respect to the Series 2016 Bonds, the Master Indenture or any other Related Document; or (ii) any amendment or other modification of, or waiver with respect to the 2016 Surety Bond; (iii) any exchange, release or non-perfection of any security interest in the Pledged Revenues, the Master Indenture or any other Related Documents; (iv) whether or not the Series 2016 Bonds are contingent or matured, disputed or undisputed,

17

draw, and each such monthly payment shall be in an amount equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Series 2016 Reserve Fund Credit Facility Provider shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent payments are made to the Series 2016 Reserve Fund Credit Facility Provider on account of principal due, the coverage under the Reserve Fund Credit Facility will be increased by a like amount, subject to the terms of the 2016 Surety Bond. The County's obligation to pay Policy Costs is secured by the Pledged Revenues and other collateral pledged as security for the Series 2016 Bonds (subject only to the priority of payment provisions set forth in the Master Indenture).

All cash and investments, if any, in the Bond Reserve Fund securing the Series 2016 Bonds shall be transferred to the Interest Account of the Bond Reserve Fund for payment of Debt Service Charges on the Series 2016 Bonds before any drawing may be made on the 2016 Surety Bond or any other Reserve Fund Credit Facility credited to the Bond Reserve Fund in lieu of cash. Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Reserve Fund Credit Facilities (including the 2016 Surety Bond) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Bond Reserve Fund, provided, however, that the 2016 Surety Bond secures only the Series 2016 Bonds and not the Series 2006B Bonds. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Bond Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(c) Upon a failure to pay Policy Costs when due or any other breach of the terms of this Section 3.03, the Series 2016 Reserve Fund Credit Facility Provider shall be entitled to exercise any and all legal and equitable remedies available to it, as specified and provided under the Master Indenture, which shall not include (i) acceleration of the maturity of the Series 2016 Bonds or (ii) remedies which would adversely affect owners of the Series 2016 Bonds.

(d) The Master Indenture shall not be discharged until all Policy Costs due and owing to the Series 2016 Reserve Fund Credit Facility Provider shall have been paid in full. The County's obligation to pay any such outstanding amounts shall expressly survive payment in full of the Series 2016 Bonds.

(e) The County shall include in its budget any Policy Costs then due and owing the Series 2016 Reserve Fund Credit Facility Provider in the calculation of the amounts to appropriate under Section 9.02 of the Master Indenture.

16

liquidated or unliquidated; (v) any amendment, modification or waiver of or any consent to departure from the 2016 Surety Bond, the Master Indenture or all or any of the other Related Documents; (vi) the existence of any claim, setoff, defense (other than the defense of payment in full), reduction, abatement or other right which the County may have at any time against the Trustee or any other person or entity other than the Series 2016 Reserve Fund Credit Facility Provider, whether in connection with the transactions contemplated herein or in any other Related Documents or any unrelated transactions; (vii) any statement or any other document presented under or in connection with the 2016 Surety Bond proving in any and all respects invalid, inaccurate, insufficient, fraudulent or forged or any statement therein being untrue or inaccurate in any respect; or (viii) any payment by the Series 2016 Reserve Fund Credit Facility Provider under the 2016 Surety Bond against presentation of a certificate or other document which does not strictly comply with the terms of the 2016 Surety Bond.

(i) The County shall fully observe, perform, and fulfill in all material respects each of the provisions (as each of those provisions may be amended, supplemented, modified or waived with the prior written consent of the Series 2016 Reserve Fund Credit Facility Provider if required) of the Master Indenture applicable to the County, each of the provisions thereof being expressly incorporated in this Section 3.03 by reference solely for the benefit of the Series 2016 Reserve Fund Credit Facility Provider as if set forth directly herein. No provision of the Master Indenture or any other Related Document shall be amended, supplemented, modified or waived, without the prior written consent of the Series 2016 Reserve Fund Credit Facility Provider, in any material respect or otherwise in a manner than could adversely affect the payment obligations of the County hereunder or the priority accorded to the reimbursement of Policy Costs under the Master Indenture. The Series 2016 Reserve Fund Credit Facility Provider is hereby expressly made a third party beneficiary hereunder and each other Related Document.

(j) The County covenants to provide to the Series 2016 Reserve Fund Credit Facility Provider promptly upon request, any information regarding the Series 2016 Bonds or the financial condition and operations of the County as reasonably requested by the Series 2016 Reserve Fund Credit Facility Provider. The County hereby agrees that the Series 2016 Reserve Fund Credit Facility Provider is permitted to discuss the affairs, finances and accounts of the County or any information the Series 2016 Reserve Fund Credit Facility Provider may reasonably request regarding the security for the Series 2016 Bonds with appropriate officers of the County and will use commercially reasonable efforts to enable the Series 2016 Reserve Fund Credit Facility Provider to have access to the facilities, books and records of the County on any business day upon reasonable prior notice.

(k) Notices and other information to the Series 2016 Reserve Fund Credit Facility Provider shall include the 2016 Surety Bond policy number and shall be sent to the following address (or such other address as the Series 2016 Reserve Fund Credit Facility Provider may designate in writing to the County and the Trustee: Municipal Assurance Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director – Surveillance.

18

**ARTICLE IV  
MISCELLANEOUS**

**Section 4.01. Concerning the Trustee.** The Trustee hereby accepts the trusts hereby declared and provided and agrees to perform the same upon the terms and conditions set forth in the Master Indenture and in this Third Supplemental Indenture.

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Third Supplemental Indenture or the due execution thereof by the County, nor for or in respect of the recitals contained herein, all of which recitals are made solely by the County.

The County acknowledges and agrees that broker confirmations of investments in connection with the investment of moneys in the funds created pursuant to Section 4.01 of the Master Indenture are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee to the County.

The Trustee shall have the right to accept and act upon directions or instructions given by the Authorized County Representative and delivered using Electronic Means (defined below). If the Authorized County Representative elects to give the Trustee directions or instructions using Electronic Means and the Trustee in its discretion elects to act upon such directions or instructions, the Trustee's reasonable understanding of such directions or instructions shall be deemed controlling. The County understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Trustee shall conclusively presume that directions or instructions that purport to have been sent by an Authorized County Representative have been sent by such Authorized County Representative. The County shall be responsible for ensuring that only an Authorized County Representative transmits such directions or instructions to the Trustee and that each Authorized County Representative treats applicable user and authorization codes, passwords and/or authentication keys as confidential and with care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. The County agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (ii) that the County is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Trustee and that there may be more secure methods of transmitting directions or instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to the County a commercially reasonable degree of protection in light of its particular needs and circumstances and (iv) to notify the Trustee immediately upon learning of any compromised or unauthorized use of the security procedures. "Electronic Means" shall mean the following communication methods: e-mail, facsimile transmission, secure electronic transmission

19

**Section 4.05. Validity of Assignments and Security Interest.** To the extent permitted by law,

(a) The Pledged Revenues and the funds and accounts created under the Master Indenture and hereunder are subject to the assignments made herein without any further act.

(b) The assignments are valid and binding against all parties having claims of any kind against the County without regard to whether those parties have notice of the assignments.

(c) The assignments are absolute and unconditional present assignments without the necessity for separation or delivery of the Pledged Revenues or the funds and accounts created under the Master Indenture and hereunder or for the filing, recording or registration hereof or of any resolution, legislation, instrument or document by which the assignments are made or the filing, recording or registration of any certificate, statement or other instrument or document with respect to the assignments.

(d) The assignments are effective and the moneys, including without limitation, investments, therefrom, thereof and therein may be applied to the purposes for which the assignments are made without the necessity of any further act of appropriation.

**Section 4.06. Extent of Covenants, No Personal Liability.** All covenants, stipulations, obligations and agreements of the County contained in this Third Supplemental Indenture are and shall be deemed to be covenants, stipulations, obligations and agreements of the County to the full extent authorized by the Act. No covenant, stipulation, obligation or agreement of the County contained in this Third Supplemental Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the County or the Board in other than that person's official capacity. Neither the members of the Board nor any official executing the Series 2016 Bonds, this Third Supplemental Indenture, the Facility Agreements or any amendment or supplement hereto or thereto shall be liable personally on the Series 2016 Bonds or be subject to any personal liability or accountability by reason of the issuance or execution hereof or thereof.

**Section 4.07. Survival of Representations and Warranties.** All representations and warranties of the County and the Trustee herein shall survive the execution and delivery hereof and the issuance and delivery of the Series 2016 Bonds.

**Section 4.08. Binding Effect.** This Third Supplemental Indenture shall inure to the benefit of and shall be binding upon the County and the Trustee and their respective successors and assigns, subject, however, to the limitations contained herein.

**Section 4.09. Counterparts.** This Third Supplemental Indenture may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same document. It shall not be necessary in proving this Third Supplemental Indenture to produce or account for more than one of those counterparts.

21

containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

**Section 4.02. The Master Indenture.** In general, each and every term and condition contained in the Master Indenture shall apply to this Third Supplemental Indenture, with such omissions, variations and modifications thereof as may be permitted by the Master Indenture and are appropriate to make the same conform to this Third Supplemental Indenture. The Master Indenture, as amended and supplemented hereby, is in all respects ratified and confirmed. The Master Indenture as so amended and supplemented by this Third Supplemental Indenture shall be, and shall be read, taken and construed and deemed to be, so long as the Series 2016 Bonds shall be outstanding, as one and the same instrument.

**Section 4.03. Limitation of Rights.** With the exception of rights, remedies and powers conferred expressly in this Third Supplemental Indenture, nothing expressed or mentioned in or to be implied from the Master Indenture, this Third Supplemental Indenture or the Series 2016 Bonds is intended, or shall be construed, to give to any Person other than the County, the Trustee, the Registrar, the Paying Agents, the Authenticating Agents, the Holders of the Series 2016 Bonds and any Credit Facility Providers any legal or equitable right, remedy, power or claim under or with respect to this Third Supplemental Indenture of any covenants, agreements, conditions and provisions contained herein. This Third Supplemental Indenture and all of those covenants, agreements, conditions and provisions are intended to be, and are, for the sole and exclusive benefit of the County, the Trustee, the Registrar, the Paying Agents, the Authenticating Agents, the Holders of the Series 2016 Bonds and any Credit Facility Providers, as provided herein.

**Section 4.04. Severability.** In case any section or provision of this Third Supplemental Indenture, or any covenant, agreement, stipulation, obligation, condition, provision, act or action or part thereof, made, assumed, entered into or taken under this Third Supplemental Indenture, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder thereof or any other section, provision, covenant, agreement, stipulation, obligation, condition, provision, act, action or part thereof, made, assumed, entered into or taken under this Third Supplemental Indenture, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained herein.

No illegality, invalidity or inoperability shall affect any legal, valid and operable section, provision, covenant, agreement, stipulation, obligation, condition, provision, act, action, part or application, all of which shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law from time to time.

20

**Section 4.10. Governing Law; Venue.** This Third Supplemental Indenture shall be governed by and construed in accordance with the laws of the State. Venue shall be Broward County, Florida.

[Signature Page to Follow]

22

IN WITNESS WHEREOF, the County has caused this Third Supplemental Indenture to be executed and delivered for it and in its name and on its behalf by its duly authorized officers; and the Trustee has caused this Third Supplemental Indenture to be executed and delivered for it and in its name and on its behalf by its duly authorized officers all as of the day and year first above written.

(SEAL)

**BROWARD COUNTY, FLORIDA**

Attest:

By: \_\_\_\_\_  
Mayor, Board of County Commissioners  
Broward County, Florida

\_\_\_\_\_  
County Administrator and ex-officio  
Clerk, Board of County Commissioners  
Broward County, Florida

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

[THIS PAGE INTENTIONALLY LEFT BLANK]

By: \_\_\_\_\_  
Vice President

Prepared by:  
Bryant Miller Olive P.A.  
and Law Offices of Steve E. Bullock, P.A., Co-Bond Counsel

[Signature Page to the Third Supplemental Trust Indenture]

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]



**APPENDIX D**

**FORM OF OPINION OF CO-BOND COUNSEL**

[THIS PAGE INTENTIONALLY LEFT BLANK]

## FORM OF OPINION OF CO-BOND COUNSEL

*On the date of issuance of the Series 2016 Bonds in definitive form, Bryant Miller Olive P.A., and the Law Offices of Steve E. Bullock, P.A., Co-Bond Counsel, propose to render their approving opinions in substantially the following form:*

October \_\_, 2016

Board of County Commissioners of  
Broward County, Florida  
Fort Lauderdale, Florida

RE: \$71,990,000 Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2016 (Broward County Civic Arena Project)

Ladies and Gentlemen:

We have acted as Co-Bond Counsel to Broward County, Florida (the "County") in connection with the issuance by the County of its \$71,990,000 Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds") pursuant to and under the authority of the Constitution and laws of the State of Florida, including without limitation, Chapter 125, Florida Statutes, Chapter 166, Florida Statutes, Section 212.20, Florida Statutes, Section 288.1162, Florida Statutes, each as amended, the County's Home Rule Charter and other applicable provisions of law. Further, the Series 2016 Bonds are issued pursuant to Resolution 2016-411, duly adopted by the Board of County Commissioners of Broward County, Florida on September 15, 2016 (the "Bond Resolution") and a Master Trust Indenture dated as of September 1, 1996 between the County and The Bank of New York Mellon Trust Company, N.A. (successor to The Bank of New York and The Bank of New York Trust Company, N.A., as trustee, (the "Trustee"), as supplemented, and in particular as supplemented by a Third Supplemental Trust Indenture dated as of October 1, 2016 between the County and the Trustee (collectively, the "Indenture"). In such capacity, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meaning set forth in the Indenture.

As to questions of fact material to our opinion, we have relied upon representations of the County contained in the Indenture and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of the County Attorney of the County, as counsel to the County, as to the due creation and valid existence of the County, the due adoption of the Bond Resolution, the due execution and delivery of the Indenture and the Series 2016 Bonds and the compliance by the County with all conditions contained in the Indenture and any ordinances and resolutions of the County precedent to the issuance of the Series 2016 Bonds.

The Series 2016 Bonds are payable from the Pledged Revenues, which consist primarily of revenues derived from a levy of the Professional Sports Franchise Facilities Tax on parity and equal status with the Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Taxable Series 2006B (Broward County Civic Arena Project) (the "Series 2006B Bonds") heretofore issued under the Indenture, in the manner and to the extent provided in the Indenture. The County has also covenanted to budget and appropriate in its annual budget by amendment if necessary, from Non-ad Valorem Revenues lawfully available in each Fiscal Year amounts

sufficient to satisfy the certain deposit requirements for deficiency amounts reflecting to the Bond Reserve Fund to the extent provided in the Indenture. Pursuant to the terms, conditions and limitations contained in the Indenture, the County has reserved the limited right to issue additional parity bonds in the future for Facility Purposes which parity bonds shall have a lien on the Pledged Revenues equal to that of the Series 2016 Bonds and the Series 2006B Bonds.

The Series 2016 Bonds do not constitute a general obligation or indebtedness of the County within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the County or taxation in any form on any real or personal property for the payment of the principal of or interest on the Series 2016 Bonds.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion that, under existing law:

1. The Bond Resolution and the Indenture constitute valid and binding obligations of the County enforceable against the County in accordance with their terms.

2. The Series 2016 Bonds are valid and binding limited obligations of the County enforceable in accordance with their terms, payable solely from the Pledged Revenues in the manner and to the extent provided in the Indenture.

3. The Indenture creates a valid lien upon the Pledged Revenues for the security of the Series 2016 Bonds on a parity with the Series 2006B Bonds and any additional parity bonds hereafter issued, all in the manner and to the extent provided in the Indenture.

4. Interest on the Series 2016 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2016 Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The opinions set forth in the preceding two sentences are subject to the condition that the County complies with all requirements of the Internal Revenue Code of 1986, as amended, (the "Code") that must be satisfied subsequent to the issuance of the Series 2016 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The County has covenanted in the Indenture to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2016 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2016 Bonds.

It is to be understood that the rights of the owners of the Series 2016 Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of the Official Statement or any other offering material relating to the Series 2016 Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2016 Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Series 2016 Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the County or the underwriter or underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2016 Bonds or

regarding the perfection or priority of the lien, except as provided in paragraph 3, with respect to the parity status of the Series 2006B Bonds, on the Pledged Revenues created by the Indenture. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Series 2016 Bonds other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

LAW OFFICES OF STEVE E. BULLOCK, P.A.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX E**

**FORM OF OPINION OF CO-DISCLOSURE COUNSEL**

[THIS PAGE INTENTIONALLY LEFT BLANK]



## FORM OF OPINION OF CO-DISCLOSURE COUNSEL

*On the date of issuance of the Series 2016 Bonds in definitive form, Locke Lord LLP and the Law Offices of Carol D. Ellis, P.A., Co-Disclosure Counsel, propose to render their approving opinions in substantially the following form:*

October \_\_, 2016

Board of County Commissioners  
of Broward County, Florida  
Fort Lauderdale, Florida

**\$71,990,000**  
**BROWARD COUNTY, FLORIDA**  
**Professional Sports Facilities Tax and Revenue**  
**Refunding Bonds, Series 2016**  
**(Broward County Civic Arena Project)**

Ladies and Gentlemen:

We have served as Co-Disclosure Counsel to Broward County, Florida (the “County”) in connection with the issuance by the County of its \$71,990,000 aggregate principal amount of Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2016 (Broward County Civic Arena Project) (the “Series 2016 Bonds”).

In connection with the issuance and delivery of this opinion, we have considered such matters of law and fact and have relied upon such certificates and other information furnished to us as we deemed appropriate. We are not expressing any opinion or views herein on the authorization, issuance, delivery or validity of the Series 2016 Bonds and we have assumed, but not independently verified, that the signatures on all documents and certificates that we have examined are genuine.

To the extent that the opinions expressed herein relate to or are dependent upon the determination that the proceedings and actions related to the authorization, issuance and sale of the Series 2016 Bonds are lawful and valid under the laws of the State of Florida, or that the Series 2016 Bonds are valid and binding obligations of the County enforceable in accordance with their respective terms, or to the extent that the interest on the Series 2016 Bonds is excluded from gross income of the owners of the Series 2016 Bonds for federal income tax purposes, we understand that you are relying upon the opinions delivered on the date hereof of Bryant Miller Olive P.A. and the Law Offices of Steve E. Bullock, P.A., Co-Bond Counsel, and no opinion is expressed herein as to such matters.

The scope of our engagement with respect to the issuance of the Series 2016 Bonds was not to establish factual matters and because of the wholly or partially non-legal character of many of the determinations involved in the preparation of the Official Statement, dated September 23, 2016 (the “Official Statement”), we are not passing on and do not assume any responsibility for, except as set forth in the next paragraph, the accuracy or completeness of the contents of the Official Statement (including, without limitation, any appendices, schedules, and exhibits thereto) and we make no representation that we have independently verified the accuracy, completeness or fairness of such statements. As your counsel, we have participated in the preparation of the Official Statement and in discussions and conferences with representatives of the County from the Finance and Administrative Services Department and the County Attorney’s Office, Stifel, Nicolaus & Company, Incorporated, Financial Advisor to the County, Bryant Miller Olive P.A. and the Law Offices of Steve E. Bullock, P.A., Co-Bond Counsel, representatives of Morgan Stanley & Co. LLC, as representative of the Underwriters of the Series 2016 Bonds, and Moskowitz, Mandell, Salim & Simowitz, P.A., counsel to the Underwriters, in which the contents of the Official Statement and related matters were discussed.

Based solely on the basis of our participation in the preparation of the Official Statement, our examination of certificates, documents, instruments and records and the above-mentioned discussions, nothing has come to our attention which would lead us to believe that the Official Statement (except for the financial and statistical data in the Official Statement, including, without limitation, the appendices thereto, and the matters set forth therein, information relating to The Depository Trust Company, New York, New York, and its book-entry system, the information provided under the caption "RESERVE FUND CREDIT FACILITY – Municipal Assurance Corp" and in APPENDICES A, B, C, D and G, as to which no opinion is expressed) is not a fair and accurate summary of the matters purported to be summarized therein or that the Official Statement (except as set forth above) contained as of its date or as of the date hereof, any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. We are also of the opinion that the County's continuing disclosure undertaking set forth in APPENDIX F satisfies the requirements set forth in Rule 15c2-12(b)(5)(i) of the Securities Exchange Act of 1934, as amended.

In reaching the conclusions expressed herein, we have with your concurrence, assumed and relied on the genuineness and authenticity of all signatures not witnessed by us; the authenticity of all documents, records, instruments, items and letters submitted to us as originals; the conformity with originals of all items submitted to us as certified or photostatic copies and examined by us; the legal capacity and authority of the persons who executed the documents; the accuracy of all warranties, representations and statements of fact contained in the documents and instruments submitted to us in connection with the purchase and sale of the Series 2016 Bonds; that neither you nor the initial purchasers of the Series 2016 Bonds have any actual knowledge or any reason to believe that any portion of the Official Statement is not accurate; and the continuing accuracy on this date of any certificates supplied to us regarding the matters addressed herein, which assumptions we have not verified. As to questions of fact material to our opinions, we have relied upon and assumed the correctness of the public records and certificates by and representations of public officials and other officers and representatives of various parties to this transaction. We have no actual knowledge of any factual information that would lead us to form a legal opinion that the public records or the certificates which we have relied upon contain any untrue statement of a material fact.

We are further of the opinion that, assuming the Series 2016 Bonds are the legal, valid and binding obligations of the County, the Series 2016 Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture (as defined in the Official Statement) is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

The opinions set forth herein are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the United States of America. The only opinions rendered hereby shall be those expressly stated herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

This opinion may be relied upon solely by the County and only in connection with the transaction to which reference is made above and may not be used or relied upon by any other person for any purposes whatsoever without our prior written consent.

Respectfully submitted,

**APPENDIX F**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

[THIS PAGE INTENTIONALLY LEFT BLANK]

## FORM OF CONTINUING DISCLOSURE CERTIFICATE

**\$71,990,000**

### **BROWARD COUNTY, FLORIDA**

#### **Professional Sports Facilities Tax and Revenue Refunding Bonds Series 2016 (Broward County Civic Arena Project)**

THIS CONTINUING DISCLOSURE CERTIFICATE (this "Certificate") dated October 18, 2016, is executed and delivered by BROWARD COUNTY, FLORIDA, a political subdivision of the State of Florida and a public body corporate and politic (the "County"), in connection with the issuance of its \$71,990,000 Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2016 (Broward County Civic Arena Project) (the "Series 2016 Bonds"). The Series 2016 Bonds are being issued for the purpose of providing funds, together with other available moneys, to (i) refinance the County's Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2006A (Broward County Civic Arena Project), (ii) purchase a Reserve Fund Credit Facility for the Bond Reserve Fund and (iii) pay certain costs of issuance relating to the Series 2016 Bonds.

The Series 2016 Bonds are being issued pursuant to and secured by a Master Trust Indenture dated as of September 1, 1996, as supplemented and amended (the "Master Indenture") entered into between the County and The Bank of New York, as trustee, now known as The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), as further supplemented by a Third Supplemental Trust Indenture dated as of October 1, 2016 (the "Third Supplemental Indenture") entered into between the County and the Trustee. The Master Indenture as heretofore supplemented is referred to herein as the "Indenture." Each capitalized term used in this Certificate but not otherwise defined herein has the meaning assigned to it in Article I below or in the Indenture.

The County has determined and agreed to comply with the requirements of the Rule to the extent applicable to the Series 2016 Bonds.

The County agrees, in accordance with the provisions of the Rule, for the benefit of the holders and beneficial owners from time to time of the Series 2016 Bonds, as follows:

### ARTICLE I

#### Definitions and Interpretation

In addition to the words and terms defined elsewhere in this Certificate or by reference to the Indenture, 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.

"Annual Financial Information" means the following updated information and operating data for the applicable Fiscal Year of the type included and contained in the Official Statement in the charts within the subsections: "Security and Source of Payment," "The County Preferred Revenue Allocation" and "Appropriations of County Non-Ad Valorem Revenue" in the section of the Official Statement entitled "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS."

"Annual Report" shall have the meaning ascribed to such term in Section 2.1 hereof.

"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.

"Dissemination Agent" shall mean the County, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

“Filing Date” means the 1st day of April following the end of each Fiscal Year (or the next preceding Business Day if that day is not a Business Day), commencing with the Fiscal Year ending September 30, 2016.

“Financial Statements” means General Purpose Financial Statements of Broward County, Florida for the applicable Fiscal Year.

“Fiscal Year” means each fiscal year of the County ending on September 30<sup>th</sup>.

“MSIR” shall mean any other municipal securities information repository other than the MSRB as may be required by law or applicable legislation, from time to time, to receive continuing disclosure documents for purposes of the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

“Official Statement” means the Official Statement with respect to the Series 2016 Bonds dated September 23, 2016.

“Rule” means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934.

“SEC” means the Securities and Exchange Commission.

The captions and headings in this Certificate are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a Section means a section of this Certificate, unless otherwise indicated.

## ARTICLE II The Undertaking

Section 2.1. The County hereby agrees, in accordance with the Rule, for so long as the Rule shall be in effect, to annually provide or cause to be provided to the MSRB and each MSIR in the appropriate format required by law or applicable regulation, the following financial information and operating data (collectively, the “Annual Report”) commencing with the Fiscal Year ended September 30, 2016:

- (a) its Annual Financial Information for the preceding Fiscal Year not later than the Filing Date for that Fiscal Year; and
- (b) when and if available, the Financial Statements for each Fiscal Year prepared in accordance with the Accounting Principles.

Section 2.2. The Annual Report is expected to be available on or before the Filing Date.

Section 2.3. The Financial Statements described in subsection 2.1(b) above are expected to be available on or before the Filing Date. If the Financial Statements are not available by the Filing Date, unaudited information will be provided by the Filing Date and the audited Financial Statements will be provided as soon after such Filing Date as they become available.

Section 2.4. The County agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to the MSRB and each MSIR in the appropriate format required by law or applicable regulation, notice of the occurrence of any of the following events with respect to the Series 2016 Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;

- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit facility providers, or their failure to perform;
- (vi) 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 2016 Bonds, or other material events affecting the tax status of the Series 2016 Bonds;
- (vii) modifications to rights of holders of the Series 2016 Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of any property securing repayment of the Series 2016 Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of the County;
- (xiii) consummation of a merger, consolidation, or acquisition involving the County, or sale of all or substantially all of the assets of the County, 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
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

With regard to the reportable event described in subsection (xii) above, the 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.

Section 2.5. The County agrees to provide or cause to be provided, in a timely manner, to the MSRB and each MSIR, notice of a failure of the County to provide the Annual Report on or prior to the Filing Date.

Section 2.6. The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information to the extent necessary or appropriate in the judgment of the County; provided that, the County agrees that any such modification will be done in a manner consistent with the Rule and Section 4.2 below. The County reserves the right to terminate its obligation to provide the Annual Report and notices of material events, as set forth above, if and when the County no longer remains an “obligated person” with respect to the Series 2016 Bonds within the meaning of the Rule, or in the event that the Rule shall be repealed, rescinded, or invalidated.

Section 2.7. The County agrees that its undertaking pursuant to the Rule is intended to be for the benefit of the holders of the Series 2016 Bonds and shall be enforceable by the holders of the Series 2016 Bonds; provided that, the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific

enforcement of the County's obligations described herein and any failure by the County to comply with the provisions of this undertaking shall not be an event of default with respect to the Series 2016 Bonds or under the Indenture.

The County has not undertaken to give notice of the occurrence of any event other than as described in Sections 2.4 and 2.5 above. Neither the Underwriters nor the Trustee have undertaken to give notice of the occurrence of any event described in the Rule.

A failure by the County to comply with the undertaking described above must be reported by the County in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2016 Bonds in the secondary market. Consequently, such failure may adversely affect the transferability and liquidity of the Series 2016 Bonds and their market price.

Section 2.8 The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. In this regard, the County intends to fulfill its obligations hereunder by entering into a "Disclosure Dissemination Agent Agreement" in substantially the form attached hereto as Exhibit A and incorporated herein by reference.

### ARTICLE III Operating Rules

Section 3.1. 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, MSIR or the SEC. If the document to be 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 3.2. Submission of Information. Annual Report may be provided in one document or multiple documents, and at one time or in part from time to time.

Section 3.3. Material Event Notices. Each Event Notice as described in Section 2.4 above shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Series 2016 Bonds.

Section 3.4. Transmission of Information and Notices. Unless otherwise required by law and, in the County's sole determination, subject to technical and economic feasibility, the County shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of the County's information and notices.

### ARTICLE IV Termination, Amendment and Enforcement

Section 4.1. Termination. (a) the County's obligations under this Certificate shall terminate upon legal defeasance, prior redemption or payment in full of all of the Series 2016 Bonds.

(b) This Certificate or any provision hereof, shall be null and void in the event that the County (1) delivers an opinion of counsel, addressed to the County, to the effect that those portions of the Rule which require the provisions of this Certificate or any of such provisions, do not or no longer apply to the Series 2016 Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the MSRB and each MSIR.

Section 4.2. Amendment. (a) This Certificate may be amended by a written Certificate of the appropriate officer of the County, without the consent of the holders of the Series 2016 Bonds if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in



interpretations thereof, or a change in the identity, nature or status of the County, or the type of business conducted thereby, (2) this Certificate as so amended would have complied with the requirements of the Rule as of the date of this Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the County shall have received an opinion of counsel addressed to the County, to the same effect as set forth in clause (2) above and further to the effect that the amendment does not materially impair the interests of the holders of the Series 2016 Bonds and (4) the County delivers copies of such opinion and amendment to the MSRB and each MSIR.

(b) In addition to subsection (a) above, this Certificate may be amended and any provision of this Certificate may be waived, without the consent of the holders of the Series 2016 Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date hereof which is applicable to this Certificate; (2) the County shall have received an opinion of counsel to the effect that performance by the County under this Certificate as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule; and (3) the County shall have delivered copies of such opinion and amendment to the MSRB and each MSIR.

(c) To the extent any amendment to this Certificate results in a change in the type of financial information or operating data provided pursuant to this Certificate, the first Annual Report provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

(d) If an amendment is made to the basis on which financial statements are prepared, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. Notice of any such amendment shall be provided by the County to the MSRB and each MSIR.

(e) The County agrees to make filings through the Electronic Municipal Market Access System (“EMMA”), as required by the MSRB, or such other system as the MSRB may in the future require.

Section 4.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Certificate shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Series 2016 Bonds. Beneficial owners of Series 2016 Bonds shall be third-party beneficiaries of this Certificate.

(b) Except as provided in this subparagraph (b), the provisions of this Certificate shall create no rights in any person or entity. The obligations of the County to comply with the provisions of this Certificate shall be enforceable by the holders of the Series 2016 Bonds including beneficial owners thereof. The Bondholder's right to enforce the provisions of this Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the County's obligations under this Certificate and the Indenture. In consideration of the third-party beneficiary status of beneficial owners of the Series 2016 Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of the Series 2016 Bonds for purposes of this subsection (b).

(c) Any failure by the County to perform in accordance with this Certificate shall not constitute a default under the Indenture and any rights and remedies provided by the Indenture upon the occurrence of a default shall not apply to any such failure.

(d) This Certificate shall be construed and interpreted in accordance with the laws of the State of Florida, and any suits and actions arising out of this Certificate shall be instituted in a court of competent jurisdiction in the State of Florida; provided, however, that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 4.4. Sources of Payments; Extent of Covenants; No Personal Liability. The County shall be required to use only Pledged Revenues (as defined in the Indenture) to pay any costs and expenses to be incurred

in the performance of this Certificate, and the performance of the obligations hereunder shall be subject to the availability of Pledged Revenues for that purpose. This Certificate does not and shall not constitute a general obligation of the County. All covenants, stipulations, obligations and agreements of the County contained in this Certificate are and shall be deemed to be covenants, stipulations, obligations and agreements of the County to the full extent authorized by law. No covenant, stipulation, obligation or agreement of the County contained in this Certificate shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the County in other than that person's official capacity.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, we have hereunto executed this Certificate this 18<sup>th</sup> day of October, 2016.

(SEAL)

BROWARD COUNTY, FLORIDA

Attest:

\_\_\_\_\_  
County Administrator

By:

\_\_\_\_\_  
Mayor

(SEAL)

**EXHIBIT A**  
**FORM OF**  
**DISCLOSURE DISSEMINATION AGENT AGREEMENT**

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of October 18, 2016, is executed and delivered by Broward County, Florida (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set forth in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Disclosure Representative” means the Assistant to the Department Director, Financial Administrative Services Department or his or her designee, or such other person as the Issuer shall designate in writing to

the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that certain Official Statement prepared by the Issuer in connection with the Bonds, as listed on Exhibit A.

“Trustee” means the institution identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

## SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual

Report to the MSRB not later than the 1st day of April following the end of each fiscal year of the Issuer, commencing with the fiscal year ending September 30, 2016. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
  - 1. “Principal and interest payment delinquencies;”
  - 2. “Non-Payment related defaults, if material;”
  - 3. “Unscheduled draws on debt service reserves reflecting financial difficulties;”
  - 4. “Unscheduled draws on credit enhancements reflecting financial difficulties;”
  - 5. “Substitution of credit or liquidity providers, or their failure to perform;”
  - 6. “Adverse tax opinions, IRS notices or events affecting the tax status of the security;”

7. “Modifications to rights of securities holders, if material;”
  8. “Bond calls, if material;”
  9. “Defeasances;”
  10. “Release, substitution, or sale of property securing repayment of the securities, if material;”
  11. “Rating changes;”
  12. “Tender offers;”
  13. “Bankruptcy, insolvency, receivership or similar event of the Obligated Person;”
  14. “Merger, consolidation, or acquisition of the Obligated Person, if material;” and
  15. “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. “amendment to continuing disclosure undertaking;”
  2. “change in Obligated Person;”
  3. “notice to investors pursuant to bond documents;”
  4. “certain communications from the Internal Revenue Service,” other than those communications included in the Rule;
  5. “secondary market purchases;”
  6. “bid for auction rate or other securities;”
  7. “capital or other financing plan;”
  8. “litigation/enforcement action;”
  9. “change of tender agent, remarketing agent, or other on-going party;”
  10. “derivative or other similar transaction;” and
  11. “other event-based disclosures;”
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure

as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “Timing of annual disclosure;”
3. “change in fiscal year/timing of annual disclosure;”
4. “change in accounting standard;”
5. “interim/additional financial information/operating data;”
6. “budget;”
7. “investment/debt/financial policy;”
8. “information provided to rating agency, credit/liquidity provider or other third party;”
9. “consultant reports;” and
10. “other financial/operating data.”

- (viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that the Disclosure Dissemination Agent is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

### SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the updated information provided in the Official Statement in the charts within the headings: “Security and Source of Payment,” “The County Preferred Revenue Allocation” and “Appropriations of County Non-Ad Valorem Revenue” in the section of the Official Statement entitled “SECURITY AND SOURCES OF PAYMENT FOR SERIES 2016 BONDS”.

(b) Audited Financial Statements as described in the Official Statement will be included in the Annual Report. If Audited Financial Statements are not available, then unaudited financial statements, prepared in accordance with generally accepted accounting principles as recommended from time to time by the Governmental Accounting Standards Board of the Financial Accounting Foundation will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule),



which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Issuer is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

**Note to subsection (a)(12) of this Section 4:** For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other

than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The Issuer will provide the Disclosure Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event

Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an Obligated Person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as  
Disclosure Dissemination Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BROWARD COUNTY, FLORIDA,  
as Issuer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT A

### NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	Broward County, Florida
Obligated Person(s)	Broward County, Florida
Name of Bond Issue:	Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2016 (Broward County Civic Arena Project)
Date of Issuance:	October 18, 2016
Date of Official Statement	September 23, 2016

CUSIP Number:	115062DV0
CUSIP Number:	115062DW8
CUSIP Number:	115062DX6
CUSIP Number:	115062DY4
CUSIP Number:	115062DZ1
CUSIP Number:	115062EA5
CUSIP Number:	115062EB3
CUSIP Number:	115062EC1
CUSIP Number:	115062ED9
CUSIP Number:	115062EE7
CUSIP Number:	115062EF4
CUSIP Number:	115062EG2

**EXHIBIT B**

**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Issuer: Broward County, Florida

Obligated Person: Broward County, Florida

Name(s) of Bond Issue(s): Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2016  
(Broward County Civic Arena Project)

Date(s) of Issuance: October 18, 2016

Date(s) of Disclosure Agreement: October 18, 2016

CUSIP Number: **[B6]**\_\_\_\_\_

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Dissemination Agent Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by **[B7]**\_\_\_\_\_].

Dated: **[B8]**\_\_\_\_\_

Digital Assurance Certification, L.L.C., as Disclosure  
Dissemination Agent, on behalf of the Issuer

\_\_\_\_\_

cc: **[B9]**  
**[B10]**

**EXHIBIT C-1**

**EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: Broward County, Florida

Name of Bond Issue: Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2016  
(Broward County Civic Arena Project)

Issuer's Six-Digit CUSIP Number:

[C2] \_\_\_\_\_  
\_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

[C3] \_\_\_\_\_

Number of pages attached: [C4] \_\_\_\_\_

\_\_\_\_ Description of Notice Events (Check One): [C5]

1. \_\_\_\_\_ "Principal and interest payment delinquencies;"
2. \_\_\_\_\_ "Non-Payment related defaults, if material;"
3. \_\_\_\_\_ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. \_\_\_\_\_ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. \_\_\_\_\_ "Substitution of credit or liquidity providers, or their failure to perform;"
6. \_\_\_\_\_ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. \_\_\_\_\_ "Modifications to rights of securities holders, if material;"
8. \_\_\_\_\_ "Bond calls, if material;"
9. \_\_\_\_\_ "Defeasances;"
10. \_\_\_\_\_ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. \_\_\_\_\_ "Rating changes;"
12. \_\_\_\_\_ "Tender offers;"
13. \_\_\_\_\_ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. \_\_\_\_\_ "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. \_\_\_\_\_ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

\_\_\_\_ Failure to provide annual financial information as required. [C6]

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_  
Name: [C7] \_\_\_\_\_ Title: [C8] \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

Date: [C9]



**EXHIBIT C-2**

**VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of October 18, 2016 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: Broward County, Florida

Name of Bond Issue: Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2016  
(Broward County Civic Arena Project)

Issuer's Six-Digit CUSIP Number:

[C2] \_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

[C3] \_\_\_\_\_

Number of pages attached: [C4] \_\_\_\_\_

\_\_\_\_ Description of Voluntary Event Disclosure (Check One): [C11]

1. \_\_\_\_\_ "amendment to continuing disclosure undertaking;"
2. \_\_\_\_\_ "change in obligated person;"
3. \_\_\_\_\_ "notice to investors pursuant to bond documents;"
4. \_\_\_\_\_ "certain communications from the Internal Revenue Service;"
5. \_\_\_\_\_ "secondary market purchases;"
6. \_\_\_\_\_ "bid for auction rate or other securities;"
7. \_\_\_\_\_ "capital or other financing plan;"
8. \_\_\_\_\_ "litigation/enforcement action;"
9. \_\_\_\_\_ "change of tender agent, remarketing agent, or other on-going party;"
10. \_\_\_\_\_ "derivative or other similar transaction;" and
11. \_\_\_\_\_ "other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_  
Name: [C7] \_\_\_\_\_ Title: [C8] \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

Date: [C9] \_\_\_\_\_

**EXHIBIT C-3**

**VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying “voluntary financial disclosure” will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of October 18, 2016 between the Issuer and DAC.

Issuer’s and/or Other Obligated Person’s Name: Broward County, Florida

Name of Bond Issue: Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2016  
(Broward County Civic Arena Project)

Issuer’s Six-Digit CUSIP Number:

[C2] \_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

[C3] \_\_\_\_\_

Number of pages attached: [C4]\_\_\_\_\_

\_\_\_\_ Description of Voluntary Financial Disclosure (Check One): [C12]

1. \_\_\_\_\_ “quarterly/monthly financial information;”
2. \_\_\_\_\_ “change in fiscal year/timing of annual disclosure;”
3. \_\_\_\_\_ “change in accounting standard;”
4. \_\_\_\_\_ “interim/additional financial information/operating data;”
5. \_\_\_\_\_ “budget;”
6. \_\_\_\_\_ “investment/debt/financial policy;”
7. \_\_\_\_\_ “information provided to rating agency, credit/liquidity provider or other third party;”
8. \_\_\_\_\_ “consultant reports;” and
9. \_\_\_\_\_ “other financial/operating data.”

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_  
Name: [C7] \_\_\_\_\_ Title: [C8] \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

Date: [C9]

## **APPENDIX G**

### **THE DTC BOOK-ENTRY ONLY SYSTEM**

[THIS PAGE INTENTIONALLY LEFT BLANK]

## THE DTC BOOK-ENTRY ONLY SYSTEM

*The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2016 Bonds, payments of principal of, premium, if any, and interest on the Series 2016 Bonds to DTC Participants or Beneficial Owners of the Series 2016 Bonds, confirmation and transfer of beneficial ownership interest in the Series 2016 Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners of the Series 2016 Bonds, is based solely on information furnished by DTC on its website for inclusion in this Official Statement. Accordingly, neither the County nor the Underwriters make any representations concerning these matters.*

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2016 Bonds. The Series 2016 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 2016 Bond certificate will be issued for each maturity of the Series 2016 Bonds as set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2016 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2016 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2016 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 2016 Bonds, except in the event that use of the book-entry system for the Series 2016 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2016 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 2016 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2016 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2016 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 2016 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2016 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2016 Bonds may wish to ascertain that the nominee holding the Series 2016 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent by the Paying Agent to DTC. If less than all of the Series 2016 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2016 Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument (MMI) procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2016 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and interest payments on the Series 2016 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the County or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC Participant and not DTC nor its nominee, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and interest, as applicable, to Cede & Co., (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

NEITHER THE COUNTY, THE PAYING AGENT NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2016 BONDS IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT, THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2016 BONDS, ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE INDENTURE OR THE BOND RESOLUTION, THE SELECTION BY DTC OR ANY DTC PARTICIPANT OR ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2016 BONDS, OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER, SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2016 BONDS, AS NOMINEE OF DTC, REFERENCES IN THIS OFFICIAL STATEMENT TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2016 BONDS SHALL MEAN CEDE & CO., AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2016 BONDS.

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

In the event the County decides to obtain Series 2016 Bond certificates, the County may notify DTC and the Registrar, whereupon DTC will notify the DTC Participants, of the availability through DTC of Series 2016 Bond certificates. In such event, the County shall prepare and execute, and the Registrar shall authenticate, transfer and exchange, Series 2016 Bond certificates as requested by DTC in appropriate amounts and within the guidelines set forth in the Indenture. DTC may also determine to discontinue providing its services with respect to the Series 2016 Bonds at any time by giving written notice to the County and the Registrar and discharging its responsibilities

with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the County and the Registrar shall be obligated to deliver Series 2016 Bond certificates as described in this Official Statement. In the event Series 2016 Bond certificates are issued, the provisions of the Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the County and the Registrar to do so, the County will direct the Registrar to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2016 Bonds to any DTC Participant having Series 2016 Bonds credited to its DTC account; or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2016 Bonds.

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

If the book-entry only system is discontinued, the Beneficial Owners shall receive certificated Series 2016 Bonds which will be subject to registration of transfer or exchange as set forth below. If the privilege of exchanging the Series 2016 Bonds or transferring the Series 2016 Bonds is exercised, the County shall execute and the Registrar shall authenticate and deliver Series 2016 Bonds in accordance with the provisions of the Indenture. All Series 2016 Bonds surrendered in any such exchanges or transfers shall be delivered to the Registrar and canceled by the Registrar in the manner provided in the Indenture. There shall be no charge for any such exchange or transfer of Series 2016 Bonds, but the County or the Registrar may require the payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the County nor the Registrar shall be required (a) to transfer or exchange Series 2016 Bonds for a period from the Regular Record Date (the 15<sup>th</sup> day (whether or not a business day) of the calendar month preceding each Interest Payment Date) to the next succeeding Interest Payment Date on the Series 2016 Bonds or 15 days next preceding any selection of the Series 2016 Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Series 2016 Bonds called for redemption. If less than all of a Series 2016 Bond is redeemed or defeased, the County shall execute and the Registrar shall authenticate and deliver, upon the surrender of such Series 2016 Bond, without charge to the Bondholder, a registered Series 2016 Bond in the appropriate denomination and interest rate for the unpaid balance of the principal amount of such Series 2016 Bond so surrendered.

The County, the Registrar and the Paying Agent shall deem and treat the registered owner of any Series 2016 Bond as the absolute owner of such Series 2016 Bond for all purposes, including for the purpose of receiving payment of the principal of and interest on the Series 2016 Bonds.

[THIS PAGE INTENTIONALLY LEFT BLANK]



[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]



