

NEW ISSUE – BOOK-ENTRY ONLY

See “RATINGS” herein

In the opinion of Squire, Sanders & Dempsey L.L.P., and Law Offices of Perry E. Thurston, Jr., P.A., Co-Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2006A Bonds is excluded 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, and (ii) the Series 2006A Bonds, the Series 2006B Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Interest on the Series 2006A Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. Co-Bond Counsel will express no opinion with respect to the exclusion of interest on the Series 2006B Bonds from gross income for federal income tax purposes. For a more complete discussion of the tax aspects, see “TAX MATTERS” herein.

\$124,290,000**Broward County, Florida**

**Professional Sports Facilities Tax and Revenue
Refunding Bonds, Series 2006A
(Broward County Civic Arena Project)**

**\$52,475,000****Broward County, Florida**

**Professional Sports Facilities Tax and Revenue
Refunding Bonds, Taxable Series 2006B
(Broward County Civic Arena Project)**

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

The Broward County, Florida, \$176,765,000 Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2006 (the “Series 2006 Bonds”) consisting of \$124,290,000 Series 2006A Bonds (Tax-Exempt) (the “Series 2006A Bonds”) and \$52,475,000 Taxable Series 2006B Bonds (the “Series 2006B 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 2006 Bonds. Individual purchases of the Series 2006 Bonds will be made in book-entry form only, in the principal amounts of \$5,000 or any integral multiples thereof. Purchasers of Series 2006 Bonds will not receive physical delivery of certificates representing their ownership interests in Series 2006 Bonds purchased. Interest on the Series 2006 Bonds is payable on each March 1 and September 1, commencing March 1, 2007. While the Series 2006 Bonds are registered on the DTC Book-Entry Only System, amounts due on the Series 2006 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 2006 Bonds, all as further described herein. See “DESCRIPTION OF THE SERIES 2006 BONDS – Book-Entry Only System” herein. The Trustee, Registrar and Paying Agent for the Series 2006 Bonds is The Bank of New York Trust Company, N.A. (the “Trustee”).

The Series 2006 Bonds are subject to optional, mandatory and extraordinary redemption prior to maturity at the times and in the amounts described herein. See “DESCRIPTION OF THE SERIES 2006 BONDS – Redemption Provisions – The Series 2006A Bonds, – The Series 2006B Bonds, and – The Series 2006 Bonds.”

The Series 2006 Bonds are being issued pursuant to a Master Trust Indenture dated as of September 1, 1996, as previously supplemented and amended (the “Master Indenture”) between Broward County, Florida (the “County”) and the Trustee as further supplemented by a Second Supplemental Trust Indenture dated as of July 1, 2006 (collectively, the “Indenture”) to be entered into between the County and the Trustee. The proceeds of the Series 2006A Bonds will be used to provide funds (i) to refund on a current basis a portion of the outstanding Broward County, Florida Professional Sports Facilities Tax and Revenue Bonds, Series 1996A, the proceeds of which were used for the construction of a new 21,000 seat multi-purpose sports and entertainment arena (the “Facility”) and now home of the Florida Panthers Hockey Club, Ltd. (the “Team”), a professional National Hockey League franchise, (ii) to pay a termination payment on a swaption related to the Series 2006A Bonds, (iii) to pay a portion of the premium for a Reserve Fund Credit Facility, and (iv) to pay all of the costs of issuance of the Series 2006A Bonds. The proceeds of the Series 2006B Bonds will be used to provide funds (i) to defease and refund on a current basis all of the outstanding Broward County, Florida Professional Sports Facilities Tax and Revenue Bonds, Taxable Series 1996B, the proceeds of which were used for the construction of certain portions of the Facility, (ii) to pay a termination payment on a swaption related to the Series 2006B Bonds, (iii) to pay a portion of the premium for a Reserve Fund Credit Facility, and (iv) to pay all of the costs associated with the issuance and sale of the Series 2006B Bonds.

THE SERIES 2006 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 AND ARE PAYABLE SOLELY FROM THE PLEDGED REVENUES AND THE COUNTY’S COVENANT TO BUDGET AND APPROPRIATE, AS DESCRIBED BELOW. THE PLEDGED REVENUES ARE DEFINED IN THE MASTER INDENTURE TO MEAN (i) ALL OF 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 2006 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 2006 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 2006 BONDS.

Payment of the principal of and interest on the Series 2006 Bonds when due will be insured by two separate financial guaranty insurance policies to be issued by Ambac Assurance Corporation simultaneously with the delivery of the Series 2006 Bonds. See “FINANCIAL GUARANTY INSURANCE POLICIES AND BOND RESERVE FUND SURETY BOND” herein.

**See Inside Cover for Maturity and Pricing Schedules for the Series 2006 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 2006 Bonds are offered when, as and if issued by the County, subject to the approving opinion of Squire, Sanders & Dempsey L.L.P., Miami, Florida and Law Offices of Perry E. Thurston, Jr., P.A., Fort Lauderdale, Florida, Co-Bond Counsel. Certain legal matters will be passed on for the Underwriters of the Series 2006 Bonds by their Co-Counsel Moskowitz, Mandell, Salim & Simowitz, P.A., Fort Lauderdale, Florida and John M. Milledge, P.A., Fort Lauderdale, Florida. Certain matters relating to disclosure will be passed upon for the County by Bryant Miller Olive, Miami, Florida and the Law Offices of Steve E. Bullock, P.A., Miramar, Florida, Co-Disclosure Counsel and for the County by the Office of the County Attorney of Broward County, Florida. Public Resources Advisory Group, New York, New York is serving as Financial Advisor to the County. It is expected that the Series 2006 Bonds in definitive form will be available for delivery through DTC in New York, New York on July 26, 2006.

Merrill Lynch & Co.**Bear, Stearns & Co. Inc.****Goldman, Sachs & Co.****Loop Capital Markets, LLC****Ramirez & Co., Inc.****Siebert Brandford Shank & Co., LLC**

Dated: July 13, 2006

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES AND CUSIP NUMBERS

Series 2006A Bonds

\$109,125,000 Serial Bonds

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Initial</u> <u>CUSIP Number</u>
2007	\$ 705,000	4.000%	100.295%	115062BQ3
2008	3,765,000	4.000	100.416	115062BR1
2009	675,000	4.500	101.877	115062BS9
2009	3,240,000	5.000	103.323	115062BT7
2010	4,105,000	4.000	100.297	115062BU4
2011	4,275,000	4.000	100.088	115062BV2
2012	700,000	4.500	102.406	115062BW0
2012	3,740,000	4.000	99.729	115062BX8
2013	4,625,000	4.000	99.264	115062BY6
2014	4,810,000	4.250	100.336	115062BZ3
2015	1,000,000	4.250	99.921	115062CA7
2015	4,015,000	5.000	105.528	115062CB5
2016	5,260,000	4.125	98.414	115062CC3
2017	5,475,000	4.250	98.690	115062CD1
2018	750,000	4.375	99.578	115062CE9
2018	4,960,000	5.000	104.678*	115062CF6
2019	5,990,000	5.000	104.347*	115062CG4
2020	190,000	4.500	100.000	115062CH2
2020	6,095,000	5.000	104.017*	115062CJ8
2021	6,600,000	5.000	103.770*	115062CK5
2022	6,930,000	4.500	98.532	115062CL3
2023	7,245,000	5.000	103.279*	115062CM1
2024	7,605,000	5.000	103.115*	115062CN9
2025	7,985,000	5.000	102.953*	115062CP4
2026	8,385,000	5.000	102.871*	115062CQ2

\$15,165,000 5.000% Term Series 2006A Bonds due September 1, 2028 - Price: 102.628%* Initial CUSIP No. 115062CR0.

* Priced to September 1, 2016 call date.

Series 2006B Bonds

\$16,365,000 Serial Bonds

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP</u> <u>Numbers</u>
2007	\$ 915,000	5.721%	100.000%	115062CS8
2008	1,320,000	5.663	100.000	115062CT6
2009	1,395,000	5.677	100.000	115062CU3
2010	1,475,000	5.693	100.000	115062CV1
2011	1,625,000	5.723	100.000	115062CW9
2012	1,715,000	5.753	100.000	115062CX7
2013	1,820,000	5.785	100.000	115062CY5
2014	1,920,000	5.815	100.000	115062CZ2
2015	2,030,000	5.835	100.000	115062DA6
2016	2,150,000	5.845	100.000	115062DB4

\$12,525,000 5.915% Term Series 2006B Bonds Due September 1, 2021 - Price: 100%, Initial CUSIP No. 115062DC2.

\$23,585,000 5.998% Term Series 2006B Bonds Due September 1, 2028 - Price: 100%, Initial CUSIP No. 115062DD0.

BROWARD COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

Ilene Lieberman – District 1
Kristin Jacobs – District 2
Mayor Ben Graber – District 3
Jim Scott – District 4
Lois Wexler – District 5
Sue Gunzburger – District 6
John E. Rodstrom, Jr. – District 7
Diana Wasserman-Rubin – District 8
Vice-Mayor Josephus Eggelletion, Jr. – District 9

COUNTY ADMINISTRATOR*

Pamela D. Brangaccio

COUNTY ATTORNEY

Jeffrey J. Newton

DEPUTY COUNTY ATTORNEY

Noel Pfeffer

**ACTING CFO/DIRECTOR, FINANCE AND
ADMINISTRATIVE SERVICES DEPARTMENT**

Matthew R. Lalla

CO-BOND COUNSEL

Squire, Sanders & Dempsey L.L.P.
Law Offices of Perry E. Thurston, Jr., P.A.

CO-DISCLOSURE COUNSEL

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

FINANCIAL ADVISOR

Public Resources Advisory Group

*Pamela D. Brangaccio was appointed to serve as County Administrator on June 27, 2006. Bertha Henry served as Interim County Administrator until the new County Administrator began her service on July 5, 2006.

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This Official Statement does not constitute an offer to sell the Series 2006 Bonds to any person, or the solicitation of an offer from any person to buy the Series 2006 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 2006 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 2006 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 2006 BONDS ABOVE THE LEVELS WHICH WOULD OTHERWISE PREVAIL. SUCH ACTIVITIES, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

UPON ISSUANCE, THE SERIES 2006 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 2006 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.

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APPENDIX E	Form of Opinion of Co-Bond Counsel
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**OFFICIAL STATEMENT
OF
BROWARD COUNTY, FLORIDA**

\$124,290,000
Broward County, Florida
Professional Sports Facilities Tax and Revenue
Refunding Bonds, Series 2006A
(Broward County Civic Arena Project)

\$52,475,000
Broward County, Florida
Professional Sports Facilities Tax and Revenue
Refunding Bonds, Taxable Series 2006B
(Broward County Civic Arena Project)

INTRODUCTION

The purpose of this Official Statement, including the cover page and Appendices, is to provide information with respect to the issuance and sale by Broward County, Florida (the "County") of \$176,765,000 in aggregate principal amount of its Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2006 (Broward County Civic Arena Project) (the "Series 2006 Bonds") consisting of \$124,290,000 Series 2006A Bonds (Tax-Exempt) (the "Series 2006A Bonds") and \$52,475,000 Taxable Series 2006B Bonds (the "Series 2006B 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 Second 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 1,197 square miles, with a 2000 census population of approximately 1.62 million persons and an estimated 2006 population of 1,765,855. 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" herein.

The Series 2006 Bonds are being issued pursuant to the Constitution and laws of the State, including, without limitation, Chapter 125, Chapter 166, Section 212.20, Section 288.1162, and with respect to the Series 2006B Bonds, Chapter 159, Part VII, of the Florida Statutes, as amended, the Broward County Charter and other applicable provisions of law (collectively, the "Act"), Resolution No. 2006-440 adopted by the Board of County Commissioners of the County (the "Board") on June 27, 2006 (the "Bond Resolution"), and a Master Trust Indenture dated as of September 1, 1996 (the "Master Indenture"), as previously supplemented and in particular as supplemented by a Second Supplemental Trust Indenture (the "Second Supplemental Indenture" and, together with the Master Indenture and any additional Supplemental Indentures, the "Indenture") dated as of July 1, 2006, each between the County and The Bank of New York 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 2006A Bonds will be used to provide funds (i) to refund, on a current basis, a portion of the Broward County, Florida Professional Sports Facilities Tax and Revenue Bonds, Series 1996A (the "Series 1996A Bonds") outstanding in the aggregate principal amount of \$121,400,000, the proceeds of which were used for the acquisition, construction and development costs of a new 21,000 seat multi-purpose sports and entertainment arena known as the Bank Atlantic Center developed in the City of Sunrise, Florida, (the "Facility") and now home of the Florida Panthers Hockey Club, Ltd. (the "Team"), a professional National Hockey League franchise, (ii) to pay a termination payment on a Swaption related to the Series 2006A Bonds, (iii) to pay a portion of the premium for a Reserve Fund Credit Facility, and (iv) to pay all of the costs of issuance of the Series 2006A Bonds. The proceeds of the Series 2006B Bonds will be used to provide funds (i) to defease and refund, on a current basis, all of the Broward County, Florida Professional Sports Facilities Tax and Revenue Bonds, Taxable Series 1996B (the "Series 1996B Bonds") outstanding in the aggregate principal amount of \$45,290,000, the proceeds of which were used for the acquisition, construction and development costs of certain portions of the Facility, (ii) to pay a termination payment on a Swaption related to the Series 2006B Bonds, (iii) to pay a portion of the premium for a Reserve Fund Credit Facility, and (iv) to pay all of the costs of issuance of the Series 2006B Bonds. See "PLAN OF REFUNDING" and "SWAPTION" herein.

Payment of the Series 2006 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) 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 2006 BONDS—Appropriations of County Non-Ad Valorem Revenues" herein) to the extent that Pledged Revenues are insufficient to make certain required deposits to the Bond Reserve Fund. Neither the Series 2006 Bonds nor the principal thereof, redemption 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, redemption premium, if any, or interest on the Series 2006 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2006 BONDS" herein.

Payment of the principal of and interest on the Series 2006 Bonds, when due, will be guaranteed under two separate financial guaranty insurance policies (the "Financial Guaranty Insurance Policies") issued by Ambac Assurance Corporation (the "Bond Insurer"). See "FINANCIAL GUARANTY INSURANCE POLICIES AND BOND RESERVE FUND SURETY BOND" herein.

Additional bonds may be issued on a parity with the Series 2006 Bonds for Facility purposes, including the refunding of bonds, upon compliance with the provisions contained in the Indenture. The Series 2006 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 2006 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 2006 Bonds, copies of the Master Indenture, the Second Supplemental Indenture, this Official Statement and other documents described herein may be obtained from Merrill Lynch & Co., 120 E. Palmetto Park Road, Boca Raton, Florida 33432, telephone number 561-416-4659. Thereafter, copies of the Master Indenture, the Second Supplemental Indenture,

this Official Statement and any other continuing disclosure documents of the County will be available for inspection at the office of the 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 information contained herein regarding the Bond Insurer, DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable. However, the County is not responsible for the accuracy thereof or the sufficiency of the disclosure practices of the Bond Insurer or DTC.

The Master Indenture, the Second Supplemental Indenture and brief descriptions of the Series 2006 Bonds and the security for the Series 2006 Bonds 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 Series 2006A Bonds are being issued to refund on a current basis \$118,665,000 aggregate principal amount of the Series 1996A Bonds maturing on September 1, 2007 through September 1, 2028 (the "1996A Refunded Bonds"). The Series 2006B Bonds are being issued to defease and refund on a current basis all of the Series 1996B Bonds maturing on September 1, 2006 through September 1, 2028 (the "1996B Refunded Bonds"). The 1996A Refunded Bonds and the 1996B Refunded Bonds are referred to herein collectively as the "Refunded Bonds."

Concurrently with delivery of the Series 2006 Bonds, a portion of the proceeds of the Series 2006A Bonds, together with other legally available funds of the County, shall be deposited into a separate account in the escrow deposit trust fund (the "2006A Escrow Account") and a portion of the proceeds of the Series 2006B Bonds, together with other legally available funds of the County, shall be deposited into a separate account in the escrow deposit trust fund (the "2006B Escrow Account" and, together with the 2006A Escrow Account, the "Escrow Accounts"), each pursuant to the terms and provisions of an escrow deposit agreement dated as of July 1, 2006 (the "Escrow Deposit Agreement"), between the County and The Bank of New York Trust Company, N.A., as Escrow Agent. The moneys deposited into the 2006A Escrow Account and the 2006B Escrow Account shall be applied to the purchase of Defeasance Obligations which shall mature at such times and bear such interest so as to produce sufficient moneys, together with other moneys held uninvested, to pay the principal of, premium, if any, and interest on the Refunded Bonds as the same become due and payable. Upon deposit of such moneys and the application thereof all in accordance with the Escrow Deposit Agreement, the Refunded Bonds will be deemed defeased and no longer outstanding for purposes of the Indenture and the holders of the Refunded Bonds shall be entitled to payment solely out of the moneys or securities deposited in the 2006A Escrow Account or the 2006B Escrow Account, as applicable, pursuant to the Escrow Deposit Agreement. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

The Refunded Bonds will be called for redemption prior to their maturities on September 1, 2006 and paid from the respective Escrow Accounts at a premium of 101% for the 1996A Refunded Bonds and at a premium of 102% for the 1996B Refunded Bonds. The Series 1996A Bonds maturing on September 1, 2006 will be paid by the County at maturity, without premium, in the ordinary course from moneys deposited in the Bond Fund. The Series 1996B Bonds maturing on September 1, 2006 will be defeased and paid at maturity from the 2006B Escrow Account.

DESCRIPTION OF THE SERIES 2006 BONDS

The Series 2006 Bonds are issuable only in fully registered form in denominations of \$5,000 or integral multiples thereof, will be dated their date of issuance and will bear interest payable on each March 1 and September 1, commencing March 1, 2007 (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.

Book-Entry Only System

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

DTC will act as securities depository for the Series 2006 Bonds. The Series 2006 Bonds will be registered in the name of Cede & Co. (DTC's partnership nominee). Purchases of beneficial ownership interests in the Series 2006 Bonds will be made in book-entry only form, in the denominations hereinbefore described. Purchasers of beneficial ownership interests in the Series 2006 Bonds ("Beneficial Owners") will not receive bond certificates representing their ownership interests in the Series 2006 Bonds, except in the event that use of the book-entry only system for the Series 2006 Bonds is discontinued. One fully registered certificate will be issued for each interest rate of each maturity of the Series 2006A Bonds and the Series 2006B Bonds, and deposited with DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2006 BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2006 BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2006 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2006 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2006 BONDS, PAYMENT OF INTEREST ON AND PRINCIPAL OF THE SERIES 2006 BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2006 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2006 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2006 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE COUNTY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

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 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants (the "Direct Participants") deposit with DTC. DTC facilitates the post-trade settlement among Direct Participants of securities transactions, in deposited

securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation, as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the DTC system is available to others such as both U.S. and non-U.S. securities brokers, dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has Standard and Poor's highest rating: AAA. The DTC rules applicable to DTC and its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2006 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2006 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2006 Bond (the "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 2006 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their beneficial interests in the Series 2006 Bonds, except in the event that use of the book-entry system for the Series 2006 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2006 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 Series 2006 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 2006 Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2006 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an 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 made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of the Series 2006 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2006 Bonds unless authorized by a Direct Participant in accordance with DTC's 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 the Series 2006 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2006 Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail 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 Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participants and not of DTC, the Paying Agent or the County, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County and/or the Paying Agent for the Series 2006 Bonds. Disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2006 Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository) upon compliance by the County with all applicable rules, policies and procedures of DTC regarding the discontinuation of the book-entry only system of registration. In that event, certificates will be printed and delivered.

Redemption Provisions

The Series 2006A Bonds

Optional Redemption. The Series 2006A Bonds maturing on and after September 1, 2017, are subject to optional redemption by the County prior to maturity, on and after September 1, 2016, 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 thereof, without premium, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Series 2006A Bonds maturing on September 1, 2028, are subject to mandatory sinking fund redemption in part, by lot, prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date on September 1, 2027 and on each September 1 in the following principal amounts in the years specified:

<u>September 1</u>	<u>Principal Amount</u>
2027	\$7,400,000
2028*	7,765,000

*Final Maturity

The Series 2006B Bonds

Optional Redemption. The Series 2006B Bonds are subject to optional redemption by the County prior to maturity, in whole or in part at any time, if in part on a pro-rata basis at, a redemption price equal to the greater of (i) one hundred percent (100%) of the principal amount of the Series 2006B Bonds to be redeemed; or (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Series 2006B Bonds to be redeemed (exclusive of interest accrued to the date fixed for redemption) discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15 basis points, plus in each case, accrued and unpaid interest on the Series 2006B Bonds being redeemed to the date fixed for redemption.

Mandatory Sinking Fund Redemption. The Series 2006B Bonds maturing on September 1, 2021 are subject to mandatory sinking fund redemption in part, pro rata, prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date on September 1, 2017, and on each September 1 in the following principal amounts in the years specified:

<u>September 1</u>	<u>Principal Amount</u>
2017	\$2,280,000
2018	2,345,000
2019	2,485,000
2020	2,630,000
2021*	2,785,000

*Final Maturity

Mandatory Sinking Fund Redemption. The Series 2006B Bonds maturing on September 1, 2028 are subject to mandatory sinking fund redemption in part, pro rata, prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date on September 1, 2022, and on each September 1 in the following principal amounts in the years specified:

<u>September 1</u>	<u>Principal Amount</u>
2022	\$2,955,000
2023	3,135,000
2024	3,320,000
2025	3,520,000
2026	3,730,000
2027	3,360,000
2028*	3,565,000

*Final Maturity

The Series 2006 Bonds

Extraordinary Optional Redemption. At the direction and sole discretion of the County, the Series 2006 Bonds (but solely the Series 2006A Bonds upon the event described in clause (iii)(c) below) are subject to extraordinary optional redemption in whole or in part, and if in part as selected by the County among Series and 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 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 2006A 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 2006 Bonds are issued in book-entry form, (i) if less than all Series 2006 Bonds of a single maturity are to be called for redemption, the specific Series 2006 Bonds of that maturity to be redeemed will be selected by DTC in accordance with its procedures; and (ii) notice of redemption of Series 2006 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 as long as the Bonds are in book-entry form, the Trustee will not mail redemption notices directly to the Beneficial Owners of Series 2006 Bonds. See "DESCRIPTION OF THE SERIES 2006 BONDS - Book-Entry Only System" herein.

Effect of Redemption. On the date designated for the redemption of any Series 2006 Bond, unconditional notice of redemption having been duly given or conditional notice of redemption having been duly given and not rescinded, the Series 2006 Bonds or portions of Series 2006 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 2006 Bonds or portions of Series 2006 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 2006 Bonds or portions of the Series 2006 Bonds to be redeemed, then (i) interest on the Series 2006 Bonds or portions of the Series 2006 Bonds so called for redemption shall cease to accrue as of such redemption date, (ii) such Series 2006 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 2006 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 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 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 2006 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 2006 Bonds called for redemption and not so paid remain Outstanding.

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ESTIMATED SOURCES AND USES OF FUNDS

Estimated Sources of Funds	<u>Series 2006A Bonds</u>	<u>Series 2006B Bonds</u>	<u>Total</u>
Principal Amount	\$124,290,000.00	\$52,475,000.00	\$176,765,000.00
Net Original Issue Premium	2,439,571.00	-0-	2,439,571.00
Bond Reserve Fund for Refunded Bonds	4,783,609.38	2,220,855.50	7,004,464.88
Bond Fund for Refunded Bonds	<u>937,307.87</u>	<u>502,161.13</u>	<u>1,439,469.00</u>
<i>Total Estimated Sources of Funds</i>	\$132,450,488.25	\$55,198,016.63	\$187,648,504.88
Estimated Uses of Funds			
Deposit to Escrow Accounts	\$122,588,732.10	\$47,771,590.40	\$170,360,322.50
Series 2006A Swap Termination Payment ¹	8,725,000.00	-0-	8,725,000.00
Series 2006B Swap Termination Payment ¹	-0-	6,920,000.00	6,920,000.00
Underwriters' Discount	611,225.34	276,215.32	887,440.66
Issuance Expenses ²	<u>525,530.81</u>	<u>230,210.91</u>	<u>755,741.72</u>
<i>Total Estimated Uses of Funds</i>	\$132,450,488.25	\$55,198,016.63	\$187,648,504.88

¹See "SWAPTION" herein.

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

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SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2006 BONDS

The Series 2006 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 2006 Bonds will be secured by a first lien on and pledge of the Pledged Revenues. The term "Pledged Revenues" is defined in the Master Indenture to mean (i) the Professional Sports Franchise Facilities Tax Revenues, (ii) 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 2006 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 or established under the Master Indenture or any Supplemental Indenture. The Pledged Funds do not include the Rebate Fund. See "APPENDIX B – Basic Financial Statements of Broward County, Florida for the Fiscal Year Ended September 30, 2005" for information related to debt service capacity and other financial information for the Series 1996A Bonds and Series 1996B Bonds.

Set forth below are historical collections of Pledged Revenues for the Fiscal Years ended September 30, 1996 through September 30, 2005.

Historical Collections of Pledged Revenues

(Dollars in Thousands)

Fiscal Year Ended <u>September 30,</u>	Professional Sports Franchise <u>Facilities Tax</u>	Sales Tax <u>Rebate</u>	County Preferred Revenue <u>Allocation</u>	<u>Totals</u>
1996	\$ 1,424	\$ 333	\$ -0-	\$ 1,757
1997	9,056	2,000	-0-	11,056
1998	9,440	2,000	-0-	11,440
1999	10,188	2,000	1,383	13,571
2000	10,949	2,000	3,933	16,882
2001	11,415	2,000	3,936	17,351
2002	10,552	2,000	3,938	16,490
2003	11,576	2,000	3,937	17,513
2004	13,109	2,000	3,940	19,049
2005	15,700	2,000	3,938	21,638

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 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 planning and design costs incurred prior to the issuance of such bonds. 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 2006 Bonds, the County only currently uses \$8,000,000 for payment of debt service and expects to use the same amount in the future.

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, entitled "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. 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) \$10,000,000. The County Preferred Revenue Allocation is paid to the County by the Operator from Facility Operating Revenues prior to paying Facility Operating Expenses 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. 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 \$3.938 million for the prior five Fiscal Years ended September 30, 2001, through September 30, 2005. Upon issuance of the Series 2006 Bonds, the County Preferred Revenue Allocation amount will change based on the actual amount of debt service on the Series 2006 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 Year Ended September 30, 2001 through September 30, 2005.

<u>Fiscal Year Ended</u> <u>September 30,</u>	<u>Facility Operating Revenue</u>
2001	\$28,311,841
2002	27,063,051
2003	28,181,818
2004 ⁽¹⁾	20,684,071
2005	34,867,703

⁽¹⁾During Fiscal Year 2004, the National Hockey League Strike Year, Facility Operating Revenues were \$7.5 million below the previous year and net operating income was \$5.2 million less. However, expense savings of \$1.2 million were achieved during this period due to the reduced number of hockey games and the additional booking of events which partially offset the revenue loss.

As of the date hereof, 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. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2006 BONDS – Appropriations of County Non-Ad Valorem Revenue" below.

Appropriations of County Non-Ad Valorem Revenue

Covenant to Budget and Appropriate. In addition to the pledges and encumbrances defined above, the County covenants and further agrees with the Holders of the Series 2006 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 2006 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, 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.

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 2006 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. In addition, the County has not covenanted to maintain any services or programs which generate Non-Ad Valorem Revenues.

The following table summarizes actual collections by the County of Non-Ad Valorem Revenues for the Fiscal Years ended September 30, 2001 through September 30, 2005.

County Non-Ad Valorem Revenues
Fiscal Years Ended September 30, 2001 through September 30, 2005
(Dollars in Thousands)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
License & Permit Fees	\$15,831	\$14,640	\$16,231	\$15,764	\$17,412
State Revenue Sharing	26,103	25,913	26,629	28,739	29,175
Licenses (State Revenue)	669	682	634	627	612
Local Gov't ½ cent Sales Tax	50,528	53,964	55,669	56,710	58,672
Utility Services Taxes and Fire Rescue Tax	21,671	21,183	21,298	19,736	17,393
Fines & Forfeitures	6,314	8,650	9,026	8,225	4,329
Interest Earnings	18,783	9,347	6,582	5,412	11,940
Charges for Services	200,368	222,405	240,276	275,005	297,817
Miscellaneous Services	17,792	17,208	12,983	15,564	29,222
Non-Revenue Sources / Fund Balance	79,686	103,912	86,101	152,767	153,061
Federal / State Grants	47,312	48,753	56,426	70,378	72,958
Special Assessments	<u>11,114</u>	<u>10,451</u>	<u>9,163</u>	<u>7,925</u>	<u>4,845</u>
Total Gross Non-Ad Valorem Revenues	\$496,171	\$537,108	\$541,018	\$656,852	\$697,447
(Less) Operations Cost to the extent Not paid by Ad Valorem Taxes	<u>(331,796)</u>	<u>(361,362)</u>	<u>(379,268)</u>	<u>(500,708)</u>	<u>(473,718)</u>
Total Net Available Non-Ad Valorem Revenues ¹	<u>\$164,375</u>	<u>\$175,746</u>	<u>\$161,750</u>	<u>\$156,144</u>	<u>\$223,729</u>

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

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, 2005, the County has \$258.747 million in indebtedness payable from its Non-Ad Valorem Revenues. The maximum annual debt service on these outstanding obligations approximates \$21.678 million. Under covenants imposed through the bond resolutions and debt instruments approved by the Board, the County's remaining debt service capacity is approximately \$181.868 million, an amount which is in excess of the projected debt service on the Series 2006 Bonds. The debt service on the Refunded 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 2006 Bonds are not and shall not be deemed indebtedness of the County or to be “bonds” 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 payable solely from the Pledged Revenues and the County’s covenant to budget and appropriate Non-Ad Valorem Revenues in the manner provided in the Indenture. The principal of, premium, if any, and interest on the Series 2006 Bonds will be paid solely from said sources, and the County cannot be compelled to levy any ad valorem taxes for the payment of any Series 2006 Bonds or debt service thereon or for the payment of any other amounts provided for in the Indenture. Neither the Series 2006 Bonds nor the principal thereof, premium, if any, or interest thereon, will be or constitute a pledge of or a lien upon any property of or in the County, but will solely constitute a pledge of and lien on the Pledged Revenues. 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, redemption premium, if any, or interest on the Series 2006 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”).

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 2006 Bonds, which cannot be cured by moneys in the Bond Reserve Fund. Although the Bond Reserve Fund is currently fully funded, such funds shall be released upon the issuance of the Series 2006 Bonds and the Reserve Requirement for the Series 2006 Bonds shall be satisfied by the purchase of a Reserve Fund Credit Facility. See “FINANCIAL GUARANTY INSURANCE POLICIES AND BOND RESERVE FUND SURETY BOND - Surety Bond” herein.

Additional Parity Bonds

The Indenture permits the issuance of additional Bonds on a parity with the Series 2006 Bonds for Facility Purposes, which includes completion of the Facility and the refunding or refinancing of Bonds or other obligations issued or incurred in connection with the Facility.

Covenants for the Benefit of the Bond Insurer

Consent to Certain Actions. As a condition to the issuance of the Financial Guaranty Insurance Policies, the Bond Insurer has required that the County and the Trustee provide certain rights to the Bond Insurer and deliver certain documents and notices to the Bond Insurer. Among the rights granted to the Bond Insurer under the Indenture is the right to be treated as the Holder of all the Series 2006 Bonds, in lieu of the beneficial Holders of the Series 2006 Bonds, for purposes of consenting to actions under the

Indenture which require consent of the Holders of the Series 2006 Bonds and exercising all rights and remedies granted to the Holders of the Series 2006 Bonds upon the occurrence of any Events of Default under the Indenture. By purchasing the Series 2006 Bonds, the owners thereof, on their own behalf and on behalf of all subsequent owners of the Series 2006 Bonds, will have consented to such provisions as included in the Indenture. See "APPENDIX C – Master Trust Indenture; Form of Second Supplemental Trust Indenture" herein.

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 Second 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 2006A Subaccount and a Series 2006B Subaccount therein; within the Bond Reserve Fund, a Series 2006A Account and Series 2006B Account therein; the Series 2006A Rebate Fund; and the Cost of Issuance Fund, including a Series 2006A Account and a Series 2006B 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 Second 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 2006 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:

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.

DEBT SERVICE REQUIREMENTS ON THE SERIES 2006 BONDS

Debt service requirements for the Series 2006 Bonds, as shown on the following table, 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, 2007 and (ii) the principal payable on September 1 in each Fiscal Year, commencing on September 1, 2007.

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DEBT SERVICE REQUIREMENTS ON THE SERIES 2006 BONDS

Year (Sept. 1)	<u>Series 2006A Bonds</u>			<u>Series 2006B Bonds</u>			<u>Series 2006 Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	Debt <u>Service</u>	<u>Principal</u>	<u>Interest</u>	Debt <u>Service</u>	<u>Total</u>	<u>Debt Service</u>
2007	\$ 705,000.00	\$6,390,798.26	\$7,095,798.26	\$ 915,000.00	\$3,399,701.80	\$4,314,701.80		\$11,410,500.06
2008	3,765,000.00	5,796,325.00	9,561,325.00	1,320,000.00	3,046,115.26	4,366,115.26		13,927,440.26
2009	3,915,000.00	5,645,725.00	9,560,725.00	1,395,000.00	2,971,363.66	4,366,363.66		13,927,088.66
2010	4,105,000.00	5,453,350.00	9,558,350.00	1,475,000.00	2,892,169.50	4,367,169.50		13,925,519.50
2011	4,275,000.00	5,289,150.00	9,564,150.00	1,625,000.00	2,808,197.76	4,433,197.76		13,997,347.76
2012	4,440,000.00	5,118,150.00	9,558,150.00	1,715,000.00	2,715,199.00	4,430,199.00		13,988,349.00
2013	4,625,000.00	4,937,050.00	9,562,050.00	1,820,000.00	2,616,535.06	4,436,535.06		13,998,585.06
2014	4,810,000.00	4,752,050.00	9,562,050.00	1,920,000.00	2,511,248.06	4,431,248.06		13,993,298.06
2015	5,015,000.00	4,547,625.00	9,562,625.00	2,030,000.00	2,399,600.06	4,429,600.06		13,992,225.06
2016	5,260,000.00	4,304,375.00	9,564,375.00	2,150,000.00	2,281,149.56	4,431,149.56		13,995,524.56
2017	5,475,000.00	4,087,400.00	9,562,400.00	2,280,000.00	2,155,482.06	4,435,482.06		13,997,882.06
2018	5,710,000.00	3,854,712.50	9,564,712.50	2,345,000.00	2,020,620.06	4,365,620.06		13,930,332.56
2019	5,990,000.00	3,573,900.00	9,563,900.00	2,485,000.00	1,881,913.30	4,366,913.30		13,930,813.30
2020	6,285,000.00	3,274,400.00	9,559,400.00	2,630,000.00	1,734,925.56	4,364,925.56		13,924,325.56
2021	6,600,000.00	2,961,100.00	9,561,100.00	2,785,000.00	1,579,361.06	4,364,361.06		13,925,461.06
2022	6,930,000.00	2,631,100.00	9,561,100.00	2,955,000.00	1,414,628.30	4,369,628.30		13,930,728.30
2023	7,245,000.00	2,319,250.00	9,564,250.00	3,135,000.00	1,237,387.40	4,372,387.40		13,936,637.40
2024	7,605,000.00	1,957,000.00	9,562,000.00	3,320,000.00	1,049,350.10	4,369,350.10		13,931,350.10
2025	7,985,000.00	1,576,750.00	9,561,750.00	3,520,000.00	850,216.50	4,370,216.50		13,931,966.50
2026	8,385,000.00	1,177,500.00	9,562,500.00	3,730,000.00	639,086.90	4,369,086.90		13,931,586.90
2027	7,400,000.00	758,250.00	8,158,250.00	3,360,000.00	415,361.50	3,775,361.50		11,933,611.50
2028	7,765,000.00	388,250.00	8,153,250.00	3,565,000.00	213,828.70	3,778,828.70		11,932,078.70
Total	\$124,290,000.00	\$80,794,210.76	\$205,084,210.76	\$52,475,000.00	\$42,833,441.16	\$95,308,441.16		\$300,392,651.92

THE FACILITY AGREEMENTS

The Facility was completed on July 30, 1999 and the first event was held on September 19, 1998. The Series 1996A Bonds and Series 1996B Bonds were issued to finance 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 the following 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 "Facility Operating Expenses" is defined in the Operating Agreement to mean and include all expenses or obligations of whatever kind or nature 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, including, but not limited to, Operator's expenses; Impositions; Tourism Promotion Payments; payments of fees, costs, interest and principal on or with respect to Working Capital Loans; payments to the Operating Reserve Account; payments to the Renewal and Replacement Account; all expenses incurred to obtain Facility Operating Revenues; salaries, wages, and benefits of personnel working at the Facility including personnel employed by Operator; human resource support services and training and development expenses; contract labor expenses; maintenance and repairs; utilities; deposits for utilities; telephone expenses; expenses incurred under use or license agreements with licensees or other users at the Facility; telescreen, video and/or scoreboard operation expenses; dues, memberships and subscriptions; security expenses; Management Fees; audit fees; legal fees; other professional fees; fees payable to Concessionaires or other subcontractors; refuse removal expenses; cleaning expenses; sales taxes; building supplies; ticket commissions; insurance premiums; data processing expenses; advertising; marketing; public relations expenses; expenses and losses incurred in the production and promotion of Events at the Facility where Operator acts as promoter or co-promoter; pest control; travel; lodging and related out-of-pocket expenses and Facility-related entertainment expenses; office supplies; employment fees; freight and delivery expenses; expenses for leasing of equipment; Master Card, VISA and other credit and debit facilities and telecheck fees and expenses; travel; lodging and related out-of-pocket expenses for officers and directors of Operator properly allocable to the performance of Operator's obligations under the Operating Agreement including, but not limited to, promotion of the Facility, local, regional and national conferences, arena management seminars, crowd management seminars, and schools of public facility management such as Oglebay; all damages, losses or expenses suffered or paid by Operator as the result of any and all claims, demands, suits, causes of action, proceedings, judgments and liabilities, including reasonable attorneys fees incurred, incurred in litigation or otherwise, assessed, incurred or sustained by or against any of them.

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 Revenues, 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 Fiscal Year during the Term, the net of Facility Operating Revenue for each such Fiscal Year less Facility Operating Expenses for such Fiscal Year and less the County Preferred Revenue Allocation distributed by Operator pursuant to Section 5.2 of the Operating Agreement for such Fiscal Year.

The term "Revenue Sharing Arrangement" is described in the License Agreement to mean the agreement between County and Team to share the annual Net Operating Income of the Facility throughout the License Agreement Term.

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 County and the Operator have entered into an Operating Agreement dated June 4, 1996 (the "Operating Agreement") pursuant to which the roles and responsibilities of the Operator and the County are set forth. 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. The Operating Agreement commenced on July 4, 1996 and expires thirty (30) years after September 19, 1998, subject to renewal for two additional five-year periods at the option of the Operator.

The Operating Agreement provides that the Operator will pay from Operating Revenues the County Preferred Revenue Allocation, which is equal to the difference between actual debt service on the Bonds and \$10 million per annum (which is the amount that the County originally estimated it would collect from the Professional Sports Franchise Facilities Tax and the Sales Tax Rebate). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2006 BONDS - The County Preferred Revenue Allocation" herein.

The Operator is authorized and required 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; and (k) procure and negotiate contracts with Concessionaires. 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 receive a management fee of \$250,000 per annum, adjusted for inflation.

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. Such payment shall be computed as the annual difference between debt service on the Bonds and \$10 million.
2. Second, to the payment of Facility Operating Expenses (excluding the Management Fee).
3. Third, to the Team for any previously advanced amounts of the County Preferred Revenue Allocation actually paid by the Team pursuant to the Team Guaranty during the then current fiscal year. (For additional information on the Team Guaranty, see "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2006 BONDS - The County Preferred Revenue Allocation" herein.)
4. Fourth, to the payment of the Management Fee.
5. Fifth, to make the required annual deposit to the Renewal and Replacement Account.
6. Sixth, to make the required annual deposit to the Operating Reserve Account.
7. Seventh, to the extent funds remain, such remaining Operating Revenues shall be paid to the Team and the County within ninety (90) days after the end of each fiscal year, as follows:
 - a. the first \$14 million shall be paid to the Team.
 - b. any amount in excess of \$14 million shall be paid eighty percent (80%) to the Team and twenty percent (20%) to the County.

License Agreement. The County and the Team have entered into the License Agreement. The License Agreement is for a thirty (30) year period which commenced September 19, 1998. The Team has an option to renew the License Agreement for two additional five-year periods.

The License Agreement requires the Team to pay rent equal to five percent (5%) of Ticket Receipts. 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. To date no additional financing has been incurred under the Indenture.

The License Agreement provides that the Team will retain all Ticket Receipts, Team Concession Revenue, Sponsor Sign revenue, pay television, television and radio broadcast income and sponsorships, certain hockey sponsorships and advertising income, revenues from the sale of merchandise in the Team Retail Store and distributions of the Team's share of Facility Net Operating Income under the Revenue Sharing Arrangement. The Team bears all expenses related to operations of the Team, its office space at the Project and the Team Retail Store. All other revenue from operations is Operating Revenue and subject to the Revenue Sharing Arrangement defined herein. The Operator will distribute Net Operating Income for each fiscal year based on the Revenue Sharing Arrangement, which provides that the Operator distributes the first \$14 million of annual Net Operating Income to the Team and distributes all Net Operating Income in excess of this amount eighty percent (80%) to the Team and twenty percent (20%) to the County.

The Team is obligated to maintain full, true and complete books and records. Each month, the Team must provide the Operator with a copy of the official Ticket Receipts manifest which is provided to the NHL for Home Games played during the preceding month. The Operator's auditor has access to such records to review, certify and audit the Team's Ticket Receipts. The books and records of the Operator will be subject to a certified audit on an annual basis. In addition, the County has independent audit rights of Facility records.

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. 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 injunction relief.

City of Sunrise Agreement. The County, the Team and the City executed a Letter of Agreement (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., 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 \$8,120,000 with maximum annual debt service of \$624,370 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 2006 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 Arena Operator and the Arena Operator shall include these amounts as a part of the County Preferred Revenue Allocation pursuant to the terms of the Operating Agreement.

FINANCIAL GUARANTY INSURANCE POLICIES AND BOND RESERVE FUND SURETY BOND

General

The following information under this heading has been furnished by Ambac Assurance Corporation (the "Bond Insurer" or "Ambac") for use in this Official Statement. Reference is made to "APPENDIX D – Specimen Insurance Policy: Ambac Assurance Corporation" attached hereto for a specimen of the Financial Guaranty Insurance Policies.

Payment Pursuant to Financial Guaranty Insurance Policies

Ambac has made commitments to issue two separate financial guaranty insurance policies (collectively, the "Financial Guaranty Insurance Policies") relating to each Series of Series 2006 Bonds effective as of the date of issuance of the Series 2006 Bonds. Under the terms of the Financial Guaranty Insurance Policies, Ambac will pay to The Bank of New York, in New York, New York or any successor thereto (the "Insurance Trustee") that portion of the principal of and interest on the Series 2006 Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment (as such terms are defined in the Financial Guaranty Insurance Policies) by the County. Ambac will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which Ambac shall have received notice of Nonpayment from the Paying Agent. The insurance will extend for the term of the Series 2006 Bonds and, once issued, cannot be canceled by Ambac.

The Financial Guaranty Insurance Policies will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the Series 2006 Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Series 2006 Bonds, Ambac will remain obligated to pay principal of and interest on outstanding Series 2006 Bonds on the originally scheduled interest and principal payment dates including mandatory sinking fund redemption dates.

In the event the Paying Agent has notice that any payment of principal of or interest on an Series 2006 Bond which has become Due for Payment and which is made to a Holder by or on behalf of the County has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are not otherwise available.

The Financial Guaranty Insurance Policies do **not** insure any risk other than Nonpayment, as defined in the Financial Guaranty Insurance Policies. Specifically, the Financial Guaranty Insurance Policies do **not** cover:

- (1) payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity.
- (2) payment of any redemption, prepayment or acceleration premium.
- (3) nonpayment of principal or interest caused by the insolvency or negligence of any Paying Agent or Registrar.

If it becomes necessary to call upon the Financial Guaranty Insurance Policies, payment of principal requires surrender of Series 2006 Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Series 2006 Bonds to be registered in the name of Ambac to the extent of the payment under the Financial Guaranty Insurance Policies. Payment of interest pursuant to the Financial Guaranty Insurance Policies requires proof of Holder entitlement to interest payments and an appropriate assignment of the Holder's right to payment to Ambac.

Upon payment of the insurance benefits, Ambac will become the owner of the Series 2006 Bond, appurtenant coupon, if any, or right to payment of principal or interest on such Series 2006 Bond and will be fully subrogated to the surrendering Holder's rights to payment.

The insurance provided by the Financial Guaranty Insurance Policies is not covered by the Florida Insurance Guaranty Association.

Surety Bond

The Indenture requires the establishment of a Bond Reserve Fund in an amount equal to the Reserve Requirement for the Series 2006 Bonds. The Indenture authorizes the County to obtain a Reserve Fund Credit Facility in place of fully funding the Bond Reserve Fund with cash. Accordingly, application has been made to Ambac for the issuance of an Ambac Surety Bond (the "Surety Bond") for the purpose of funding the Reserve Requirement for the Series 2006 Bonds. The Series 2006 Bonds will only be delivered upon the issuance of the Surety Bond. The premium on the Surety Bond shall be fully paid at or

prior to the issuance and delivery of the Series 2006 Bonds. The Surety Bond provides that upon the later of (i) one (1) day after receipt by Ambac of a demand for payment executed by the Paying Agent certifying that provision for the payment of principal of or interest on the Series 2006 Bonds when due has not been made or (ii) the interest payment date specified in the demand for payment submitted to Ambac, Ambac will promptly deposit funds with the Paying Agent sufficient to enable the Paying Agent to make such payments due on the Series 2006 Bonds, but in no event exceeding the Surety Bond Coverage, as defined in the Surety Bond.

Pursuant to the terms of the Surety Bond, the Surety Bond Coverage is automatically reduced to the extent of each payment made by Ambac under the terms of the Surety Bond and the County is required to reimburse Ambac for any draws under the Surety Bond, with interest at a market rate. Upon such reimbursement, the Surety Bond shall be reinstated to the extent of each principal reimbursement up to but not exceeding the Surety Bond Coverage. The reimbursement obligation of the County is subordinate to the County's obligations with respect to the Series 2006 Bonds.

In the event the amount on deposit, or credited to the Bond Reserve Fund, exceeds the amount of the Surety Bond, any draw on the Surety Bond shall be made only after all the funds in the Bond Reserve Fund have been expended. In the event that the amount on deposit in, or credited to, the Bond Reserve Fund, in addition to the amount available under the Surety Bond, includes amounts available under a letter of credit, insurance policy, surety bond or other such funding instrument (the "Additional Funding Instrument"), draws on the Surety Bond and the Additional Funding Instrument shall be made on a pro rata basis to fund the insufficiency. The Indenture provides that the Bond Reserve Fund shall be replenished in the following priority: (i) principal and interest on the Surety Bond and on the Additional Funding Instrument shall be paid from the first available Pledged Revenues on a pro rata basis; (ii) after all such amounts are paid in full, amounts necessary to fund the Bond Reserve Fund to the required level, after taking into account the amounts available under the Surety Bond and the Additional Funding Instrument, shall be deposited from the next available Pledged Revenues.

The Surety Bond does not insure against nonpayment caused by the insolvency or negligence of the Trustee or the Paying Agent.

The insurance provided by the Surety Bond is not covered by the Florida Insurance Guaranty Association.

Ambac Assurance Corporation

Ambac Assurance Corporation is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam, the Commonwealth of Puerto Rico and the U.S. Virgin Islands, with admitted assets of approximately \$9,417,000,000 (unaudited) and statutory capital of approximately \$5,879,000,000 (unaudited) as of March 31, 2006. Statutory capital consists of Ambac's policyholders' surplus and statutory contingency reserve. Standard & Poor's Credit Markets Services, a Division of The McGraw-Hill Companies, Moody's Investors Service and Fitch Ratings have each assigned a triple-A financial strength rating to Ambac.

Ambac has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by Ambac will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by Ambac under policy

provisions substantially identical to those contained in the Financial Guaranty Insurance Policies shall be treated for federal income tax purposes in the same manner as if such payments were made by the County of the Series 2006 Bonds.

Ambac makes no representation regarding the Series 2006 Bonds or the advisability of investing in the Series 2006 Bonds and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by Ambac and presented under this heading "FINANCIAL GUARANTY INSURANCE POLICIES AND BOND RESERVE FUND SURETY BOND."

Available Information

The parent company of Ambac, Ambac Financial Group, Inc. (the "Company"), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including the Company. These reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, Inc. (the "NYSE"), 20 Broad Street, New York, New York 10005.

Copies of Ambac's financial statements prepared in accordance with statutory accounting standards are available from Ambac. The address of Ambac's administrative offices and its telephone number are One State Street Plaza, 19th Floor, New York, New York 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the SEC (File No. 1-10777) are incorporated by reference in this Official Statement:

- (1) The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005 and filed on March 13, 2006; and
- (2) The Company's Current Report on Form 8-K dated and filed on April 26, 2006; and
- (3) The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2006 and filed on May 10, 2006.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in the same manner as described above in "Available Information."

THE INFORMATION RELATING TO AMBAC CONTAINED ABOVE HAS BEEN FURNISHED BY AMBAC. 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. THE COUNTY HAS NOT MADE ANY INVESTIGATION INTO THE FINANCIAL CONDITION OF AMBAC, AND NO REPRESENTATION IS MADE AS TO THE ABILITY OF AMBAC TO MEET ITS OBLIGATIONS UNDER THE FINANCIAL GUARANTY INSURANCE POLICIES OR THE SURETY BOND.

SWAPTION

In March 2004, the County sold options (the "Swaption") to Bear Stearns Financial Products Inc., Merrill Lynch Capital Services, Inc. and Goldman Sachs Mitsui Marine Derivatives Products, L.P. (collectively, the "Counterparties") which gave the Counterparties the right to enter into interest rate swaps with the County, in which the County would pay a specified fixed interest rate and receive a floating rate based on an index in exchange for up-front option premium payments. Subsequently, the Counterparties exercised the option on May 1, 2006, thereby causing the swap to become effective on August 1, 2006. On July 12, 2006, the County exercised its right to optionally terminate the Swaption. A termination payment in the aggregate amount of \$15,645,000 will be paid by the County to the Counterparties from the proceeds of the Series 2006 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

ENFORCEABILITY OF REMEDIES

The remedies available to Holders of the Series 2006 Bonds are set forth in the Indenture. Such remedies do not include acceleration. The remedies available to the Holders of the Series 2006 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 2006 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 2006 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. Certain rights have been granted to the Bond Insurer with respect to exercising rights and remedies upon the occurrence of any Events of Default under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2006 BONDS - Covenants for the Benefit of the Bond Insurer - Consent to Certain Actions" herein.

TAX COVENANTS CONCERNING THE SERIES 2006A BONDS

The County covenants in the Indenture that so long as any Series 2006A 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 2006A 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 2006A 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 2006A 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 2006A Bonds, as is necessary in the Opinion of Co-Bond Counsel to maintain the exclusion from gross income of interest on the Series 2006A Bonds.

TAX MATTERS

In the opinion of Squire, Sanders & Dempsey L.L.P., and Law Offices of Perry E. Thurston, Jr., P.A., Co-Bond Counsel, under existing law: (i) interest on the Series 2006A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) the Series 2006A Bonds, the Series 2006B Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Co-Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2006 Bonds.

NO ATTEMPT HAS BEEN MADE TO COMPLY WITH CERTAIN REQUIREMENTS RELATING TO THE EXCLUSION FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES OF INTEREST ON THE SERIES 2006B BONDS. NO OPINION IS RENDERED WITH RESPECT TO THE EXCLUSION OF INTEREST ON THE SERIES 2006B BONDS FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES OR AS TO ANY FEDERAL TAX CONSEQUENCES OF OWNERSHIP OF THE SERIES 2006B BONDS. EACH PURCHASER SHOULD CONSULT ITS OWN TAX ADVISOR TO DETERMINE THE FEDERAL TAX CONSEQUENCES OF OWNING THE SERIES 2006B BONDS.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the County contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2006A Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Co-Bond Counsel will not independently verify the accuracy of the County's certifications and representations or the continuing compliance with the County's covenants.

The opinion of Co-Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Co-Bond Counsel's legal judgment as to exclusion of interest on the Series 2006A Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Co-Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Issuer may cause loss of such status and result in the interest on the Series 2006A Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2006A Bonds. The County has covenanted to take the actions required of it for the interest on the Series 2006A Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2006A Bonds, Co-Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Co-Bond Counsel's attention, may adversely affect the exclusion from gross

income for federal income tax purposes of interest on the Series 2006A Bonds or the market prices of the Series 2006A Bonds.

A portion of the interest on the Series 2006A Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2006A Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2006A Bonds. Co-Bond Counsel will express no opinion regarding those consequences.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. There can be no assurance that legislation enacted or proposed, or clarification of the Code, after the date of issuance of the Series 2006A Bonds, will not have an adverse effect on the tax status of interest on the Series 2006A Bonds or the market prices of the Series 2006A Bonds.

Prospective purchasers of the Series 2006A Bonds should consult their own tax advisors regarding pending or proposed federal tax legislation, and prospective purchasers of the Series 2006A Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Co-Bond Counsel expresses no opinion.

Co-Bond Counsel's engagement with respect to the Series 2006A Bonds ends with the issuance of the Series 2006A Bonds, and, unless separately engaged, Co-Bond Counsel is not obligated to defend the County or the beneficial owners regarding the tax status of interest on the Series 2006A Bonds in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2006A Bonds, under current IRS procedures, the IRS will treat the Issuer as the taxpayer and the beneficial owners of the Series 2006A Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2006A Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market prices for the Series 2006A Bonds.

Original Issue Discount and Original Issue Premium

Certain of the Series 2006A Bonds ("Discount Bonds") as indicated on the inside cover of this Official Statement have been offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted

compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2006A Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the price for that Discount Bond stated on the inside cover of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Series 2006A Bonds ("Premium Bonds") as indicated on the inside cover of this Official Statement have been offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the inside cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

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

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

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

The Series 2006 Bonds do not constitute a general debt, liability or obligation of the County, but instead are secured by a pledge of the Pledged Revenues and other security described herein. Accordingly, the County, in good faith, believes that the disclosure of any default on bonds with respect to which the County was merely a conduit issuer and which are secured by payments of the borrower

under a loan agreement, lease agreement or other installment sale agreement, will not be considered material by a reasonable investor. Although the County is aware of the existence of certain defaults on obligations for which it is a conduit issuer, the County is not obligated to pay debt service on such defaulted obligations except from payments made from borrowers under their respective agreements and because such defaults in no way impact the Series 2006 Bonds, specific disclosures related to such defaults have been omitted.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

At the time of the delivery of the Series 2006 Bonds, Causey Demgen & Moore Inc., Denver, Colorado, a firm of nationally recognized independent certified public accountants will deliver a report on the mathematical accuracy of the computations contained in schedules provided to them and prepared by Merrill Lynch & Co. on behalf of the County relating to the sufficiency of the anticipated cash and maturing principal amounts of and interest on the Defeasance Obligations (as defined in the Indenture) to pay, when due, the principal, whether at maturity or upon prior redemption, interest and call premium requirements of the Refunded Bonds.

CONTINUING DISCLOSURE

The County will covenant for the benefit of Series 2006 Bondholders to provide certain financial information and operating data relating to the County not later than 180 days following the end of each Fiscal Year (the "Annual Report"), and to provide, or cause to be provided, notices of the occurrence of certain enumerated events, if deemed by the County to be material. The Annual Report is required to be filed with each Nationally Recognized Municipal Securities Information Repository and with any state information depository with which filings are required to be made. The notices of material events will be filed with the Municipal Securities Rulemaking Board or each Nationally Recognized Municipal Securities information Repository and with any state information depository with which filings are required to be made.

Pursuant to the above requirements, the County has agreed to provide in a timely manner information concerning any of the following events with respect to the Series 2006 Bonds: principal and interest payment delinquencies; non-payment related defaults; unscheduled draws on the Bond Reserve Fund reflecting financial difficulties; unscheduled draws on credit enhancements reflecting financial difficulties; substitution of credit or liquidity providers, or their failure to perform; adverse tax opinions or events affecting the tax-exempt status of the Series 2006A Bonds; modifications to rights of Holders or Beneficial Owners; bond calls; defeasances; release, substitution, or sale of property securing repayment to the Series 2006 Bonds; and rating changes. The County has also agreed to provide in the Annual Report the following information with respect to the applicable prior Fiscal Year: amount of the Professional Sports Franchise Facilities Tax Revenues received; amount of Sales Tax Rebate proceeds received; amount of the County Preferred Revenue Allocation received; amount of Non-Ad Valorem Revenues received; and amount of obligations secured by and payable from net available Non-Ad Valorem Revenues, maximum annual debt service on such outstanding obligations, and remaining debt service capacity applying coverage requirements. For a more complete description of the obligations of the County regarding continuing disclosure, see "APPENDIX F - Form of Continuing Disclosure Agreement." These covenants have been made in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule").

With respect to the Series 2006 Bonds, no party other than the County is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule. The County has never failed to comply with any prior agreements to provide continuing disclosure information pursuant to the Rule.

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 2006 Bonds or to collect Pledged Revenues.

At the time of the delivery of the Series 2006 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 2006 Bonds or (ii) questioning or affecting the validity of the Series 2006 Bonds or any proceedings of the County taken with respect to the authorization, sale, execution or issuance of the Series 2006 Bonds or of the pledge of any moneys or other security provided for the Series 2006 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 2006 Bonds and the issuance thereof by the County are subject to the approval of Squire, Sanders & Dempsey L.L.P., Miami, Florida, and Law Offices of Perry E. Thurston, Jr., P.A., Fort Lauderdale, Florida, Co-Bond Counsel, whose approving opinions premised on the law in effect as of the date of original delivery of the Series 2006 Bonds will be delivered concurrently with the issuance and delivery of the Series 2006 Bonds.

The proposed text of the legal opinions is set forth as APPENDIX E attached hereto. 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 its 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 Bryant Miller Olive, Miami, Florida and the Law Offices of Steve E. Bullock, P.A., Miramar, Florida, as Co-Disclosure Counsel and for the Underwriters by Moskowitz, Mandell, Salim & Simowitz, P.A., Fort Lauderdale, Florida, and John M. Milledge, P.A., Fort Lauderdale, Florida, as Co-Underwriters Counsel.

UNDERWRITING

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2006 Bonds from the County pursuant to a Purchase Agreement between the County and the Underwriters, at an aggregate purchase price for the Series 2006A Bonds of \$126,118,345.66 (the face amount of the Series 2006A Bonds less \$611,225.34 underwriters' discount and plus \$2,439,571.00 net original issue premium), and at an aggregate purchase price for the Series 2006B Bonds of \$52,198,784.68 (the face amount of the Series 2006B Bonds less \$276,215.32 underwriters' discount). The Purchase Agreement provides that all of the Series 2006 Bonds will be purchased if any are purchased. The aggregate initial public offering prices stated on the first page hereof may be changed from time to time by the Underwriters. The Underwriters may offer and sell the Series 2006 Bonds to certain dealers (including dealers depositing Series 2006 Bonds into investment trusts) and others at prices lower than such offering prices.

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 2006 Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriters (including the fees of their co-counsel), to be paid by the County, each are contingent upon the issuance of the Series 2006 Bonds.

FINANCIAL ADVISOR

Public Resources Advisory Group, New York, New York is serving as Financial Advisor to the County with respect to the issuance and sale of the Series 2006 Bonds. The Financial Advisor has assisted the County in the preparation of the Official Statement and the final Official Statement and has advised, along with Stafford Sports, LLC, the County in other matters relating to the planning, structuring and issuance of the Series 2006 Bonds.

RATINGS

Fitch Ratings ("Fitch"), Moody's Investors Service, ("Moody's") and Standard & Poors Rating Services ("S&P") have assigned their municipal bond ratings of "AAA", "Aaa" and "AAA" respectively, to the Series 2006 Bonds with the understanding that upon delivery of the Series 2006 Bonds, two separate policies guaranteeing payment when due of the principal of and interest on the Series 2006 Bonds will be issued by the Bond Insurer. In addition, Fitch, Moody's and S&P have assigned underlying ratings of "AA-", "A1" and "A+" respectively without regard to any such Financial Guaranty Insurance Policies. Generally, the rating agencies base their ratings on the information and materials furnished to them and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. The Underwriters have undertaken no responsibility either to bring to the attention of the owners of the Series 2006 Bonds any proposed revision or withdrawal of the rating on the Series 2006 Bonds or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of such rating, or either of them, could have an adverse effect on the market price of the Series 2006 Bonds. An explanation of the significance of the ratings given by Fitch may be obtained from Fitch at One State Street Plaza, New York, New York 10004, 212-908-0500; an explanation of the ratings given by Moody's may be obtained from Moody's at 99 Church Street, New York, New York 10007, 212-553-0300; and an

explanation of the ratings given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041, 212-438-2124.

AUDITED FINANCIAL STATEMENTS

The basic financial statements of the County for the fiscal year ended September 30, 2005 included as APPENDIX B attached hereto as a part of this Official Statement have been audited by Rachlin Cohen & Holtz LLP, independent certified public accountants, as set forth in their report dated January 27, 2006, whose report is also appended hereto as part of said APPENDIX B. Rachlin Cohen & Holtz LLP has not participated in the preparation or review of this Official Statement. The financial statements are attached hereto as a matter of public record. Such financial statements speak only as of September 30, 2005. The consent of Rachlin Cohen & Holtz 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 2006 Bonds, the security for the payment of the Series 2006 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.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2006 Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

AUTHORIZATION OF AND CERTIFICATION CONCERNING THE OFFICIAL STATEMENT

This Official Statement has been authorized and prepared by the County. Concurrently with the delivery of the Series 2006 Bonds, the undersigned will furnish a certificate to the effect that, to the best of their knowledge, this Official Statement did not as of its date, and does not as of the date of delivery of the Series 2006 Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for which this Official Statement is to be used, or which is necessary in order to make the statements contained herein, in light of the circumstances in which they were made, not misleading.

EXECUTION

This Official Statement has been duly executed and delivered on behalf of the County by the Mayor of the Board of County Commissioners of Broward County, Florida and attested by the County Administrator of the County.

BROWARD COUNTY, FLORIDA

By: /s/ Ben Graber
Mayor, Board of County Commissioners of
Broward County, Florida

Attest:

By: /s/ Pamela D. Brangaccio
County Administrator and Ex-Officio Clerk,
Board of County Commissioners of Broward County, Florida

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APPENDIX A

GENERAL INFORMATION REGARDING THE COUNTY

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APPENDIX A

GENERAL INFORMATION REGARDING THE COUNTY

Broward County, created in October 1915 by the legislature of the State of Florida, is located on the southeast coast of Florida and has an area of approximately 1,197 square miles. The County is bordered on the south by Miami-Dade County (the County's southern boundary is approximately 12 miles north of the City of Miami) and on the north by Palm Beach County. Located within the County are 31 municipalities. The County ranks second in the State and 15th in the nation with a 2000 Census population of 1.62 million persons and has an estimated 2006 population of 1,765,855. Approximately 50% of the County's population lives in the seven largest cities: Coral Springs, Fort Lauderdale, Hollywood, Pembroke Pines, Plantation, Pompano Beach and Sunrise. Four airports, including the Fort Lauderdale-Hollywood International Airport, are located in the County. Port Everglades, the State's deepest harbor and a leading international cruise port, is located less than two miles from Fort Lauderdale-Hollywood International Airport.

Governmental Structure

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

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

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

Ben Graber, Mayor	November 2008
Josephus Eggelletion, Jr., Vice Mayor	November 2008
Suzanne N. Gunzburger, Commissioner	November 2006
Kristin D. Jacobs, Commissioner	November 2006
Ilene Lieberman, Commissioner	November 2008
John E. Rodstrom, Jr., Commissioner	November 2008
James A. Scott, Commissioner	November 2006
Diana Wasserman-Rubin, Commissioner	November 2006
Lois Wexler, Commissioner	November 2008

Pamela D. Brangaccio, County Administrator, appointed by the Board on June 27, 2006, is the chief administrative officer of the County government. The County Administrator directs the functions of County government through several offices, eight major departments, and various divisions within each department. Pursuant to an Administrative Code adopted by the Board, unless otherwise stated in the Charter, the County Administrator can appoint, suspend, or remove all County employees, with the

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

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

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

Population

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

Year	Broward County		State of Florida		United States	
	Population	Change ⁽¹⁾	Population	Change ⁽¹⁾	Population	Change ⁽¹⁾
1960	333,946	–	4,951,560	–	179,323,000	–
1970	620,100	8.57%	6,789,443	3.71%	203,212,000	1.33%
1980	1,018,257	6.42	9,747,061	4.36	226,505,000	1.15
1990	1,255,488	2.33	13,003,362	3.34	249,632,692	1.02
2000	1,623,018	2.93	15,982,378	2.29	281,421,906	1.27
2004	1,754,893	2.03	17,397,161	2.21	293,656,842	1.09
2005	1,777,638	1.91	17,789,864	2.26	296,410,404	1.07

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

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

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Labor Force and Unemployment Rates⁽¹⁾

Year Ended December 31	Estimated Broward County Civilian Labor Force	Unemployment Rates		
		Broward County	Florida	United States
1995	740,880	5.7%	5.5%	5.6%
1996	760,032	5.1	5.1	5.4
1997	777,164	4.9	4.8	4.9
1998	787,776	4.5	4.3	4.5
1999	799,068	4.1	3.9	4.2
2000	815,361	3.7	3.6	4.0
2001	852,300	4.9	4.8	4.7
2002	860,005	6.0	5.5	5.8
2003	877,270	5.5	5.1	6.0
2004	899,880	4.7	4.6	5.5
2005	947,447	3.8	3.9	5.1

Source: Florida Agency for Workforce Innovation; and the U.S. Bureau of Labor Statistics.

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

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

	<u>2001 Total</u>	<u>2001 Percent of Total</u>	<u>2002 Total</u>	<u>2002 Percent of Total</u>	<u>2003 Total</u>	<u>2003 Percent of Total</u>	<u>2004 Total</u>	<u>2004 Percent of Total</u>	<u>2005 Total</u>	<u>2005 Percent of Total</u>
Grand Total	<u>700.4</u>	<u>100%</u>	<u>706.1</u>	<u>100%</u>	<u>717.0</u>	<u>100%</u>	<u>733.4</u>	<u>100.0%</u>	<u>748.1</u>	<u>100.0%</u>
Goods Producing										
Construction	82.1	11.7%	76.7	10.9%	75.5	10.5%	77.1	10.5%	82.2	11.0%
Manufacturing	45.5	6.5%	43.3	6.1%	44.1	6.2%	46.9	6.4%	51.3	6.9%
	36.5	5.2%	33.3	4.7%	31.2	4.4%	30.2	4.1%	30.8	4.1%
Service Providing										
Trade, Transportation and Utilities	618.3	88.3%	629.3	89.1%	641.6	89.5%	656.4	89.5%	665.9	89.0%
Wholesale Trade	156.3	11.7%	156.1	22.1%	154.6	21.6%	154.4	21.1%	164.5	22.0%
Retail Trade	39.4	5.6%	40.3	5.7%	39.3	5.5%	39.5	5.4%	44.0	5.9%
Transportation, Warehousing, and Utilities	98.2	14.0%	97.2	13.8%	96.4	13.4%	96.5	13.2%	99.1	13.2%
	18.7	11.7%	18.7	2.6%	18.9	2.6%	18.5	2.5%	21.4	2.9%
Financial Activities	55.2	7.9%	56.7	8.0%	57.8	8.1%	58.7	8.0%	62.9	8.4%
Professional and Business Services	117.2	16.7%	122.3	17.3%	127.9	17.8%	134.4	18.3%	124.5	16.6%
Education and Health Services	74.0	10.6%	76.9	10.9%	79.5	11.1%	82.8	11.3%	86.7	11.6%
Leisure and Hospitality	71.7	10.2%	72.4	10.3%	73.8	10.3%	75.6	10.3%	77.9	10.4%
Other Services	29.0	4.1%	29.0	4.1%	30.0	4.2%	30.8	4.2%	29.9	4.0%
Government	93.3	13.3%	95.7	13.6%	98.5	13.7%	100.4	13.7%	100.3	13.4%
Federal	7.3	1.0%	7.4	1.0%	7.8	1.1%	7.6	1.0%	7.9	1.1%
State & Local	85.9	12.3%	88.3	12.5%	90.7	12.6%	92.9	12.7%	92.4	12.4%

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

Largest Private Employers

The County has a diversified economy with a balance among high technology, manufacturing, financial, international and domestic tourism, residential and commercial construction, and retail trade. There were approximately 81,889 business establishments with operations in the County at the end of Fiscal Year 2005. According to the recently released 2002 Economic Census, more than 70% of firms within Broward County have fewer than 20 employees; while this is a smaller percentage than at the state or national level, Broward small businesses provide more employment and payroll than the state and national average. Additionally, approximately 100 of these businesses are Fortune 500 companies or divisions thereof. The table below shows the largest private-sector employers in the County.

<u>Company</u>	<u>Employees</u>	<u>Products/Services</u>
American Express	6,000	Financial Services
Motorola	3,800	Electronics
JM Family Enterprises	3,500	Automotive Sales & Service
Nova Southeastern University	2,529	Education
Sun-Sentinel	1,800	Newspaper
Holy Cross Medical Group	1,785	Health Care
Bank of America	1,600	Financial Services
Ed Morse Automotive Group	1,564	Automotive Sales & Service
University Hospital	1,550	Health Care
Alamo Rent-A-Car	1,500	Automotive Rental

Source: Enterprise Florida, Inc. (EFI), the public-private organization responsible for Florida's statewide economic development efforts. Data is for 2003, the most recent year available.

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

Year Ended December 31	Broward County	Percent of Florida	Percent of U.S.	State of Florida	Percent of U.S.	United States
1994	24,503	111.9%	109.7%	21,905	98.1%	22,340
1995	25,566	111.4	109.9	22,942	98.7	23,255
1996	26,336	110.2	108.5	23,909	98.5	24,270
1997	26,721	107.4	105.2	24,869	97.9	25,412
1998	28,015	107.1	104.2	26,161	97.3	26,893
1999	27,950	105.1	100.4	26,593	95.5	27,843
2000	29,409	105.9	99.8	27,764	94.2	29,469
2001	31,496	107.6	103.0	29,273	95.7	30,574
2002	32,189	108.3	104.5	29,709	96.4	30,810
2003	32,280	107.1	102.5	30,128	95.7	31,484
2004	34,008	108.1	102.9	31,469	95.2	33,050

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

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

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Taxable Sales for the County

The following table shows the taxable sales within the County for the calendar years 1995-2005 and the percentage increase in such sales for each year.

Taxable Sales (\$ in Thousands)		
<u>Year Ended December 31</u>	<u>Taxable Sales</u>	<u>Percent Change from Prior Year</u>
1995	\$17,698,013	3.80%
1996	18,815,677	6.32
1997	19,551,103	3.91
1998	20,575,171	5.24
1999	21,873,432	6.31
2000	23,785,139	8.74
2001	25,422,717	6.88
2002	25,194,309	(0.90)
2003	25,122,603	(0.28)
2004	27,608,938	9.90
2005	31,941,903	15.7

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, and water recreational facilities, have made the County a tourist center. The County's multipurpose convention center expansion was completed in 2002 giving the facility a total of 600,000 gross square feet of space. The three level, 180,000 square foot expansion is mainly comprised of a 50,000 square feet of exhibit hall, a 33,000 square foot ballroom and 15,000 sq. ft of meeting room space. In addition, the expansion was complimented with a "Cyber" café, wireless internet access, a full service kitchen and concession stand. The existing loading dock was extended to serve the new hall by adding four new dock spaces. Connecting corridors were built at all levels in order to provide convenient access between the original building and the expansion as well as from the original building to the adjacent parking garage.

Tourists now visit the County over the entire year instead of merely during winter months and the tourism industry is currently drawing from a worldwide market. The Greater Fort Lauderdale Convention and Visitors Bureau reported that more than 10 million people visited Broward County in calendar year 2005, and spent more than \$8.4 billion. For calendar year 2006, the Convention and Visitors Bureau estimates that approximately 10.5 million visitors will spend over \$8.9 billion.

Building Permits

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

Building Permits Issued in Broward County (\$ in Thousands)								
Calendar <u>Year</u>	Single Family <u>Units</u>	Single Family <u>Valuation</u>	Multi- Family <u>Units</u>	Multi- Family <u>Valuation</u>	Total Residential <u>Units</u>	Total Residential <u>Valuation</u> ⁽¹⁾	Total Non- Residential <u>Valuation</u> ⁽²⁾	Permit <u>Valuation</u> ⁽³⁾
1995	8,154	\$799,527	4,707	\$210,263	12,861	\$1,009,790	\$692,934	\$1,702,724
1996	9,857	966,196	5,161	315,018	15,018	1,281,214	847,021	2,128,235
1997	7,481	N/A	5,549	N/A	13,030	1,274,826	N/A	1,274,826
1998	8,797	N/A	3,687	N/A	12,484	1,277,947	N/A	1,277,947
1999	8,571	N/A	3,449	N/A	12,020	1,406,750	N/A	1,406,750
2000	9,148	N/A	2,689	N/A	11,837	1,459,803	N/A	1,459,803
2001	8,296	N/A	2,490	N/A	10,786	1,383,892	N/A	1,383,892
2002	5,701	N/A	6,319	N/A	12,020	1,561,660	N/A	1,561,660
2003	3,931	N/A	4,432	N/A	8,363	1,080,166	N/A	1,080,166
2004	4,811	N/A	3,980	N/A	8,791	1,077,816	N/A	1,077,816
2005	3,353	N/A	2,817	N/A	6,170	1,112,104	N/A	1,112,104

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

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

(2) Includes commercial and industrial construction. For 1997-2005, this information is not readily available from prior sources. The County continues to investigate other sources for this information.

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

Education

Broward County Public Schools is the sixth largest district in the nation with just over 271,000 students currently enrolled and a fiscal year 2005-2006 budget of \$4.45 billion. The system consists of 139 elementary schools, 41 middle schools, and 29 high schools. In addition, there are 38 charter schools and 21 other sites for adult community, vocational, and training centers. Broward County Public Schools is an independent operating and taxing entity, meaning that it is separate from the County.

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

Transportation

Surface Transportation: The County is served by three bus lines, two railroads (Florida East Coast Railway and CSX), and major freight carriers. The road system within the County, totaling approximately 4,800 miles, contains over 140 miles of interstate and other expressways (including I-95, I-75, I-595, the Florida Turnpike, and the Sawgrass Expressway) and approximately 375 miles of divided highways. The County-operated bus system, with an active fleet of 275 transit vehicles, serviced 37.5 million passengers in fiscal year 2005 and is projected to serve approximately 39.5 million passengers during fiscal year 2006. TRI-Rail, a commuter rail system, provides service along a 72 mile corridor from Palm Beach County to Miami-Dade County.

Sea Transportation: Port Everglades, the State's deepest harbor and one of the top three cruise ports in the world, is located in the County – less than two miles from Fort Lauderdale-Hollywood International Airport. Port Everglades is served by major motor freight carriers and two railroads. All functions, assets, and liabilities of Port Everglades passed over to the County in November, 1994 as the result of a local bill which dissolved the separate governing body of the Port and transferred all related duties and powers to the Board. In fiscal year 2005 Port Everglades handled 128.8 million barrels of petroleum and 5,076,403 tons of containerized cargo. A total of 3,801,464 cruise ship passengers went through Port Everglades on 2,362 sailings in fiscal year 2005.

A portion of Port Everglades has been designated a Foreign Trade Zone (“FTZ”), where foreign components can be assembled, packaged, and shipped without usual customs duties. The FTZ at Port Everglades was the first such operating zone established in Florida. The FTZ now includes five sites within and outside of the Port’s boundaries on a total of 250 acres. In fiscal year 2005, cargo valued at more than \$135 million was received and more than \$137 million was shipped from all active general-purpose FTZ areas combined.

Air Transportation: Four airports are located in the County. There are three general aviation airports and the Fort Lauderdale-Hollywood International Airport (the “Airport”), which is used by most major national commercial airlines and several foreign commercial airlines. For calendar year 2005, enplaned passengers totaled 11,178,489 – an increase of 7.4% over calendar year 2004. Approximately 175,500 total tons of cargo were handled at the Airport in calendar year 2005 – a decrease of 4.1 percent over the amount handled in calendar year 2004.

Public Works and Transportation Department

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

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

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

The Fleet Services Division maintains the County's fleet vehicles and operates the County's fuel system. The County's fleet includes alternative fuel vehicles such as compressed natural gas vehicles, liquefied petroleum gas vehicles, and electric vehicles.

The Construction Management Division is responsible for directing the planning, design, and construction processes for new and renovated County facilities. The Seaport Planning and Construction Division oversees the development and administration of the extensive Capital Improvement Program at Port Everglades, which includes a wide range of functions from strategic planning and harbor maintenance/dredging to environmental mitigation/monitoring and wildlife protection.

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

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

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. In March, 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 in early April. Internal meetings are held in May to review the aggregate budget. 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 2006 contains a millage rate of 6.7830 mills. With respect to the individual components of the fiscal year 2006 millage rate, the general operations millage rate is 5.9838, the capital outlay millage rate is 0.3104 mills, and the remaining 0.4888 mills is for payment of debt service on voter approved general obligation bonds that is included in the fiscal year 2006 budget.

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 Budget and Management Policy 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 2006-2010 includes the following:

Transportation and Mass Transit Projects	\$ 279,930,750
Environmental/Beach Renourishment	42,988,170
Aviation.....	1,235,421,551
Port	185,103,790
Water/Wastewater	279,664,320
Criminal Justice/Public Safety/Human Services.....	56,375,150
Libraries and Parks.....	49,598,830
General Government.....	145,899,440
Economic Development/Redevelopment/Housing.....	<u>160,494,993</u>
Total	\$2,435,476,994

It is anticipated that the adopted CIP for the fiscal years 2006-2010 will be funded as follows:

Bonds.....	\$768,827,274
Federal and State Grants.....	190,214,822
Local Sources (Taxes, Fees, Fund Balance).....	<u>1,476,434,898</u>
Total	\$2,435,476,994

Employee Relations

As of October 1, 2005 (fiscal year 2006), the County had 6,427 full and part-time funded positions, as compared with 6,228 in fiscal year 2005, excluding employees of constitutional officers. The County budget also provides for 563 federal and state grant employee positions in fiscal year 2006. The Constitutional Officers are funded for 6,109 positions in fiscal year 2006.

There are eight organized collective bargaining units within the County: Amalgamated Transit Union, Local 1267 (Mass Transit, 756 unit employees); Amalgamated Transit Union, Local 1591 (White Collar, 1,478 unit employees); Federation of Public Employees (Blue Collar, 1,209 unit employees); Government Supervisory Association of Florida, Local 100 (GSA Supervisors, 346 unit employees); Federation of Public Employees (Port Everglades Blue Collar, 71 unit employees); Federation of Public Employees, Supervisory (Port Everglades Supervisors, 15 unit employees); Federation of Public Employees, Non-Supervisory (Port Everglades White Collar, 61 unit employees); and Government Supervisory Association of Florida, Local 100 (GSA Professionals, 1,335 unit employees). This information is based on data as of January 20, 2006.

The contracts for the Port Supervisors and Port Non-Supervisors bargaining units expired on September 30, 2003 and are currently under negotiations. The contracts for the Mass Transit and White Collar bargaining units expired on September 30, 2005, and are also currently under negotiations. The contracts for the Blue Collar and Port Blue Collar bargaining units expire on September 30, 2006. The County has never experienced serious work stoppage and Florida law prohibits public employees from striking.

Pension Plan

The County participates in the Florida Retirement System (the "System"). Pension costs of the County are recorded in the period salaries are earned. For fiscal year 2005, pension expenditures and expenses of the County, as required and defined by the System, were approximately \$69 million or 11.3% of covered payroll.

The County's relative position and undertakings in the System are not determinable. Instead, contributions of all participating agencies throughout the State are pooled to fund accrued benefits under the System. System officials have reported that the System has no unfunded pension benefit obligation as of June 30, 2004 – the latest valuation date of the plan.

Other Post Employment Benefits

The County allows its employees and their beneficiaries to continue obtaining health, dental and other insurance benefits upon retirement but does not contribute to the cost of such benefits. Employees and their beneficiaries pay the same group rates as are charged to the County for active employees. The unfunded actuarial accrued liability for the value of these benefits as of July 1, 2005, the date of the last actuarial valuation, was \$34,140,000. As of September 30, 2005, there were 203 retired employees continuing health insurance benefits with the County.

APPENDIX B

**BASIC FINANCIAL STATEMENTS OF
BROWARD COUNTY, FLORIDA FOR THE FISCAL YEAR
ENDED SEPTEMBER 30, 2005**

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Appendix B

Basic Financial Statements

BROWARD COUNTY, FLORIDA

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2005**



Finance and Administrative Services Department
Accounting Division
115 South Andrews Avenue
Fort Lauderdale, FL 33301

APPENDIX B

BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2005

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Report of Independent Certified Public Accountants

To the Board of County Commissioners of Broward County, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Broward County, Florida (the County), as of and for the year ended September 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of County management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Supervisor of Elections Office, a constitutional officer of the County, which represents .15% and .11%, respectively, of the assets and revenues of the aggregate remaining fund information. We also did not audit the financial statements of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Supervisor of Elections Office and the aggregate discretely presented component units, are based solely on the reports of other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to 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 Broward County, Florida at September 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States.



Rachlin Cohen & Holtz LLP

One Southeast Third Avenue ■ Tenth Floor ■ Miami, Florida 33131 ■ Phone 305.377.4228 ■ Fax 305.377.8331 ■ www.rachlin.com

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In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2006 on our consideration of Broward County, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis and the schedules of budgetary comparison are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the method of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Rachlin Cohen + Holtz LLP

Fort Lauderdale, Florida
January 27, 2006

Rachlin *Cohen*
& Holtz
Accountants • Advisors

Management's Discussion and Analysis

The management of Broward County offers this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2005. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our Letter of Transmittal.

FINANCIAL HIGHLIGHTS

The following are key financial highlights for the fiscal year:

- The assets of the County exceeded its liabilities at September 30, 2005 by \$3.6 billion (net assets). Of this amount, \$695 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$262 million, \$189 million of which was from governmental activities, and \$73 million was from business-type activities.
- As of September 30, 2005, the County's governmental funds reported combined ending fund balances of \$1,084 million, an increase of \$217 million from the prior year. Of this amount, \$856 million is available for use at the County's discretion (unreserved fund balance).
- At September 30, 2005, unreserved fund balance for the General Fund was \$224 million, or 18 percent of total general fund expenditures and transfers out.
- The County's total bonded debt increased by \$362 million or 17 percent during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities)

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

The government-wide financial statements include not only the County itself, but also the Housing Finance Authority, the Health Facilities Authority, and the Clerk of the Courts, legally separate entities for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 18 and 19 of this report.

Fund Financial Statements

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

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

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

Broward County maintains 33 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sheriff Operations Fund, the County Transportation Trust Fund, the Capital Outlay Reserve Fund, and the 2004/2005 General Obligation Bonds Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds and the non-major enterprise funds is provided in the form of combining statements elsewhere in this report.

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

Notes to the Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$3.6 billion as of September 30, 2005.

Broward County's Net Assets As of September 30, 2005 and 2004 (In thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 1,295,188	\$ 1,055,831	\$ 964,003	\$ 697,755	\$ 2,259,191	\$ 1,753,586
Capital assets	1,902,402	1,826,385	2,344,629	2,247,666	4,247,031	4,074,051
Total assets	3,197,590	2,882,216	3,308,632	2,945,421	6,506,222	5,827,637
Long-term debt outstanding	1,120,132	1,004,214	1,551,067	1,273,952	2,671,199	2,278,166
Other liabilities	149,736	132,093	120,286	106,904	270,022	238,997
Total liabilities	1,269,868	1,136,307	1,671,353	1,380,856	2,941,221	2,517,163
Net assets:						
Invested in capital assets, net of related debt	1,257,376	975,173	1,082,703	1,089,160	2,340,079	2,064,333
Restricted	229,139	389,727	300,643	237,621	529,782	627,348
Unrestricted	441,207	381,009	253,933	237,784	695,140	618,793
Total net assets	\$ 1,927,722	\$ 1,745,909	\$ 1,637,279	\$ 1,564,565	\$ 3,565,001	\$ 3,310,474

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

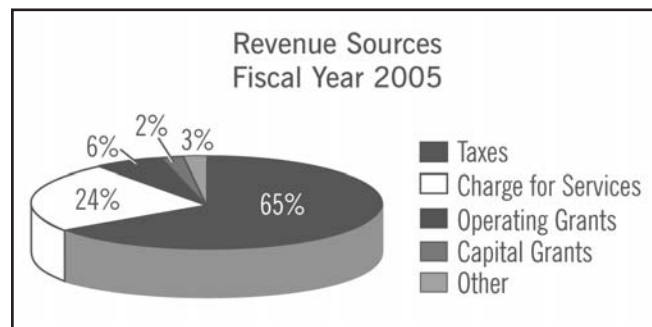
An additional portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the County's ongoing obligations to citizens and creditors. As of September 30, 2005 the County reports positive balances in all three categories of net assets, both for the government as a whole as well as for its separate governmental and business-type activities.

Governmental Activities

Governmental activities increased the County's net assets by \$189 million. Key elements of this increase are as follows:

Broward County's Changes in Net Assets For the Year Ended September 30, 2005 and 2004 (In thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 376,251	\$ 357,899	\$ 488,426	\$ 459,660	\$ 864,677	\$ 817,559
Operating grants and contributions	102,035	97,032	1,552	1,259	103,587	98,291
Capital grants and contributions	28,081	25,472	35,382	31,703	63,463	57,175
General revenues:						
Property taxes	786,060	715,163			786,060	715,163
Other taxes	249,062	235,476			249,062	235,476
Other	54,463	44,592	20,822	9,349	75,285	53,941
Total revenues	1,595,952	1,475,634	546,182	501,971	2,142,134	1,977,605
Expenses:						
General government	189,980	189,576			189,980	189,576
Public safety	14,578	19,445			14,578	19,445
Transportation	155,348	159,561			155,348	159,561
Human services	134,983	125,852			134,983	125,852
Culture and recreation	169,841	167,556			169,841	167,556
Physical environment	32,757	23,857			32,757	23,857
Economic environment	18,992	15,703			18,992	15,703
Sheriff	615,598	569,364			615,598	569,364
Clerk of the Court		41,134				41,134
Property Appraiser	13,692	12,140			13,692	12,140
Supervisor of Elections	15,260	12,902			15,260	12,902
Interest on long-term debt	45,560	38,683			45,560	38,683
Aviation			163,298	126,251	163,298	126,251
Port Everglades			101,645	95,626	101,645	95,626
Water and wastewater			91,785	83,082	91,785	83,082
Resource recovery system			108,979	103,022	108,979	103,022
Other			7,849	8,636	7,849	8,636
Total expenses	1,406,589	1,375,773	473,556	416,617	1,880,145	1,792,390
Increase in net assets						
Before Transfers	189,363	99,861	72,626	85,354	261,989	185,215
Transfers	(88)	(88)	88	88		
Increase in net assets	189,275	99,773	72,714	85,442	261,989	185,215
Net assets — Beginning	1,745,909	1,646,136	1,564,565	1,479,123	3,310,474	3,125,259
Restatement	(7,462)				(7,462)	
Net assets - Beginning, as restated	\$1,738,447	\$1,646,136	\$1,564,565	\$1,479,123	\$3,303,012	\$3,125,259
Net assets - Ending	\$1,927,722	\$1,745,909	\$1,637,279	\$1,564,565	\$3,565,001	\$3,310,474



The County's governmental activities had net expenses of (\$900 million) before general revenues. However, these services are funded primarily from general taxes, and those general revenues produced net revenues of \$189 million. Charges for services increased 7% due to increases in a number of agency services. Property tax revenues increased 10% due to both new construction and increased assessed values of property within the County. Sheriff expenses increased 8% due to a new contract for services to a city, expanded services to other cities, and other cost increases.

The County's business-type activities had net revenue of \$52 million and increased net assets by \$73 million, with all major operations reporting net revenues for the year.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

At September 30, 2005, the County's governmental funds reported combined ending fund balances of \$1,084 million, an increase of \$217 million from the prior year. This increase resulted from an increase in the General Fund of \$60 million, a \$125 million increase in the 2004/2005 GOB Capital Projects Fund, and a general increase in the fund balance of all other governmental funds.

Approximately 79% of the combined fund balances (\$856 million) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate prior year obligations (\$188 million), (2) to pay debt service (\$27 million), or (3) for other restricted purposes.

The General Fund is the chief operating fund of the County. At September 30, 2005, the unreserved fund balance of the General Fund was \$224 million and the total fund balance was \$233 million. As a measure of the General Fund's liquidity, the total fund balance represents approximately 18 percent of total General Fund expenditures and transfers out.

The other major governmental funds of the County include the Sheriff's Operations Fund, which does not have a fund balance but has a small reserve for inventory, the County Transportation Trust Fund, which receives revenues dedicated to meeting various transportation needs, the County's Capital Outlay Reserve Fund, which is the principal capital projects fund of the County, and the 2004/2005 General Obligation Bond Capital Projects Fund, a significant bond funded capital program of the County.

Proprietary Funds

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

Aviation operating revenues increased \$28 million or 24% as air travel to and from the area increased substantially during 2005 and a new passenger facility charge was implemented to finance a consolidated rental car facility. Unrestricted net assets of the Aviation Department were \$44 million at September 30, 2005.

Port Everglades operating revenues decreased (\$7 million) or approximately (6%) due primarily to the absence of a lease termination settlement revenue of \$8.4 million received in 2004. Unrestricted net assets of the Port Everglades Fund were \$129 million at September 30, 2005.

Water and Wastewater System operating revenues increased \$4.6 million or 6% due to general growth in system usage and to rate increases. Unrestricted net assets of the Water and Wastewater System were \$9 million at September 30, 2005.

Resource Recovery System operating revenues increased \$1.7 million or 2% due to an increase in volume and higher tipping fees. Unrestricted net assets of the Resource Recovery System were \$71 million at September 30, 2005.

BUDGETARY HIGHLIGHTS

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

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

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

- Revenues were increased \$24,268 or 2% due primarily to increased estimated charges for services.
- Expenditures were increased \$30,135 or 5% due to general increases in most functional areas.
- Operating transfers in were reduced (\$57,324) or 48% due to changes in expected results in other funds.
- Operating transfers out were decreased (\$16,551) due to decreased expected transfers to other funds, reduced by increased transfers to constitutional officers, which were offset by \$15,400 in transfers back from constitutional officers.

General Fund actual total revenues were \$1,231,375 or 98% of the final budget amount. Total expenditures of \$540,464 were 83% of the final budget as most functional areas were under budget. Net transfers out of \$631,455 were just under the budget. Revenues exceeded expenditures and transfers, resulting in an increase in the General Fund balance of \$59,456, which compared to a decrease that was budgeted.

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, 2005 amounted to \$4.2 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, parks, roads, highways, and bridges. The total increase in the County's investment in capital assets for the current fiscal year was four percent.

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

- Various road construction projects (\$9 million).
- Acquisition of land under the program to preserve the County's open space (\$10 million).
- Acquisition of equipment for the Sheriff's Office (\$25 million).
- Improvements to the County's parks system (\$9 million).
- Improvements to the West Government Center (\$14 million).
- Neighborhood improvement projects for Water and Wastewater services (\$19 million).
- Additions to the County's library facilities (\$15 million).
- Continued construction and expansion of the Aviation Facilities in accordance with an ongoing master plan (approximately \$59 million net of depreciation).

Broward County's Capital Assets (in thousands)
(net of depreciation)
September 30, 2005

	Governmental	Business-type	Total 2005	2004
Land	\$ 395,930	\$ 345,245	\$ 741,175	\$ 729,480
Landfill		28,640	28,640	28,782
Property held for leasing		197,858	197,858	258,843
Buildings	590,917	759,995	1,350,912	1,029,942
Improvements	514,151	371,489	885,640	825,894
Equipment	205,887	463,057	668,944	620,577
Construction in progress	195,517	178,345	373,862	580,533
Total	\$1,902,402	\$2,344,629	\$4,247,031	\$4,074,051

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

Long-term debt

At September 30, 2005, the County had total bonded debt outstanding of \$2.5 billion, a 16% increase from the prior year. Of this amount, \$612 million comprises debt backed by the full faith and credit of the government, \$235 million is special obligation debt secured by dedicated revenue sources, \$139 million is loans payable and other obligations, and \$1.5 billion is secured solely by specified revenue sources (i.e. revenue bonds).

Broward County's Outstanding Debt, in millions
General Obligation and Revenue Bonds
September 30, 2005

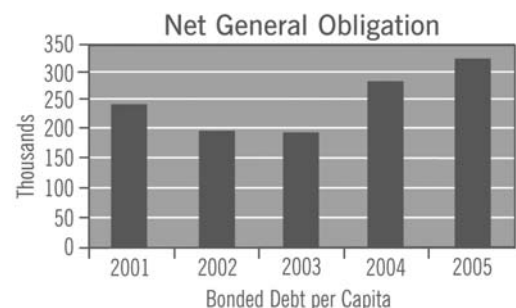
	Governmental Activities	Business-type Activities	Total 2005	2004
General obligation bonds	\$611,605		\$ 611,605	\$ 492,140
Special obligation bonds	234,515		234,515	244,915
Loans payable and other obligations	108,857	\$ 29,966	138,823	168,968
Revenue bonds		1,500,915	1,500,915	1,217,613
Total	\$954,977	\$1,530,881	\$2,485,858	\$2,123,636

The County's outstanding bonded indebtedness increased \$362 million during the year. New bonds issued during the year included a \$154 million Parks and Land Preservation Project Issue, \$247 Airport Improvements Issues, and \$77 million Water and Sewer Construction and Refunding Issues.

The County continues to meet its financial needs through prudent use of its revenues and creative debt financing programs. The County's financial strength and sound financial management practices are reflected in its general obligation bond investment ratings, which are among the highest levels attained by Florida counties:

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

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



ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local, national and international economic factors influence the County's revenues. Positive 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.

- The unemployment rate for the County is currently 3.5%, lower than the rate for the state of Florida (3.8%) and the nation (4.8%).
- Tourist visitors during 2005 were 10 million, an increase of 6% over 2004.
- Net assessed value of real and personal property within the County increased 11%.
- Inflation in the region remains at a relatively low level.

All of these factors were considered in preparing the County's budget for the 2006 fiscal year. For the eighth consecutive year, the County's property tax millage rate was not increased. Some cost reductions and revenue increases helped fund expanded facilities and certain program expansions designed to address Commission goals.

REQUESTS FOR INFORMATION

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

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

Basic Financial Statements

STATEMENT OF NET ASSETS

September 30, 2005

(In Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and Cash Equivalents	\$ 961,046	\$ 187,909	\$1,148,955	\$ 6,700
Investments	213,668	79,522	293,190	7,561
Receivables (Net)	10,409	38,504	48,913	4,957
Delinquent Taxes Receivable (Net)	6,008		6,008	
Internal Balances	15,688	(15,688)		
Due from Primary Government				594
Due from Other Governments	64,043	10,558	74,601	
Inventories	7,557	6,026	13,583	1
Advance to Component Unit	4,700		4,700	
Other Current Assets	8,514	4,042	12,556	332
Restricted Assets:				
Cash and Cash Equivalents		403,955	403,955	59,526
Investments		223,912	223,912	
Deferred Charges	3,555	25,263	28,818	
Capital Assets:				
Non-depreciable	591,447	523,590	1,115,037	1,036
Depreciable (Net)	1,310,955	1,821,039	3,131,994	4,110
Total Assets	3,197,590	3,308,632	6,506,222	84,817
LIABILITIES				
Accounts Payable	33,634	13,578	47,212	186
Accrued Liabilities	42,060	21,963	64,023	4,751
Accrued Interest Payable	11,266		11,266	
Due to Primary Government				4,700
Due to Component Unit	594		594	
Due to Other Governments	13,808	7,348	21,156	1,078
Escrow Deposits	13,645		13,645	
Deferred Revenues	34,729	1,003	35,732	
Other Current Liabilities		2,494	2,494	
Current Liabilities Payable from				
Restricted Assets		73,900	73,900	46,830
Non-current Liabilities:				
Due Within One Year	110,145	51,789	161,934	321
Due in More Than One Year	1,009,987	1,499,278	2,509,265	3,142
Total Liabilities	1,269,868	1,671,353	2,941,221	61,008
NET ASSETS				
Invested in Capital Assets, Net of				
Related Debt	1,257,376	1,082,703	2,340,079	5,146
Restricted for:				
Capital Projects	186,802	111,805	298,607	
Debt Service	15,834	77,190	93,024	
Transportation	21,808		21,808	
Equipment Modernization	3,252		3,252	
Passenger Facility Charges		75,362	75,362	
Landfill Closure		17,434	17,434	
Revenue Bonds Renewal & Replacement		18,852	18,852	
Other	1,443		1,443	15,675
Unrestricted	441,207	253,933	695,140	2,988
Total Net Assets	\$1,927,722	\$1,637,279	\$3,565,001	\$23,809

See accompanying notes.

STATEMENT OF ACTIVITIES

for the fiscal year ended September 30, 2005

(In Thousands)

					Net (Expenses) Revenue and Changes in Net Assets		
		Program Revenues			Primary Government		Component Units
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- type Activities	
	Expenses					Total	
Activities:							
Primary Government:							
Governmental Activities:							
General Government	\$ 189,980	\$ 76,378	\$ 1,702		\$ (111,900)	\$ (111,900)	
Public Safety	14,578	13,331	3,668		2,421	2,421	
Transportation	155,348	28,631	16,910	\$13,683	(96,124)	(96,124)	
Human Services	134,983	4,510	36,569		(93,904)	(93,904)	
Culture and Recreation	169,841	23,788	6,353	5,841	(133,859)	(133,859)	
Physical Environment	32,757	13,229	1,867	8,557	(9,104)	(9,104)	
Economic Environment	18,992	2,733	13,717		(2,542)	(2,542)	
Sheriff	615,598	211,316	20,988		(383,294)	(383,294)	
Property Appraiser	13,692	2,176			(11,516)	(11,516)	
Supervisor of Elections	15,260	159	261		(14,840)	(14,840)	
Interest on Long-term Debt	45,560				(45,560)	(45,560)	
Total Governmental Activities	1,406,589	376,251	102,035	28,081	(900,222)	(900,222)	
Business-type Activities:							
Aviation	163,298	174,760	1,286	18,965		\$ 31,713	31,713
Port Everglades	101,645	105,858	154	10,649		15,016	15,016
Water and Wastewater	91,785	86,881		5,768		864	864
Resource Recovery System	108,979	113,551	112			4,684	4,684
Other	7,849	7,376				(473)	(473)
Total Business-type Activities	473,556	488,426	1,552	35,382		51,804	51,804
Total Primary Government	\$1,880,145	\$864,677	\$103,587	\$63,463	\$ (900,222)	\$ 51,804	\$ (848,418)
Component Units:							
Clerk of Courts	\$ 41,395	\$ 47,684					\$6,289
Housing Finance Authority	2,158	1,836					(322)
Health Facilities Authority	7	79					72
Total Component Units	\$ 43,560	\$ 49,599					\$6,039

General Revenues:				
Taxes:				
Property Taxes		\$ 786,060		\$ 786,060
One-Half Cent Sales Taxes		70,610		70,610
Gas Taxes		92,643		92,643
Revenue Sharing - Unrestricted		29,175		29,175
Other		56,634		56,634
Interest Income		30,690	\$ 20,822	51,512
Miscellaneous		23,773		23,773
Special Item - Return of Donated Land Transfers		(88)	88	(301)
Total General Revenues, Special Item, and Transfers		1,089,497	20,910	1,110,407
Change in Net Assets		189,275	72,714	261,989
Net Assets - Beginning, as restated		1,738,447	1,564,565	3,303,012
Net Assets - Ending		\$1,927,722	\$1,637,279	\$3,565,001

See accompanying notes.

BALANCE SHEET

Governmental Funds

September 30, 2005

(In Thousands)

	MAJOR FUNDS						
	General	Sheriff Operations	County Transportation Trust	Capital Outlay Reserve	2004/2005 GOB Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 228,964	\$ 39,015	\$ 15,690	\$ 225,859	\$ 64,276	\$ 349,152	\$ 922,956
Investments					145,996	56,721	202,717
Receivables (Net):							
Accounts	1,941		20	2		2,818	4,781
Other	3,749					1,863	5,612
Delinquent Taxes Receivable (Net)	5,560			154		294	6,008
Due from Other County Funds	17,563	211	91	10,700		5,368	33,933
Due from Other Governments	34,939	18	16,560	139	116	11,831	63,603
Inventory	4,530	934	1,375			178	7,017
Other Current Assets		300				5	305
Advance to Component Unit	1,100			3,600			4,700
Total Assets	\$ 298,346	\$ 40,478	\$ 33,736	\$ 240,454	\$ 210,388	\$ 428,230	\$ 1,251,632
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 20,243	\$ 1,662	\$ 305	\$ 1,496	\$ 277	\$ 9,187	\$ 33,170
Accrued Liabilities	5,296	23,400	340	2,458	1,258	8,307	41,059
Due to Other County Funds	91	12,362				7,902	20,355
Due to Component Unit	594						594
Due to Other Governments	5,300	2,120	271		3,712	2,405	13,808
Escrow Deposits	8,764		4,786			95	13,645
Deferred Revenue	24,976			154		19,807	44,937
Total Liabilities	65,264	39,544	5,702	4,108	5,247	47,703	167,568
Fund Balances:							
Reserved for Encumbrances	556			18,196	57,815	111,650	188,217
Reserved for Inventory	4,530	934	1,375				6,839
Reserved for Debt Service						26,806	26,806
Other Reserves	4,267					2,082	6,349
Unreserved/Undesignated Related to:							
General Fund	223,729						223,729
Special Revenue Funds			26,659			43,268	69,927
Capital Projects Funds				218,150	147,326	196,721	562,197
Total Fund Balances	233,082	934	28,034	236,346	205,141	380,527	1,084,064
Total Liabilities and Fund Balances	\$ 298,346	\$ 40,478	\$ 33,736	\$ 240,454	\$ 210,388	\$ 428,230	\$ 1,251,632

See accompanying notes.

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

September, 30 2005
(In Thousands)

Fund balances - total governmental funds \$ 1,084,064

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

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

	<i>Asset Cost</i>	<i>Accumulated Depreciation</i>	<i>Net</i>	
Land	\$395,930		\$ 395,930	
Construction in Progress	195,517		195,517	
Buildings	772,055	\$(181,138)	590,917	
Improvements	699,730	(185,579)	514,151	
Equipment	554,310	(352,479)	201,831	1,898,346

Other long-term assets are not available to pay for current period
expenditures and therefore are deferred in the governmental funds. 10,490

Bond issuance costs are reported as expenditures in the governmental funds, but are deferred
to future periods in the statement of net assets (amortized over the life of the bonds).

Deferred charges - unamortized bond issuance costs 3,555

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	\$ (611,605)	
Special obligation bonds	(234,515)	
Loans payable and other obligations	(108,857)	
Discount/(premium) and deferred on refunding	(21,965)	
Compensated absences	(85,130)	
Accrued interest payable	(11,266)	(1,073,338)

Internal service funds are used by management to charge the costs of self-insurance,
printings and fleet services to individual funds. The assets and liabilities of the
internal services funds are included in governmental activities in the statement of
net assets. 4,605

Total net assets of governmental activities \$1,927,722

See accompanying notes.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Governmental Funds

for the fiscal year ended September 30, 2005
(In Thousands)

	MAJOR FUNDS						
	General	Sheriff Operations	County Transportation Trust	Capital Outlay Reserve	2004/2005 GOB Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes (Net of Discounts)	\$ 704,382		\$ 67,560	\$ 32,192		\$ 60,870	\$ 865,004
Special Assessment/Impact Fees	4,845		5,617			1,424	11,886
Licenses and Permits	17,423		263			1,256	18,942
Federal Grants	46,982			283		16,781	64,046
State Revenues:							
Revenue Sharing	29,175						29,175
Grants	25,976			5,811	\$ 5,631	20,824	58,242
Licenses	612		371				983
Gasoline Taxes			25,083				25,083
Tourist Tax						39,241	39,241
One-Half Cent Sales Tax	58,672		11,938				70,610
Other						6,788	6,788
Charges for Services	297,817		1,805	581		12,384	312,587
Fines and Forfeitures	4,329					7,779	12,108
Interest Income	11,940		677	4,746	3,435	8,996	29,794
Miscellaneous	29,222		172	1,278	211	9,194	40,077
Total Revenues	1,231,375		113,486	44,891	9,277	185,537	1,584,566
Expenditures:							
Current:							
General Government	155,041					24,251	179,292
Public Safety	11,148	\$559,691				30,191	601,030
Transportation	103,748		26,576				130,324
Human Services	131,928					294	132,222
Culture and Recreation	104,197					22,839	127,036
Physical Environment	20,916					3,475	24,391
Economic Environment	13,237					5,201	18,438
Capital Outlay		19,735	37	28,552	46,981	118,112	213,417
Debt Service:							
Principal Retirement						57,115	57,115
Interest and Fiscal Charges	249			24		46,305	46,578
Bond and Loan Issuance Costs					941	148	1,089
Total Expenditures	540,464	579,426	26,613	28,576	47,922	307,931	1,530,932
Excess of Revenues Over (Under) Expenditures	690,911	(579,426)	86,873	16,315	(38,645)	(122,394)	53,634
Other Financing Sources (Uses):							
Bonds Issued					154,135		154,135
Premium on Bonds Issued					9,401		9,401
Transfers In	75,380	594,826	5,420	39,475		181,946	897,047
Transfers Out	(706,835)	(15,400)	(91,848)	(9,584)		(73,923)	(897,590)
Total Other Financing Sources (Uses)	(631,455)	579,426	(86,428)	29,891	163,536	108,023	162,993
Net Change in Fund Balances	59,456		445	46,206	124,891	(14,371)	216,627
Fund Balances, October 1, as Restated	172,995	748	27,750	190,140	80,250	394,898	866,781
Changes In Reserves for Inventory	631	186	(161)				656
Fund Balances, September 30	\$ 233,082	\$ 934	\$ 28,034	\$ 236,346	\$205,141	\$ 380,527	\$1,084,064

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, 2005

(In Thousands)

Net change in fund balances - total governmental funds	\$ 216,627	
Changes in reserves for inventory	<u>656</u>	\$ 217,283

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the statement of activities, only the loss on the disposed capital assets is reported. The change in net assets differs from the change in fund balance by the carrying value of capital assets disposed.

Expenditures for capital assets	\$ 167,319	
Current year depreciation	(73,314)	
Carrying value of the disposed capital assets	<u>(14,286)</u>	79,719

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

10,490

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

Principal retired	\$ 57,115	
Bond proceeds	(154,135)	
Premium on bonds issued	<u>(9,401)</u>	(106,421)

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

Bond issuance costs	\$ 1,089	
Amortization of bond issuance costs	<u>(339)</u>	750

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

Change in compensated absences	\$ (10,136)	
Change in accrued interest payable	(2,079)	
Amortization of debt discount and premium	2,124	
Amortization of refunding difference	<u>687</u>	(9,404)

The net revenue (expense) of internal service funds is reported with governmental activities on the statement of activities.

(3,142)

Change in net assets of governmental activities	<u>\$189,275</u>
--	-------------------------

See accompanying notes.

PROPRIETARY FUNDS

Statement of Net Assets

September 30, 2005

(In Thousands)

	<i>Aviation</i>	<i>Port Everglades</i>	<i>Water and Wastewater</i>	<i>Resource Recovery System</i>	<i>Other Nonmajor Enterprise Funds</i>	<i>Total</i>	<i>Internal Service Funds</i>
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 48,526	\$ 48,257	\$ 12,574	\$ 68,874	\$ 9,678	\$ 187,909	\$ 38,090
Investments		79,522				79,522	10,951
Receivables (Net):							
Accounts	6,170	6,471	12,304	13,507	52	38,504	16
Due from Other County Funds							109
Due from Other Governments	8,370	2,074		114		10,558	440
Inventory	308	3,462	2,256			6,026	540
Other Current Assets	1,613	1,614	815			4,042	8,209
Total Current Assets	64,987	141,400	27,949	82,495	9,730	326,561	58,355
Noncurrent Assets:							
Restricted Assets:							
Cash & Cash Equivalents	324,846	36,952	31,670	6,949	3,538	403,955	
Investments	157,174	1,668	47,409	17,661		223,912	
Deferred Charges	10,780	4,139	3,392	6,952		25,263	
Capital Assets:							
Land	282,797	55,954	4,874		1,620	345,245	
Construction in Progress	61,425	18,370	98,515	35		178,345	
Landfill (Net)				28,640		28,640	
Property Held for Leasing (Net)		197,858				197,858	
Buildings (Net)	574,436	96,078	88,345	1,114	22	759,995	
Improvements (Net)	290,381	63,076		17,431	601	371,489	
Equipment (Net)	4,497	85,610	371,546	1,294	110	463,057	4,056
Total Noncurrent Assets	1,706,336	559,705	645,751	80,076	5,891	2,997,759	4,056
Total Assets	1,771,323	701,105	673,700	162,571	15,621	3,324,320	62,411
LIABILITIES							
Current Liabilities:							
Accounts Payable		5,684		7,286	608	13,578	981
Accrued Liabilities	9,901	1,025	14,007	454	42	25,429	899
Due to Other County Funds	5,350	5,350				10,700	2,987
Due to Other Governments		1,861	3,094	2,393		7,348	
Deferred Revenue	1,003					1,003	282
Other Current Liabilities	2,494					2,494	24,252
Total Current Liabilities	18,748	13,920	17,101	10,133	650	60,552	29,401
Noncurrent Liabilities:							
Liabilities Payable from							
Restricted Assets	82,096	13,920	19,913	5,920	374	122,223	
Revenue Bonds and Loans Payable							
Long-Term (Net)	899,361	263,386	278,765	29,919		1,471,431	
Other Long-Term Liabilities	8,856	532	1,422	14,595	2,442	27,847	33,393
Total Noncurrent Liabilities	990,313	277,838	300,100	50,434	2,816	1,621,501	33,393
Total Liabilities	1,009,061	291,758	317,201	60,567	3,466	1,682,053	62,794
NET ASSETS							
Invested in Capital Assets, net of related debt	529,696	249,486	287,909	13,259	2,353	1,082,703	4,056
Restricted:							
Capital Projects	64,009	12,898	34,898			111,805	
Debt Service	49,403	3,433	20,053	4,301		77,190	
Passenger Facility Charges	75,362					75,362	
Landfill Closure				13,748	3,686	17,434	
Revenue Bonds Renewal & Replacement		14,637	4,215			18,852	
Unrestricted	43,792	128,893	9,424	70,696	6,116	258,921	(4,439)
Total Net Assets	\$ 762,262	\$ 409,347	\$ 356,499	\$ 102,004	\$ 12,155	\$ 1,642,267	\$ (383)
Adjustments to reflect the consolidation of internal service fund activities related to business-type activities						(4,988)	
Net assets of business-type activities						\$ 1,637,279	

PROPRIETARY FUNDS
Statement of Revenues, Expenses and Changes in Fund Net Assets
for the fiscal year ended September 30, 2005
(In Thousands)

	<i>Aviation</i>	<i>Port Everglades</i>	<i>Water and Wastewater</i>	<i>Resource Recovery System</i>	<i>Other Nonmajor Enterprise Funds</i>	<i>Total</i>	<i>Internal Service Funds</i>
Operating Revenues:							
Concessions	\$ 38,300					\$ 38,300	
Parking Fees	40,511	\$ 7,597				48,108	
Terminal Rentals	25,519					25,519	
Airfield Fees	13,800					13,800	
Building and Ground Rentals	8,121	10,139				18,260	
Customer Facility Charges	16,174					16,174	
Vessel and Cargo Services		82,382				82,382	
Wastewater Treatment Charges			\$ 50,563			50,563	
Water Sales			34,436			34,436	
Tipping Fees				\$ 107,982		107,982	
Recycling				5,384	\$ 272	5,656	
Assessments					5,084	5,084	
Miscellaneous	1,770	5,740	1,882	185	2,020	11,597	\$59,625
Total Operating Revenues	144,195	105,858	86,881	113,551	7,376	457,861	59,625
Operating Expenses:							
Personal Services	22,634	17,557	22,449	3,351	880	66,871	7,774
General Operating	73,529	47,675	31,129	92,843	6,916	252,092	57,355
Depreciation	28,728	19,432	28,209	1,482	108	77,959	1,356
Total Operating Expenses	124,891	84,664	81,787	97,676	7,904	396,922	66,485
Operating Income (Loss)	19,304	21,194	5,094	15,875	(528)	60,939	(6,860)
Non-Operating Revenues (Expenses):							
Grants	1,286	154		112		1,552	
Interest Income	12,262	4,337	2,021	1,835	367	20,822	896
Interest Expense	(38,015)	(15,543)	(8,005)	(1,327)		(62,890)	
Gain (Loss) on Sale of Capital Assets	(576)	2	(1,744)	62	2	(2,254)	382
Passenger Facility Charges	30,565					30,565	
Other	728	(780)	104	(10,023)	53	(9,918)	413
Total Non-Operating Revenues (Expenses)	6,250	(11,830)	(7,624)	(9,341)	422	(22,123)	1,691
Income (Loss) Before Capital Contributions and Transfers	25,554	9,364	(2,530)	6,534	(106)	38,816	(5,169)
Capital Contributions	18,965	10,649	5,768			35,382	
Transfers In				214	588	802	455
Transfers Out				(300)	(414)	(714)	
Change in Net Assets	44,519	20,013	3,238	6,448	68	74,286	(4,714)
Total Net Assets, October 1	717,743	389,334	353,261	95,556	12,087		4,331
Total Net Assets, September 30	\$762,262	\$409,347	\$356,499	\$ 102,004	\$12,155		\$ (383)
Adjustments to reflect the allocation of internal service fund net revenue (expense) to business-type activities.						(1,572)	
Change in net assets of business-type activities						\$72,714	

See accompanying notes.

PROPRIETARY FUNDS

Statement of Cash Flows

for the fiscal year ended September 30, 2005
(In Thousands)

	<i>Aviation</i>	<i>Port Everglades</i>	<i>Water and Wastewater</i>	<i>Resource Recovery System</i>	<i>Other Nonmajor Enterprise Funds</i>	<i>Total</i>	<i>Internal Service Funds</i>
Cash Flows From Operating Activities:							
Cash Received From Customers	\$148,626	\$106,291	\$85,365	\$113,124	\$7,385	\$460,791	\$ 10,706
Cash Received for Premiums							96,914
Cash Payments to Suppliers for Goods and Services	(69,492)	(39,329)	(28,162)	(88,382)	(6,706)	(232,071)	(79,018)
Cash Payments to Employees for Services	(22,348)	(17,403)	(22,132)	(3,302)	(878)	(66,063)	(7,709)
Cash Payments for Claims							(14,924)
Other Cash Received			199		53	252	413
Other Cash Paid				(8,696)		(8,696)	
Net Cash Provided by (Used For) Operating Activities	56,786	49,559	35,270	12,744	(146)	154,213	6,382
Cash Flows from Noncapital Financing Activities:							
Operating Grants Received	1,286	154		112		1,552	
Transfers In				214	588	802	455
Transfers Out				(300)	(414)	(714)	
Other Non-Operating Expense		(230)				(230)	
Net Cash Provided by (Used For) Noncapital Financing Activities	1,286	(76)		26	174	1,410	455
Cash Flows from Capital and Related Financing Activities:							
Acquisition and Construction of Capital Assets	(97,205)	(28,675)	(56,367)	(209)	(46)	(182,502)	(1,625)
Proceeds from Sale of Capital Assets	4,063		200	63	2	4,328	385
Proceeds from Bonds and Notes	252,254		79,143			331,397	
Debt Principal Payments	(19,700)	(11,950)	(22,688)	(5,415)		(59,753)	
Interest and Fiscal Charges Paid	(36,411)	(13,243)	(10,756)	(1,356)		(61,766)	
Capital Contributions	23,011	13,581	538			37,130	
Receipt of Passenger Facility Charges	30,565					30,565	
Capital Recovery and Surcharge Fees			2,590			2,590	
Net Cash Provided by (Used for) Capital and Related Financing Activities	\$156,577	\$ (40,287)	\$ (7,340)	\$ (6,917)	\$ (44)	\$101,989	\$ (1,240)

(continued)

See accompanying notes.

PROPRIETARY FUNDS
Statement of Cash Flows, continued
for the fiscal year ended September 30, 2005
(In Thousands)

	<i>Aviation</i>	<i>Port Everglades</i>	<i>Water and Wastewater</i>	<i>Resource Recovery System</i>	<i>Other Nonmajor Enterprise Funds</i>	<i>Total</i>	<i>Internal Service Funds</i>
Cash Flows from Investing Activities:							
Purchase of Investment Securities	\$(841,501)	\$(157,711)	\$(46,900)	\$(144,146)		\$(1,190,258)	
Proceeds from Sale and Maturities of Investment Securities	773,944	89,139		126,486		989,569	\$ (117)
Interest and Dividends on Investments	12,262	4,535	\$ 1,460	1,835	\$ 367	20,459	896
Net Cash Provided by (Used for) Investing Activities	(55,295)	(64,037)	(45,440)	(15,825)	367	(180,230)	779
Net Increase (Decrease) in Cash and Cash Equivalents	159,354	(54,841)	(17,510)	(9,972)	351	77,382	6,376
Cash and Cash Equivalents, October 1	214,018	140,050	61,754	85,795	12,865	514,482	31,714
Cash and Cash Equivalents, September 30	\$373,372	\$ 85,209	\$44,244	\$ 75,823	\$13,216	\$ 591,864	\$ 38,090
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Operating Income (Loss)	\$ 19,304	\$ 21,194	\$ 5,094	\$ 15,875	\$ (528)	\$ 60,939	\$ (6,860)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (Used for) Operating Activities:							
Depreciation Expense	28,728	19,432	28,209	1,482	108	77,959	1,356
Miscellaneous Non-Operating Revenue (Expense)	(30)		199	(8,688)	53	(8,466)	413
Provision for Uncollectable Accounts			42			42	
Decrease (Increase) in Assets:							
Accounts Receivable	(3,304)	529	(1,534)	(340)	1	(4,648)	731
Due from Other County Funds			18			18	5,926
Due from Other Governments		223		(88)	9	144	(202)
Inventory	41	(98)	(426)			(483)	197
Other Current Assets	(360)	(23)	(63)			(446)	(525)
Increase (Decrease) in Liabilities:							
Accounts Payable	4,315	2,406	1,500	909	438	9,568	(1,632)
Accrued Liabilities	6,504	154	275	72	2	7,007	(102)
Due to Other County Funds		5,350		(18)		5,332	2,987
Due to Other Governments		487	1,956	183	(17)	2,609	
Other Current Liabilities	1,588	(95)				1,493	4,093
Provision for Landfill Closure				3,357	(212)	3,145	
Total Adjustments	37,482	28,365	30,176	(3,131)	382	93,274	13,242
Net Cash Provided by (Used for) Operating Activities	\$ 56,786	\$ 49,559	\$35,270	\$ 12,744	\$ (146)	\$ 154,213	\$ 6,382
Noncash Investing, Capital and Financing Activities:							
Change in Fair Value of Investments	\$ 1,268					\$ 1,268	\$ 118

See accompanying notes.

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

Agency Funds

September 30, 2005

(In Thousands)

	<i>Total</i>
ASSETS	
Cash and Cash Equivalents	\$ 49,674
Accounts Receivable (Net)	2,453
Delinquent Taxes Receivable	90,885
Due from Other Governments	3,347
Total Assets	\$146,359
LIABILITIES	
Accounts Payable	\$ 34
Due to Other Governments	29,532
Due to Individuals	7,810
Escrow Deposits	108,983
Total Liabilities	\$146,359

See accompanying notes.

COMPONENT UNITS

Statement of Net Assets

September 30, 2005

(In Thousands)

	CLERK OF COURTS	HOUSING FINANCE	HEALTH FACILITIES	TOTAL
ASSETS				
Cash and Cash Equivalents	\$ 5,357	\$ 1,152	\$191	\$ 6,700
Investments		7,561		7,561
Receivables (Net)		4,957		4,957
Due from Primary Government	594			594
Inventories	1			1
Other Current Assets	332			332
Restricted Assets:				
Cash and Cash Equivalents	12,696	46,830		59,526
Capital Assets:				
Non-depreciable		1,036		1,036
Depreciable (Net)	3,279	831		4,110
Total Assets	22,259	62,367	191	84,817
LIABILITIES				
Accounts Payable	102	84		186
Accrued Liabilities	4,732	19		4,751
Due to Primary Government		4,700		4,700
Due to Other Governments	1,078			1,078
Current Liabilities Payable from				
Restricted Assets		46,830		46,830
Non-current Liabilities:				
Due Within One Year	242	79		321
Due in More Than One Year	3,074	68		3,142
Total Liabilities	9,228	51,780		61,008
NET ASSETS				
Invested in Capital Assets, net of				
Related Debt	3,279	1,867		5,146
Restricted for:				
Other	11,384	4,291		15,675
Unrestricted	(1,632)	4,429	191	2,988
Total Net Assets	\$13,031	\$10,587	\$191	\$23,809

See accompanying notes.

COMPONENT UNITS

Statement of Activities

for the fiscal year ended September 30, 2005
(In Thousands)

	<i>CLERK OF COURTS</i>	<i>HOUSING FINANCE</i>	<i>HEALTH FACILITIES</i>	<i>TOTAL</i>
Program Expenses:				
Personal Services	\$37,029	\$ 1,452		\$ 38,481
Professional Fees		79	\$ 7	86
General Operating	3,409	523		3,932
Depreciation	957	39		996
Interest Expense		65		65
Total Program Expenses	41,395	2,158	7	43,560
Program Revenues:				
Charges for Services				
Court Related Revenues	29,687			29,687
Non-court Related Revenues	749			749
Fines and Forfeitures	5,623			5,623
Recording Fees	8,955			8,955
Authority Fees		1,235	79	1,314
Rentals		38		38
Bond Issuance and Redemption Income		501		501
Miscellaneous	2,670	62		2,732
Total Program Revenues	47,684	1,836	79	49,599
Program Income (Loss)	6,289	(322)	72	6,039
General Revenues:				
Interest and Investment Income	541	76	4	621
Special Item - Return of Donated Land		(301)		(301)
Total General Revenues and Special Item	541	(225)	4	320
Change in Net Assets	6,830	(547)	76	6,359
Net Assets - Beginning, as Restated	6,201	11,134	115	17,450
Net Assets - Ending	\$13,031	\$10,587	\$191	\$23,809

See accompanying notes.

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September 30, 2005

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NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

Blended Component Units

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

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

Broward County Water Control District No. 2 - Section 298.01, F.S.; County Ord. No. 79-93. The governing body is the Board of County Commissioners. Separate financial statements are not required or prepared.

Broward County Water Control District No. 3 - Section 298.01, F.S.; County Ref. 4/15/69. The governing body is the Board of County Commissioners. Separate financial statements are not required or prepared.

Broward County Water Control District No. 4 - Section 298.01, F.S.; County Ref. 3/29/66. The governing body is the Board of County Commissioners. Separate financial statements are not required or prepared.

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

Ravenswood Water Control District - Section 298.01, F.S.; County Ord. No. 80-18. The governing body is the Board of County Commissioners. The District conducted no financial transactions during the year and has no assets, liabilities or fund balance.

Twin Lakes Water Control District - Section 298.01; County Ord. 79-83. The governing body is the Board of County Commissioners. Separate financial statements are not required or prepared.

The following organizations are also shown as blended component units:

The **Broward Economic Development Board (BEDB)** provides financial support to the Broward Alliance which was formed to promote economic development within the County. It was established by Florida Statute Section 63-1190, County Ord. No. 76-7. The governing body is the Board of County Commissioners. Separate financial statements are not required or prepared. The BEDB is reported within the Special Revenue Fund Type and is a blended component unit because the members of the Board of County Commissioners and the BEDB are the same.

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

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

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

Discretely Presented Component Units

The Clerk of Circuit and County Courts (Clerk) is an elected, Constitutional Office of the County and has separate legal standing from the County. The governing body of the Clerk is not the same as the governing body of the County. The Clerk provides services to the courts and receives most of its revenues from those who are utilizing court services and processes. The Clerk is included as a component unit because its exclusion from the financial reporting entity could render the County's financial statements misleading (See Note 13).

The Broward County Health Facilities Authority (HeFA) was created to assist in the acquisition, construction, financing and refinancing of health facilities in the County. It was established by Florida Statute Section 154.207 and County Ordinance No. 77-35. The HeFA is governed by a Board appointed by the BOCC and is financially accountable to the County. The HeFA is authorized to issue bonds which are not deemed to constitute a debt of HeFA, the County, or any political subdivision thereof (see Note 4).

The Broward County Housing Finance Authority (HFA) was established in 1979 by County Ordinance No. 79-41 for the purpose of encouraging the investment of private capital and stimulating the construction of residential housing for low and moderate income families through the use of public financing.

The HFA is governed by a Board appointed by the BOCC, and the County must also approve HFA's contracts and bond issues. The HFA is authorized to issue revenue bonds that are not deemed to constitute a debt of HFA, the County, or any political sub-division thereof (see Note 4).

In 2005, the County loaned \$3,600,000 to the HFA for the purpose of enabling the HFA to loan this sum to a developer for the acquisition of land, a portion of which is to be used for an affordable housing project. The loan is secured by a mortgage of the property and is to be repaid to the HFA on or before August 1, 2006. The County shall be repaid the full amount of the loan from proceeds received by the HFA from the developer. The HFA also has a note payable to the County which is secured by an office building. The principal balance of the note was \$1,100,000 on September 30, 2005. The note is due in full on or before July 1, 2015 and bears interest at 5.1 to 5.7 percent.

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

Clerk of Circuit and County Courts

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

Broward County Health Facilities Authority

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

Broward County Housing Finance Authority

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

B. Basis of Presentation

Government-wide Statements

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

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

Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

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

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

2004/2005 General Obligation Bonds Capital Projects Fund – This is used to account for the acquisition and preservation of land and the renovation and expansion of parks.

The County reports the following major enterprise funds:

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

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

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

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

The County also reports the following fund types:

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

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

C. Measurement Focus, Basis of Accounting

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

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

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

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

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

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

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The County maintains an investment pool for substantially all cash and cash equivalents and investments of all funds. All

money market investments and participating interest-earning investment contracts with a remaining maturity at time of purchase of one year or less are recorded at amortized cost plus accrued interest. All other investments are carried at fair value as determined from quoted market prices. Each fund's portion of the pool are presented as "cash and cash equivalents" or "restricted assets." Earnings are allocated to each fund based on average daily balances of cash and investments.

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

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

2. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts of \$63,601,000.

3. Disaggregation of Receivables and Payables Balances Receivables

Receivables in the General Fund are 65 percent liens receivables and 35 percent are vendor receivables. The majority of the liens receivables in the General Fund are not expected to be collected within one year. Receivables in the Special Revenue Fund are 57 percent tourist development tax receivables from hotels and motels, 17 percent loan receivables from the Museum of Art, 90 percent of which are not scheduled to be collected in the subsequent year, and 26 percent local housing assistance receivables consisting principally of long term notes receivable, 100 percent of which are not scheduled to be collected in the subsequent year. Receivables in the Enterprise Funds are 65 percent due from customers and 35 percent due from a contractor which operates the resource recovery plants.

Payables

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

4. Property Tax Calendar

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

5. Inventories

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

6. Restricted Assets

Restricted assets and reserves of the Enterprise Funds at September 30, 2005 represent amounts restricted for construction, debt service, maintenance and improvements under the terms of outstanding bond agreements or some other legal outside party requirements. These requirements establish a restriction on net assets in an amount equal to the restricted assets less any related liabilities.

Assets were restricted for the following purposes

(in thousands):

Bond sinking and reserve accounts	\$158,282
Construction accounts	412,413
Landfill closure escrow accounts	17,286
Other restricted accounts	39,886
	\$627,867

Amounts payable from restricted assets at September 30, 2005 consist of the following (in thousands):

Accounts payable	\$ 9,814
Revenue bonds and interest payable	76,132
Customers' deposits	7,751
Deferred revenue	28,152
Accrued closure costs	374
	\$122,223

Reclassified on government-wide statements

Current liabilities payable from restricted assets	\$ 73,900
Noncurrent liabilities due within 1 year	\$ 48,323

7. Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the business-type activities during fiscal 2005 was \$70,080,000. Of this amount, \$7,190,000 was included as part of the cost of capital assets under construction in connection with various construction projects.

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

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

8. Compensated Absences

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

9. Long-term Obligations

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

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

10. Fund Equity

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

11. Passenger Facility Charges

The Federal Aviation Administration (FAA) authorized the Aviation Department to impose a Passenger Facility Charge (PFC) of \$3 per departing passenger commencing January 1, 1995.

Through initial and subsequent FAA approvals, the Aviation Department is authorized to collect PFC's up to \$498,882,000 including interest, of which \$236,280,000 has been collected as of September 30, 2005. The net receipts from PFC's are non-refundable and restricted to be used on FAA "approved capital projects" and debt service on revenue bonds that fund approved PFC eligible projects. As of September 30, 2005, \$160,918,000 of the collected PFCs had been spent on approved projects or debt service, and the remaining \$75,362,000 was reflected as a restricted asset and a restriction of net assets.

12. Reclassifications

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

E. Excess of Expenditures Over Appropriations

For the year ended September 30, 2005, expenditures exceeded appropriations in the Tourist Tax Revenue Bonds Debt Service Fund by \$235,000 and in the Certificates of Participation Debt Service Fund by \$71,000.

F. Net Asset Deficit

At September 30, 2005, the Self Insurance Fund had a net asset deficit of \$5,329,000. The County will take actions required to eliminate this deficit in future years.

G. Unreserved/Undesignated Fund Deficit

At September 30, 2005, the Beach Renourishment Capital Project Fund and the Mass Transit Capital Grants Fund had unreserved/undesignated fund deficits of \$12,957,000 and \$15,511,000 respectively. These undesignated deficits are the result of encumbrances exceeding available balances. The County plans to eliminate these deficits in the ensuing fiscal year.

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Summary of Deposit and Investment Balances

The following is a summary of the County's deposit and investment balances as of September 30, 2005 (in thousands):

	<i>Government-wide Statement of Net Assets</i>	<i>Component Units Statement of Net Assets</i>	<i>Fiduciary Funds Statement of Net Assets</i>	<i>Total</i>
Cash and cash equivalents	\$1,148,955	\$ 6,700	\$49,674	\$1,205,329
Investments	293,190	7,561		300,751
Restricted assets	627,867	59,526		687,393
Total	\$2,070,012	\$73,787	\$49,674	\$2,193,473

B. Deposits

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

At September 30, 2005, the carrying amount of the County's bank deposits was \$191,756,000. All cash deposits are held in qualified public depositories pursuant to State Statutes. Under the Statutes, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depositories' collateral pledging level. The pledging level may range from 50% to 125% depending upon the depositories' financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any potential losses to public depositories are covered by applicable deposit insurance, sale of securities pledged as collateral, and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

C. Investments

The County has a formal investment policy that, in the opinion of management, is designed to insure conformity with State Statutes and seeks to limit exposure to investment risks. The investment policy specifies the types, issuer, maturity and performance measurement of investment securities that are permissible. Qualified institutions utilized for investment transactions are also addressed within the policy, as well as diversification requirements for the investment portfolio.

Under State Statutes and County Ordinances, the County is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, repurchase agreements, certificates of deposit, the Local Government Surplus Funds Trust Fund (LGSF Trust Fund), an SEC Rule 2a-7 like fund which has the characteristics of a Money Market Fund, and the Florida Local Government Investment Trust. County policy requires that securities underlying repurchase agreements must have a market value of at least 101 percent of the cost of the repurchase agreements. There were no losses during the period due to default by counter parties to investment transactions and, in the opinion of County management, no types of investments during the period other than those permitted as enumerated above.

As of September 30, 2005, the County's investments consisted of the following (in thousands):

	<i>Weighted Average Fair Value</i>	<i>Investment Type Maturity (Days)</i>
U. S. Treasuries	\$ 1,669	145
U. S. Agencies	1,365,431	445
Repurchase Agreements with the State Board of Administration	135,932	12
Florida Local Government Investment Trust	10,951	1
Local Government Surplus Trust Fund	14,235	
Commercial Paper	257,866	89
Certificates of Deposit	5,500	133
Money Markets	82,719	1
Total Fair Value	\$ 1,874,303	
Portfolio Weighted Average Maturity		342 days

Interest Rate Risk - In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio within the following maturity categories: overnight – 25%, 2-3 days – 70%, 30-365 days – 80%, 366-547 days – 30%, 548 days-5years – 15%. As of September 30, 2005 the portfolio weighted average maturity was 342 days, and was in accordance with the County's investment policy.

Credit Risk - The County's investments in U. S. Treasuries and U. S. Agencies are rated AAA by Standard & Poor's and Fitch Ratings, and Aaa by Moody's Investor Services. Under Florida Statutes, investments with the State Board of Administration are entirely collateralized and insured by the State. These investments are not rated. Amounts held by the First Florida Governmental Financing Commission (the Commission) are in accordance with the County's loan agreement with the Commission and are insured or registered in the name of the Commission. The investments are carried at fair value as determined by quoted market prices. Deposits of the Commission are collateralized as public funds in accordance with Florida Statutes. The Commission is a separate legal government entity established under Chapter 163 of the Florida Statutes, is regulated by the State's Division of Banking and Finance, and is not registered with the Securities and Exchange

Commission. The LGSF Trust Fund pools investments, is not registered with the Securities and Exchange Commission, and is administered by the Florida State Board of Administration, an agency of the State of Florida with regulatory oversight exercised by the State. These investments are valued using the pooled share price and decreased \$9,420,000 over the previous year's value. The Florida Local Government Investment Trust (FLGIT) is a public entity investment trust organized under the laws of the State of Florida. The FLGIT reports all share information at Net Asset Value and reflects fair value accounting in accordance with GASB Statement No. 31. The fair value of these investments increased \$117,000 over the prior year's value. The Standard and Poor's rating on these investments is AA+ at September 30, 2005. The County's investments in commercial paper are rated P-1 by Moody's Investor Services and A-1 by Standard & Poors.

Concentration of Credit Risk - The County places no limit on the amount that may be invested in securities of the U. S. Government or its agencies. The County does limit the amounts that may be invested in repurchase agreements and other investments to 40% and 20% of the portfolio, respectively. GASB 40 requires disclosure when the percent is 5% or more in any one issuer. The investment in the Federal Home Loan Bank is 65% while the Federal Home Loan Mortgage Corporation is 5%.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2005 is as follows (in thousands):

	<i>Beginning</i>			<i>Ending</i>
<i>Governmental Activities:</i>	<i>Balances</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balances</i>
Capital assets not being depreciated:				
Land	\$ 391,055	\$ 10,428	\$ 5,553	\$ 395,930
Construction in progress	162,633	83,705	50,821	195,517
Total capital assets not being depreciated	553,688	94,133	56,374	591,447
Capital assets being depreciated:				
Buildings	733,792	38,719	456	772,055
Improvements	668,770	41,144	10,184	699,730
Equipment	550,470	45,764	27,166*	569,068
Total capital assets being depreciated	1,953,032	125,627	37,806	2,040,853
Less accumulated depreciation for:				
Buildings	162,429	18,828	119	181,138
Improvements	171,463	17,289	3,173	185,579
Equipment	346,443	38,553	21,815*	363,181
Total accumulated depreciation	680,335	74,670	25,107	729,898
Total capital assets being depreciated, net	1,272,697	50,957	12,699	1,310,955
Governmental activities capital assets, net	\$1,826,385	\$145,090	\$69,073	\$1,902,402

* Includes Clerk restatement, See Note 13

Business-type Activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$338,425	\$6,820		\$345,245
Construction in progress	417,900	156,432	\$395,987	178,345
Total capital assets not being depreciated	756,325	163,252	395,987	523,590
Capital assets being depreciated:				
Landfill	36,216			36,216
Property held for leasing	359,858	11,925	132,293	239,490
Buildings	644,497	356,555	62	1,000,990
Improvements	460,197	172,682	74,985	557,894
Equipment	616,315	98,705	37,695	677,325
Total capital assets being depreciated	2,117,083	639,867	245,035	2,511,915
Less accumulated depreciation for:				
Landfill	7,434	142		7,576
Property held for leasing	101,015	3,452	62,835	41,632
Buildings	185,918	55,139	62	240,995
Improvements	131,610	81,326	26,531	186,405
Equipment	199,765	28,529	14,026	214,268
Total accumulated depreciation	625,742	168,588	103,454	690,876
Total capital assets being depreciated, net	1,491,341	471,279	141,581	1,821,039
Business-type activities capital assets, net	\$2,247,666	\$634,531	\$537,568	\$2,344,629

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

Governmental Activities:

General government	\$18,575
Public safety	3,335
Transportation	14,448
Human services	1,771
Culture and recreation	9,660
Physical environment	3,392
Economic environment	239
Sheriff	18,791
Property Appraiser	209
Supervisor of Elections	4,250
Total depreciation expense - governmental activities	\$74,670

Business-type Activities:

Aviation	\$ 28,728
Port Everglades	19,432
Water and Wastewater	28,209
Resource Recovery	1,482
Other	108
Total depreciation expense - business-type activities	77,959
Accumulated depreciation reclassified	90,629
Total increases	\$ 168,588

Construction Commitments

At September 30, 2005 the County had in process various uncompleted construction projects with remaining balances totaling approximately \$391,923,000. The retainage payable on these contracts totaled \$21,831,000. Funding for these projects is to be made primarily through the proceeds of related bond issues, loans and future taxes.

Property Held for Leasing

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

The following is a schedule of minimum future rentals on non-cancelable operating leases as of September 30, 2005 (in thousands):

Years ending September 30:

2006	\$ 51,827
2007	47,312
2008	45,210
2009	43,572
2010	40,938
2011-2015	145,980
2016-2020	76,686
2021-2025	9,084
2026-2030	8,098
2031-2035	3,976
2036-2040	3,364
2041-2045	3,994
2046-2050	4,859
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
2091-2095	11,146

Total	\$599,766
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Total minimum future rentals do not include contingent rentals that may be received under certain concession leases on the basis of a percentage of the tenant's gross revenue in excess of stipulated minimums. Contingent rentals for the fiscal year ended September 30, 2005 amounted to \$38,300,000.

The County has 25-year lease and use agreements with its major airline tenants (the signatory airline agreements). The agreements require that landing fees and terminal rentals be reviewed annually and adjusted as necessary so that the total revenue is sufficient to meet the Aviation Fund's requirements as determined by the rate and charges model of the signatory airline agreements. At the end of the fiscal year, after all required deposits have been made, any remaining excess funds are used to meet the requirements in the following fiscal year. These excess funds have been recorded as deferred revenue by the Aviation Fund at September 30, 2005 and have been included in current liabilities payable from restricted assets. For the year ended September 30, 2005 these funds amounted to \$27,921,000.

Discretely Presented Component Units

Capital asset activity for the year ended September 30, 2005 is as follows (in thousands):

<i>Governmental Activities:</i>	<i>Beginning Balances</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balances</i>
Capital assets not being depreciated:				
Land	\$1,282		\$ 301	\$ 981
Construction in progress	75	\$21	41	55
Total capital assets not being depreciated	1,357	21	342	1,036
Capital assets being depreciated:				
Buildings	1,115			1,115
Equipment	133	9,011		9,144
Total capital assets being depreciated	1,248	9,011		10,259
Less accumulated depreciation for:				
Buildings	275	28		303
Equipment	103	5,743		5,846
Total accumulated depreciation	378	5,771*		6,149
Total capital assets being depreciated, net	871	3,240		4,110
Governmental activities capital assets, net	\$2,228	\$3,261	\$ 342	\$5,146
* Current year depreciation				\$ 996
Clerk restatement				4,775
Total				\$5,771

NOTE 4 - LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended September 30, 2005 are as follows (in thousands):

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
Governmental Activities:					
General Obligation Bonds	\$492,140	\$154,135	\$ (34,670)	\$ 611,605	\$33,830
Special Obligation Bonds	244,915		(10,400)	234,515	12,765
Loans Payable and Other Obligations	120,902		(12,045)	108,857	18,257
Unamortized Bond Premiums, Discount and Deferred Amount on Refunding	15,375	9,401	(2,811)	21,965	
Claims and Judgments	53,074	24,769	(20,676)	57,167	24,252
Compensated Absences	77,808	74,345	(66,130)*	86,023	21,041
Total	\$1,004,214	\$262,650	\$(146,732)	\$1,120,132	\$110,145
Business-type Activities:					
Revenue Bonds Payable	\$1,217,613	\$323,980	\$(40,678)	\$1,500,915	\$47,949
Loan Payable and Other Obligations	48,066		(18,100)	29,966	
Unamortized Bond Premiums, Discount and Deferred Amount on Refunding	(14,078)	7,207	2,564	(4,307)	
Compensated Absences	6,427	566		6,993	3,466
Other	15,924	1,576		17,500	374
Total	\$1,273,952	\$333,329	\$(56,214)	\$1,551,067	\$51,789

* Includes Clerk Restatement, See Note 13

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund. For the business-type activities, other long-term liabilities at September 30, 2005 included: landfill closure and postclosure costs of \$17,242,000 and arbitrage rebate liabilities of \$258,000.

The debt service requirements for all bonds and loans outstanding as of September 30, 2005 are as follows (in thousands):

<i>Year Ending September 30</i>	<i>GOVERNMENTAL ACTIVITIES</i>						<i>BUSINESS-TYPE ACTIVITIES</i>			
	<i>General Obligation Bonds</i>		<i>Special Obligation Bonds</i>		<i>Loans Payable and Other Obligations</i>		<i>Total</i>		<i>Revenue Bonds Payable</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2006	\$ 33,830	\$30,723	\$12,765	\$13,316	\$18,257	\$4,753	\$ 64,852	\$ 48,792	\$ 47,949	\$ 66,577
2007	37,685	27,113	13,395	12,728	13,475	4,198	64,555	44,039	57,137	71,579
2008	42,305	25,400	14,015	12,109	14,035	3,636	70,355	41,145	60,518	69,333
2009	47,285	23,457	14,660	11,453	10,460	3,030	72,405	37,940	63,516	66,977
2010	52,665	21,145	15,385	10,707	9,655	2,594	77,705	34,446	67,965	64,098
2011-2015	131,780	81,958	43,395	44,672	28,810	7,511	203,985	134,141	328,805	269,761
2016-2020	133,080	50,926	35,605	34,209	9,935	2,995	178,620	88,130	281,480	192,423
2021-2025	132,975	14,647	48,305	21,374	2,560	1,224	183,840	37,245	332,575	111,018
2026-2030			36,990	4,821	1,670	274	38,660	5,095	243,790	31,762
2031-2035									17,180	859
Total	\$611,605	\$275,369	\$234,515	\$165,389	\$108,857	\$30,215	\$954,977	\$470,973	\$1,500,915	\$944,387

Governmental loans payable and other obligations above includes: First Florida loans amounting to \$62,050,000 of principal and \$23,148,000 of interest; Certificates of Participation amounting to \$40,970,000 of principal and \$6,992,000 of interest and commercial paper amounting to \$5,837,000 of principal and \$75,000 of interest.

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, 2005, the County was in compliance with significant debt covenants.

Business-type loans payable and other obligations above includes an interest-free State Infrastructure Bank Loan amounting to \$29,966,000 with repayment terms of \$8 million in fiscal year 2007, \$4.8 million in fiscal years 2008 thru 2011 and \$2.8 million in fiscal year 2012.

The following is a summary of the major provisions and significant debt service requirements for the outstanding bonds at September 30, 2005 (dollars in thousands):

	Primary Purpose	Type	Rate (%)	Dates
Governmental Activities				
General Obligation Bonds (GOB):				
1986 Public Improvement Refunding	Refunding Issue	serial	12.5	1-1 7-1
2001 GOB A	Library Project	serial	4.0-5.25	1-1 7-1
2001 GOB B	Refunding Issue	serial	4.0-5.0	1-1 7-1
2003 GOB Refunding	Refunding Issue	serial	2.0-5.0	1-1 7-1
2004 GOB	Parks and Land Preservation Project	serial	2.0-5.0	1-1 7-1
2005 GOB	Parks and Land Preservation Project	serial	3.0-5.0	1-1 7-1
Total General Obligation Bonds				
Special Obligation Bonds:				
1995 Special Obligation Refunding	Refunding Issue	serial	4.875-5.5	1-1 7-1
1995 Special Obligation Refunding	Refunding Issue	term	5.0	1-1 7-1
1996 Professional Sports Facilities	Civic Arena	serial	4.8-7.69	3-1 9-1
1996 Professional Sports Facilities	Civic Arena	term	5.62-8.11	3-1 9-1
1998 Gas Tax Refunding	Refunding Issue	serial	4.0-5.25	3-1 9-1
2004 Tourist Development Tax	Refunding Issue	serial	3.0-3.375	4-1 10-1
Total Special Obligation Bonds				
Business-type Activities				
Revenue Bonds:				
Aviation Fund				
1998 E Airport System Revenues	Refunding Issue	serial	4.8 - 5.1	4-1 10-1
1998 F Airport System Revenues	Construction and Improvement	serial	4.0-4.74	4-1 10-1
1998 G Airport System Revenues	Improvements	serial	3.70-5.125	4-1 10-1
1998 G Airport System Revenues	Improvements	term	5.0	4-1 10-1
1998 H-1 Passenger Facility Charge	Improvements	serial	3.10-5.25	4-1 10-1
1998 H-2 Passenger Facility Charge	Improvements	serial	4.70-5.125	4-1 10-1
1998 H-2 Passenger Facility Charge	Improvements	term	4.75	4-1 10-1
2001 I Passenger Facility Charge	Improvements	term	4.0-5.75	4-1 10-1
2001 J-1 Airport System Revenues	Improvements	term	5.25-5.75	4-1 10-1
2001 J-2 Airport System Revenues	Improvements	term	5.8-6.9	4-1 10-1
2003 K Airport System Revenues	Refunding Issue	serial	2.0-6.0	4-1 10-1
2004 L Airport System Revenues	Improvements	serial	2.0-4.6	4-1 10-1
2004 M1 Airport System Revenues	Improvements	serial	auction	monthly
2004 M2 Airport System Revenues	Improvements	serial	auction	monthly
Total Aviation Bonds				
Port Everglades Fund				
1989 A Port Facilities Refunding	Refunding Issue	capital appreciation	7.4-7.45	3-1 9-1
1989 A Port Facilities Refunding	Refunding Issue	term	5.0-7.5	3-1 9-1
1998 A Port Facilities Revenue Bonds	Refunding issue	serial	4.4-4.8	3-1 9-1
1998 B Port Facilities Revenue Bonds	Refunding Issue	serial	4.25-4.5	3-1 9-1
1998 B Port Facilities Revenue Bonds	Refunding Issue	term	5.0	3-1 9-1
1998 C Port Facilities Revenue Bonds	Capital Improvements	serial	5.375	3-1 9-1
1998 C Port Facilities Revenue Bonds	Capital Improvements	term	5.0	3-1 9-1
1998 Subordinate Port Facilities Bonds	Refunding Issue	serial	5.003	Monthly
Total Port Everglades Bonds				
Water and Wastewater Fund				
1988 Water and Sewer Utility	Construction and Refunding Issue	capital appreciation	7.0-7.5	4-1 10-1
2003 A Water and Sewer Utility	Construction and Refunding Issue	serial	2.0-5.0	4-1 10-1
2003 A Water and Sewer Utility	Construction and Refunding Issue	term	4.625	4-1 10-1
2003 B Water and Sewer Utility	Refunding Issue	serial	2.5-5.0	4-1 10-1
2005 Water and Sewer Utility	Construction and Refunding Issue	serial	5	4-1 10-1
2005 Water and Sewer Utility	Construction and Refunding Issue	term	5	4-1 10-1
Total Water and Wastewater Bonds				
Resource Recovery Fund				
2003 A Solid Waste System	Refunding Issue	serial	2.913-3.476	1-1 7-1
2003 B Solid Waste System	Refunding Issue	serial	4.0	1-1 7-1
Total Resource Recovery Bonds				
Total Revenue Bonds				

<i>Year</i>	<i>Optional Redemption Premium</i>	<i>Final Maturity Date</i>	<i>Original Amount Issued</i>	<i>Retired/Refunded</i>	<i>Accretion</i>	<i>Outstanding September 30</i>
N/A	N/A	7-1-2006	\$174,385	(\$163,525)		\$10,860
2011	1%	1-1-2021	135,135	(11,805)		123,330
N/A	N/A	1-1-2012	146,620	(40,545)		106,075
N/A	N/A	1-1-2010	46,640	(9,635)		37,005
2014	N/A	1-1-2024	187,770	(7,570)		180,200
2015	N/A	1-1-2025	154,135			154,135
						\$611,605
2006	1%	1-1-2010	37,605	(21,225)		\$16,380
2006	1%	1-1-2012	7,790			7,790
2006	1-2%	9-1-2010	36,815	(17,410)		19,405
2006	1-2%	9-1-2028	147,285			147,285
N/A	N/A	9-1-2010	51,760	(27,385)		24,375
2011	N/A	10-1-2013	19,280			19,280
						\$234,515
2008	1%	10-1-2013	75,560			\$75,560
2008	1%	10-1-2009	10,530	(4,480)		6,050
2008	1%	10-1-2018	44,635	(5,990)		38,645
2019	N/A	10-1-2023	18,880			18,880
2008	1%	10-1-2015	66,620	(18,770)		47,850
2008	1%	10-1-2018	20,270			20,270
2019	N/A	10-1-2023	39,780			39,780
2011	1%	10-1-2026	41,855	(2,510)		39,345
2011	1%	10-1-2026	135,970			135,970
2016	N/A	10-1-2021	149,185			149,185
N/A	N/A	10-1-2009	87,360	(12,900)		74,460
2014	1%	10-1-2027	142,015			142,015
N/A	N/A	10-1-2029	72,750			72,750
N/A	N/A	10-1-2029	32,475			32,475
						\$893,235
N/A	N/A	9-1-2010	37,875	(31,320)	\$14,708	\$21,263
N/A	N/A	9-1-2016	79,580	(26,395)		53,185
2008	1%	9-1-2012	13,195			13,195
N/A	N/A	9-1-2006	615	(500)		115
2008	1%	9-1-2027	79,825			79,825
2008	N/A	9-1-2012	43,795			43,795
2008	N/A	9-1-2027	28,645			28,645
2008	2%	9-1-2027	49,000	(3,340)		45,660
						\$285,683
N/A	N/A	10-1-2008	8,466	(10,891)	11,237	\$8,812
2014	N/A	10-1-2025	84,415	(45)		84,370
2014	N/A	10-1-2027	20,215			20,215
2014	N/A	10-1-2027	99,370	(3,860)		95,510
2015	N/A	10-1-2026	23,065			23,065
N/A	N/A	10-1-2030	53,675			53,675
						\$285,647
N/A	N/A	7-1-2011	34,800			\$34,800
N/A	N/A	7-1-2006	11,060	(9,510)		1,550
						\$36,350
						\$1,500,915

General Obligation Bonds

In fiscal year 2005, the County issued \$154,135,000 Series 2005 Bonds to finance the cost of preserving, acquiring, reclaiming, constructing and improving neighborhood and regional park facilities, land and open spaces within the County (the "Park and Land Preservation Project"). The issuance of the Series 2005 Bonds was approved by a majority of the qualified electors of the County voting in a bond referendum held on November 7, 2000. The Series 2005 Bonds are payable from ad valorem taxes levied without limitation as to the rate or amount on all taxable property within the County sufficient in the amount to pay principal of and interest on the Series 2005 Bonds.

The full faith and credit of the Board of County Commissioners has been pledged for the payment of the principal and interest on the General Obligation Bonds.

Revenue Bonds

Broward County issued \$142,015,000 Airport System Revenue Bonds, Series 2004L (Non-AMT) to provide funds, together with other available funds, to pay the cost of certain components of the 2004 Project which is a part of the Airport's Capital Improvement Program.

The County also issued \$105,225,000 Airport System Revenue Bonds, Series 2004M (AMT) (Auction Rate Securities) to provide funds, together with other available funds, to pay the cost of certain components of the 2004 Project which is a part of the Airport's Capital Improvement Program.

The Broward County Water and Sewer Utility \$76,740,000 Revenue Bond Series 2005A were issued to provide funds to repay certain commercial paper notes issued by the County to finance a portion of the capital improvement of the Utility and to fund various capital improvements to the Utility.

The County has entered into an interest rate swap agreement for \$49,000,000 of its variable rate 1998 Series Subordinate Port Facilities Bonds for the outstanding period of the bonds. Based on the swap agreement, the County pays a synthetic fixed rate of 5.003% to the counter party to the swap. In return, the counter party owes the County interest based on a variable rate that matches the rate required by the bonds. Only the net difference in interest payments is actually exchanged with the counter party. The \$49 million in bond principal is not exchanged; it is the initial notional amount upon which the interest payments are calculated.

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

First Florida Governmental Financing Commission Loans Payable

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

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

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

It is the Bond Counsel's opinion that each member of the Commission is liable only to the extent of the payments on its loan agreement.

At September 30, 2005, the County had loans payable to the Commission totaling \$62,050,000.

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

Sales Tax Revenue Commercial Paper Program

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

As of September 30, 2005, the County had Sales Tax Revenue Commercial Paper Notes outstanding of \$5,837,000 included in Loans Payable and Other Obligations of the Governmental Activities in the Long-Term Obligations. During fiscal year 2005, \$18,000,000 was redeemed in the Business-Type Activities. Interest rates on outstanding notes during fiscal year 2005 ranged from 2.6% to 2.95%.

Commercial paper activity for the year ended September 30, 2005 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Commercial Paper	\$23,837		\$18,000	\$5,837

Obligation under Lease Purchase Agreements - Certificates of Participation

The County has entered into Master Lease-Purchase Agreements (the "Lease Agreements") with the Broward County Commission Governmental Leasing Corporation (the "Corporation"), a single purpose not-for-profit Florida Corporation, to finance the acquisition, construction and or equipping of certain facilities. The Corporation was formed by the County solely for the purpose of acting as lessor of the facilities, with the County as lessee. The County Commissioners serve as the Board of Directors of the Corporation. The Corporation has title to the facilities subject to the rights of the County under the terms of the Lease Agreements. A Trustee has been appointed to collect and disburse all amounts due under the Lease Agreements.

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

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

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

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

Year ended September 30	Total Payments
2006	\$ 6,693
2007	6,717
2008	6,721
2009	6,718
2010	6,729
2011-2013	14,384
Total	47,962
Less Interest	6,992
Principal Outstanding	\$40,970

Interest on the Certificates ranges from 2.00% to 5.00%. The principal amount of the Certificates has been included in Loans Payable and Other Obligations of Governmental Activities in the Long-Term Obligations at September 30, 2005.

Derivative Disclosure - Interest Rate Swap

Objective of the interest rate swap - The County entered into an interest rate swap agreement for \$49,000,000 of its variable rate 1998 Series Subordinated Port Facilities Bonds for the outstanding period of the bonds as a means to lower its true borrowing costs when compared against fixed-rate bonds at the time of issuance. The intention of the swap was to effectively change the County's variable interest rate on the bonds to a synthetic fixed rate of 5.003%.

Terms - The bonds and the related swap agreement mature on September 1, 2027, and the swap's notional amount of \$49,000,000 matches the principal amount of the bonds issued. The swap was entered into at the same time that the bonds were issued (September 1998). The notional value of the swap and the principal amount of the associated debt decline beginning in fiscal 2003. The bonds are also subject to optional redemption beginning in 2008. Under the swap, the County pays the counterparty a fixed payment of 5.003% and receives a variable payment computed by the remarketing agent that would cause the bonds to have a market value equal to the principal thereof, plus accrued interest, under prevailing market conditions as of the date of the determination.

Fair value - As of September 30, 2005, the swap had a negative fair value of \$4,463,000 because interest rates have declined since the execution of the swap. However, the bonds do not have a corresponding fair value increase because the coupons on the County's variable-rate bonds adjust to changing interest rates. The fair value was estimated using the proprietary valuation model developed by the counterparty. This method calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value. All rates used in the valuation are mid-market levels (mid-way between bid and ask), or are model-based mid-market levels when actual levels are not available.

Credit risk - As of September 30, 2005, 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 counterparty has guaranteed all payments and is rated Aaa/AAA/AAA by the major rating agencies. To mitigate potential credit risk, if the counterparty's ratings are downgraded, it will collateralize the swap liability to the County with securities, consisting of obligations of the United States Government, mortgage participation certificates of the Federal Home Mortgage Corporation or the Federal National Mortgage Association, or such other securities as the parties mutually agree to. Collateral would be deposited with a third-party custodian.

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

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

Swap payments and associated debt - As interest rates vary, the variable-rate interest payments and swap payments will vary. Using rates as of September 30, 2005, debt service requirements of the variable-rate bonds and the swap payments, assuming current interest rates remain the same for their term, were as follows (in thousands):

Year Ending September 30	Variable-Rate Bonds		Total
	Principal	Interest	
2006	\$ 1,220	\$ 2,170	\$ 3,390
2007	1,280	2,112	3,392
2008	1,340	2,052	3,392
2009	1,405	1,988	3,393
2010	1,470	1,921	3,391
2011-2015	8,470	8,487	16,957
2016-2020	10,680	6,275	16,955
2021-2025	13,470	3,483	16,953
2026-2028	6,325	454	6,779
Total	\$45,660	\$28,942	\$74,602

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

Derivative Disclosure - Swap Agreement

Objective of the Swap - The County entered into the Swaptions as a means to refund the Professional Sports Facilities Tax and Revenue Bonds, Series 1996 A&B (Broward County Civic Arena Project) on or around the call date of September 1, 2006, and achieve upfront savings. The Series 1996 A&B Bonds were originally issued to provide funds for the construction of a multi-purpose arena to serve as home to the Florida Panthers, an NHL hockey team. Following the pricing of the Swaptions the net present value savings of the transaction were estimated at \$15,049,000 or 9.22% of the refunded Series 1996 A&B Bonds.

Terms - In fiscal year 2004, the County received a total of \$17,232,000 from the Swap counterparty, which exclusively represents the up-front option payments. The County has not made any payments to the Swaptions counterparties. The County sold to counterparties the right to enter into interest rate swaps with the County, in which the County would pay a specified fixed rate and receive a floating rate based on an index in exchange for up-front option premium payments. If the counterparties exercise the option,

the swap would be effective three (3) months following the exercise date, and then the County would enter into the swaps whereby the County would pay a fixed rate and receive a floating rate. The County would then issue variable rate refunding bonds. The variable rate received on the swap and paid on the refunding bonds was established to track closely, effectively leaving the County with a fixed rate obligation. The fixed rate on the swap was set so the County's swap payments and support cost on the variable rate debt, are approximately equal to the debt service prior to the refunding. No additional material debt service savings are expected to be achieved from the actual refunding, but rather the entire benefit of the Swaptions is realized through the up-front payments.

Fair value - As of September 30, 2005, the Swaptions had a negative fair value of \$22,788,000. The negative fair value signifies the amount that the County would have to pay the counterparties upon the termination of the Swaptions. The fair value of the Swaptions has decreased relative to the time that they were priced, due to a flattening of the yield curve resulting in a decline in the forward interest rates. The fair value was calculated using a model which analyzes the option value of the underlying swaps.

Credit risk - As of September 30, 2005, the County was not exposed to credit risk because the Swaptions had a negative fair value. However, should interest rates change and the value of the Swaptions become positive, the County could be exposed to credit risk in the amount of the Swaptions' fair value. The provisions of the Swaptions agreements contain certain counterparty requirements that mitigate the potential for credit risk to the County. For the Swaptions, if the counterparty or the counterparty guarantor's long-term unsecured unsubordinated debt ratings are suspended by either Standard & Poor's or Moody's or ratings fall below "Aa3," "AA-" or "AA-" by Moody's, Standard & Poor's and Fitch, respectively, the fair value of the associated swap will be fully collateralized with cash or securities. Collateral would be posted with an independent third party custodian.

As of September 30, 2005 none of the counterparties respective ratings had fallen below these levels, therefore, none of the counterparties were required to collateralize the Swaptions. The County is not required to collateralize the Swaptions.

Basis risk - As of September 30, 2005, the Swaptions do not expose the County to basis risk. The County is not obligated to make or receive payments on the Swaptions unless and until the options are exercised. The exercise dates for the Swaptions are May 1, 2006 and November 1, 2006. If the options are exercised, the swaps related to the Swaptions will expose the County to basis risk.

Termination risk - The Swaptions provide for certain events that could cause the counterparties of the County to terminate the swaps. The swaps may be terminated by the counterparties or the County if the other party fails to perform under the terms of the swap agreements. The County has the right to optionally terminate the Swap agreement at any time. The termination amount owed by either the County or the counterparties is determined by market quotation. If at the time of termination, one of its swaps has a negative fair value, the County would be liable to the counterparty for a payment equal to the swap's fair value.

Defeased Bonds

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

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

Year of Defeasance	Bond Issue(s) Defeased	Principal Outstanding Sept. 30, 2005
1978	Water and Sewer Revenue Bonds Series 1965, 1968, 1975 & 1977	\$ 1,385
1986	Port Refunding and Improvement Revenue Bonds Series 1966	240
1989	Water & Sewer Revenue 1978 Series A	19,015
1989	Port Facilities Revenue Bonds Series 1986	67,000
1994	Tourist Development Tax Special Revenue Bonds Series 1988	2,270
1998	Port Facilities Refunding Bonds Series 1989A (Partial)	22,092

Conduit Debt

The two component units of the County, Broward County Health Facilities Authority (HeFA) and Broward County Housing Finance Authority (HFA), are authorized to issue bonds to fulfill their corporate purposes. Bonds issued by HeFA and HFA shall not be deemed to constitute a debt of the HeFA, HFA, the County, or any political sub-division thereof. As of September 30, 2005 the total revenue bonds outstanding of HeFA and HFA are \$684,895,000.

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

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

NOTE 5 - RISK MANAGEMENT

The County is exposed to various risks and losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Under the County's Risk Management Program, the Self-Insurance Fund provides coverage for up to a maximum of \$2,000,000 (Self-Insured Retention Limit) for each workers compensation occurrence. In addition, the County has purchased excess coverage for losses above the self-insured retention limit. Mass transit, auto liability, medical malpractice, and general liability are entirely self-insured, with the County providing coverage up to the statutory limits of \$100,000 per person and \$200,000 per occurrence. The County (through the Self-Insurance Fund) purchases commercial insurance for life, disability, airport liability, property damage, and numerous smaller policies that are required by lease agreements, union contracts, state statutes, etc. Settled claims have not exceeded this commercial coverage in the past three years.

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

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

The reserves for the Self-Insurance Fund totaled \$57,167,000 at September 30, 2005 and are reported as a liability of the Self-Insurance Fund. Participating funds are indemnified against any losses in a given year in excess of the fees charged. Fees charged are expensed as incurred in all funds. The total claims liability at September 30, 2005 reflects management's loss estimates of \$26,552,000 for all reported claims and \$39,018,000 for claims incurred but not reported, net of a discount of \$8,403,000 computed based on a projected interest rate of 4.01%. The net assets accumulated in the County's Self-Insurance Fund are designated for future catastrophic losses or for the purchase of additional commercial insurance against such losses when available at advantageous rates.

Changes in the Fund's claims liability amount in fiscal 2004 and 2005 were (in thousands):

Fiscal Year	Liability October 1	Current Year Claims and Changes in Estimates	Liability Claim Payments	September 30
2004	\$46,662	\$23,613	\$17,201	\$53,074
2005	\$53,074	\$24,769	\$20,676	\$57,167

NOTE 6 – INTERFUND BALANCES AND INTERFUND TRANSFERS

Interfund Balances

Interfund balances at September 30, 2005 are as follows (in thousands):

		<i>Due From</i>					<i>Total</i>
		<i>General Fund</i>	<i>Sheriff Operations</i>	<i>Aviation</i>	<i>Port Everglades</i>	<i>Nonmajor Governmental</i>	
<i>Due To</i>	General Fund		\$12,253			\$2,323	\$17,563
	Sheriff Operations					211	211
	County Transportation Trust	\$91					91
	Capital Outlay Reserve			\$5,350	\$5,350		10,700
	Nonmajor Governmental					5,368	5,368
	Internal Service		109				109
Total		\$91	\$12,362	\$5,350	\$5,350	\$7,902	\$34,042

The \$12,253,000 due from the Sheriff Operations to the General Fund represents \$15,238,000 for unexpended County appropriation, \$167,000 for services provided to the Sheriff that includes maintenance, warehouse use, and communications, less \$3,152,000 for the final County appropriation. The \$10,700,000 due from Aviation and Port Everglades to Capital Outlay Reserve is for a land purchase. The \$2,987,000 due from Internal Service to the General Fund represents the surplus incurred in the Self Insurance Fund from the Sheriff in fiscal year 2005.

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, 2005 are as follows (in thousands):

		<i>Transfer From</i>						<i>Total</i>
		<i>General Fund</i>	<i>Sheriff Operations</i>	<i>County Transportation Trust</i>	<i>Capital Outlay Reserve</i>	<i>Resource Recovery</i>	<i>Nonmajor Governmental</i>	
<i>Transfer To</i>	General Fund		\$15,400	\$36,602	\$9,373		\$14,005	\$ 75,380
	Sheriff Operations	\$594,826						594,826
	County Transportation Trust						5,420	5,420
	Capital Outlay Reserve	35,135					4,340	39,475
	Resource Recovery							214
	Nonmajor							
	Governmental	76,480		55,246	118		50,102	181,946
	Enterprise	88				\$300		588
	Internal Service	306			93		56	455
Total		\$706,835	\$15,400	\$91,848	\$9,584	\$300	\$73,923	\$898,304

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

The transfer of \$15,400,000 from the Sheriff Operations to the General Fund is for the Broward Sheriff's Office operating (cash) surplus for the fiscal year ended September 30, 2005. Included in the \$14,005,000 transfer from the Nonmajor Governmental Funds to the General Fund is a transfer of \$10,127,000 from a Debt Service Fund which was transferred back to the Debt Service Fund in order to make debt service payments. Included in the \$9,373,000 transfer from the Capital Outlay Reserve to the General Fund is a transfer of \$7,688,000 for communication equipment to enhance the E-911 wireless system. The responsibility for this capital project was accepted by the Sheriff when they assumed the activities formerly administered by the County.

NOTE 7 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

At September 30, 2005, the County estimates that the cost of permanently capping and maintaining its landfills in accordance with existing regulations will be \$39,262,000. Of this amount, the County has accrued a liability of \$17,242,000 based on amortizing the total estimated cost over the operational life of the landfills.

Of the total liability, \$374,000 is included in current liabilities payable from restricted assets and \$16,868,000 is included in other long-term liabilities on the Proprietary Funds - Statement of Net Assets.

The County's three landfills are the Davie landfill, which has been closed, the interim contingency landfill and the resource recovery landfill.

A summary of the landfill accounts is as follows (in thousands):

	<i>Davie Landfill</i>	<i>Interim Contingency Landfill</i>	<i>Resource Recovery Landfill</i>
Liability 9/30/05	\$2,808	\$8,371	\$6,063
Estimated total closure and postclosure care costs remaining to be recognized		11,129	10,891
Estimated remaining life of landfill (in years)	N/A-closed	19	6
Capacity used to date	100%	46%	39%

The \$39,262,000 cost estimate is considered sufficient by County management and the County's consulting engineer. However, existing regulations may change which may require the County to incur additional closure and postclosure costs.

The County is required by state laws and regulations to make annual deposits to finance closure and postclosure care. At September 30, 2005, cash and investments of \$17,434,000 are held for these purposes. These are reported as restricted assets on the Proprietary Funds - Statement of Net Assets. The County expects that future inflation costs will be paid from interest earnings on these annual deposits. However, if interest earnings are inadequate or additional closure or postclosure care requirements are determined, these costs may need to be covered by charges to future landfill users.

NOTE 8 - LARGE USER AGREEMENTS

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

Regional Wastewater Treatment Facility. The debt service charge is based on the relative percentage of reserve capacity designated for each user to total reserved capacity.

NOTE 9 - RELATED PARTY TRANSACTIONS

The County allocates certain support department costs which include legal, fiscal, purchasing, personnel, internal audit and communication costs to other County departments. Certain funds are also charged for the cost of services provided by the Self-Insurance, Fleet Services and Print Shop Funds. Costs of approximately \$69,906,000 for the above-mentioned services were allocated between funds during the year ended September 30, 2005.

NOTE 10 - PENSION COSTS

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

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

FRS issues an annual financial report. A copy can be obtained by sending a written request to:

Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000

The County's required contribution rate is established by State statute, and ranges from 6.28% to 17.42% of covered payroll, based on employee risk groups. The required contribution by the County to the FRS for the fiscal year ended September 30, 2005 was approximately \$69 million compared to \$65.9 million for the year ended September 30, 2004, and \$53.6 million for the year ended September 30, 2003. This represents an average contribution of approximately 11.3% of covered payroll in fiscal year 2005, 11.1% in fiscal year 2004, and 9.6% in fiscal year 2003. The County has met all contribution requirements for the current year and two preceding years.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS

The County allows its employees and their beneficiaries to continue obtaining health, dental and other insurance benefits upon retirement but does not contribute to the cost of such benefits. Employees and their beneficiaries pay the same group rates as are charged to the County for active employees. The unfunded actuarial accrued liability for the value of these benefits as of July 1, 2005, the date of the last actuarial valuation, was \$34,140,000. As of September 30, 2005, there were 203 retired employees continuing health insurance benefits with the County.

The Broward Sheriff's Office provides a postemployment health insurance benefit for employees and sworn officers. Upon normal retirement, employees receive a 2% monthly discount for every year of service with the Broward Sheriff's Office up to a maximum of a 50% reduction of the total cost of their health insurance premiums. The total discount amount is based on years of service, plan design, and level of coverage. The benefit continues on a pay-as-you-go basis as long as the retiree maintains the insurance coverage. As of September 30, 2005, there were approximately 357 retired employees receiving the benefit with an average of 50 additional retirees each year for future participation calculations. Payments during fiscal 2005 totaled \$1,268,000.

NOTE 12 - COMMITMENTS AND CONTINGENT LIABILITIES

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

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

The County leases office facilities and equipment under various leases, most of which have been executed on a year-to-year basis. Rental expenses for equipment leases and office facilities for the year ended September 30, 2005 amounted to \$4,556,000. Future commitments under operating leases at September 30, 2005, are not material.

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

The County and the contract municipalities have agreed to assess, through the Broward County Solid Waste Disposal District, uniform service fees on all improved real property sufficient to pay any system cost not covered by tipping fees, including the cost of any undelivered tonnage.

During fiscal year 2005, the County was obligated to deliver 1,095,000 tons of processable waste to the plants. Actual deliveries were 1,209,100 tons. As a result, the County exceeded the minimum tonnage commitment.

In connection with the Resource Recovery Refunding Revenue Bonds, Series 2001A (Wheelabrator North Broward Inc. Project and the Wheelabrator South Broward Inc. Project) (see Note 4), the refunding of the outstanding Resource Recovery Bonds generated a net present value savings of approximately \$43.8 million. These savings will be realized over a period of eight years commencing March 1, 2001. Based on a bond refund savings sharing agreement, Waste Management, Inc. will receive

approximately \$13.1 million with the balance of \$30.7 million going to the Solid Waste System (the County and twenty-five municipalities).

NOTE 13 – FUND BALANCE/NET ASSET CHANGES – CLERK OF THE COURTS

In prior fiscal years, Broward County had presented the Clerk of the Courts as a blended component unit. Beginning in fiscal 2005, the County is presenting the Clerk of the Courts as a discretely presented component unit.

As a result of this change, beginning net assets on the statement of activities and beginning fund balances on the statement of revenues, expenditures and changes in fund balances have been restated as follows (in thousands):

	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Total</i>
Net Assets – Beginning	\$1,745,909	\$1,564,565	\$3,310,474
Eliminate the Clerk of the Courts total net assets at beginning of year from governmental activities	(7,462)*		(7,462)
Net Assets – Beginning, Restated	\$1,738,447	\$1,564,565	\$3,303,012

*This includes the elimination of net capital assets of \$3,968 and compensated absences of \$1,978.

	<i>Nonmajor Special Revenue Funds</i>	<i>All Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Fund Balances, October 1	\$ 48,969	\$823,284	\$872,253
Eliminate Clerk of the Courts fund balance at beginning of year from Nonmajor Special Revenue Funds	(5,472)		(5,472)
Fund Balances, October 1, Restated	\$43,497	\$823,284	\$866,781

NOTE 14 - SUBSEQUENT EVENTS

On October 12, 2005, the County borrowed all of the proceeds of the First Florida Governmental Financing Commission \$7,470,000 Taxable Refunding Revenue Bonds, Series 2005B. The proceeds were used for the advance refunding of the County's loan and the associated First Florida Governmental Financing Commission Taxable Refunding Revenue Bonds, Series 2000B.

On October 24, 2005, South Florida suffered significant damage as the result of Hurricane Wilma. Consequently, Broward County and many other south Florida counties were declared disaster areas by both the Federal and State governments.

The Federal Emergency Management Agency (FEMA) is responsible for providing Federal disaster assistance to individuals and their families, state and local governments and certain non-profit organizations. Disaster assistance is based on project work sheets written by FEMA officers to identify damage at specific locations. As of February, 2006, the total unaudited amount of estimated hurricane damage to the County was \$60 million and the County's share of the expenses was estimated at \$7.5 million.

Required Supplementary Information

GENERAL AND MAJOR SPECIAL REVENUE FUNDS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

Sheriff Operations Fund – To account for the general operations of the Sheriff.

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

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Information

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

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

The BOCC made several supplemental budgetary appropriations throughout the year. In the General Fund, supplemental appropriations during fiscal 2005 were \$70,656,000 and in the Special Revenue Funds were \$13,936,000. These appropriations were primarily to recognize unanticipated revenues, including the award of federal and state grants, and to provide funding for unanticipated program requirements.

GENERAL FUND

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

for the fiscal year ended September 30, 2005
(In Thousands)

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Revenues:				
Taxes (Net of Discounts)	\$ 732,676	\$ 733,120	\$ 704,382	\$(28,738)
Special Assessment/Impact Fees	4,957	4,957	4,845	(112)
Licenses and Permits	15,895	15,895	17,423	1,528
Federal Grants	99,696	101,679	46,982	(54,697)
State Revenues:				
Revenue Sharing	26,412	27,021	29,175	2,154
Grants	32,254	34,897	25,976	(8,921)
Licenses	580	583	612	29
One-Half Cent Sales Tax	52,647	54,066	58,672	4,606
Charges for Services	301,773	313,367	297,817	(15,550)
Fines and Forfeitures	3,135	3,135	4,329	1,194
Interest Income	5,770	5,770	11,940	6,170
Miscellaneous	19,815	25,960	29,222	3,262
Subtotal	1,295,610	1,320,450	1,231,375	(89,075)
Less 5% of Anticipated Revenues	(56,345)	(56,917)		56,917
Total Revenues	1,239,265	1,263,533	1,231,375	(32,158)
Expenditures:				
General Government	175,686	186,130	155,041	31,089
Public Safety	12,439	12,082	11,148	934
Transportation	112,475	118,726	103,748	14,978
Human Services	168,957	173,709	131,928	41,781
Culture and Recreation	105,564	109,180	104,197	4,983
Physical Environment	17,249	19,712	20,916	(1,204)
Economic Environment	30,537	33,503	13,237	20,266
Debt Service:				
Principal Retirement	1,345	1,345		1,345
Interest and Fiscal Charges	428	428	249	179
Total Expenditures	624,680	654,815	540,464	114,351
Excess of Revenues Over Expenditures	\$ 614,585	\$ 608,718	\$ 690,911	\$ 82,193

(continued)

GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual, continued
for the fiscal year ended September 30, 2005
(In Thousands)

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Other Financing Sources (Uses):				
Transfers In:				
From Debt Service Funds	\$ 13,062	\$ 13,062	\$ 13,062	
From Constitutional Offices			15,400	\$ 15,400
From Other Funds	106,003	48,679	46,918	(1,761)
Total Transfers In	119,065	61,741	75,380	13,639
Transfers Out:				
To Debt Service Funds	(31,768)	(34,110)	(34,110)	
To Constitutional Offices	(592,267)	(622,556)	(620,243)	2,313
To Other Funds	(101,691)	(52,509)	(52,482)	27
Total Transfers Out	(725,726)	(709,175)	(706,835)	2,340
Total Other Financing Sources (Uses)	(606,661)	(647,434)	(631,455)	15,979
Net Change in Fund Balance	7,924	(38,716)	59,456	98,172
Fund Balance, October 1	108,045	167,799	172,995	5,196
Changes In Reserves for Inventory			631	631
Fund Balance, September 30	\$ 115,969	\$ 129,083	\$ 233,082	\$103,999

SHERIFF OPERATIONS FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
for the fiscal year ended September 30, 2005
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance with Final Budget Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	
Revenues				
Expenditures:				
Current:				
Public Safety	\$555,051	\$569,940	\$559,691	\$10,249
Capital Outlay	14,487	24,886	19,735	5,151
Total Expenditures	569,538	594,826	579,426	15,400
Excess of Revenues Over (Under) Expenditures	(569,538)	(594,826)	(579,426)	15,400
Other Financing Sources (Uses):				
Transfers In	569,538	594,826	594,826	
Transfers Out			(15,400)	(15,400)
Total Other Financing Sources (Uses)	569,538	594,826	579,426	(15,400)
Net Change in Fund Balance				
Fund Balance, October 1			748	748
Changes In Reserves for Inventory			186	186
Fund Balance, September 30	\$ -	\$ -	\$ 934	\$ 934

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

for the fiscal year ended September 30, 2005
(In Thousands)

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Revenues:				
Taxes (Net of Discounts)	\$ 64,494	\$ 64,968	\$ 67,560	\$ 2,592
Special Assessment/Impact Fees		3,382	5,617	2,235
Licenses and Permits	975	975	263	(712)
State Revenues:				
Licenses	400	400	371	(29)
Gasoline Taxes	23,140	23,140	25,083	1,943
One-Half Cent Sales Tax	10,745	10,745	11,938	1,193
Charges for Services	1,143	1,143	1,805	662
Interest Income	42	42	677	635
Miscellaneous	476	476	172	(304)
Subtotal	101,415	105,271	113,486	8,215
Less 5% of Anticipated Revenues	(5,072)	(5,096)		5,096
Total Revenues	96,343	100,175	113,486	13,311
Expenditures:				
Current:				
Transportation	26,942	27,468	26,576	892
Capital Outlay	122	75	37	38
Total Expenditures	27,064	27,543	26,613	930
Excess of Revenues Over Expenditures	69,279	72,632	86,873	14,241
Other Financing Sources (Uses):				
Transfers In	5,420	5,420	5,420	
Transfers Out	(87,103)	(91,848)	(91,848)	
Total Other Financing Sources (Uses)	(81,683)	(86,428)	(86,428)	
Net Change in Fund Balance	(12,404)	(13,796)	445	14,241
Fund Balance, October 1	14,504	27,750	27,750	
Changes In Reserves for Inventory			(161)	(161)
Fund Balance, September 30	\$ 2,100	\$ 13,954	\$ 28,034	\$14,080



Finance and Administrative Services Department
Accounting Division
115 South Andrews Avenue
Fort Lauderdale, FL 33301

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APPENDIX C

**THE MASTER TRUST INDENTURE;
THE FORM OF SECOND SUPPLEMENTAL TRUST INDENTURE**

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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

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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 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;

2

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.

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:

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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 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.

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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.

“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.

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“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 Operator by 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.

“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

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“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.

“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

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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.

“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

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

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(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.

“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.

“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.

“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.

“Register” 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.

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“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, 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”, “hereto”, “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)

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“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.

“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.

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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 will be

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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 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

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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 unmatured 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 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 unmatured 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

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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.

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

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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 unmatured 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.

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

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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 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

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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.

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.

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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)

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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 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

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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 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)

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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.

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

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(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:

(a) To the Bond Fund:

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(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;

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(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.

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(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 and 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.

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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.

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Trustee in the Equity Account of the Construction Fund (or any subaccount therein established by Supplemental Resolution).

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 for 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 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;

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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

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(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.

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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 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.

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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. Nonpresentation 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 thereupon 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 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)

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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

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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)(iii) 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 willful 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;

(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;

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(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,

(iv) any financing statements, amendments thereto or continuation statements,

(v) insurance of any property or collection of insurance moneys,

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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 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.

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(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, 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

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(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 contest 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 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.

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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:

(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.

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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 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.

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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 as their names and addresses appear on the Register 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 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.

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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

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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.

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.

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)

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.

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 of or 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.

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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, and

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

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 hereunder, respectively. No waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

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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 Pledged 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)

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- (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 Bonds, or (ii) a reduction in the Aggregate Principal Amount of the Bonds required for consent to a Supplemental Indenture.

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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;

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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 therefor (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,
- (b) to question the propriety of the execution and delivery thereof, or

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(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)

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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;

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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 dates with respect to those Bonds, notice thereof shall have been duly given as provided in Section 8.05 hereof. If any

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(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

(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

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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)

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(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 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 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)

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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.

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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 also shall 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.

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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 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)

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) BROWARD COUNTY, FLORIDA

Attest: By: Chair of the Board

County Administrator and ex-officio clerk 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

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:

- (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, 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.
- (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):

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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..

AMOUNTPURPOSE

A-I-1

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

- (d) 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

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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 partnerBy:
Title:

A-II-2

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

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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.

AMOUNTPURPOSE

FORM OF
SECOND SUPPLEMENTAL TRUST INDENTURE

THIS SECOND SUPPLEMENTAL TRUST INDENTURE (the "Second Supplemental Indenture"), is made and entered into as of July 1, 2006 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 TRUST COMPANY, N.A. (successor to The Bank of New York), 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 not defined in the recitals and granting clauses being used as defined in the Master Indenture and in Article I hereof).

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 the Series 2006 Bonds;

C. The County has determined to issue and sell the Series 2006 Bonds to refinance all or a portion of the Series 1996 Bonds, which were issued for Facility Purposes;

D. The Series 1996 Bonds were issued under the Master Indenture, as supplemented by a First Supplemental Indenture, and the County is authorized to execute and deliver this Second Supplemental Indenture for the purpose of refinancing all or a portion of the Series 1996 Bonds and to observe and perform all covenants, agreements and obligations to be observed or performed on its part hereunder;

E. 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 Second Supplemental Indenture and the issuance of the Series 2006 Bonds have happened, exist and have been performed, or at the delivery of the Series 2006 Bonds will have happened, will exist and will have been performed, (i) to make the Master Indenture, as supplemented by this Second Supplemental Indenture, a valid and binding trust indenture for the security of the Bonds in accordance with its terms; and (ii) to make the Series 2006 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

F. The Trustee has accepted the additional trusts created under this Second Supplemental Indenture, and in evidence thereof, this Second Supplemental Indenture has been executed and delivered thereby;

NOW, THEREFORE, this Second Supplemental Indenture WITNESSETH, that to secure the payment of Debt Service Charges on the Series 2006 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 2006 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 2006 Bonds by the Holders, and for other good and valuable consideration, the receipt of which is acknowledged, the County has executed and delivered this Second Supplemental Indenture, and by the Master Indenture the County has granted security interests in, and pledged and assigned 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 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 2006 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 2006 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 Second 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 Second 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 Second Supplemental Indenture and all other Supplemental Indentures hereinbefore and hereafter executed and delivered 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 Second Supplemental Indenture, shall take effect from the date of the Master Indenture, without regard to the date of the actual issue, sale or disposition of

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the Series 2006 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 2006 Bonds and the interest due or to become due thereon, together with any premium required by redemption of any of the Series 2006 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 2006 Bonds, according to the true intent and meaning thereof, or the Outstanding Series 2006 Bonds shall have been paid and discharged in accordance with Article VIII of the Master Indenture, and

(ii) all of the covenants, agreements, obligations, terms and conditions of the County under this Second 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 Second 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 Second 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 Second 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:

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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 Second 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:

"Ambac" means Ambac Assurance Corporation, the issuer of the Series 2006 Insurance Policies.

"Authorized Denominations" means \$5,000 or any integral multiple thereof.

"Comparable Treasury Issue" means, with respect to any redemption date for a particular Series 2006B Bond, the US Treasury security or securities selected by the Independent Investment Banker which has an actual or interpolated maturity comparable to the remaining average life of the applicable Series 2006B Bond to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Series 2006B Bond to be redeemed.

"Comparable Treasury Price" means, with respect to any redemption date for a Series 2006B Bond, (1) the average of the Reference Treasury Deal Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Deal Quotations, or (2) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Cost of Issuance Fund" means the Broward County Civic Arena 2006 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 Second 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 2006 Bonds or Debt Service Charges thereon, and to effect transfers of book-entry interests in Series 2006 Bonds.

"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.

"Escrow Agent" means The Bank of New York Trust Company, N.A.

"Escrow Deposit Agreement" means the Escrow Deposit Agreement dated as of July 1, 2006 between the County and the Escrow Agent with respect to the refunding of the Series 1996 Bonds.

"Escrow Fund" means the Escrow Deposit Trust Fund established with the Escrow Agent under the Escrow Deposit Agreement.

"Financial Advisor" means Public Resources Advisory Group, together with the Subconsultant, 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 8.2 of the Operating Agreement.

"Indenture" means the Master Indenture, as supplemented and amended by the First Supplemental Indenture and this Second Supplemental Indenture, and as further supplemented and amended by Supplemental Indentures from time to time.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Trustee in consultation with the County.

"Interest Payment Dates" means March 1 and September 1 of each year in which Series 2006 Bonds remain Outstanding, commencing March 1, 2007.

"Make Whole Redemption Price" means a redemption price equal to the greater of (i) one hundred percent (100%) of the principal amount of the Series 2006B Bonds to be redeemed; or (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Series 2006B Bonds to be redeemed (exclusive of interest accrued to the date fixed for redemption) discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15 basis points), plus in each case, accrued and unpaid interest on the Series 2006B Bonds being redeemed to the date fixed for redemption.

"Master Indenture" means the Master Trust Indenture dated as of September 1, 1996, between the County and the Trustee.

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"Net Operating Income" shall have the same meaning as set forth in Section 1.58 of the Operating Agreement.

"Original Purchaser" means the underwriters named in the Purchase Agreement.

"Principal Payment Dates" means September 1 in each of the years 2007 through 2028, inclusive, in each case being the dates on which principal of each Series of Series 2006 Bonds is due whether by stated maturity or from Amortization Requirements.

"Private Payments" means:

1. Payments by the Team, the Project Developer or the Operator for the Project Developer Facility Funding, and payments by any other private party such as a general contractor pursuant to a guaranteed maximum contract; and
2. Payments by the Team, the Project Developer or the Operator for additions which constitute enlargements or upgrades to the Facility and which are owned by the County; and
3. Payments of the County Preferred Revenue Allocation 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 based on the final costs thereof; and
4. Payments of the County's share of Net Operating Income as provided in Section 5.3 of the Operating Agreement allocable on a reasonable basis to the Series 2006A Bonds less the portion of any payment borne by the County that is properly allocable to the payment of ordinary and necessary expenses (as defined under Section 162 of the Code) directly attributable to the operation and maintenance of the Facility and is approved by Bond Counsel; and
5. Any other payments deemed Private Payments by Bond Counsel, including but not limited to, any loan or guaranty payments from the Team, the Operator or the Project Developer.

"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 2006A Bonds, such present value to be determined as of the date of issuance based on the discount rate equal to yield on the Series 2006A Bonds.

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"Purchase Agreement" means, with respect to the Series 2006 Bonds, the Bond Purchase Agreement dated as of July 13, 2006 between the County and the Original Purchaser.

"Reference Treasury Dealer" means each of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co. Inc. and Goldman, Sachs & Co. and their respective successors and three other firms, specified by the County from time to time, that are primary U.S. Government securities dealers in the City of New York (each a "Primary Treasury Dealer"); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the County will substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date for a particular Series 2006B Bond, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third business day preceding such redemption date.

"Series 1996 Bonds" means collectively, the Series 1996A Bonds and the Series 1996B Bonds.

"Series 1996A Bonds" means the County's \$135,360,000 original aggregate principal amount of Broward County, Florida Professional Sports Facilities Tax and Revenue Bonds, Series 1996A (Broward County Civic Arena Project), currently Outstanding in the aggregate principal amount of \$121,400,000.

"Series 1996A Escrow Account" means the account established in the Escrow Fund for deposit of a portion of the proceeds of the Series 2006A Bonds to refund and defease the Series 1996A Bonds.

"Series 1996B Bonds" means the County's \$48,740,000 original aggregate principal amount of Broward County, Florida Professional Sports Facilities Tax and Revenue Bonds, Taxable Series 1996B (Broward County Civic Arena Project), currently Outstanding in the aggregate principal amount of \$45,290,000.

"Series 1996B Escrow Account" means the account established in the Escrow Fund for deposit of a portion of the proceeds of the Series 2006B Bonds to refund and defease the Series 1996B Bonds.

"Series 2006 Bonds" means collectively, the Series 2006A Bonds and the Series 2006B Bonds.

"Series 2006 Insurance Policies" means collectively, the Series 2006A Insurance Policy and the Series 2006B Insurance Policy.

"Series 2006A Bonds" means the County's \$124,290,000 aggregate principal amount of Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2006A (Broward Civic Arena Project) described in Article II hereof.

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"Series 2006A Facility Project" means the acquisition, construction, installation, equipment and improvement of the Facility other than the Series 2006B Facility Project.

"Series 2006A Insurance Policy" means the financial guaranty insurance policy issued by Ambac guaranteeing the payment of principal of and interest on the Series 2006A Bonds when due, which shall be a Credit Facility under the Indenture.

"Series 2006B Bonds" means the County's \$52,475,000 aggregate principal amount of Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Taxable Series 2006B (Broward County Civic Arena Project) described in Article II hereof.

"Series 2006B Facility Project" means the acquisition, construction, installation, equipment and improvement of the portion of the Discrete Portion financed by the Series 1996B Bonds and refinanced by the Series 2006B Bonds.

"Series 2006B Insurance Policy" means the financial guaranty insurance policy issued by Ambac guaranteeing the payment of principal of and interest on the Series 2006B Bonds when due, which shall be a Credit Facility under the Indenture.

"Subconsultant" means, Stafford Sports Ventures, L.P.

"Swap Providers" means collectively, Bear Stearns Financial Products Inc. ("Bear Stearns"), Merrill Lynch Capital Services, Inc. ("Merrill") and Goldman Sachs Mitsui Marine Derivatives Products, L.P. ("Goldman Sachs"), and individually, each a "Swap Provider".

"Swaption Documents" means an ISDA Master Agreement dated March 5, 2004, together with the corresponding separate U.S. Municipal Counterparty Schedule to the ISDA Master Agreement dated March 5, 2004, separate Credit Support Annexes to the Schedule dated March 5, 2004 with respect to Merrill and Goldman Sachs and one or more confirmations dated as of March 15, 2006 between the County and each Swap Provider.

"Termination Payment" means a payment to be made by either the County to the Swap Providers or by the Swap Providers to the County pursuant to the Swaption Documents, upon early termination.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2006B Bond, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price.

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

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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 Second Supplemental Indenture, any legislation of the County authorizing the Series 2006 Bonds, the Series 2006 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 2006 Bonds, the Master Indenture and this Second 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 Second Supplemental Indenture; and the term "hereafter" means after, and the term "heretofore" means before, the date of this Second Supplemental 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 Second 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.

(End of Article I)

ARTICLE II

AUTHORIZATION AND TERMS OF THE SERIES 2006 BONDS

SECTION 2.01. Authorization of the Series 2006 Bonds.

(a) **Series 2006A Bonds.** The Series 2006A Bonds shall be designated "Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2006A (Broward County Civic Arena Project)". The Aggregate Principal Amount of Series 2006A Bonds which shall be issued hereunder is \$124,290,000. The County shall issue, sell and deliver the Series 2006A Bonds, together with other available funds, to (i) refund and defease on a current basis a portion of the Outstanding Series 1996A Bonds, (ii) pay Termination Payments to the applicable Swap Providers, (iii) pay a portion of the premium for a Reserve Fund Credit Facility and (iv) pay the cost of issuance of the Series 2006A Bonds.

(b) **Series 2006B Bonds.** The Series 2006B Bonds shall be designated "Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Taxable Series 2006B (Broward County Civic Arena Project)". The Aggregate Principal Amount of Series 2006B Bonds which shall be issued hereunder is \$52,475,000. The County shall issue, sell and deliver the Series 2006B Bonds, together with other available funds, to (i) refund and defease on a current basis all of the Outstanding Series 1996B Bonds, (ii) pay Termination Payments to the applicable Swap Providers, (iii) pay a portion of the premium for a Reserve Fund Credit Facility and (iv) pay the cost of issuance of the Series 2006B Bonds.

SECTION 2.02. Terms of Series 2006A Bonds.

(a) **General Terms.** The Series 2006A 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 Second Supplemental Indenture; (vi) shall be numbered in a manner determined by the Trustee which will distinguish each Series 2006A Bond from each other Series 2006A Bond; (vii) shall be transferable and exchangeable for fully registered Series 2006A Bonds of Authorized Denominations as provided in Article II of the Master Indenture, subject to the limitations with respect to Series 2006A 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 2.05 hereof and Article III of the Master Indenture.

(b) **Maturities and Interest Rates.** The Series 2006A Bonds shall consist of Serial Bonds and/or Term Bonds (the "Series 2006A 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:

<u>Serial Bonds</u>			
Principal Payment Date (September 1.)	Principal Amount	Interest Rate	
2007	\$ 705,000	4.000%	
2008	3,765,000	4.000	
2009	675,000	4.500	
2009	3,240,000	5.000	
2010	4,105,000	4.000	
2011	4,275,000	4.000	
2012	700,000	4.500	
2012	3,740,000	4.000	
2013	4,625,000	4.000	
2014	4,810,000	4.250	
2015	1,000,000	4.250	
2015	4,015,000	5.000	
2016	5,260,000	4.125	
2017	5,475,000	4.250	
2018	750,000	4.375	
2018	4,960,000	5.000	
2019	5,990,000	5.000	
2020	190,000	4.500	
2020	6,095,000	5.000	
2021	6,600,000	5.000	
2022	6,930,000	4.500	
2023	7,245,000	5.000	
2024	7,605,000	5.000	
2025	7,985,000	5.000	
2026	8,385,000	5.000	
<u>Term Bonds</u>			
Principal Payment Date (September 1.)	Principal Amount	Interest Rate	
2028	\$15,165,000	5.00%	

(c) **Security; Credit Facility.** The Series 2006A Bonds shall be secured as provided in the Master Indenture. Payment of the principal of and interest on the Series 2006A Bonds when due shall be guaranteed by the Series 2006A Insurance Policy.

(d) **Book-Entry System.** The Series 2006A Bonds shall only be issued to a Depository for holding in a Book-Entry System, without further action by the County. One Series 2006A Bond shall be issued for each maturity of the Series 2006A Bonds representing the aggregate principal amount of such maturity of the Series 2006A Bonds, and such Series 2006A Bonds shall be registered in the name of the Depository or its nominee, as Holder, and immobilized in the custody of the Depository. Series 2006A 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) withdrawal of the Series 2006A Bonds from the Depository as provided in paragraph (e) of this Section 2.02 and (iii) exchange of a Series 2006A Bond for a Book-Entry Bond of the same Series and maturity and in an amount equal to the outstanding aggregate principal amount of the Series 2006A Bonds maturing on that date. The owners of book-entry interests in the Series 2006A Bonds shall not have any right to receive Series 2006A Bonds in the form of physical certificates.

(e) **Change of Depository and Replacement Series 2006A Bonds.** If any Depository determines not to continue to act as a Depository for the Series 2006A Bonds, the County may attempt to have established a Book-Entry System relationship with another Depository under this Second 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 2006A Bonds by appropriate notice to the then Depository, the County and the Trustee shall permit withdrawal of the Series 2006A Bonds from the Depository, and the Authenticating Agent shall authenticate and deliver Series 2006A 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 2006A Bond certificates) of those persons requesting that authentication and delivery.

(f) **Payment and Ownership of Series 2006A Bonds.** Debt Service Charges shall be payable:

(i) on any Series 2006A 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 2006A Bond, delivered or transmitted to the Depository or its authorized representative when due, upon presentation and surrender of such Series 2006A 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 2006A Bond, delivered or transmitted on any Interest Payment Date to the Depository or nominee that was the Holder of that Series 2006A Bond (or a predecessor Series 2006A Bond) at the close of business on the Regular Record Date applicable to that Interest Payment Date; and

(ii) on any Series 2006A 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 the first paragraph of that Section) shall apply to all Series 2006A Bonds, including Series 2006A Bonds in a Book-Entry System.

SECTION 2.03. Terms of Series 2006B Bonds.

(a) General Terms. The Series 2006B Bonds (i) shall be issued as Taxable Bonds; (ii) shall be issued in Authorized Denominations; (iii) shall be dated as of 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 B to this Second Supplemental Indenture; (vi) shall be numbered in a manner determined by the Trustee which will distinguish each Series 2006B Bond from each other Series 2006B Bond; (vii) shall be transferable and exchangeable for fully registered Series 2006B Bonds of Authorized Denominations as provided in Article II of the Master Indenture, subject to the limitations with respect to Series 2006B Bonds held under the Book-Entry System as set forth in paragraph (d) of this Section 2.03; and (viii) shall be subject to redemption prior to maturity as provided in Section 2.06 hereof and Article III of the Master Indenture.

(b) Maturities and Interest Rates. The Series 2006B Bonds shall consist of Serial Bonds and/or Term Bonds (the "Series 2006B 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:

<u>Serial Bonds</u>		
Principal Payment Date (September 1.)	Principal Amount	Interest Rate
2007	\$ 915,000	5.721%
2008	1,320,000	5.663
2009	1,395,000	5.677
2010	1,475,000	5.693
2011	1,625,000	5.723
2012	1,715,000	5.753
2013	1,820,000	5.785
2014	1,920,000	5.815
2015	2,030,000	5.835
2016	2,150,000	5.845

<u>Term Bonds</u>		
Principal Payment Date (September 1.)	Principal Amount	Interest Rate
2021	\$12,525,000	5.915%
2028	23,585,000	5.998

(c) Security; Credit Facility. The Series 2006B Bonds shall be secured as provided in the Master Indenture. Payment of the principal of and interest on the Series 2006B Bonds when due shall be guaranteed by the Series 2006B Insurance Policy.

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(d) Book-Entry System. The Series 2006B Bonds shall only be issued to a Depository for holding in a Book-Entry System, without further action by the County. One Series 2006B Bond shall be issued for each maturity of the Series 2006B Bonds representing the aggregate principal amount of such maturity of the Series 2006B Bonds, and such Series 2006B Bonds shall be registered in the name of the Depository or its nominee, as Holder, and immobilized in the custody of the Depository. Series 2006B 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) withdrawal of the Series 2006B Bonds from the Depository as provided in paragraph (e) of this Section 2.03 and (iii) exchange of a Series 2006B Bond for a Book-Entry Bond of the same Series and maturity and in an amount equal to the outstanding aggregate principal amount of the Series 2006B Bonds maturing on that date. The owners of book-entry interests in the Series 2006B Bonds shall not have any right to receive Series 2006B Bonds in the form of physical certificates.

(e) Change of Depository and Replacement Series 2006B Bonds. If any Depository determines not to continue to act as a Depository for the Series 2006B Bonds, the County may attempt to have established a Book-Entry System relationship with another Depository under this Second 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 2006B Bonds by appropriate notice to the then Depository, the County and the Trustee shall permit withdrawal of the Series 2006B Bonds from the Depository, and the Authenticating Agent shall authenticate and deliver Series 2006B 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 2006B Bond certificates) of those persons requesting that authentication and delivery.

(f) Payment and Ownership of Series 2006B Bonds. Debt Service Charges shall be payable:

(i) on any Series 2006B 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 2006B Bond, delivered or transmitted to the Depository or its authorized representative when due, upon presentation and surrender of such Series 2006B 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 2006B Bond, delivered or transmitted on any Interest Payment Date to the Depository or nominee that was the Holder of that Series 2006B Bond (or a predecessor Series 2006B Bond) at the close of business on the Regular Record Date applicable to that Interest Payment Date; and

(ii) on any Series 2006B Bond not held in a Book-Entry System, as provided in the first paragraph of Section 2.06 of the Master Indenture.

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The provisions of Section 2.06 of the Master Indenture (other than the first paragraph of that Section) shall apply to all Series 2006B Bonds, including Series 2006B Bonds in a Book-Entry System.

SECTION 2.04. Delivery and Application of Proceeds of Series 2006 Bonds. Upon the execution and delivery of this Second Supplemental Indenture, and satisfaction of the conditions established by the County for the delivery of the Series 2006 Bonds, the County shall execute the Series 2006 Bonds and deliver them to the Trustee. Thereupon, the Authenticating Agent shall authenticate the Series 2006 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 2.04.

(a) Series 2006A Bonds. Simultaneously with the delivery of the Series 2006A Bonds,

(i) the Trustee shall apply the net proceeds of the Series 2006A Bonds, less \$107,573.06 to be paid directly to Ambac for a portion of the premium for the Reserve Fund Credit Facility, received by the Trustee as follows:

(A) deposit to the Series 1996A Escrow Account of the Escrow Fund, \$116,867,814.85;

(B) pay to Merrill \$5,235,000.00 as a Termination Payment;

(C) pay to Goldman Sachs \$3,490,000.00 as a Termination Payment; and

(D) deposit to the Series 2006A Account of the Cost of Issuance Fund, \$417,957.75; and

(ii) the Trustee shall release \$4,783,609.38 from the Series 1996A Account of the Bond Reserve Fund and deposit to the Series 1996A Escrow Account of the Escrow Fund, \$4,783,609.38.

(iii) the Trustee shall release \$937,307.87 from the Series 1996A Subaccount of the Interest Account of the Bond Fund and deposit to the Series 1996A Escrow Account of the Escrow Fund, \$937,307.87.

(b) Series 2006B Bonds. Simultaneously with the delivery of the Series 2006B Bonds,

(i) the Trustee shall apply the net proceeds of the Series 2006B Bonds, less \$49,911.02 to be paid directly to Ambac for a portion of the premium for the Reserve Fund Credit Facility, received by the Trustee as follows:

(A) deposit to the Series 1996B Escrow Account of the Escrow Fund, \$45,048,573.77;

(B) pay to Goldman \$1,730,000.00 as a Termination Payment;

(C) pay to Merrill \$1,730,000.00 as a Termination Payment;

(D) pay to Bear Stearns \$3,460,000.00 as Termination Payment; and

(E) deposit to the Series 2006B Account of the Cost of Issuance Fund, \$180,299.89; and

(ii) the Trustee shall release \$2,220,855.50 from the Series 1996B Account of the Bond Reserve Fund and deposit to the Series 1996B Escrow Account of the Escrow Fund, \$2,220,855.50.

(iii) the Trustee shall release \$502,161.13 from the Series 1996B Subaccount of the Interest Account of the Bond Fund and deposit to the Series 1996B Escrow Account of the Escrow Fund, \$502,161.13.

Prior to delivery by the Trustee of any Series 2006 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 2006 Bonds to, or on the order of, the Original Purchaser upon payment to the Trustee of the purchase price for the Series 2006 Bonds provided in the Purchase Agreement.

SECTION 2.05. Terms of Redemption of Series 2006A Bonds. The Series 2006A 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 2006A Term Bonds maturing on September 1, 2028 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 2006A Subaccount of the Interest Account):

<u>Year</u>	<u>Amortization Requirements</u>
2027	\$7,400,000
2028*	7,765,000

* Final Maturity.

The County shall have the option to deliver for cancellation to the Registrar any Series 2006A 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.

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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 2006A Term Bonds so purchased for cancellation (to the extent such Series 2006A 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 2006A Term Bonds which prior thereto have been purchased or redeemed other than through the operation of the Amortization Requirements.

Each Series 2006A 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 2006A Term Bonds in the order directed in writing by the Authorized County Representative by following the procedures described above.

(b) **Optional Redemption.** The Series 2006A Bonds maturing on and after September 1, 2017 are subject to optional redemption by the County prior to maturity, on and after September 1, 2016, 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.

SECTION 2.06. Terms of Redemption of Series 2006B Bonds. The Series 2006B 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 2006B Term Bonds maturing on September 1, 2021 are subject to mandatory sinking fund redemption in part 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 2006B Subaccount of the Interest Account):

<u>Year</u>	<u>Amortization Requirements</u>
2017	\$2,280,000
2018	2,345,000
2019	2,485,000
2020	2,630,000
2021*	2,785,000

* Final Maturity.

The Series 2006B Term Bonds maturing on September 1, 2028 are subject to mandatory sinking fund redemption in part 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 2006B Subaccount of the Interest Account):

<u>Year</u>	<u>Amortization Requirements</u>
2022	\$2,955,000
2023	3,135,000
2024	3,320,000
2025	3,520,000
2026	3,730,000
2027	3,360,000
2028*	3,565,000

* Final Maturity.

Notwithstanding anything to the contrary contained in the Master Indenture, if fewer than all of the Series 2006B Bonds of a single maturity are to be redeemed, the selection of the Series 2006B Bonds within such maturity to be redeemed or portions thereof in Authorized Denominations shall be made on a pro rata basis.

The County shall have the option to deliver for cancellation to the Registrar any Series 2006B 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 said Amortization Requirements, and (ii) delivering to the Registrar the Series 2006B Term Bonds so purchased for cancellation (to the extent such Series 2006B 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 2006B Term Bonds which prior thereto have been purchased or redeemed other than through the operation of the Amortization Requirements.

Each Series 2006B 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 2006B Term Bonds in the order directed in writing by the Authorized County Representative by following the procedures described above.

(b) **Optional Redemption.** The Series 2006B Bonds are subject to optional redemption by the County prior to maturity, in whole or in part at any time, and if in part on a pro rata basis, at the Make Whole Redemption Price plus interest accrued to the redemption date.

SECTION 2.07. 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 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 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 2006 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 2006 Bonds called for redemption and not so paid remain Outstanding.

(End of Article II)

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, (A) the "Series 2006A Subaccount" into which deposits to the Interest Account allocable to the Series 2006A Bonds shall be made and from which, subject to Section 4.02(1)(f) of the Master Indenture, interest due on the Series 2006A Bonds shall be paid, and (B) the "Series 2006B Subaccount" into which deposits to the Interest Account allocable to the Series 2006B Bonds shall be made and from which, subject to Section 4.02(1)(f) of the Master Indenture, interest due on the Series 2006B Bonds shall be paid, all in accordance with the Master Indenture;

(b) within the Principal Account of the Bond Fund, (A) the "Series 2006A Subaccount" into which deposits to the Principal Account allocable to the Series 2006A Bonds shall be made and from which, subject to Section 4.02(1)(f) of the Master Indenture, principal due on the Series 2006A Bonds shall be paid, and (B) the "Series 2006B Subaccount" into which deposits to the Principal Account allocable to the Series 2006B Bonds shall be made and from which, subject to Section 4.02(1)(f) of the Master Indenture, principal due on the Series 2006B shall be paid, all in accordance with the Master Indenture;

(c) within the Bond Reserve Fund, (A) the "Series 2006A Account" into which the portion of the Reserve Requirement allocable to the Series 2006A Bonds or any shortfall therein shall be deposited and from which, subject to the proviso set forth below, moneys necessary to make up deficiencies in the Series 2006A Subaccounts of the Interest Account and/or Principal Account shall be withdrawn as provided in Section 4.04(a) of the Master Indenture, and (B) the "Series 2006B Account" into which the portion of the Reserve Requirement allocable to the Series 2006B Bonds or any shortfall therein shall be deposited, and from which, subject to the proviso set forth below, moneys necessary to make up deficiencies in the Series 2006B Subaccounts of the Interest Account and/or the Principal Account shall be withdrawn as provided in Section 4.04(a) of the Master Indenture, all in accordance with the Master Indenture; provided, however, that if the amount available in any such Account of the Bond Reserve Fund is insufficient at any time to make up the deficiency with respect to the applicable Series of Series 2006 Bonds, the Trustee shall, after depleting the amount available in the applicable Account, withdraw the necessary amount from any available moneys in the other Account of the Bond Reserve Fund;

(d) the Series 2006A Rebate Fund designated the "Broward County Civic Arena Series 2006A Rebate Fund" into which deposits allocable to the Series 2006A Bonds shall be made and from which rebate amounts due with respect to the Series 2006A 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 Cost of Issuance Fund" and the "Series 2006A Account" and "Series 2006B Account" therein, from which Accounts costs of issuance of the Series 2006A Bonds and the Series 2006B Bonds, respectively, 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 any such Accounts six (6) months after the date of delivery of the Series 2006 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 2006A Bonds. The County covenants and agrees that so long as any Series 2006A 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 2006A 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 2006A 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 2006A 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 2006A Bonds, as is necessary in the Opinion of Bond Counsel to maintain the exclusion from gross income of interest on the Series 2006A Bonds.

SECTION 3.03. Covenants for the benefit of Ambac. Notwithstanding anything to the contrary contained in the Indenture and in addition to all rights granted Ambac in its capacity as a Credit Facility Provider thereunder, including Section 6.06 of the Master Indenture, for so long as Ambac has not defaulted in its obligations under the Series 2006 Insurance Policies and the Series 2006 Insurance Policies are in effect, the County, the Fiduciaries and the Holders of the Series 2006 Bonds, as applicable, agree solely for the benefit of Ambac as follows:

(a) Ambac will be deemed the Holder of all Series 2006 Bonds under the Indenture, in lieu of the registered holders thereof, for purposes of (i) consenting to the execution of any Supplemental Indenture pursuant to Section 7.03 of the Master Indenture and (ii) removal of the Trustee and appointment of any successor Trustee; and (iii) initiation or approval of any action not described in (i) above which requires Consent of the Holders of the Series 2006 Bonds.

(b) Any provision of the Indenture expressly recognizing or granting rights in or to Ambac may not be amended in any manner which affects the rights of Ambac hereunder without the prior written consent of Ambac. Ambac reserves the right to charge the County a fee for any consent or amendment to the Indenture while the Series 2006 Insurance Policies are outstanding.

(c) Notwithstanding anything to the contrary contained in the Indenture, upon the occurrence and continuation of an Event of Default, Ambac shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders of the Series 2006 Bonds or the Trustee for the benefit of the Holders of the Series 2006 Bonds under the Indenture.

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- a. U.S. treasury obligations,
- b. All direct or fully guaranteed obligations.
- c. Farmers Home Administration,
- d. General Services Administration,
- e. Guaranteed Title XI financing,
- f. Government National Mortgage Association (GNMA), and
- g. State and Local Government Series.

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date);

(l) Eligible Investments, but not Defeasance Obligations, under the Indenture with respect to the Series 2006 Bonds may also include the following:

1. Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- a. Export-Import Bank,
- b. Rural Economic Community Development Administration,
- c. U.S. Maritime Administration,
- d. Small Business Administration,
- e. U.S. Department of Housing & Urban Development (PHAs),
- f. Federal Housing Administration, and
- g. Federal Financing Bank;

2. Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- a. Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC);
- b. Obligations of the Resolution Funding Corporation (REFCORP);

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(d) The County or the Trustee, as appropriate, shall furnish to Ambac, upon request, the following:

- 1. a copy of any financial statement, audit and/or annual report of the County; and
- 2. such additional information as Ambac may reasonably request.

Upon request, such information shall be delivered at the County's expense to the attention of the Surveillance Department, unless otherwise indicated.

(e) Ambac shall receive a copy of any notice to be given to the registered Holders of the Series 2006 Bonds, including without limitation, notice of any redemption or defeasance of the Series 2006 Bonds, and any certificate rendered pursuant to the Indenture relating to the Pledged Revenues or the Pledged Funds.

(f) To the extent the County has entered into a continuing disclosure agreement with respect to the Series 2006 Bonds, Ambac shall be included as a party to be notified.

(g) The Trustee shall notify Ambac, to the attention of the General Counsel's Office, of any failure of the County to provide relevant notices and certificates under the Indenture.

(h) Notwithstanding any other provision of the Indenture, the Trustee shall immediately notify Ambac, to the attention of the General Counsel's Office if at any time there are insufficient moneys to make any payments of principal of and/or interest as required and immediately upon the occurrence of any Event of Default under the Indenture.

(i) Ambac is permitted to discuss the affairs, finances and accounts of the County or any information Ambac may reasonably request regarding the Pledged Revenues or Pledged Funds for the Series 2006 Bonds with the appropriate officers of the County. The County will permit Ambac to have access to the Facility and have access to and to make copies of all books and records relating to the Series 2006 Bonds at any reasonable time.

(j) Upon an Event of Default hereunder, Ambac shall have the right to direct an accounting at the County's expense, and the County's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from Ambac shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued.

(k) Eligible Investments and Defeasance Obligations under the Indenture with respect to the Series 2006 Bonds shall be limited to:

- 1. Cash (insured at all times by the Federal Deposit Insurance Corporation);
- 2. Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States including:

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- c. Senior debt obligations of the Federal Home Loan Bank System; and
- d. Senior debt obligations of other Government Sponsored Agencies approved by Ambac.

3. U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

4. Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

5. Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

6. Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

a. which are rated, based on an irrevocable escrow account of funds (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or

b. (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (k)2. above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

7. Municipal Obligations rated "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by both Moody's and S&P;

8. Investment Agreements approved in writing by Ambac (supported by appropriate opinions of counsel); and

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9. other forms of investments (including repurchase agreements) provided such agreements shall have a term greater than six (6) months and less than seven (7) years; and

a. Uncollateralized agreements (with collateralization triggers) provided or guaranteed by:

- Registered brokers/dealers that are designated Fed dealers only. Such entity or its parent must have a long-term rating of at least Aa2/AA.
- Domestic banks that have a long-term rating of at least Aa2/AA.
- U.S. branches of foreign banks that have a long-term rating of at least Aa2/AAA, or Aaa/AA.
- Insurance companies (or corporations whose obligations are guaranteed by an insurance company (in the form of an insurance policy) or by an insurance holding company) that have a long-term rating of Aaa/AAA.

b. Collateralized agreements provided or guaranteed by:

- Registered brokers/dealers that are designated Fed dealers only. Such entity or its parent must have a long-term rating of at least A2/A. Agreements must be in a repurchase format.
- Domestic banks rated at least A2/A.
- U.S. branches of foreign banks rated at least Aa3/AA-, or Aaa/AA.
- Domestic or Canadian insurance companies or insurance holding companies rated at least Aa3/AA-.

(m) The value of the above investments shall be determined as follows:

1. For the purpose of determining the amount in any fund, all Eligible Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, Merrill Lynch, Citigroup Global Markets Inc., Bear Stearns, or Lehman Brothers.

2. As to certificates of deposit and bankers' acceptances: the face amount thereof, plus, accrued interest thereon; and

3. As to any investments not specified above: the value thereof established by prior agreement among the County, the Trustee and Ambac.

(n) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Series 2006 Bonds shall be paid by Ambac pursuant to the Series 2006

Insurance Policies, the Series 2006 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the County, and the assignment and pledge of the Pledged Revenues and Pledged Funds and all covenants, agreements and other obligations of the County to the registered Holders shall continue to exist and shall run to the benefit of Ambac, and Ambac shall be subrogated to the rights of such registered Holders.

(o) The following language sets out the applicable procedure for payments under the Series 2006 Insurance Policies:

1. As long as any of the Series 2006 Insurance Policies shall be in full force and effect, the County and the Trustee agree to comply with the following provisions:

a. At least one (1) business day prior to all Interest Payment Dates and Principal Payment Dates the Trustee and any Paying Agent will determine whether there will be sufficient funds in the Funds and Accounts to pay the principal of or interest on the Series 2006 Bonds on such Interest Payment Date or Principal Payment Dates. If the Trustee or Paying Agent, if any, determines that there will be insufficient funds in such Funds and Accounts, the Trustee or Paying Agent, if any, shall so notify Ambac. Such notice shall specify the amount of the anticipated deficiency, the Series 2006 Bonds to which such deficiency is applicable and whether such Series 2006 Bonds will be deficient as to principal or interest, or both. If the Trustee or Paying Agent, if any, has not so notified Ambac at least one (1) business day prior to an Interest Payment Date or Principal Payment Date, Ambac will make payments of principal or interest due on the Series 2006 Bonds on or before the first (1st) Business Day next following the date on which Ambac shall have received notice of nonpayment from the Trustee.

b. the Trustee shall, after giving notice to Ambac as provided in a. above, make available to Ambac and, at Ambac's direction, to The Bank of New York, New York, New York, as insurance trustee for Ambac, or any successor insurance trustee (the "Insurance Trustee"), the registration books of the County maintained by the Trustee, and all records relating to the Funds and Accounts maintained under the Indenture.

c. the Trustee shall provide Ambac and the Insurance Trustee with a list of registered Holders of the Series 2006 Bonds entitled to receive principal or interest payments from Ambac under the terms of either of the Series 2006 Insurance Policies, and shall make arrangements with the Insurance Trustee (i) to make checks or drafts to the registered Holders of the Series 2006 Bonds entitled to receive full or partial interest payments from Ambac and (ii) to pay principal upon Series 2006 Bonds entitled to receive full or partial payments from Ambac.

d. the Trustee shall, at the time it provides notice to Ambac pursuant to a. above, notify registered Holders of any of the Series 2006 Bonds entitled to receive the payment of principal or interest thereon from Ambac (i) as to the fact of such entitlement, (ii) that Ambac will remit to them all or a part of the interest payments next coming due upon proof of the Holder's entitlement to interest

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payments and delivery to the Insurance Trustee, in the form satisfactory to the Insurance Trustee, of the appropriate assignment of the registered Holder's right to payment, (iii) that should they be entitled to receive full payment of principal from Ambac, they must surrender their Series 2006 Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Series 2006 Bonds to be registered in the name of Ambac) for payment to the Insurance Trustee, and not the Trustee, who shall note on such Series 2006 Bonds the portion of the principal paid by the Trustee and then, along with an appropriate instrument of assignment in the form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

e. in the event that the Trustee has notice that any payment of principal of or interest on a Series 2006 Bonds which has become Due for Payment and which is made to a Holder by or on behalf of the County has been deemed a preferential transfer and theretofore recovered from its registered Holder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time Ambac is notified pursuant to a. above, notify all registered holders that in the event that any registered Holder's payment is so recovered, such registered Holder will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee shall furnish to Ambac its records evidencing the payments of principal of and interest on the Series 2006 Bonds which have been made by the Trustee and subsequently recovered from registered Holders and the dates on which such payments were made.

f. in addition to those rights granted Ambac under the Indenture, Ambac shall, to the extent it makes payment of principal of or interest on the Series 2006 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Series 2006 Insurance Policies, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee shall note Ambac's rights as subrogee on the registration books of the County maintained by the Trustee upon receipt from Ambac of proof of the payment of interest thereon to the registered Holders of the Series 2006 Bonds, and (iii) in the case of subrogation as to claims for past due principal, the Trustee shall note Ambac's rights as subrogee on the registration books of the County maintained by the Trustee upon surrender of the Series 2006 Bonds by the registered Holders thereof together with proof of the payment of principal thereof.

(p) With respect to the Trustee, Ambac has the following rights:

1. the Trustee may be removed at any time, at the request of Ambac for any breach of the Trust set forth in the Indenture;

2. Ambac shall receive prior written notice of any Trustee resignation;

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3. every successor Trustee appointed pursuant to this Section shall be a trust company or bank in good standing located in or incorporated under the laws of the State or the United States of America, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$75,000,000 and acceptable to Ambac. Any successor Paying Agent, if applicable, shall not be appointed unless Ambac approves such successor in writing;

4. Notwithstanding any other provision of this Indenture, in determining whether the rights of the Holders will be adversely affected by the action taken pursuant to the terms and provisions of this Indenture, the Trustee shall consider the effect on the Holders as if there were no Series 2006 Insurance Policies; and

5. Notwithstanding any other provision of this Indenture, no removal, resignation or termination of the Trustee shall take effect until a successor, acceptable to Ambac, shall be appointed.

(End of Article III)

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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 Second Supplemental Indenture.

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Second 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.

SECTION 4.02. The Master Indenture. In general, each and every term and condition contained in the Master Indenture shall apply to this Second 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 Second 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 Second Supplemental Indenture shall be, and shall be read, taken and construed and deemed to be, so long as the Series 2006 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 Second Supplemental Indenture, nothing expressed or mentioned in or to be implied from the Master Indenture, this Second Supplemental Indenture or the Series 2006 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 2006 Bonds and any Credit Facility Providers any legal or equitable right, remedy, power or claim under or with respect to this Second Supplemental Indenture of any covenants, agreements, conditions and provisions contained herein. This Second 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 2006 Bonds and any Credit Facility Providers, as provided herein.

SECTION 4.04. Severability. In case any section or provision of this Second Supplemental Indenture, or any covenant, agreement, stipulation, obligation, condition, provision, act or action or part thereof, made, assumed, entered into or taken under this Second 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 Second 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

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shall constitute but one and the same document. It shall not be necessary in proving this Second Supplemental Indenture to produce or account for more than one of those counterparts.

SECTION 4.10. Governing Law. This Second Supplemental Indenture shall be governed by and construed in accordance with the laws of the State.

(End of Article IV)

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 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 Second 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 Second 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 2006 Bonds, this Second Supplemental Indenture, the Facility Agreements or any amendment or supplement hereto or thereto shall be liable personally on the Series 2006 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 2006 Bonds.

SECTION 4.08. Binding Effect. This Second 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 Second Supplemental Indenture may be executed in any number of counterparts, each of which shall be regarded as an original and all of which

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IN WITNESS WHEREOF, the County has caused this Second 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 Second 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 TRUST
COMPANY, N.A.,
As Trustee

By: _____
Vice President

Prepared by:
Squire, Sanders & Dempsey L.L.P.
and Law Offices of Perry E. Thurston, Jr., P.A.,
Co-Bond Counsel

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EXHIBIT A
UNITED STATES OF AMERICA
STATE OF FLORIDA

BROWARD COUNTY, FLORIDA
PROFESSIONAL SPORTS FACILITIES TAX
AND REVENUE REFUNDING BONDS, SERIES 2006A
(BROWARD COUNTY CIVIC ARENA PROJECT)

Interest Rate	Maturity Date	Dated as of	Cusip No.
	September 1, ____	July 26, 2006	

Registered Owner:

Principal Amount: Dollars

Broward County, Florida (the "County") for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate per annum stated above, on March 1 and September 1 of each year (the "Interest Payment Dates"), commencing March 1, 2007. This Bond bears interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from its date. Principal and interest are payable when due in lawful money of the United States of America, to the person in whose name this Bond (or, if applicable, one or more predecessor Bonds) is registered on the Register maintained by The Bank of New York Trust Company, N.A., as Registrar (the "Registrar"). Principal and any premium is payable upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Trust Company, N.A., as Trustee (the "Trustee"), or at the office, designated by the Trustee, or any other paying agent appointed by the Trustee with the consent of the County. Interest payable on each Interest Payment Date is payable by check or draft mailed by the Trustee on each Interest Payment Date to the owner of this Bond (or one or more predecessor Bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Interest Payment Date; provided that so long as the Bonds are in a book-entry system, interest on this Bond shall be payable in the manner required by such system.

This Bond is one of a duly authorized Series of special limited obligation bonds of the County designated "Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2006A (Broward County Civic Arena Project)" (the "Series 2006A Bonds"), issued under a Master Trust Indenture dated as of September 1, 1996, as heretofore supplemented, and a Second Supplemental Trust Indenture, dated as of July 1, 2006 (collectively and with any other Supplemental Indentures, the "Indenture"), between the County and the Trustee, aggregating in the principal amount of \$124,290,000, to refund and defease on a current basis a portion of the County's \$135,360,000 original aggregate principal amount of its Professional Sports Facilities Tax and Revenue Bonds, Series 1996A (Broward County Civic

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payment by the County of Debt Service Charges on the Series 2006A Bonds and receipt of notices to, giving of consents by and exercise of rights of, owners. There shall be a single Series 2006A Bond representing each maturity and each interest rate within a maturity, and all Series 2006A Bonds shall be immobilized in the custody of DTC with the owners of beneficial interests in those Series 2006A Bonds (the "book-entry interests") having no right to receive from the County Series 2006A Bonds in the form of physical securities or certificates. Ownership of book-entry interests in the Series 2006A Bonds shall be shown by book-entry on the system maintained and operated by DTC, its participants (the "Participants") and certain persons acting through the Participants, and transfers of ownership of book-entry interests shall be made only by that book-entry system, the County, the Trustee and the Registrar having no responsibility therefor. DTC is to maintain records of the positions of Participants in the Series 2006A Bonds, and the Participants and persons acting through Participants are to maintain records of the purchasers and owners of book-entry interests in the Series 2006A Bonds. The Series 2006A Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository (as defined in the Indenture) or to another nominee of a Depository, without further action by the County.

If any Depository determines not to continue to act as Depository for the Series 2006A Bonds for use in a book-entry system, the County may attempt to have established a book-entry system relationship with another qualified Depository. If the County does not or is unable to do so, the County and the Registrar, after the Registrar has made provision for notification of the owners of book-entry interests by the then Depository, shall permit withdrawal of the Series 2006A Bonds from the Depository, and authenticate and deliver Series 2006A Bond certificates in fully registered form (in denominations of \$5,000 or integral multiples thereof) to the assignees of the Depository or its nominee, all at the cost and expense (including costs of printing or otherwise preparing and delivering replacement Series 2006A Bond certificates) of those persons requesting such authentication and delivery, if the event is not the result of County action or inaction.

The Series 2006A Bonds are subject to redemption prior to stated maturity as follows:

(a) Mandatory Sinking Fund Redemption. The Series 2006A Term Bonds maturing on September 1, 2028 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.

Year	Amortization Requirements
2027	\$7,400,000
2028*	7,765,000

* Final Maturity.

The County shall have the option to deliver for cancellation to the Registrar any Series 2006A Term Bonds in any aggregate principal amount, and to receive a credit therefor against

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Arena Project), of which \$121,400,000 aggregate principal amount is outstanding, together 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"), being an additional Series of special limited obligation bonds of the County issued under the Indenture and aggregating in the principal amount of \$52,475,000.00 (the Series 2006A Bonds and the Series 2006B Bonds are collectively referred to as the "Series 2006 Bonds"), to refund and defease on a current basis all of the County's \$48,740,000 original aggregate principal amount of its Professional Sports Facilities Tax and Revenue Bonds, Taxable Series 1996B (Broward County Civic Arena Project), of which \$45,290,000 aggregate principal amount is outstanding, the proceeds of which were used to construct the Broward County Civic Arena (as defined in the Indenture, the "Facility"). The Series 2006 Bonds and any additional bonds issued under the Indenture are collectively referred to herein as the "Bonds". All terms used in capitalized form and not defined herein have the meanings assigned to such terms in the Indenture.

The Bonds are special limited obligations of the County, and the Debt Service Charges thereon are payable equally and ratably solely as provided in the Indenture. The payment of Debt Service Charges on the Bonds is secured by the pledge and assignment by the County of the Pledged Revenues under the Indenture. The Bonds do 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.

To secure the payment of Debt Service Charges on the Bonds, the County has in the Master Indenture granted a security interest in, and pledged and assigned to the Trustee, 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. The Pledged Revenues consist of (a) the Professional Sports Franchise Facilities Tax Revenues, (b) all proceeds of 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. On the date of issuance of the Series 2006 Bonds, no other revenue sources have been pledged pursuant to clause (d) above.

Reference is made to the Indenture for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the County, the Trustee and the Holders of the Bonds, the rights given to Ambac Assurance Corporation, including the right to be deemed the Holder of all of the Series 2006 Bonds for certain purposes thereunder, and the terms and conditions upon which additional Bonds may be issued and secured. Each Holder assents, by its acceptance hereof, to all of the provisions of the Indenture. Copies of the Indenture are on file in the principal corporate trust office of the Trustee.

The Series 2006A Bonds are issuable only as fully registered bonds and, except as hereinafter provided, in typewritten form and registered in the name of CEDE & CO. as nominee of The Depository Trust Company, New York, New York ("DTC"), which shall be considered to be the owner of the Bonds for all purposes under the Indenture, including, without limitation,

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the applicable Amortization Requirements (and corresponding mandatory sinking fund redemption obligations) of the County set forth above as provided in the Indenture.

(b) Optional Redemption. The Series 2006A Bonds maturing on and after September 1, 2017 are subject to optional redemption by the County prior to maturity, on and after September 1, 2016, 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 of 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 Optional Redemption. At the direction and sole discretion of the County, the Series 2006A Bonds are subject to extraordinary optional redemption in whole or in part, and if in part as selected by the County among maturities and by lot by the Trustee 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:

- the Facility shall have been damaged or otherwise destroyed;
- 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;
- 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) the 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 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 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 clause (c) above, 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.

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Notice of redemption will be mailed by the Trustee not less than thirty (30) days prior to the redemption date. If Bonds or portions thereof are called for redemption and if money for the redemption of all of the Bonds and portions thereof to be redeemed, together with interest accrued thereon to the redemption date, is held by the Trustee on the redemption date, so as to be available thereon on that date, then from and after the redemption date those Bonds and portions thereof called for redemption shall cease to bear interest and shall no longer be considered to be outstanding.

In the case of an optional redemption, any notice of redemption 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 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 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 Bonds called for redemption and not so paid remain Outstanding.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. Modifications or alterations of the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

It is certified and recited that all acts and conditions necessary to be performed by the County or to have been met precedent to and in the issuing of this Bond in order to make it the legal, valid and binding special obligation of the County, have been performed and have been met in regular and due form as required by law.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Indenture until the Certificate of Authentication below has been signed.

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CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2006A Bonds issued under the provisions of the within mentioned Indenture.

THE BANK OF NEW YORK TRUST
COMPANY, N.A.,
as Authenticating Agent

By: _____
Authorized Signatory

Date of Authentication:

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IN WITNESS WHEREOF, Broward County, Florida has caused this Bond to be executed with the [manual] [facsimile] signatures of the Mayor and its County Administrator and [a facsimile of] its official seal to be [impressed] [imprinted] hereon.

BROWARD COUNTY, FLORIDA

(SEAL)

By: _____
Mayor

By: _____
County Administrator

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STATEMENT OF INSURANCE

Financial Guaranty Insurance Policy No. ____ (the "Policy") with respect to payments due for principal of and interest on this Bond has been issued by Ambac Assurance Corporation ("Ambac"). The Policy has been delivered to The Bank of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of Ambac as more fully set forth in the Policy.

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ASSIGNMENT

For value received, the undersigned sells, assigns and transfers this Bond to (print or typewrite name, address, zip code and Social Security number or other tax identification number of Transferee) _____, and irrevocably constitutes and appoints _____ as attorney in fact to transfer this Bond on the Bond Register, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of this Bond.

EXHIBIT B

UNITED STATES OF AMERICA

STATE OF FLORIDA

BROWARD COUNTY, FLORIDA
PROFESSIONAL SPORTS FACILITIES TAX
AND REVENUE REFUNDING BONDS, TAXABLE SERIES 2006B
(BROWARD COUNTY CIVIC ARENA PROJECT)

Interest Rate	Maturity Date	Dated as of	Cusip No.
	September 1, ____	July 26, 2006	

Registered Owner:

Principal Amount: Dollars

Broward County, Florida (the "County") for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate per annum stated above, on March 1 and September 1 of each year (the "Interest Payment Dates"), commencing March 1, 2007. This Bond bears interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from its date. Principal and interest are payable when due in lawful money of the United States of America, to the person in whose name this Bond (or, if applicable, one or more predecessor Bonds) is registered on the Register maintained by The Bank of New York Trust Company, N.A., as Registrar (the "Registrar"). Principal and any premium is payable upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Trust Company, N.A., as Trustee (the "Trustee"), or at the office, designated by the Trustee, or any other paying agent appointed by the Trustee with the consent of the County. Interest payable on each Interest Payment Date is payable by check or draft mailed by the Trustee on each Interest Payment Date to the owner of this Bond (or one or more predecessor Bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Interest Payment Date; provided that so long as the Bonds are in a book-entry system, interest on this Bond shall be payable in the manner required by such system.

This Bond is one of a duly authorized series of special limited obligation bonds of the County designated "Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Taxable Series 2006B (Broward County Civic Arena Project)" (the "Series 2006B Bonds"), issued under a Master Trust Indenture dated as of September 1, 1996, as heretofore supplemented, and a Second Supplemental Trust Indenture, dated as of July 1, 2006 (collectively and with any other Supplemental Indentures, the "Indenture"), between the County and the Trustee, aggregating in the principal amount of \$52,475,000, to refund and defease on a current basis all of the County's \$48,740,000 original aggregate principal amount of its Professional Sports Facilities Tax and Revenue Bonds, Taxable Series 1996B (Broward County

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Civic Arena Project), of which \$45,290,000 aggregate principal amount is outstanding, together with the Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2006A (Broward County Civic Arena Project) (the "Series 2006A Bonds"), being an additional Series of special limited obligation bonds of the County issued under the Indenture and aggregating in the principal amount \$124,290,000 (the Series 2006B Bonds and the Series 2006A Bonds are collectively referred to as the "Series 2006 Bonds"), to refund and defease on a current basis a portion of the County's \$135,360,000 original aggregate principal amount of its Professional Sports Facilities Tax and Revenue Bonds, Series 1996A (Broward County Civic Arena Project) of which \$121,400,000 aggregate principal amount is outstanding, the proceeds of which were used to construct the Broward County Civic Arena (as defined in the Indenture, the "Facility"). The Series 2006 Bonds and any additional bonds issued under the Indenture are collectively referred to herein as the "Bonds". All terms used in capitalized form and not defined herein have the meanings assigned to such terms in the Indenture.

The Bonds are special limited obligations of the County, and the Debt Service Charges thereon are payable equally and ratably solely as provided in the Indenture. The payment of Debt Service Charges on the Bonds is secured by the pledge and assignment by the County of the Pledged Revenues under the Indenture. The Bonds do 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.

To secure the payment of Debt Service Charges on the Bonds, the County has in the Master Indenture granted a security interest in, and pledged and assigned to the Trustee, 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. The Pledged Revenues consist of (a) the Professional Sports Franchise Facilities Tax Revenues, (b) all proceeds of 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. On the date of issuance of the Series 2006 Bonds, no other revenue sources have been pledged pursuant to clause (d) above.

Reference is made to the Indenture for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the County, the Trustee and the Holders of the Bonds, the rights given to Ambac Assurance Corporation, including the right to be deemed the Holder of all of the Series 2006 Bonds for certain purposes thereunder, and the terms and conditions upon which additional Bonds may be issued and secured. Each Holder assents, by its acceptance hereof, to all of the provisions of the Indenture. Copies of the Indenture are on file in the principal corporate trust office of the Trustee.

The Series 2006B Bonds are issuable only as fully registered bonds and, except as hereinafter provided, in typewritten form and registered in the name of CEDE & CO. as nominee of The Depository Trust Company, New York, New York ("DTC"), which shall be considered to be the owner of the Bonds for all purposes under the Indenture, including, without limitation,

payment by the County of Debt Service Charges on the Series 2006B Bonds and receipt of notices to, giving of consents by and exercise of rights of, owners. There shall be a single Series 2006B Bond representing each maturity, and all Series 2006B Bonds shall be immobilized in the custody of DTC with the owners of beneficial interests in those Series 2006B Bonds (the "book-entry interests") having no right to receive from the County Series 2006B Bonds in the form of physical securities or certificates. Ownership of book-entry interests in the Series 2006B Bonds shall be shown by book-entry on the system maintained and operated by DTC, its participants (the "Participants") and certain persons acting through the Participants, and transfers of ownership of book-entry interests shall be made only by that book-entry system, the County, the Trustee and the Registrar having no responsibility therefor. DTC is to maintain records of the positions of Participants in the Series 2006B Bonds, and the Participants and persons acting through Participants are to maintain records of the purchasers and owners of book-entry interests in the Series 2006B Bonds. The Series 2006B Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository (as defined in the Indenture) or to another nominee of a Depository, without further action by the County.

If any Depository determines not to continue to act as Depository for the Series 2006B Bonds for use in a book-entry system, the County may attempt to have established a book-entry system relationship with another qualified Depository. If the County does not or is unable to do so, the County and the Registrar, after the Registrar has made provision for notification of the owners of book-entry interests by the then Depository, shall permit withdrawal of the Series 2006B Bonds from the Depository, and authenticate and deliver Series 2006B Bond certificates in fully registered form (in denominations of \$5,000 or integral multiples thereof) to the assignees of the Depository or its nominee, all at the cost and expense (including costs of printing or otherwise preparing and delivering replacement Series 2006B Bond certificates) of those persons requesting such authentication and delivery, if the event is not the result of County action or inaction.

The Series 2006B Bonds are subject to redemption prior to stated maturity as follows:

(a) Mandatory Sinking Fund Redemption. The Series 2006B Term Bonds maturing on September 1, 2021 are subject to mandatory sinking fund redemption in part, on a pro rata basis, 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:

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<u>Year</u>	<u>Amortization Requirements</u>
2017	\$2,280,000
2018	2,345,000
2019	2,485,000
2020	2,630,000
2021*	2,785,000

* Final Maturity.

The Series 2006B Term Bonds maturing on September 1, 2028 are subject to mandatory sinking fund redemption in part, on a pro rata basis, 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:

<u>Year</u>	<u>Amortization Requirements</u>
2022	\$2,955,000
2023	3,135,000
2024	3,320,000
2025	3,520,000
2026	3,730,000
2027	3,360,000
2028*	3,565,000

* Final Maturity.

The County shall have the option to deliver for cancellation to the Registrar any Series 2006B Term Bonds in any aggregate principal amount, cancellation to receive a credit therefor against the applicable Amortization Requirements (and corresponding mandatory sinking fund redemption obligations) of the County set forth above as provided in the Indenture.

(b) Optional Redemption. The Series 2006B Bonds are subject to optional redemption by the County prior to maturity, in whole or in part at any time, and if in part on a pro rata basis, at the Make Whole Redemption Price plus interest accrued to the redemption date, as provided in the Indenture.

(c) Extraordinary Optional Redemption. At the direction and sole discretion of the County, the Series 2006B Bonds are subject to extraordinary optional redemption in whole or in part, and if in part as selected by the County among maturities and by lot by the Trustee 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:

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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 Bonds called for redemption and not so paid remain Outstanding.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. Modifications or alterations of the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

It is certified and recited that all acts and conditions necessary to be performed by the County or to have been met precedent to and in the issuing of this Bond in order to make it the legal, valid and binding special obligation of the County, have been performed and have been met in regular and due form as required by law.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Indenture until the Certificate of Authentication below has been signed.

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(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) the 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 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.

To exercise the option granted in clause (c) above, 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.

Notice of redemption will be mailed by the Trustee not less than thirty (30) days prior to the redemption date. If Bonds or portions thereof are called for redemption and if money for the redemption of all of the Bonds and portions thereof to be redeemed, together with interest accrued thereon to the redemption date, is held by the Trustee on the redemption date, so as to be available therefor on that date, then from and after the redemption date those Bonds and portions thereof called for redemption shall cease to bear interest and shall no longer be considered to be outstanding.

In the case of an optional redemption, any notice of redemption 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 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 Bonds subject to

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IN WITNESS WHEREOF, Broward County, Florida has caused this Bond to be executed with the [manual] [facsimile] signatures of the Mayor and its County Administrator and [a facsimile of] its official seal to be [impressed] [imprinted] hereon.

BROWARD COUNTY, FLORIDA

(SEAL) By: _____
Mayor

By: _____
County Administrator

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CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2006B Bonds issued under the provisions of the within mentioned Indenture.

THE BANK OF NEW YORK TRUST
COMPANY, N.A.,
as Authenticating Agent

By: _____
Authorized Signatory

Date of Authentication:

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STATEMENT OF INSURANCE

Financial Guaranty Insurance Policy No. ____ (the "Policy") with respect to payments due for principal of and interest on this Bond has been issued by Ambac Assurance Corporation ("Ambac"). The Policy has been delivered to The Bank of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of Ambac as more fully set forth in the Policy.

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ASSIGNMENT

For value received, the undersigned sells, assigns and transfers this Bond to (print or typewrite name, address, zip code and Social Security number or other tax identification number of Transferee) _____ and irrevocably constitutes and appoints _____ as attorney in fact to transfer this Bond on the Bond Register, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of this Bond.

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APPENDIX D

**SPECIMEN INSURANCE POLICY:
AMBAC ASSURANCE CORPORATION**

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Financial Guaranty Insurance Policy

Ambac Assurance Corporation
One State Street Plaza, 15th Floor
New York, New York 10004
Telephone: (212) 668-0340

Obligor:

Policy Number:

Obligations:

Premium:

Ambac Assurance Corporation (Ambac), a Wisconsin stock insurance corporation, in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to The Bank of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of the Holders, that portion of the principal of and interest on the above-described obligations (the "Obligations") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor.

Ambac will make such payments to the Insurance Trustee within one (1) business day following written notification to Ambac of Nonpayment. Upon a Holder's presentation and surrender to the Insurance Trustee of such unpaid Obligations or related coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Holder the amount of principal and interest which is then Due for Payment but is unpaid. Upon such disbursement, Ambac shall become the owner of the surrendered Obligations and/or coupons and shall be fully subrogated to all of the Holder's rights to payment thereon.

In cases where the Obligations are issued in registered form, the Insurance Trustee shall disburse principal to a Holder only upon presentation and surrender to the Insurance Trustee of the unpaid Obligation, uncanceled and free of any adverse claim, together with an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee duly executed by the Holder or such Holder's duly authorized representative, so as to permit ownership of such Obligation to be registered in the name of Ambac or its nominee. The Insurance Trustee shall disburse interest to a Holder of a registered Obligation only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Obligation and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee, duly executed by the Holder or such Holder's duly authorized representative, transferring to Ambac all rights under such Obligation to receive the interest in respect of which the insurance disbursement was made. Ambac shall be subrogated to all of the Holders' rights to payment on registered Obligations to the extent of any insurance disbursements so made.

In the event that a trustee or paying agent for the Obligations has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from the Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such Holder will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are not otherwise available.

As used herein, the term "Holder" means any person other than (i) the Obligor or (ii) any person whose obligations constitute the underlying security or source of payment for the Obligations who, at the time of Nonpayment, is the owner of an Obligation or of a coupon relating to an Obligation. As used herein, "Due for Payment", when referring to the principal of Obligations, is when the scheduled maturity date or mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity; and, when referring to interest on the Obligations, is when the scheduled date for payment of interest has been reached. As used herein, "Nonpayment" means the failure of the Obligor to have provided sufficient funds to the trustee or paying agent for payment in full of all principal of and interest on the Obligations which are Due for Payment.

This Policy is noncancelable. The premium on this Policy is not refundable for any reason, including payment of the Obligations prior to maturity. This Policy does not insure against loss of any prepayment or other acceleration payment which at any time may become due in respect of any Obligation, other than at the sole option of Ambac, nor against any risk other than Nonpayment.

In witness whereof, Ambac has caused this Policy to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.

President



Secretary

Effective Date:

Authorized Representative

THE BANK OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this Policy.

Form No.: 2B-0012 (1/01)

Authorized Officer of Insurance Trustee



Ambac Assurance Corporation
One State Street Plaza,
New York, New York 10004
Telephone: (212) 668-0340

Endorsement

Policy for:

Attached to and forming part of Policy No.:

Effective Date of Endorsement:

The insurance provided by this Policy is not covered by the Florida Insurance Guaranty Association.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

In Witness Whereof, Ambac has caused this Endorsement to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.

Ambac Assurance Corporation

President



Secretary

Authorized Representative

APPENDIX E

FORM OF OPINION OF CO-BOND COUNSEL

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APPENDIX E

[FORM OF OPINION OF CO-BOND COUNSEL]

Upon delivery of the Series 2006 Bonds, Squire, Sanders & Dempsey L.L.P. and The Law Offices of Perry E. Thurston, Jr., are prepared to render their respective final opinions with respect to the Series 2006 Bonds in substantially the following form:

July __, 2006

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

Re: \$124,290,000 Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2006A (Broward County Civic Arena Project) and \$52,475,000 Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Taxable Series 2006B (Broward County Civic Arena Project)

Dear Ladies and Gentlemen:

We have examined the transcript of proceedings (the "Transcript") relating to the issuance by Broward County, Florida (the "County") of its \$124,290,000 aggregate principal amount of Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2006A (Broward County Civic Arena Project) (the "Series 2006A Bonds") and its \$52,475,000 Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Taxable Series 2006B (Broward County Civic Arena Project) (the "Series 2006B Bonds" and, together with the Series 2006A Bonds, the "Series 2006 Bonds"). All terms used in capitalized form and not defined herein have the meanings ascribed to such terms in the Indenture described hereinbelow.

The Series 2006 Bonds are issued pursuant to Resolution No. 2006-440, duly adopted by the Board of County Commissioners of the County on June 27, 2006 (the "Bond Resolution") and a Master Trust Indenture dated as of September 1, 1996 between the County and The Bank of New York Trust Company, N.A., as trustee (successor to The Bank of New York) (the "Trustee"), as previously supplemented and as supplemented in particular by the Second Supplemental Trust Indenture dated as of July 1, 2006 between the County and the Trustee

(collectively, the "Indenture"). The Series 2006 Bonds are being issued, together with other available funds, to (i) refund and defease a portion of the outstanding \$135,360,000 original aggregate principal amount of Broward County, Florida Professional Sports Facilities Tax and Revenue Bonds, Series 1996A (Broward County Civic Arena Project) and all of the outstanding \$48,740,000 original aggregate principal amount of Broward County, Florida Professional Sports Facilities Tax and Revenue Bonds, Taxable Series 1996B (Broward County Civic Arena Project) maturing after September 1, 2006, (ii) pay Termination Payments to the applicable Swap Providers, (iii) pay the premium for a Reserve Fund Credit Facility and (iv) pay the cost of issuance of the Series 2006 Bonds.

The documents in the Transcript examined include a certified copy of the Bond Resolution and an executed copy of the Indenture. We have also examined a specimen of each Series of the Series 2006 Bonds as executed and authenticated. We assume that all other Series 2006 Bonds have been similarly executed and authenticated. Based on this examination, we are of the opinion that, under existing law:

1. The County is duly organized and validly existing as a public body corporate and politic of the State of Florida under the Constitution and laws of the State of Florida, with the power to issue the Series 2006 Bonds.

2. The Series 2006 Bonds, the Bond Resolution and the Indenture are valid and legally binding special limited obligations of the County, enforceable in accordance with their respective terms, subject to bankruptcy laws and other laws affecting creditors' rights and to the exercise of judicial discretion. The payment of the principal of, redemption premium, if any, and interest on the Series 2006 Bonds (collectively, the "Debt Service Charges") is secured by a pledge by the County of the Pledged Revenues. The Series 2006 Bonds do 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 and other moneys on deposit in the Pledged Funds (other than the Rebate Fund) established under the Bond Resolution. 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 Series 2006 Bonds.

The County has also covenanted and agreed 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. The Indenture provides that 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 amount 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 in the Indenture 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 a 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 such Non-Ad Valorem Revenues heretofore or hereinafter entered into (including the payment of debt service on bonds and other instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated in the Indenture shall have the effect of making available in the manner described in the 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 such obligations; subject, however, in all respects to the restrictions of the 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 revenues 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.

3. The interest on the Series 2006A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. We express no opinion as to any other federal tax consequences regarding the Series 2006A Bonds.

Under the Code, a portion of the interest on the Series 2006A Bonds earned by certain corporations may be subject to a corporate alternative minimum tax. In addition, interest on the Series 2006A Bonds may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States and to a tax imposed on excess net passive income of certain S corporations.

In giving the foregoing opinion with respect to the treatment of the interest on the Series 2006A Bonds and the status of the Series 2006A Bonds under the federal tax laws, we have relied upon, and assumed continuing compliance with, the County's covenants and the accuracy, which we have not independently verified, of the representations and certifications (some of which are based upon the certifications of third parties) of the County contained in the Transcript. The accuracy of those representations and certifications, and the County's continuing compliance with those covenants, may be necessary for the interest on the Series 2006A Bonds to be and to remain excluded from gross income for federal income tax purposes. Failure to comply with certain of those covenants subsequent to issuance of the Series 2006A Bonds may cause the interest on the

Series 2006A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2006A Bonds.

4. No opinion is expressed with respect to the exclusion of interest on the Series 2006B Bonds from gross income for federal income tax purposes. No attempt has been or will be made to comply with certain requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion from gross income for federal income tax purposes of interest on the Series 2006B Bonds.

5. The Series 2006A Bonds, the Series 2006B Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We express no opinion as to the statement of insurance printed on the Series 2006 Bonds referring to the financial guaranty insurance policy issued by Ambac Assurance Corporation, or as to that insurance referenced in the statement of insurance.

Respectfully submitted,

[To be signed Squire, Sanders & Dempsey L.L.P. and
The Law Offices of Perry E. Thurston, Jr.]

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT dated as of July __, 2006 is executed and delivered by and between BROWARD COUNTY, FLORIDA, a political subdivision duly organized and existing under the Constitution and laws of the State of Florida (the "County") and THE BANK OF NEW YORK TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America (as successor in interest to The Bank of New York) (the "Trustee") in connection with the issuance of \$124,290,000 in aggregate principal amount of Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2006A (Broward County Civic Arena Project) (the "Series 2006A Bonds") and \$52,475,000 in aggregate principal amount of Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Taxable Series 2006B Bonds (Broward County Civic Arena Project) (the "Series 2006B Bonds" and, collectively with the Series 2006A Bonds, the "Series 2006 Bonds"):

WHEREAS, the County has determined to issue the Series 2006 Bonds pursuant to Resolution No. 2006-440, adopted by the Board of County Commissioners of the County (the "County Commission") on June 27, 2006 (the "Resolution") and the Master Trust Indenture dated as of September 1, 1996 (the "Master Indenture"), as supplemented by the Second Supplemental Trust Indenture dated as of July 1, 2006 (the "Second Supplemental Indenture" and, collectively with the Master Indenture, the "Indenture"), each entered into by and between the County and the Trustee; and

WHEREAS, in connection with the issuance of the Series 2006 Bonds, the County desires to enter into this Agreement with the Trustee and the Trustee has agreed to execute and deliver this Agreement in its capacity as Trustee for the Series 2006 Bonds;

NOW THEREFORE, in consideration of the recitals and the mutual representations and agreements contained herein, the County and the Trustee agree as follows:

SECTION 1. Purpose of Disclosure Agreement. This Agreement is being executed and delivered by the County and the Trustee in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission (the "SEC"). This Agreement, together with Section 11 of the Resolution (collectively, the "Disclosure Agreement") shall constitute the continuing disclosure agreement of the County, in accordance with the requirements of the Rule, for the benefit of the Beneficial Owners and holders from time to time of the Series 2006 Bonds.

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

“Annual Report” shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Agreement.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2006 Bonds (including persons holding Series 2006 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2006 Bonds for federal income tax purposes.

“Business Day” shall mean any day other than a Saturday, Sunday or a day when banks in the City of New York, New York, or in the County, or in the city in which the principal offices of the Trustee are required or authorized by law to be closed or on which the New York Stock Exchange is closed.

“Dissemination Agent” shall mean the Trustee, or any successor or alternate Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Agreement.

“National Repository” shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule, as such are approved from time to time by the SEC, and initially shall constitute the entities set forth on Exhibit A of this Agreement.

“Participating Underwriter” shall mean any of the original underwriters of the Series 2006 Bonds required to comply with the Rule in connection with offering of the Series 2006 Bonds.

“Repository” shall mean each National Repository and each State Repository.

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

“State” shall mean the State of Florida.

“State Repository” shall mean any public or private repository or entity designated by the State as a state repository for purposes of the Rule and recognized as such by the SEC. As of the date of this Agreement, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The County shall, or shall cause the Dissemination Agent to, not later than April 1 following the end of each Fiscal Year, commencing with the Fiscal Year ending September 30, 2006, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Agreement. 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 4 of this Agreement; provided, however, that the audited financial statements of the County may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if the audited financial statements are not available by that date. If the County's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than ten (10) Business Days prior to the date the Annual Report is to be filed with each Repository, the County shall provide the Annual Report to the Dissemination Agent. If the County is unable to provide to the Repositories an Annual Report by the date required in subsection (a) of this Section, or if the County shall fail to provide the Annual Report to the Dissemination Agent in time for the Dissemination Agent to deliver the Annual Report to the Repositories by the date required in subsection (a) of this Section, the Dissemination Agent shall send a notice to each Repository or to the Municipal Securities Rulemaking Board established by the SEC (the "MSRB") in substantially the form attached as Exhibit B to this Agreement.

(c) In addition to filing the notice required by subsection (b) of this Section, as applicable, the Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) if the Annual Report is to be filed by the Dissemination Agent pursuant to Section 3(a) of this Agreement, file a report with the County certifying that the Annual Report has been provided pursuant to the Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided.

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

(a) The audited financial statements of the County for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the County's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report may contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement for the Series 2006 Bonds, if available, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent such information is not otherwise included as part of the annual audited financial statements of the County, updated information from that set forth in the Official Statement for the Series 2006 Bonds under the subsections “Security and Source of Payment” and “Appropriations of County Non-Ad Valorem Revenue” in the section of the Official Statement entitled “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2006 BONDS.”

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

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2006 Bonds, if material:

1. principal and interest payment delinquencies.
2. non-payment related defaults.
3. modifications to rights of Bondholders.
4. optional, contingent or unscheduled bond calls.
5. defeasances.
6. rating changes.
7. adverse tax opinions or events affecting the tax exempt status of the Series 2006A Bonds.
8. unscheduled draws on the debt service reserves reflecting financial difficulties.
9. unscheduled draws on the credit enhancements reflecting financial difficulties.
10. substitution of the credit or liquidity providers or their failure to perform.

11. release, substitution or sale of property securing repayment of the Series 2006 Bonds.

(b) Whenever the County obtains knowledge of the occurrence of a Listed Event, the County shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the County determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the County shall promptly file, or shall promptly cause to be filed, a notice of such occurrence with each Repository or the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Owners of affected Series 2006 Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The obligations of the County and the Dissemination Agent under the Disclosure Agreement shall remain in effect only for such period that the Series 2006 Bonds are outstanding in accordance with their terms and the terms of the Resolution and the County remains an obligated person with respect to the Series 2006 Bonds within the meaning of the Rule. The obligation of the County to provide the Annual Report and notices of the events described above shall terminate if and when the County no longer remains such an obligated person. The Disclosure Agreement also shall terminate upon the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of the Disclosure Agreement, the County may amend the Disclosure Agreement, and non-compliance with any provision of the Disclosure Agreement may be waived, provided the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) hereof (unless the amendment or waiver is necessary or appropriate for the County to achieve compliance with any applicable federal law or rule, or to cure any ambiguity, inconsistency, formal defect or omission in the provisions of the Disclosure Agreement), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2006 Bonds, or the type of business conducted;

(b) The Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2006 Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Series 2006 Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners of the Series 2006 Bonds.

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

SECTION 8. Additional Information. Nothing in the Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by the Disclosure Agreement. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Disclosure Agreement, the County shall have no obligation under the Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Remedy for Breach. The Disclosure Agreement shall be solely for the benefit of the Beneficial Owners and holders from time to time of the Series 2006 Bonds. The exclusive remedy for any breach of the Disclosure Agreement shall be limited, to the extent permitted by law, to a right of Beneficial Owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the County or the Dissemination Agent, as applicable, of their obligations under the Disclosure Agreement. Any Beneficial Owner or holder from time to time of the Series 2006 Bonds may exercise individually any such right to require the County to specifically perform its obligation to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Notwithstanding any other provisions of the Resolution or the Disclosure Agreement, any failure by the County or the Dissemination Agent to comply with any provision of the Disclosure Agreement shall not constitute a default under the Series 2006 Bonds or under the Resolution.

SECTION 10. Duties, Immunities and Liabilities of Dissemination Agent.

(a) For purposes of satisfying the reporting requirements of the Disclosure Agreement, the County may delegate to the Dissemination Agent the duties, functions and

responsibilities of disclosing information undertaken by the County in the Disclosure Agreement. The County may, from time to time, appoint or engage an alternate or substitute Dissemination Agent to assist it in carrying out its obligations under the Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor, alternate or substitute Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to the Disclosure Agreement.

(b) The Dissemination Agent shall have only such duties as are specifically set forth in the Disclosure Agreement, and the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2006 Bonds.

SECTION 11. Extent of Covenants; No Personal Liability. All covenants, stipulations, obligations and agreements of the County and the Dissemination Agent contained in the Disclosure Agreement are and shall be deemed to be covenants, stipulations, obligations and agreements of the County and the Dissemination Agent, respectively, to the full extent authorized by law. No covenant, stipulation, obligation or agreement of the County contained in the Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the County or the Dissemination Agent in other than that person's official capacity.

SECTION 12. Obligated Persons. If any person, other than the County, becomes an "obligated person" with respect to the Series 2006 Bonds within the meaning of the Rule, the County shall use its best efforts to require such "obligated person" to comply with all provisions of the Rule applicable to such "obligated person."

SECTION 13. Central Post Office Mechanism for Filing. Any filing under the Disclosure Agreement may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org>, unless the SEC has withdrawn the interpretative advice in its letter to the MAC dated September 7, 2004.

SECTION 14. Beneficiaries. The Disclosure Agreement shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriter and the Beneficial Owners and holders from time to time of the Series 2006 Bonds, and shall create no rights in any other person or entity.

SECTION 15. Severability. In case any section or provision of the Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed,

entered into, or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Headings. The headings preceding the text of the sections of this Agreement are solely for convenience of reference and shall not affect the meaning, construction or effect of any of the provisions of the Disclosure Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the County and the Trustee have caused this Agreement to be executed by their respective duly authorized officers and delivered to the Participating Underwriter in connection with the original issuance and delivery of the Series 2006 Bonds, all as of the date set forth above, and the Beneficial Owners and holders of the Series 2006 Bonds from time to time shall be deemed to have accepted the Disclosure Agreement, as contained in Section 11 of the Resolution and further described and specified herein, in accordance with the Rule.

BROWARD COUNTY FLORIDA

By: _____
BEN GRABER, Mayor,
Board of County Commissioners of
Broward County, Florida

ATTEST:

By: _____
PAMELA D. BRANGACCIO, County
Administrator and Ex-Officio Clerk of
the Board of County Commissioners of
Broward County, Florida

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

By: _____
BARBARA B. BUCK, Vice President

EXHIBIT A

Nationally Recognized Municipal Securities Information Repositories approved by the United States Securities and Exchange Commission:

Bloomberg Municipal Repository

100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
Email: Munis@Bloomberg.com

DPC Data Inc.

One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
Email: nrmsir@dpcdata.com

FT Interactive Data

Attn: NRMSIR
100 Williams Street
New York, NY 10038
Phone: (212) 771-6999
Fax: (212) 771-7390 (Secondary Market Information)
(212) 771-7391 (Primary Market Information)
Email: NRMSIR@interactivedata.com

Standard & Poor's Securities Evaluations, Inc.

55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
Fax: (212) 438-3975
Email: nrmsir_repository@sandp.com

A list of names and addresses of all designated Nationally Recognized Municipal Securities Information Repositories as of any point in time is available by visiting the SEC's website at www.sec.gov/info/municipal/nrmsir.htm.

EXHIBIT B

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Broward County, Florida (the "County")

Name of Bond Issue: Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Bonds, Series 2006A (Broward County Civic Arena Project) (the "Series 2006A Bonds") and Broward County, Florida Professional Sports Facilities Tax and Revenue Refunding Taxable Series 2006B Bonds (Broward County Civic Arena Project) (the "Series 2006B Bonds" and, collectively with the Series 2006A Bonds, the "Series 2006 Bonds")

Date of Issuance: July __, 2006

NOTICE IS HEREBY GIVEN that the County has not provided an Annual Report with respect to the Series 2006 Bonds as required by Section 11 of the Resolution adopted by the Board of County Commissioners of Broward County, Florida in connection with the issuance of the Series 2006 Bonds and the Continuing Disclosure Agreement by and between the County and The Bank of New York Trust Company, N.A., dated as of the date of issuance of the Series 2006 Bonds. The County anticipates that the Annual Report will be filed by _____.

Dated: _____

[Dissemination Agent]

By: _____
Name:
Title:

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