In the opinion of Co-Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2008 Bonds is excluded from gross income for federal income tax purposes, except that interest on any Series 2008 Bond for any period during which it is held by a substantial user or a related party, (ii) interest on the Series 2008 Bonds is an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations, and (iii) the Series 2008 Bonds and 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 2008 Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see "TAX MATTERS" in this Official Statement.

NEW ISSUE - BOOK-ENTRY ONLY **RATINGS: See "RATINGS" herein**

$46,145,000
BROWARD COUNTY, FLORIDA
Subordinate Port Facilities
Refunding Revenue Bonds, Series 2008
(Port Everglades)

Dated: Date of Delivery **Due: September 1, 2027**
Initial CUSIP Number: 11506KBM2

The Subordinate Port Facilities Refunding Revenue Bonds, Series 2008 (the "Series 2008 Bonds") are being issued by Broward County, Florida (the "County"), to provide funds together with the transfer of legally available moneys of the County which will be used to currently refund the County's Subordinate Port Facilities Refunding Revenue Bonds, Series 1998, with an outstanding principal amount of $43,160,000 (the "Refunded Bonds"), to fund a deposit to the Debt Service Reserve Fund such that the amount on deposit in the Debt Service Reserve Fund, after transfer of the balance in the Debt Service Reserve Fund for the Refunded Bonds, equals the Debt Service Reserve Requirement, to pay all or a portion of the termination payment for the termination of the 1998 Interest Rate Swap (as described herein) related to the Refunded Bonds and to pay certain costs of issuing the Series 2008 Bonds. The Series 2008 Bonds will be issued under and secured by a Trust Indenture dated as of May 1, 1998 (the "Original Trust Indenture"), as supplemented by that First Supplemental Trust Indenture dated as of July 1, 2008 (collectively with the Original Trust Indenture, the "Trust Indenture") from the County to The Bank of New York Mellon Trust Company, N.A., as Trustee, Bond Registrar and Paying Agent. The Series 2008 Bonds and any refunding bonds issued on a parity therewith under the Trust Indenture are secured by the Trust Estate, which consists primarily of a pledge of certain revenues of the County, which pledge is subordinated in the manner hereinafter described. The pledge of the Pledged Revenue to secure the Series 2008 Bonds is in all respects junior and subordinate to the pledge of Net Revenue by the County under the Senior Bond Resolution (as defined herein) to secure the repayment of the $283,529,948 aggregate original principal amount of Senior Bonds as described more fully herein (see "INTRODUCTION" herein), other Senior Bonds (as defined in the Trust Indenture), and any superior liens created from time to time in accordance with the Senior Bond Resolution, including certain obligations to any Senior Credit Provider, any provider of a Senior Reserve Account Credit Facility and any provider of a Senior Hedge Agreement, as more fully described herein. As of July 1, 2008, the Senior Bonds remain outstanding in the aggregate principal amount of $220,990,000. See "THE FINANCING PLAN" herein.

THE SERIES 2008 BONDS ARE SPECIAL OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE TRUST ESTATE WHICH CONSISTS OF PLEDGED REVENUE DERIVED BY THE COUNTY FROM THE OPERATION OF ITS PORT FACILITIES AND BY OTHER FUNDS AND ACCOUNTS PLEDGED THEREFOR, AS DESCRIBED HEREIN. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE SERIES 2008 BONDS OR ANY INTEREST THEREON, OR ANY PART THEREOF AGAINST THE GENERAL FUNDS OF THE COUNTY, NOR SHALL THE CREDIT OR TAXING POWER OF THE COUNTY BE DEEMED TO BE PLEDGED THERETO. THE SERIES 2008 BONDS AND INTEREST THEREON SHALL NOT BE A DEBT OF THE COUNTY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON THE PROPERTY OF THE COUNTY, OR UPON ANY INCOME, RECEIPTS OR REVENUES OF THE COUNTY OTHER THAN SUCH PLEDGED REVENUE AND SUCH OTHER FUNDS AND ACCOUNTS PLEDGED THERETO. THE OBLIGATION OF THE COUNTY TO REPAY THE SERIES 2008 BONDS AND THE INTEREST THEREON AND PURCHASE PRICE THEREOF SHALL BE IN ALL RESPECTS JUNIOR AND SUBORDINATE TO THE PLEDGE OF NET REVENUE BY THE COUNTY UNDER THE SENIOR BOND RESOLUTION TO SECURE THE REPAYMENT OF THE SENIOR BONDS, OTHER SENIOR BONDS, ANY SENIOR CREDIT PROVIDER, ANY PROVIDER OF A SENIOR RESERVE ACCOUNT CREDIT FACILITY AND ANY PROVIDER OF A SENIOR HEDGE AGREEMENT.

The Series 2008 Bonds will initially bear interst at the weekly rate and will be payable from and secured by an irrevocable, direct-pay letter of credit (the "2008 Letter of Credit") issued in favor of the Trustee by the following 2008 Letter of Credit Provider:

Scotiabank

The Bank of Nova Scotia, acting through its New York Agency

The stated expiration of the 2008 Letter of Credit is July 8, 2011. Under certain circumstances the County may replace the 2008 Letter of Credit with an Alternate Credit Facility, and the 2008 Letter of Credit Provider may terminate the 2008 Letter of Credit prior to its stated expiration date, all as described in this Official Statement. In the event that the 2008 Letter of Credit Provider shall exercise its right to terminate the 2008 Letter of Credit, the 2008 Letter of Credit Provider is required to purchase any outstanding Series 2008 Bonds prior to termination of the 2008 Letter of Credit. For purposes of the Trust Indenture, the 2008 Letter of Credit will serve as the Credit Facility and Liquidity Facility for the Series 2008 Bonds. The principal of (including mandatory sinking fund redemptions) and interest on the Series 2008 Bonds, when due, and the Purchase Price of Series 2008 Bonds tendered for optional or mandatory purchase and not remarketed, are payable solely from amounts drawn under the 2008 Letter of Credit or any Alternate Credit Facility with respect to principal and interest and any Alternate Liquidity Facilitiy with respect to Purchase Price and from certain funds pledged under the Trust Indenture. The Series 2008 Bonds will be subject to mandatory tender for purchase upon termination as described herein or the expiration of the 2008 Letter of Credit in the event that the 2008 Letter of Credit is not renewed or extended or an Alternate Credit Facility and Alternate Liquidity Facility are not substituted therefor. For a description of the terms and provisions of the 2008 Letter of Credit, including the limitations thereof, see "THE 2008 LETTER OF CREDIT" herein. The 2008 Letter of Credit is only available to the Series 2008 Bonds bearing interest at the Weekly Rate.

The Series 2008 Bonds will be issued as a single registered bond in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"), New York, New York. Series 2008 Bonds initially will be issued as Variable Rate Bonds bearing interest at a Weekly Rate in denominations of $100,000 and integral multiples of $5,000 over $100,000. Series 2008 Bonds will be available for purchase in book-entry form only. Purchasers of Series 2008 Bonds will not receive physical delivery of Series 2008 Bond certificates. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal, Purchase Price and interest will be made to DTC, who will remit payment to the DTC Participants, with such payment to be subsequently disbursed to the beneficial owners of the Series 2008 Bonds. See "DESCRIPTION OF THE SERIES 2008 BONDS – Book-Entry Only System" herein.

The Variable Rate on the Series 2008 Bonds will be determined by the Remarketing Agent, pursuant to the provisions of the Trust Indenture. The initial Remarketing Agent is:

Morgan Keegan & Company, Inc.

The Series 2008 Bonds are subject to optional redemption in whole or in part prior to maturity on any Business Day while bearing interest at the Weekly Rate, as described more fully herein. See "DESCRIPTION OF THE SERIES 2008 BONDS" herein.

The initial interest rate period for the Series 2008 Bonds will be from July 10, 2008 to July 16, 2008. Interest earned during this period will be paid on August 1, 2008. Interest on the Series 2008 Bonds will be payable initially on August 1, 2008 for interest accrued from the date of delivery of the Series 2008 Bonds to but not including the first Business Day of the following month, and thereafter on the first Business Day of each month (each an "Interest Payment Date") for the period from the prior Interest Payment Date to but not including such Interest Payment Date.

During a Weekly Mode, the Series 2008 Bonds will be subject to tender for purchase on any Business Day at the option of the registered owners thereof upon seven days' prior notice given by such registered owners to the Tender Agent. The Series 2008 Bonds are also subject to mandatory tender for purchase at the times and subject to the conditions set forth in the Trust Indenture. See "TENDER FOR PURCHASE OF SERIES 2008 BONDS" herein. The purchase of the Series 2008 Bonds tendered for optional or mandatory purchase may be made with the proceeds from the remarketing of such Series 2008 Bonds by the Remarketing Agent or by a draw on the 2008 Letter of Credit or a combination thereof.

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

The Series 2008 Bonds are offered when, as and if issued, subject to the approving opinions of Squire, Sanders & Dempsey L.L.P., Miami, Florida, and Perry E. Thurston, Jr., P.A., Fort Lauderdale, Florida, Co-Bond Counsel to the County. Certain legal matters will be passed on by Edwards Angell Palmer & Dodge LLP, West Palm Beach, Florida, and Rasco, Reininger, Perez, Esquenazi & Vigil, P.L., Coral Gables, Florida, Co-Disclosure Counsel to the County. Certain legal matters will be passed upon for the County by the Office of the County Attorney and for the Underwriter, Siebert Brandford Shank & Co., L.L.C. by Ruden, McClosky, Smith, Schuster & Russell, P.A., Fort Lauderdale, Florida, counsel to the Underwriter. Raymond James & Associates, Inc. and Fidelity Financial Services, L.C. are serving as Co-Financial Advisors to the County in connection with the sale of the Series 2008 Bonds. It is expected that the Series 2008 Bonds in definitive book-entry form will be available for delivery through the facilities of DTC in New York, New York on or about July 10, 2008.

Siebert Brandford Shank & Co., LLC

Dated: July 9, 2008

BROWARD COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS

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

INTERIM COUNTY ADMINISTRATOR
Bertha Henry

COUNTY ATTORNEY
Jeffrey J. Newton, Esq.

CHIEF FINANCIAL OFFICER AND DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT

Michael J. Geoghegan

PORT EVERGLADES DEPARTMENT

Phillip C. Allen, Port Director

CO-FINANCIAL ADVISORS

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

CO-BOND COUNSEL

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

CO-DISCLOSURE COUNSEL

Edwards Angell Palmer & Dodge LLP
Rasco, Reininger, Perez, Esquenazi & Vigil, P.L.

INDEPENDENT AUDITORS

Rachlin LLP
Fort Lauderdale, Florida

RATE CONSULTANT
DeRose Design Consultants, Inc.
Pompano Beach, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE COUNTY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN AS SET FORTH IN THIS OFFICIAL STATEMENT AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COUNTY OR THE UNDERWRITER. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE SERIES 2008 BONDS BY A PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER, SOLICITATION OR SALE. THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE SERIES 2008 BONDS.

THE SERIES 2008 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAS THE TRUST INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

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

THE BANK OF NOVA SCOTIA, ACTING THROUGH ITS NEW YORK AGENCY ("SCOTIABANK") MAKES NO REPRESENTATION REGARDING THE SERIES 2008 BONDS OR THE ADVISABILITY OF INVESTING IN THE SERIES 2008 BONDS. IN ADDITION, SCOTIABANK HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING SCOTIABANK SUPPLIED BY SCOTIABANK AND PRESENTED IN "APPENDIX E – INFORMATION REGARDING THE 2008 LETTER OF CREDIT PROVIDER".

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

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

[THIS PAGE INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

TABLE OF CONTENTS
(Continued)

Page

TABLE OF CONTENTS
(Continued)

Page

[THIS PAGE INTENTIONALLY LEFT BLANK]

OFFICIAL STATEMENT

$46,145,000
BROWARD COUNTY, FLORIDA
Subordinate Port Facilities
Refunding Revenue Bonds, Series 2008
(Port Everglades)

INTRODUCTION

This Official Statement, which includes the cover page and the Appendices hereto, furnishes information about Port Everglades (the "Port") and Broward County, Florida (the "County") and the issuance and sale of $46,145,000 aggregate principal amount of the County's Subordinate Port Facilities Refunding Revenue Bonds, Series 2008 (the "Series 2008 Bonds"). For definitions of capitalized terms not otherwise defined herein, please see "APPENDIX C – Copy of the Original Trust Indenture and Form of First Supplemental Trust Indenture" herein.

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

In a referendum held on March 10, 1992, the voters of the County voted to dissolve the Port Everglades Authority (the "Authority"), which previously exercised governmental authority over the Port. Pursuant to such referendum and Chapters 91-346 and 94-429, Laws of Florida, all powers, duties, responsibilities, obligations and functions of the Port Everglades Authority were transferred to be performed by the County, and the County assumed, subject to its terms, all indebtedness of the Port Everglades Authority in effect at the time of such transfer. The County now operates the Port Facilities through its Port Everglades Department (the "Department").

The County is issuing the Series 2008 Bonds pursuant to the Constitution and laws of the State of Florida (the "State"), and Resolution No. 2008-388 adopted by the Board of County Commissioners (the "Board") of the County, on June 24, 2008. The Series 2008 Bonds are being issued under and are secured by the Trust Indenture dated as of May 1, 1998 (the "Original Trust Indenture"), as supplemented by that First Supplemental Trust Indenture dated as of July 1, 2008 (collectively, with the Original Trust Indenture, the "Trust Indenture") from the County to The Bank of New York Mellon Trust Company, N.A., as Trustee, Bond Registrar, Paying Agent and Tender Agent. See "APPENDIX C – Copy of the Original Trust Indenture and Form of First Supplemental Trust Indenture" herein.

The County is issuing the Series 2008 Bonds to provide funds together with the transfer of legally available moneys of the County, which will be used to currently refund the County's outstanding Subordinate Port Facilities Refunding Revenue Bonds, Series 1998, with an outstanding principal amount of $43,160,000 (the "Refunded Bonds"), to fund a deposit to the Debt Service Reserve Fund such that the amount on deposit in the Debt Service Reserve Fund, after transfer of the balance in the Debt Service Reserve Fund for the Refunded Bonds, equals the Debt Service Reserve Requirement, to pay a portion of the termination payment for the termination of the 1998 Interest Rate Swap (as described herein) related to the Refunded Bonds and to pay certain costs of issuing the Series 2008 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS," "THE FINANCING PLAN" and "THE PORT – Recent Developments" herein.

The Series 2008 Bonds and any Refunding Bonds issued on a parity therewith under the Trust Indenture are secured by the Trust Estate, which consists primarily of the Pledged Revenue. At or about the time of the issuance of the Refunded Bonds, the County issued under and pursuant to the terms of Resolution No. 24-1989, adopted by the Authority on July 20, 1989, as supplemented and amended by Resolution No. 26-1989, adopted by the Authority on August 10, 1989, Resolution No. 21-1990, adopted by the Authority on December 6, 1990 and Resolution No. 1998-375, adopted by the County on May 5, 1998 but which became effective on June 4, 1998 (collectively, as further supplemented and amended from time to time, the "Senior Bond Resolution"), the Senior Bonds, consisting of: (i) the Port Everglades Authority Port Facilities Refunding Revenue Bonds, Series 1989-A, with an outstanding principal amount of $55,660,000 as of July 1, 2008, (ii) the County's Port Facilities Refunding Revenue Bonds, Series 1998A, with an outstanding principal amount of $13,065,000 as of July 1, 2008; (iii) the County's Port Facilities Refunding Revenue Bonds, Series 1998B, with an outstanding principal amount of $79,825,000 as of July 1, 2008 and (iv) the County's Port Facilities Revenue Bonds, Series 1998C, with an outstanding principal amount of $72,440,000 as of July 1, 2008. The Series 1998A, 1998B and 1998C Senior Bonds shall be referred to, collectively, as the "Senior 1998 Bonds."

The Refunded Bonds were issued for the purpose of acquiring additional lands for the Port, which were leased to a private user which lease is no longer in effect. For business and strategic reasons the County and the Port Department elected to finance this acquisition through the issue of the Refunded Bonds on a subordinate basis to the Senior Bonds and to limit the issuance of parity debt under the Trust Indenture to Refunding Bonds, notwithstanding that at such time there was more than sufficient Gross Revenue to enable the Refunded Bonds to meet the additional bonds test set forth in the Senior Bond Resolution and be issued as Senior Bonds.

The pledge of revenues to secure the Series 2008 Bonds shall be in all respects junior and subordinate to the pledge of revenues by the County to secure the repayment of the Senior Bonds, other Senior Bonds issuable in the future on a parity with the Senior Bonds under the Senior Bond Resolution and any superior liens created from time to time in accordance with the provisions of the Senior Bond Resolution, which includes certain obligations to any Senior Credit Provider, any provider of a Senior Reserve Account Credit Facility and any provider of a Senior Hedge Agreement. Pursuant to the Senior Bond Resolution, certain obligations, including termination payments relative to a Senior Hedge Agreement, would be payable as subordinated obligations under the Senior Bond Resolution.

Apart from the Series 2008 Bonds and future Refunding Bonds, the County may not incur any other indebtedness under the Trust Indenture secured by the Trust Estate on a

parity therewith, but the County may issue Subordinated Obligations, as described herein, which would be subordinate to the Series 2008 Bonds and the Senior Bonds.

The Series 2008 Bonds and any Refunding Bonds that may be issued subsequently on a parity with the Series 2008 Bonds under the Trust Indenture are referred to collectively as the "Bonds."

The County has covenanted to charge or maintain rates, fees and rentals so that in each Fiscal Year, Gross Revenue (excluding investment income on funds on deposit in the Construction Fund) and investment income on funds on deposit in the Sinking Fund and the Debt Service Reserve Fund will equal at least: (i) 100% of the aggregate of Current Expenses, the Reserve Account Deposit Requirement and the amount required to be deposited in the Renewal and Replacement Fund (as each of such terms is defined in the Senior Bond Resolution), plus (ii) 100% of the Administrative Expenses for the current Fiscal Year, plus (iii) 110% of the Composite Principal and Interest Requirements for the current Fiscal Year, plus 100% of the Debt Service Reserve Fund Deposit Requirement for the current Fiscal Year. See "SECURITY FOR THE 2008 BONDS – Rate Covenant" herein.

The Series 2008 Bonds will be secured by an irrevocable, direct-pay letter of credit issued by The Bank of Nova Scotia, acting through its New York Agency (the "2008 Letter of Credit Provider") dated as of July 10, 2008 (the "2008 Letter of Credit") in favor of the Trustee. Under the 2008 Letter of Credit, the Trustee is permitted to draw thereon to pay (i) the principal of the Series 2008 Bonds when due whether at stated maturity, redemption or acceleration, (ii) the portion of the purchase price equal to the principal amount of Bonds tendered for optional or mandatory purchase and (iii) up to 56 days' interest accrued on the Series 2008 Bonds, calculated at a rate of 15% per annum. For purposes of the Trust Indenture, the 2008 Letter of Credit will serve as the liquidity facility (the "2008 Liquidity Facility") only when the Series 2008 Bonds bear interest at the Weekly Rate. The 2008 Letter of Credit is only applicable to the Series 2008 Bonds while the Series 2008 Bonds bear interest at the Weekly Rate. The 2008 Letter of Credit will expire on July 8, 2011, unless extended by the 2008 Letter of Credit Provider. Under certain circumstances, the County may replace the 2008 Letter of Credit with an Alternate Credit Facility and/or Alternate Liquidity Facility and the 2008 Letter of Credit Provider may under certain circumstances terminate the 2008 Letter of Credit prior to its expiration date; provided, however, prior to such termination the Series 2008 Bonds will be subject to a mandatory tender. See "DESCRIPTION OF THE SERIES 2008 BONDS – Mandatory Tenders Upon Expiration, Substitution or Termination of Credit Facility or Liquidity Facility" herein. The interest component of the 2008 Letter of Credit will be reduced by the amount of each payment of interest on each Interest Payment Date and shall be automatically reinstated on the earlier to occur of (i) the tenth calendar day following any interest drawing under the 2008 Letter of Credit if the Trustee shall not have received notice from the 2008 Letter of Credit Provider prior to such time that the 2008 Letter of Credit Provider has not been reimbursed for such interest drawing under the 2008 Letter of Credit or that an Event of Default has occurred under the Reimbursement Agreement (as defined herein) and, as a result thereof, the amount of such interest drawing under the 2008 Letter of Credit shall not be reinstated or (ii) the 2008 Letter of Credit Provider has been reimbursed in full for such interest drawing. Upon expiration, replacement or termination of the 2008 Letter of Credit, the Series 2008 Bonds shall be subject to mandatory tender for purchase as described under "DESCRIPTION OF THE

SERIES 2008 BONDS – Mandatory Tenders Upon Expiration, Substitution or Termination of Credit Facility or Liquidity Facility" herein. See "THE 2008 LETTER OF CREDIT" herein.

This Official Statement describes the County, the Port, the Series 2008 Bonds, the 2008 Letter of Credit, the 2008 Letter of Credit Provider and the Trust Indenture. The descriptions do not purport to be comprehensive or definitive and, with respect to Trust Indenture, reference is made to "APPENDIX C – Copy of the Original Trust Indenture and Form of First Supplemental Trust Indenture" for the complete text thereof.

THE FINANCING PLAN

The County is issuing the Series 2008 Bonds to provide funds together with the transfer of legally available moneys of the County, which will be used to currently refund the Refunded Bonds, to fund a deposit to the Debt Service Reserve Fund such that the amount on deposit in the Debt Service Reserve Fund, after transfer of the balance in the Debt Service Reserve Fund for the Refunded Bonds, equals the Debt Service Reserve Requirement, to pay a portion of the termination payment for the termination of the 1998 Interest Rate Swap (as described herein) related to the Refunded Bonds and to pay certain costs of issuing the Series 2008 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS." The pledge of revenues to secure the Series 2008 Bonds shall be in all respects junior and subordinate to the pledge of revenues by the County to secure the repayment of the outstanding Senior Bonds and certain bonds and obligations issuable in the future on a parity with the Senior Bonds under the Senior Bond Resolution, as more fully described herein. The Bonds issued under the provisions of the Trust Indenture constitute subordinate obligations under the Senior Bond Resolution and are subordinate in all respects to the lien on Net Revenue in favor of all Senior Bonds heretofore issued or hereafter issued under the provisions of the Senior Bond Resolution and any other superior liens created from time to time in accordance with the provisions of the Senior Bond Resolution, which includes certain obligations to any Senior Credit Provider, any provider of a Senior Reserve Account Credit Facility and any provider of a Senior Hedge Agreement.

Refunding Escrow

Pursuant to the terms of an escrow deposit agreement (the "Escrow Deposit Agreement") between the County and The Bank of New York Mellon Trust Company, N.A. (the "Escrow Agent"), the County will deposit a portion of the proceeds of the Series 2008 Bonds with the Escrow Agent for deposit to the credit of a special and irrevocable trust fund established pursuant to the Escrow Deposit Agreement (the "Escrow Deposit Trust Fund"). These moneys will remain uninvested and will be in an amount sufficient to pay the principal of and accrued interest on the Refunded Bonds on the date of redemption. The Refunded Bonds will be redeemed at the earliest practicable date following issuance of the Series 2008 Bonds after giving notice as required under the Trust Indenture.

Upon the deposit of such proceeds and moneys in the Escrow Deposit Trust Fund and the direction to give certain notices, as required under the Trust Indenture, in the opinion of Bond Counsel rendered in reliance upon the verification report of Causey, Demgen & Moore, Inc. described under "VERIFICATION OF MATHEMATICAL COMPUTATIONS," the lien on the Pledged Revenue and the moneys in the funds and accounts created pursuant to the Trust

Indenture in favor of the Refunded Bonds shall cease, terminate, be discharged and satisfied, and the Refunded Bonds will no longer be deemed outstanding under the Trust Indenture.

The maturing principal of and interest on uninvested amounts held under the Escrow Deposit Agreement will not be available to pay principal and interest on the Series 2008 Bonds.

Termination of 1998 Interest Rate Swap

At the time of issuance of the Refunded Bonds, the County entered into an interest rate swap agreement with Ambac Financial Services, L.P. ("AFSLP") (the "1998 Interest Rate Swap"), pursuant to which the County receives from AFSLP a payment equal to the Weekly Rate paid on the Refunded Bonds in exchange for a fixed payment from the County. The County intends to terminate the 1998 Interest Rate Swap simultaneously with the issuance of the Series 2008 Bonds and apply a portion of the proceeds of the Series 2008 Bonds toward a portion of the cost of terminating the 1998 Interest Rate Swap. The remaining portion of the termination payment will paid from other available moneys of the County. See "2008 INTEREST RATE SWAP AGREEMENT" below.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	
Principal Amount of the Bonds	$46,145,000
Transfer of Moneys in the Debt Service Reserve Fund relative to the Refunded Bonds	3,393,588
Other Sources*	1,663,600
Total Sources	$51,202,188
Uses:	
Deposit to Escrow Deposit Trust Fund	$43,887,216
Deposit to Debt Service Reserve Fund	3,410,502
1998 Interest Rate Swap Termination Payment	3,390,000
Costs of Issuance**	514,470
Total Uses	$51,202,188

* Funds on hand to pay a portion of the termination payment of the 1998 Interest Rate Swap.
** Includes the fees for counsel to the 2008 Letter of Credit Provider, Underwriter's discount, financial advisory fees, legal fees and other expenses incurred in connection with the issuance of the Series 2008 Bonds, and refunding of the Refunded Bonds.

DESCRIPTION OF THE SERIES 2008 BONDS

General

The Series 2008 Bonds will be issued in fully registered form, will be dated the date of issuance thereof, will have a stated maturity of September 1, 2027, and initially will be Variable Rate Bonds bearing interest at a Weekly Rate from the date of initial delivery and authentication until converted to bear interest in another interest rate mode as described herein. The Series 2008 Bonds will be issuable in Authorized Denominations of (i) $100,000 and integral multiples of $5,000 over $100,000 while they bear interest at a Daily, Weekly or Monthly Rate and (ii) $5,000 and integral multiples thereof while they bear interest at a Quarterly, Semiannual, Extended or Fixed Rate.

The Interest Payment Dates for the Series 2008 Bonds will be (i) the first Business Day of each calendar month while they bear interest at a Daily, Weekly or Monthly Rate, (ii) the first Business Day of the third calendar month following the Conversion Date to the Quarterly Rate and the first Business Day of each third calendar month thereafter while they bear interest at a Quarterly Rate, (iii) the first Business Day of the sixth month following the Conversion Date to the Semiannual or Extended Rate and the first Business Day of each sixth calendar month thereafter while they bear interest at a Semiannual or Extended Rate and (iv) each March 1 and September 1 following the Conversion Date to the Fixed Rate.

Interest on Series 2008 Bonds bearing interest at the Daily Rate, Weekly Rate, Monthly Rate and Quarterly Rate will be calculated based on the actual days elapsed and a year of 365 or 366 days, as applicable, and interest on the Series 2008 Bonds bearing interest at the Semiannual Rate, Extended Rate or Fixed Rate will be calculated based on a year of 360 days consisting of twelve 30-day months.

Book-Entry Only System

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2008 Bonds, payment of interest and principal on the Series 2008 Bonds to Participants or Beneficial Owners of the Series 2008 Bonds, confirmation and transfer of beneficial ownership interest in the Series 2008 Bonds and other related transactions by and between The Depository Trust Company ("DTC"), the Participants and the Beneficial Owners of the Series 2008 Bonds is based solely on information furnished by DTC on its website for inclusion in this Official Statement. Accordingly, the County cannot make any representations concerning these matters.

DTC will act as securities depository for the Series 2008 Bonds. The Series 2008 Bonds will be issued as fully-registered securities registered in the name of Cede & Co., (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2008 Bond certificate will be issued for each maturity of the Series 2008 Bonds, each in the aggregate principal amount of such maturity, as set forth on the inside cover page of this Official Statement, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfer and pledges between Direct

Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2008 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2008 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2008 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2008 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bond certificates representing their ownership interests in the Series 2008 Bonds, except in the event that use of the book-entry system for the Series 2008 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2008 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2008 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 2008 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2008 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2008 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2008 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond Ordinance. For example, Beneficial Owners of Series 2008 Bonds may wish to ascertain that the nominee holding the Series 2008 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent by the Bond Registrar to DTC. If less than all of the Series 2008 Bonds within a particular maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2008 Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument (MMI) Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2008 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption proceeds, if any, and interest payments on the Series 2008 Bonds will be made to Cede & Co., or to such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not DTC nor its nominee, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption proceeds and interest, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2008 Bonds at any time by giving reasonable notice to the County or the Bond Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates representing the Series 2008 Bonds are required to be printed and delivered to DTC.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates representing the Series 2008 Bonds will be printed and delivered.

NEITHER THE COUNTY, THE BOND REGISTRAR NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2008 BONDS IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT, THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OR INTEREST ON THE SERIES 2008 BONDS, ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE TRUST INDENTURE OR ANY CONSENT

GIVEN OR ACTION TAKEN BY DTC AS BONDHOLDER. SO LONG AS CEDE &CO. IS THE REGISTERED OWNER OF SUCH BONDS, AS NOMINEE OF DTC, THE BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL CERTIFICATES REPRESENTING THEIR INTERESTS IN THE BONDS, AND REFERENCES HEREIN TO BONDHOLDERS OR REGISTERED HOLDERS OF SUCH BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF SUCH BONDS.

Discontinuance of Book-Entry Only System

Under the provisions of the Trust Indenture, the Trustee and the County, at the direction and expense of the County, will cause the delivery of bond certificates to each Beneficial Owner, registered in the name of such Beneficial Owner, under the following circumstances: (i) DTC determines to discontinue providing its service with respect to the Series 2008 Bonds and no successor securities depository is appointed in accordance with the provisions of the Trust Indenture. Such a determination may be made at any time by giving 30 days' written notice to the County and the Trustee and discharging its responsibilities with respect thereto under applicable law; or (ii) the County determines not to continue the Book-Entry Only System.

Registration, Transfer and Exchange

If the book-entry only system is discontinued, the Beneficial Owners shall receive certificated Series 2008 Bonds which will be subject to registration of transfer or exchange as set forth below.

The County shall cause books for the registration and transfer of Series 2008 Bonds to be kept by the Bond Registrar. All Series 2008 Bonds shall be registered in such books upon issuance thereof, who shall make notation of such registration thereon and shall not be registered to bearer. Series 2008 Bonds shall thereafter be transferred only by the Owner of such Series 2008 Bonds, in person or by its duly authorized attorney or legal representative, upon the surrender thereof together with a written assignment duly executed by the Owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. The registration of such transfer shall be made on such registration books and endorsed on the Series 2008 Bond by the Bond Registrar. Upon the transfer of any Bond, the Bond Registrar shall cause to be issued in the name of the transferee a new Series 2008 Bond or Series 2008 Bonds.

Upon surrender at the designated corporate trust office of the Bond Registrar with a written instrument of transfer duly executed by the Owner or its duly authorized attorney or legal representative, in such form as shall be satisfactory to the Bond Registrar, Series 2008 Bonds may be exchanged for a like aggregate principal amount of Series 2008 Bonds of other Authorized Denominations of the same Series, interest rate and maturity. The County shall execute, and the Bond Registrar shall authenticate and deliver such Series 2008 Bonds as the Owner making the exchange is entitled to receive.

No charge shall be made to any Bondholder for the privilege of registration, transfer or exchange hereinabove granted, but any Bondholder requesting any such registration, transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto.

The County and Bond Registrar shall not be required to execute, transfer or exchange any Bond during the period beginning at the close of business on a Record Date (or Special Record Date) and ending at the close of business on the next Interest Payment Date (or date set for payment of interest for which the Special Record Date was set). The County and Bond Registrar shall not be required to transfer or exchange any Series 2008 Bond: (a) during the 15 days immediately preceding the date of mailing of notice of the redemption of such Series 2008 Bond; or (b) after such Series 2008 Bond has been selected for redemption or has matured.

The County, the Trustee, the Paying Agent and the Bond Registrar may deem and treat the Person in whose name any Series 2008 Bond is registered on the books maintained pursuant to the Trust Indenture as the absolute Owner of such Series 2008 Bond, whether such Series 2008 Bond shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and none of the County, the Paying Agent or the Bond Registrar shall be affected by any notice to the contrary.

Variable Interest Rates

The Bank of New York Mellon Trust Company, N.A., as Trustee, will be the initial Tender Agent with respect to the Series 2008 Bonds (in such capacity, the "Tender Agent"). The Tender Agent will inform the Owners of Series 2008 Bonds and the Trustee (if not the Tender Agent) of the Daily and Weekly Rates upon request. Notice of each preliminary Monthly, Quarterly, Semiannual and Extended Rate, and of each Monthly, Quarterly, Semiannual and Extended Rate, will be given by the Bond Registrar by sending notice in writing to the Owners of the Series 2008 Bonds bearing interest at such rates and the Trustee not later than 5:00 p.m. (New York City time) on the third Business Day following the date of determination.

The preliminary Variable Rate and the Variable Rate are each required to be the lowest rate of interest which, in the judgment of Morgan Keegan & Company, Inc., as the initial Remarketing Agent (the "Remarketing Agent") would cause the Series 2008 Bonds to have a market value equal to the principal amount thereof, plus accrued interest, under prevailing market conditions as of the date of determination of the preliminary Variable Rate or Variable Rate. The preliminary Variable Rate is intended to serve only as an indication of the lowest interest rate that would cause the Series 2008 Bonds to have a market value equal to par under market conditions on the date on which such preliminary Variable Rate is determined. The Variable Rate determined after the preliminary Variable Rate is determined may be higher, lower or the same as such preliminary Variable Rate. In no event may the preliminary Variable Rate or the Variable Rate for any Variable Rate Period exceed 15%.

All determinations of Variable Rates pursuant to the Trust Indenture are conclusive and binding upon the County, the Trustee, the Bond Registrar, the Tender Agent, the Credit Provider, the Liquidity Provider and the Owners of the Series 2008 Bonds. The County, the Trustee, the Bond Registrar, the Tender Agent and the Remarketing Agent are not liable to any Owner for failure to give any notice required above or for failure of any Owner to receive any such notice.

The Trust Indenture provides that the Tender Agent and the Remarketing Agent may resign or be removed by the County from time to time. In such events, a successor Tender Agent or Remarketing Agent, as applicable, must be appointed in accordance with the provisions of the

Trust Indenture. No resignation or removal of the Tender Agent or Remarketing Agent shall take effect until a successor has been appointed pursuant to the Trust Indenture. See "APPENDIX C – Copy of the Original Trust Indenture and Form of First Supplemental Trust Indenture" herein.

Daily Rates. The Daily Rate for each Daily Rate Period is required to be determined by the Remarketing Agent not later than 10:00 a.m. (New York City time) on the commencement date of each such Daily Rate Period to which it relates. Daily Rate Periods commence initially on the Conversion Date to but excluding the following Business Day, and subsequently begin on the next Business Day to but excluding the following Business Day.

Weekly Rates. The Weekly Rate for each Weekly Rate Period is required to be determined by the Remarketing Agent not later than 4:00 p.m. (New York City time) on each Wednesday or, if such Wednesday is not a Business Day, the last Business Day immediately prior to the commencement date of the Weekly Rate Period to which it relates. The first Weekly Rate Period will commence on the date of original issuance and delivery of the Series 2008 Bonds and shall run to but excluding the next succeeding Thursday. Weekly Rate Periods thereafter extend from Thursday of each week to but excluding Thursday of the following week; except that (A) in the case of a conversion to a Weekly Rate Period from a different Variable Rate Period, the initial Weekly Rate Period for the Series 2008 Bonds shall commence on the Conversion Date to but excluding Thursday of the following week; and (B) in the case of a conversion of the Series 2008 Bonds from a Weekly Rate Period to a different Rate Period, the last Weekly Rate Period will end on and exclude the Conversion Date.

Monthly Rates. A preliminary Monthly Rate for each Monthly Rate Period is required to be determined by the Remarketing Agent not later than 4:00 p.m. (New York City time) on the last Business Day that is at least eight days immediately preceding the commencement date of such period, and the actual Monthly Rate for each Monthly Rate Period is required to be determined by the Remarketing Agent not later than 4:00 p.m. (New York City time) on the Business Day immediately preceding the commencement date of such period. Monthly Rate Periods shall commence initially on the Conversion Date to but excluding the first Business Day of the following month and subsequently begin on and including the first Business Day of each calendar month to but excluding the first Business Day of the following month.

Quarterly Rates. A preliminary Quarterly Rate for each Quarterly Rate Period is required to be determined by the Remarketing Agent not later than 4:00 p.m. (New York City time) on the last Business Day that is at least 15 days preceding the commencement date of such period, and the actual Quarterly Rate for each Quarterly Rate Period is required to be determined by the Remarketing Agent not later than 4:00 p.m. (New York City time) on the Business Day immediately preceding the commencement date of such period. Quarterly Rate Periods commence initially on the Conversion Date to but excluding the first Business Day of the third calendar month thereafter, and subsequently begin on and include the first Business Day of each third calendar month thereafter to but excluding the first Business Day of the third calendar month thereafter.

Semiannual Rates. A preliminary Semiannual Rate for each Semiannual Rate Period is required to be determined by the Remarketing Agent not later than 4:00 p.m. (New York City time) on the last Business Day that is at least 30 days immediately preceding the commencement date of such period. The actual Semiannual Rate for each Semiannual Rate Period is required to be determined by the Remarketing Agent not later than 4:00 p.m. (New York City time) on the Business Day immediately preceding the commencement date of such period. Semiannual Rate Periods commence initially on the Conversion Date and subsequently begin on and include the first Business Day of each sixth calendar month thereafter, to but excluding the first Business Day of the sixth calendar month thereafter.

Extended Rates. A preliminary Extended Rate for each Extended Rate Period is required to be determined by the Remarketing Agent not later than 4:00 p.m. (New York City time) on the last Business Day that is at least 30 days immediately preceding the commencement date of such period, and the actual Extended Rate for each Extended Rate Period is required to be determined by the Remarketing Agent not later than 4:00 p.m. (New York City time) on the Business Day immediately preceding the commencement date of such period. Extended Rate Periods will commence initially on the Conversion Date, and subsequently begin on the first Business Day of the calendar month following the last day of the prior Rate Period and extend for a period of one year or integral multiples of six months in excess of one year set by the Remarketing Agent, and end on a day that is the last day preceding the first Business Day of a calendar month.

Limitation on Rate Period. None of the Rate Periods may extend beyond the scheduled expiration date of the Credit Facility or Liquidity Facility while the Series 2008 Bonds bear interest at a Variable Rate.

Provider Bonds. Notwithstanding anything to the contrary in the Trust Indenture, Provider Bonds shall bear interest at the Provider Rate as more particularly described in the Trust Indenture. See "APPENDIX C – Copy of the Original Trust Indenture and Form of First Supplemental Trust Indenture" herein.

Conversion Between Rate Periods

For purposes of the Trust Indenture, the 2008 Letter of Credit serves the function of both a Credit Facility and a Liquidity Facility in the Weekly Mode. The 2008 Letter of Credit is only applicable to the Series 2008 Bonds in the Weekly Mode.

At the option of the County, subject to certain conditions, the Series 2008 Bonds may be converted from one Variable Rate Period to another Variable Rate Period in accordance with the provisions of the Trust Indenture. Once the Series 2008 Bonds are converted to a Fixed Rate Period, such Fixed Rate Bonds are no longer subject to conversion. The Conversion Date is required to be an Interest Payment Date for the Variable Rate Period from which the conversion is to be made; provided, however, that in the case of a conversion from an Extended Rate Period, the Conversion Date is required to be limited to an Interest Payment Date on which a new Extended Rate Period for the Series 2008 Bonds would otherwise have commenced pursuant to the Trust Indenture. Not less than 30 days prior to the Conversion Date, the Tender Agent is required to mail or cause the Bond Registrar to mail a written notice of the conversion to the County, the Trustee, the Credit Provider, the Liquidity Provider and all of the Owners of the Series 2008 Bonds.

Notwithstanding the delivery of notice of conversion pursuant to the Trust Indenture, conversion to a new Variable Rate Period will not take effect if:

(1) The Remarketing Agent fails to determine a Variable Rate for the Variable Rate Period to which the conversion is to be made;

(2) Any notice of conversion required by the Trust Indenture is not given when required;

(3) There is not delivered to the County and the Trustee an Opinion of Bond Counsel dated as of the Conversion Date;

(4) Such notice of conversion is rescinded by the County by written notice to the Tender Agent, the Trustee and the Remarketing Agent delivered prior to the applicable Conversion Date. If the Tender Agent receives notice of such rescission prior to the time the Tender Agent has given or caused to be given notice to the Owners of the Series 2008 Bonds, then such notice of conversion will be of no force and effect. If the Tender Agent receives notice of such rescission after the Tender Agent has given or caused to be given notice to the Owners of the Series 2008 Bonds, then the Series 2008 Bonds will automatically adjust to the Weekly Rate Period. Any purchases of Series 2008 Bonds scheduled or required to take place on the proposed effective date of any Variable Rate Period will take place on such date. No Opinion of Bond Counsel is required in connection with any automatic adjustment to a Weekly Rate Period pursuant to such provision in the Trust Indenture; or

(5) There is not delivered to the Trustee written evidence from the Rating Agencies that any such conversion to a Quarterly Rate, Semiannual Rate or Extended Rate will not, of itself, cause a reduction or withdrawal of any rating then assigned to the Bonds.

Except as provided in (4) above, in any such event, the Series 2008 Bonds which were to be converted will automatically be converted to a Weekly Rate Period on the date such conversion was to be made, provided that any mandatory or optional tender for purchase on the Conversion Date will nevertheless be carried out. No cancellation of a conversion will constitute an Event of Default under the Trust Indenture. Upon the occurrence of any event described in (1) above, the Weekly Rate will be the per annum rate of interest determined on each Thursday (or if such day is not a Business Day, the immediately preceding Business Day) by the Trustee which is equal to the lesser of the Maximum Rate and a rate equal to the "Securities Industry and Financial Markets Association Index" (or "SIFMA Index") (or a comparable index, if such index is no longer published) most recently published, plus 50 basis points.

Conversion to Fixed Rates

For purposes of the Trust Indenture, the 2008 Letter of Credit serves the function of both a Credit Facility and a Liquidity Facility in the Weekly Mode. The 2008 Letter of Credit is only applicable to the Series 2008 Bonds in the Weekly Mode.

The Series 2008 Bonds will be converted to bear interest at Fixed Rates upon the County's request. Upon a conversion of Series 2008 Bonds to bear interest at Fixed Rates, such Series 2008 Bonds will be subject to mandatory tender for purchase. As a condition of any Fixed Rate conversion, the Trustee, the Credit Provider, the Liquidity Provider and the Remarketing Agent must receive an Opinion of Bond Counsel. The Fixed Rate Conversion Date will be (1) in the case of a conversion from a Variable Rate Period other than an Extended Rate Period, an Interest Payment Date for the Series 2008 Bonds for the Variable Rate Period from which the conversion is to be made; and (2) in the case of a conversion from an Extended Rate Period, an Interest Payment Date for the Series 2008 Bonds on which a new Extended Rate Period would otherwise have commenced pursuant to the Trust Indenture.

The Fixed Rate or Fixed Rates are required to be the lowest rate or rates of interest per annum (not in excess of the maximum rate of interest allowed by law) which, in the judgment of the Remarketing Agent, as of the date of determination and under prevailing market conditions, would cause the Series 2008 Bonds to have a market value equal to the principal amount thereof, plus accrued interest; provided, however, that, at the request of the County, the Fixed Rate or Fixed Rates can be such lower rate or rates of interest which, in the judgment of the Remarketing Agent, as of the date of determination and under prevailing market conditions, would cause the Fixed Rate Series 2008 Bonds to have a market value of less than the principal amount thereof, plus accrued interest, but not less than 95% of the principal amount thereof, upon delivery of an Opinion of Bond Counsel to the Trustee, the Credit Provider, the Liquidity Provider and the Remarketing Agent.

If necessary or desirable to achieve the lowest Fixed Rate or Fixed Rates on the Series 2008 Bonds, the Remarketing Agent may determine that some or all of the Series 2008 Bonds shall be converted to Serial Bonds maturing in years for which Amortization Requirements have been established for the Series 2008 Bonds and maturing in aggregate principal amounts that correspond to such Amortization Requirements.

The Tender Agent is required to mail or cause the Bond Registrar to mail a notice of the proposed conversion to the Owners of all Series 2008 Bonds to be converted not less than 30 days prior to the proposed Fixed Rate Conversion Date and state that (1) the Series 2008 Bonds are subject to mandatory tender for purchase (with no right to retain) on the Conversion Date at a Purchase Price of par plus accrued interest; and (2) on and after the Conversion Date the Series 2008 Bonds shall be deemed purchased, and thereafter the Owner will have no further rights under the Trust Indenture except to receive the Purchase Price.

Notwithstanding the delivery of notice of a Conversion Date to a Fixed Rate pursuant to the Trust Indenture, conversion of the Series 2008 Bonds to a Fixed Rate Period will not take effect if (1) the County withdraws such notice of conversion not later than the Business Day preceding the date on which the Fixed Rate is to be determined; (2) the Remarketing Agent fails to determine a Fixed Rate; (3) any notice required by the Trust Indenture is not given when required; or (4) upon conversion any Fixed Rate Series 2008 Bonds would be Provider Bonds unless the Liquidity Provider consents. In any of such events, the Series 2008 Bonds will automatically he converted to a Weekly Rate for a Weekly Rate Period which will commence on the date the Fixed Rate conversion was to be made, but the mandatory tender for purchase will still be carried out if notice of the Fixed Rate conversion had been given to the Owners.

Withdrawal of a conversion notice must be given by the County to the Trustee, the Tender Agent, the Bond Registrar, the Remarketing Agent, the Credit Provider and the Liquidity Provider, by telephone, promptly confirmed in writing. No cancellation of a Fixed Rate conversion pursuant to this paragraph constitutes an Event of Default under the Trust Indenture. If the Series 2008 Bonds are converted to bear interest at a Weekly Rate rather than a Fixed Rate, and the Remarketing Agent fails to set a Weekly Rate, the Weekly Rate shall be the per annum rate of interest determined on each Thursday (or if such day is not a Business Day, the immediately preceding Business Day) by the Trustee which is equal to the lesser of the Maximum Rate and a rate equal to "SIFMA Municipal Swap Index" (or a comparable index, if such index is no longer published) most recently published, plus 50 basis points.

Tender and Purchase of Variable Rate Bonds

The Purchase Price payable upon any tender for purchase of Series 2008 Bonds (whether optional or mandatory) shall be an amount equal to the principal amount of such Series 2008 Bond plus, if the Purchase Date is other than an Interest Payment Date, accrued interest thereon, at the applicable rate from the most recent Interest Payment Date to but excluding the Purchase Date.

<u>Optional Tenders During Variable Rate Periods</u>. During any Variable Rate Period, the Beneficial Owners of Series 2008 Bonds (other than Provider Bonds) may elect to have their Series 2008 Bonds (or portions thereof in Authorized Denominations) purchased at the Purchase Price as set forth below:

(1) Series 2008 Bonds bearing interest at Daily Rates may be tendered for purchase on any Business Day upon delivery of telephonic notice of tender given to the Trustee and the Remarketing Agent not later than 10:30 a.m., New York City time, on the Purchase Date.

(2) Series 2008 Bonds bearing interest at Weekly Rates may be tendered for purchase on any Business Day upon delivery of a written notice of tender to the Trustee (with a copy thereof to the Remarketing Agent) not later than 5:00 p.m., New York City time, on a Business Day not less than seven days prior to the Purchase Date.

(3) Series 2008 Bonds bearing interest at Monthly, Quarterly or Semiannual rates may be tendered for purchase on any Interest Payment Date upon delivery of a written notice of tender to the Trustee not later than 5:00 p.m., New York City time, on a Business Day that is not less than seven days prior to the Purchase Date in the case of Series 2008 Bonds bearing interest at Monthly Rates and Quarterly Rates, or 15 days prior to the Purchase Date in the case of Series 2008 Bonds bearing interest at Semiannual Rates.

(4) Series 2008 Bonds bearing interest at Extended Rates may be tendered for purchase on the commencement date of any Extended Rate Period (other than the Extended Rate Conversion Date) upon delivery of a written notice of tender to the Trustee not later than 5:00 p.m., New York City time, on a Business Day that is not less than 15 days prior to the Purchase Date.

Each notice of tender must, in the case of a written notice, be given by the Direct Participant through whom such Beneficial Owner owns such Series 2008 Bonds and must be delivered by Electronic Means to the Tender Agent and Trustee, if not also the Tender Agent, at The Bank of New York Mellon Trust Company, N.A., 10161 Centurion Parkway, Jacksonville, Florida 32256 Attention: Corporate Trust Department, and must be substantially in the form attached as an exhibit to the Trust Indenture. In the case of Series 2008 Bonds bearing interest at Weekly Rates, a copy of such notice shall also be delivered to the Remarketing Agent at Morgan Keegan & Company, Inc., 50 North Front Street, Memphis, Tennessee 38103, with copy to 909 Poydras Street, Suite 1300, New Orleans, LA 70112. Such notice of tender must also state, whether delivered in writing by Electronic Means or by telephone, the principal amount of the Series 2008 Bond or portion thereof, that the Owner irrevocably demands purchase of such Series 2008 Bond or portion thereof, the date on which such Series 2008 Bond or portion thereof is to be purchased, payment instructions and the DTC number of such Direct Participant. Such notice of tender will automatically constitute, whether delivered in writing by Electronic Means or by telephone, (A) an irrevocable offer to sell the Series 2008 Bonds (or portion thereof) to which the notice relates on the Purchase Date to any purchaser selected by the Remarketing Agent at the Purchase Price, (B) an irrevocable authorization and instruction to the Bond Registrar to effect transfer of such Series 2008 Bonds (or portion thereof) upon payment of such price to the Tender Agent on the Purchase Date, (C) an irrevocable authorization and instruction to the Tender Agent to effect the exchange of the Series 2008 Bonds to be purchased in whole or in part for other Series 2008 Bonds in an equal aggregate principal amount so as to facilitate the sale of such Series 2008 Bonds (or portion thereof), and (D) an acknowledgment that such Owner will have no further rights with respect to such Series 2008 Bonds (or portion thereof) upon payment of the Purchase Price thereof by the Trustee on the Purchase Date to the Direct Participant from whom the notice of tender is received, except for the right of such Owner to receive such Purchase Price upon surrender of such Series 2008 Bonds to the Tender Agent.

The determination of the Tender Agent or the Trustee, as applicable, as to whether a notice of tender has been properly delivered pursuant to the foregoing will be conclusive and binding upon the Owner.

Mandatory Tenders Upon Variable Conversion. In the case of any conversion from one Variable Rate Period to another Variable Rate Period the Series 2008 Bonds to be converted are subject to mandatory tender for purchase on the Conversion Date at the Purchase Price. In the case of any conversion to the Fixed Rate, the Series 2008 Bonds to be converted are subject to mandatory tender for purchase on the Conversion Date at the Purchase Price.

Mandatory Tenders Upon Expiration, Substitution or Termination of Credit Facility or Liquidity Facility. Prior to the Fixed Rate Conversion Date of the Series 2008 Bonds, the Series 2008 Bonds are subject to mandatory tender for purchase at the Purchase Price on a Business Day that is at least five days prior to the date on which the Credit Facility or Liquidity Facility is to be canceled in connection with replacement by an Alternate Credit Facility or an Alternate Liquidity Facility pursuant to the Trust Indenture. The Series 2008 Bonds are also subject to mandatory tender for purchase at the Purchase Price on a Business Day which is at least five days prior to expiration of the Credit Facility or Liquidity Facility or the termination of the Credit Facility or the Liquidity Facility. The Series 2008 Bonds are also subject to mandatory tender for purchase at the Purchase Price after receipt of notice of an event of default, including receipt of notice of non-reinstatement under the Credit Facility, on a Business Day which is at least five days prior to the termination of the Credit Facility. For a description of the right of the County to replace a Credit Facility or a Liquidity Facility with an Alternate Credit Facility or Alternate Liquidity Facility, see "APPENDIX C – Copy of the Original Trust Indenture and Form of First Supplemental Trust Indenture" herein.

Notice of mandatory tender is required to be given by mail by the Bond Registrar at the direction of the Trustee to the Owners of such Series 2008 Bonds by first class mail not less than 30 days prior to the mandatory tender date; provided, however, with respect to a mandatory tender in connection with receipt of notice of an event of default under the Credit Facility, such notice shall be mailed not less than 7 days prior to the mandatory tender date.

Purchase of Tendered Series 2008 Bonds. Before 4:00 p.m., New York City time, on the Purchase Date and upon receipt by the Trustee of 100% of the aggregate Purchase Price of the tendered Series 2008 Bonds, the Trustee is required to pay the Purchase Price of such Series 2008 Bonds to the Owners thereof at its principal office or by bank wire transfer. Payments are required to be made in immediately available funds from the following sources in the order of priority indicated:

(1) The Remarketing Proceeds Account, the proceeds of the sale of the Series 2008 Bonds which have been remarketed by the Remarketing Agent (other than proceeds of a sale of the Series 2008 Bonds to the County);

(2) The Liquidity Facility Account, the proceeds of the sale of the Series 2008 Bonds which have been purchased by the 2008 Letter of Credit Provider pursuant to the 2008 Letter of Credit or other proceeds received under or pursuant to a Liquidity Facility;

(3) The County Purchase Account, moneys paid by the County for such purpose that are Eligible Funds; and

(4) Other moneys paid by the County for such purpose.

Failure by the County to deposit Eligible Funds in the County Purchase Account or provide moneys from any source other than a draw on the Liquidity Facility or Credit Facility shall not constitute an Event of Default under the Trust Indenture.

All Series 2008 Bonds to be purchased on any date are required to be delivered to the designated corporate trust office of the Tender Agent at or before 11:30 a.m., New York City time, on the Purchase Date, except that such Series 2008 Bonds bearing interest at Semiannual or Extended Rates being tendered for purchase at the election of the Owner pursuant to the Trust Indenture must be delivered to the designated corporate trust office of the Tender Agent along with the notice of tender.

If the Owner of any Series 2008 Bonds (or portion thereof) that is subject to purchase pursuant to the Trust Indenture fails to surrender such Series 2008 Bonds to the Tender Agent for purchase on the Purchase Date, and if the Tender Agent is in receipt of the Purchase Price therefor, such Series 2008 Bonds (or portion thereof) will nevertheless be deemed purchased on the Purchase Date and ownership of such Series 2008 Bonds (or portion thereof) will be transferred to the purchaser thereof as provided in the Trust Indenture. Any Owner who fails to deliver a Series 2008 Bond for purchase as required above will have no further rights thereunder except the right to receive the Purchase Price thereof upon presentation and surrender of said Series 2008 Bond to the Tender Agent.

Insufficient Funds for Purchases. If the moneys available for purchase of Series 2008 Bonds pursuant to the Trust Indenture are inadequate for the purchase of all Series 2008 Bonds that are tendered on any Purchase Date, all Series 2008 Bonds will continue to bear interest at the same rate as in effect on the day prior to the Purchase Date to the date on which the earliest of the following occurs: (i) the Conversion Date to a Fixed Rate for the Series 2008 Bonds; (ii) the date on which any default by the 2008 Letter of Credit Provider under the terms of the 2008 Letter of Credit has been cured; or (iii) the fifth day after the date on which an Alternate Liquidity Facility meeting the requirements of the Trust Indenture has been obtained. If there are insufficient funds for purchase, (i) the Tender Agent is required immediately (but no later than the end of the next succeeding Business Day) to return all tendered Series 2008 Bonds to the Owners thereof and notify all Owners of the Series 2008 Bonds in writing of the interest rate to be effective and (ii) the Trustee is required to return all moneys received for the purchase of such Series 2008 Bonds to the persons who provided such moneys; provided, however, the Owners shall retain all rights to tender the Series 2008 Bonds pursuant to the provisions of the Trust Indenture and the obligation of the County to honor such tenders shall remain in effect until payment therefor has been provided in accordance with the provisions of the Trust Indenture.

Tender of Provider Bonds. Provider Bonds shall be subject to tender for purchase in accordance with the provisions of the Liquidity Facility or other reimbursement or similar agreement entered into between the County and the Liquidity Provider.

Redemption of Series 2008 Bonds

Optional Redemption. (A) The Series 2008 Bonds bearing interest at Daily, Weekly, Monthly, Quarterly, Semiannual or Extended Rates (but only if the Extended Rate Period is one year) are subject to optional redemption prior to their stated maturity upon request of the County in whole or in part at any time at a price equal to the principal amount thereof, together with interest accrued to the redemption date, without premium.

(B) The Series 2008 Bonds bearing interest at Extended Rates (but only if the Extended Rate Period is more than one year in duration) or Fixed Rates are subject to optional redemption from Eligible Funds (or from moneys that are not Eligible Funds if there shall not be a Credit Facility in place at the time of such redemption or if the Credit Facility in place at the time of such redemption is a policy of municipal bond insurance) prior to their stated maturity upon request of the County in whole or in part at any time at least ten years after the Conversion Date at 100% of the principal amount thereof, and in such amounts and of such maturities as the County shall direct, plus accrued interest thereon to the redemption date, without premium.

Notwithstanding any provision in the Trust Indenture or the Series 2008 Bonds to the contrary, the Trust Indenture and the Series 2008 Bonds may be amended as of the Conversion Date upon the request of the County, without the consent of any of the Bondholders, to change the redemption provisions applicable during an Extended Rate Period or the Fixed Rate Period to such redemption provisions as are acceptable to the County provided the County provides an Opinion of Bond Counsel to the Trustee.

Prior to notice being given to the Owners of affected Series 2008 Bonds of any optional redemption of Series 2008 Bonds, either (A) there shall be deposited with the Trustee an amount sufficient to pay the principal amount of the Series 2008 Bonds subject to redemption, plus accrued interest to the redemption date, or (B) such notice shall state that the redemption is conditioned on the receipt of moneys for such redemption by the Trustee on or prior to the redemption date. In the event that a conditional notice of redemption is given and such moneys are not timely received, the redemption for which such notice was given shall not be undertaken.

The County shall not cause an optional redemption of the Series 2008 Bonds with the proceeds of a drawing on the 2008 Letter of Credit without the prior consent of the 2008 Letter of Credit Provider.

Sinking Fund Redemption. The Series 2008 Bonds are also subject to redemption prior to maturity at a redemption price equal to the principal amount thereof, plus accrued interest, without premium by application by the Trustee from draws on the Credit Facility or if there is no Credit Facility in place, or if such Credit Facility is a municipal bond insurance policy, from funds on deposit to the credit of the Sinking Fund on September 1 in the years and in the principal amounts as follows:

YEAR	AMOUNT	YEAR	AMOUNT
2008	$1,425,000	2018	$2,310,000
2009	1,670,000	2019	2,395,000
2010	1,730,000	2020	2,480,000
2011	1,795,000	2021	2,575,000
2012	1,860,000	2022	2,665,000
2013	1,930,000	2023	2,765,000
2014	2,000,000	2024	2,865,000
2015	2,075,000	2025	2,970,000
2016	2,145,000	2026	3,075,000
2017	2,230,000	2027*	3,185,000

* Final maturity.

Provider Bonds Redemption. Provider Bonds are subject to redemption prior to maturity (i) at the option of the County as a whole or in part in such amounts and of such maturities as the County shall direct on any date at the principal amount thereof, without premium, plus interest accrued thereon to the redemption date, and (ii) otherwise as provided in the Liquidity Facility or other reimbursement or similar agreement entered into between the County and the Liquidity Provider. Provider Bonds shall be optionally redeemed before any other Series 2008 Bonds.

Partial Redemptions. If less than all of the Series 2008 Bonds are to be redeemed, the particular Series 2008 Bonds to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion deems fair and appropriate.

Notice of Redemption. At least 30 days, but not more than 45 days (with respect to Series 2008 Bonds in a Daily Rate Period or Weekly Rate Period, at least 15 days) before the redemption date of any Series 2008 Bonds, the Trustee will cause a notice of any such redemption to be given by mail, postage prepaid, to all Owners owning Series 2008 Bonds to be redeemed in whole or in part. Failure to mail any such notice to any Owner or any defect in any notice so mailed will not affect the validity of the proceedings for the redemption of the Series 2008 Bonds of any other Owners. Each such notice will set forth (i) the date fixed for redemption, (ii) the redemption price to be paid, (iii) the CUSIP numbers and the certificate numbers of the Series 2008 Bonds to be redeemed, (iv) the name and address of the Paying Agent, (v) the dated date, interest rate and maturity date of the Series 2008 Bonds, (vi) if less than all of the Series 2008 Bonds then Outstanding are called for redemption, the amounts of each of the Series 2008 Bonds to be redeemed and (vii) the name, address and telephone number of a contact for such redemption. Such notice may be conditioned upon the occurrence of certain events stated within such notice, and shall be of no effect if such conditions are not met.

If a portion of an Outstanding Series 2008 Bond is selected for redemption, the Owner or his attorney or legal representative must present and surrender such Series 2008 Bond to the Bond Registrar for payment of the redemption price of the portion thereof called for redemption, and the County will execute and the Bond Registrar will authenticate and deliver to or upon the order of such Owner, without charge, other than any applicable tax or other governmental charge, for the unredeemed portion of the principal amount of the Series 2008 Bond so surrendered, a Series 2008 Bond of any Authorized Denomination.

WHILE THE SERIES 2008 BONDS ARE HELD UNDER THE BOOK-ENTRY ONLY SYSTEM DESCRIBED ABOVE, NOTICES OF REDEMPTION WILL BE MAILED SOLELY TO CEDE & CO., AS THE OWNER OF THE SERIES 2008 BONDS.

Effect of Calling for Redemption. If money or Escrow Securities, or a combination of both, sufficient to pay the redemption price of the Series 2008 Bonds to be redeemed are held by the Trustee in trust for the Owners of Series 2008 Bonds to be redeemed, then interest on the Series 2008 Bonds called for redemption will cease to accrue; such Series 2008 Bonds will cease to be entitled to any benefits or security under the Trust Indenture or to be deemed Outstanding, and the Owners of such Series 2008 Bonds will have no rights in respect thereof except to receive payment of the redemption price. Series 2008 Bonds and portions of Series 2008 Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption at the redemption date have been given to the Trustee in form satisfactory to it will not thereafter be deemed to be Outstanding under the Trust Indenture and will cease to be entitled to the security of or any rights under the Trust Indenture, other than rights to receive payment of the redemption price thereof, to be given notice of redemption in the manner provided in the Trust Indenture, and, to the extent provided in the Trust Indenture, to receive Series 2008 Bonds for any unredeemed portions of Series 2008 Bonds, if money or Escrow Securities, or a combination of both, sufficient to pay the redemption price of such Series 2008 Bonds or portions thereof, are held in separate accounts by the Trustee in trust for the Owners of such Series 2008 Bonds.

SECURITY AND SOURCES OF PAYMENTS FOR THE SERIES 2008 BONDS

Pledge of Net Revenue

The Series 2008 Bonds and any other Bonds (which are limited to Refunding Bonds) issued on a parity therewith under the Trust Indenture are secured by the Trust Estate, which consists of (i) the Pledged Revenue; and (ii) all Funds, Accounts and Subaccounts established pursuant to the Trust Indenture, other than the Administrative Fund and the Rebate Fund, and all moneys and securities and earnings in such Funds, Accounts and Subaccounts. The Pledged Revenue consists of the portion of Net Revenue of the County derived from the operation of the Port Facilities deposited to the credit of the General Fund established under the Senior Bond Resolution which is legally available for the payment of obligations under the Trust Indenture pursuant to the terms of the Senior Bond Resolution less Administrative Expenses for such period, which Net Revenue while on deposit in the General Fund shall be subject to superior liens and claims in accordance with the provisions of the Senior Bond Resolution and the Trust Indenture.

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

The pledge of the Pledged Revenue to secure the Series 2008 Bonds shall be in all respects junior and subordinate to the pledge of Net Revenue by the County under the Senior Bond Resolution to secure the repayment of the Senior Bonds, other Senior Bonds, any Senior Credit Provider, any provider of a Senior Reserve Account Credit Facility and any provider of a Senior Hedge Agreement. Pursuant to the Senior Bond Resolution, certain obligations. including termination payments relative to a Senior Hedge Agreement, would be payable as subordinated obligations under the Senior Bond Resolution.

THE SERIES 2008 BONDS ARE SPECIAL OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE TRUST ESTATE WHICH CONSISTS OF PLEDGED REVENUE DERIVED BY THE COUNTY FROM THE OPERATION OF ITS PORT FACILITIES AND BY OTHER FUNDS AND ACCOUNTS PLEDGED THEREFOR, AS DESCRIBED HEREIN. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE SERIES 2008 BONDS OR ANY INTEREST THEREON, OR ANY PART THEREOF AGAINST THE GENERAL FUNDS OF THE COUNTY, NOR SHALL THE CREDIT OR TAXING POWER OF THE COUNTY BE DEEMED TO BE PLEDGED THERETO. THE SERIES 2008 BONDS AND INTEREST THEREON SHALL NOT BE A DEBT OF THE COUNTY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON THE PROPERTY OF THE COUNTY, OR UPON ANY INCOME, RECEIPTS OR REVENUES OF THE COUNTY OTHER THAN SUCH PLEDGED REVENUE AND SUCH OTHER FUNDS AND ACCOUNTS PLEDGED THERETO. THE OBLIGATION OF THE COUNTY TO REPAY THE SERIES 2008 BONDS AND THE INTEREST THEREON AND PURCHASE PRICE THEREOF SHALL BE IN ALL RESPECTS JUNIOR AND SUBORDINATE TO THE PLEDGE OF NET REVENUE BY THE COUNTY UNDER THE SENIOR BOND RESOLUTION TO SECURE THE REPAYMENT OF THE SENIOR BONDS, OTHER SENIOR BONDS, ANY SENIOR CREDIT PROVIDER, ANY PROVIDER OF A SENIOR RESERVE ACCOUNT CREDIT FACILITY AND ANY PROVIDER OF A SENIOR HEDGE AGREEMENT.

Rate Covenant

Under the Trust Indenture, the County covenants:

(a) that it will continue in effect the present tariff of rates and fees for, and the present rentals and other charges for the use of, the Port Facilities and the services furnished by the County until the same are revised as provided in the Trust Indenture;

(b) that it will not change, revise or reduce any such rates, fees, rentals and other charges if such change, revision or reduction will result in producing less Gross Revenue unless such rates, fees, rentals and other charges as so changed, revised or reduced will produce sufficient Gross Revenue to comply with the following paragraph (c); and

(c) that, subject to the two preceding paragraphs, from time to time and as often as it appears necessary, it will revise the rates, fees, rentals and other charges for the use of the Port Facilities and for the services furnished by the County as may be necessary or proper in order that the Gross Revenue (excluding investment income on funds on deposit in the Construction Fund) and investment income on funds on deposit in the Sinking Fund and the Debt Service Reserve Fund will at all times be sufficient in each Fiscal Year to provide an amount at least equal to the sum of:

(i) 100% of the aggregate of Current Expenses, the Reserve Account Deposit Requirement and the amount required to be deposited in the

Renewal and Replacement Fund (as each of such terms is defined in the Senior Bond Resolution) for the current Fiscal Year,

(ii) 100% of the Administrative Expenses for the current Fiscal Year,

(iii) 110% of the Composite Principal and Interest Requirements for the current Fiscal Year, and

(iv) 100% of the Debt Service Reserve Fund Deposit Requirement for the current Fiscal Year.

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

Debt Service Reserve Fund

The Trust Indenture provides for the establishment and maintenance of a Debt Service Reserve Fund to be held for the benefit and security of the holders of the Bonds. Upon the issuance of the Series 2008 Bonds, as well as any Series of Refunding Bonds, under the terms, limitations and conditions provided in the Trust Indenture, the County must provide for the funding of the Debt Service Reserve Fund in an amount equal to the Debt Service Reserve Fund Requirement.

Upon issuance of the Series 2008 Bonds, the County intends to satisfy the Debt Service Reserve Fund Requirement by transferring the moneys in the Debt Service Reserve Account related to the Refunded Bonds together with a portion of proceeds of the Series 2008 Bonds in an amount such that there shall be on deposit in the Debt Service Reserve Fund an amount sufficient to satisfy the Debt Service Reserve Fund Requirement. See "ESTIMATED SOURCES AND USES OF FUNDS." Transfers from the General Fund established under the Senior Bond Resolution to the Debt Service Reserve Fund shall be made at the times and in the amounts described under "APPENDIX C – Copy of the Original Trust Indenture and Form of First Supplemental Trust Indenture" herein. The County may provide for a Reserve Facility in lieu of cash deposits to the Debt Service Reserve Fund, or in substitution for all or a portion of the cash and/or securities on deposit in the Debt Service Reserve Fund.

Moneys in the Debt Service Reserve Fund will be used for the purpose of paying the interest on and the principal of the Bonds whenever and to the extent that the moneys held for the credit of the Sinking Fund are insufficient for such purpose.

Issuance of Additional Senior Bonds

The County shall only issue Additional Senior Bonds under the Senior Bond Resolution upon compliance with the requirements of the Senior Bond Resolution and upon filing with the Trustee either:

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

The County expects to issue Additional Senior Bonds to finance a portion of the Port's 5-Year Capital Improvement Plan. See "THE PORT – Capital Improvement Plan" below.

Issuance of Refunding Senior Bonds

The County shall only issue Refunding Senior Bonds under the Senior Bond Resolution upon compliance with the requirements of the Senior Bond Resolution. If such Refunding

Senior Bonds are being issued under the provisions of the Senior Bond Resolution requiring that the Finance Director sign a certificate confirming that the Net Revenue (excluding investment income on funds on deposit in the Construction Fund) projected by the Rate Consultant, in writing, for each Bond Year from issuance of the Refunding Senior Bonds through the fifth Bond Year after the Bond Year in which the Refunding Senior Bonds are issued is equal to not less than 125% of the annual Senior Principal and Interest Requirements in each of such years for all Senior Bonds then Outstanding (excluding any Senior Bonds being defeased by proceeds of the Refunding Senior Bonds and including the Refunding Senior Bonds with respect to which such certificate is made), then the Finance Director must also file with the Trustee a certificate confirming that the Net Revenue (excluding investment income on funds on deposit in the Construction Fund) projected by the Rate Consultant, in writing, for each Bond Year from issuance of the Refunding Senior Bonds through the fifth Bond Year after the Bond Year in which the Refunding Senior Bonds are issued is equal to not less than 110% of the annual Composite Principal and Interest Requirements in each of such Bond Years for all Senior Bonds then outstanding under the provisions of the Senior Bond Resolution (excluding any Senior Bonds being defeased by proceeds of the Refunding Senior Bonds and including the Refunding Senior Bonds with respect to which the certificate is made), and for all Bonds then Outstanding.

Issuance of Refunding Bonds on a Parity with the Series 2008 Bonds

The County may issue Refunding Bonds secured by the Trust Indenture from time to time on a parity with the Series 2008 Bonds and any other Refunding Bonds theretofore issued under and secured by the Trust Indenture and then Outstanding for the purpose of providing funds, together with other legally available funds, for refunding all or any portion of the Bonds of any one or more Series issued under the Trust Indenture.

Before the County may issue Refunding Bonds, there must first be delivered to the Trustee, among other things, either:

(i) a certificate signed by an Authorized Officer, confirming that the annual Principal and Interest Requirements for each Bond Year in which the Bonds to be refunded would be Outstanding but for such refunding for all Outstanding Bonds following issuance of the Refunding Bonds with respect to which the certificate is made (excluding any Bonds being defeased by proceeds of the Refunding Bonds and including the Refunding Bonds with respect to which the certificate is made) is not greater than the annual Principal and Interest Requirements for each Bond Year for all Outstanding Bonds prior to issuance of such Refunding Bonds, or

(ii) a certificate of the Rate Consultant demonstrating that the Pledged Revenue and investment income on funds on deposit in the Sinking Fund and the Debt Service Reserve Fund projected by the Rate Consultant for each Bond Year from issuance of the Refunding Bonds through the fifth Bond Year after the Bond Year in which the Refunding Bonds are issued is equal to not less than 110% of the annual Principal and Interest Requirements in each of such Bond Years for all Bonds then Outstanding, excluding any Bonds being defeased by proceeds of the Refunding Bonds and including the Refunding Bonds with respect to which the certificate is made.

Apart from the Series 2008 Bonds and future Refunding Bonds, the County may not incur any other indebtedness under the Trust Indenture secured by the Trust Estate on a parity therewith, but the County may issue Subordinated Obligations, as described below, which Subordinated Obligations would be subordinate to the Series 2008 Bonds and the Senior Bonds.

Issuance of Obligations Subordinate to the Series 2008 Bonds

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

[Remainder of page intentionally left blank]

DEBT SERVICE SCHEDULE

The following table details the debt service payments to be made in each year on the Series 2008 Bonds and the aggregate amount of such payments. The table also sets forth the debt service payments to be made in each year on the outstanding Series 1989 A (which are also Senior Bonds) and Senior 1998 Bonds.

	Series 1989-A Bonds	Senior 1998 Bonds			Series 2008 Bonds			
Year	Debt Service	Principal Amount or Sinking Fund Installment	Interest Payment	Total Debt Service	Principal Amount or Sinking Fund Interest	Interest Payment*	Total Debt Service	Total Composite Debt Service
2008	$ 5,134,250	$ 8,320,000	$ 8,384,040	$ 16,704,040	$ 1,425,000	$ 260,784	$ 1,685,784	$ 23,524,074
2009	2,659,250	11,230,000	7,957,709	19,187,709	1,670,000	1,740,502	3,410,502	25,257,461
2010	2,659,250	11,810,000	7,375,928	19,185,928	1,730,000	1,675,506	3,405,506	25,250,684
2011	2,659,250	12,425,000	6,760,678	19,185,678	1,795,000	1,608,174	3,403,174	25,248,102
2012	2,659,250	13,075,000	6,109,865	19,184,865	1,860,000	1,542,528	3,402,528	25,246,643
2013	14,999,250	1,420,000	5,423,500	6,843,500	1,930,000	1,465,922	3,395,922	25,238,672
2014	14,997,250	1,495,000	5,352,500	6,847,500	2,000,000	1,390,806	3,390,806	25,235,556
2015	14,999,500	1,570,000	5,277,750	6,847,750	2,075,000	1,312,966	3,387,966	25,235,216
2016	14,999,250	1,650,000	5,199,250	6,849,250	2,145,000	1,235,583	3,380,583	25,229,083
2017		7,200,000	5,116,750	12,316,750	2,230,000	1,148,724	3,378,724	15,695,474
2018		7,560,000	4,756,750	12,316,750	2,310,000	1,061,932	3,371,932	15,688,682
2019		7,945,000	4,378,750	12,323,750	2,395,000	972,027	3,367,027	15,690,777
2020		8,340,000	3,981,500	12,321,500	2,480,000	881,221	3,361,221	15,682,721
2021		8,755,000	3,564,500	12,319,500	2,575,000	782,292	3,357,292	15,676,792
2022		9,195,000	3,126,750	12,321,750	2,665,000	682,073	3,347,073	15,668,823
2023		9,650,000	2,667,000	12,317,000	2,765,000	578,351	3,343,351	15,660,351
2024		10,135,000	2,184,500	12,319,500	2,865,000	472,027	3,337,027	15,656,527
2025		10,645,000	1,677,750	12,322,750	2,970,000	359,232	3,329,232	15,651,982
2026		11,175,000	1,145,500	12,320,500	3,075,000	243,639	3,318,639	15,639,139
2027		11,735,000	586,750	12,321,750	3,185,000	123,960	3,308,960	15,630,710
Total	$75,766,500	$165,330,000	$91,027,719	$256,357,719	$46,145,000	$19,538,250	$65,683,250	$397,807,469

* Reflects interest at a synthetic fixed rate of 3.642% (see "2008 INTEREST RATE SWAP AGREEMENT" herein) plus an assumed spread of 0.25% to account for alternative minimum tax and basis spread.

THE 2008 LETTER OF CREDIT

The irrevocable transferable direct-pay Letter of Credit (the "2008 Letter of Credit") will be issued by the 2008 Letter of Credit Provider pursuant to the Reimbursement Agreement, dated as of July 1, 2008 (the "Reimbursement Agreement"), between the County and the 2008 Letter of Credit Provider. The following summarizes certain provisions of the 2008 Letter of Credit and the Reimbursement Agreement, to which documents reference is made for the complete provisions thereof. The provisions of any Alternate Credit Facility and related reimbursement agreement may be different from those summarized below. All capitalized terms used under the heading "THE 2008 LETTER OF CREDIT" shall have meanings ascribed to such terms in the Reimbursement Agreement.

2008 Letter of Credit

The 2008 Letter of Credit is an irrevocable obligation of the 2008 Letter of Credit Provider. The 2008 Letter of Credit will be issued in an amount equal to the aggregate principal amount of the outstanding Series 2008 Bonds, plus 56 days' interest thereon at the rate of 15% per annum. The Trustee, upon compliance with the terms of the 2008 Letter of Credit, is authorized and directed to draw up to (a) an amount sufficient (i) to pay principal of the Series 2008 Bonds (other than Bank Bonds (as defined in the Reimbursement Agreement), Series 2008 Bonds bearing interest at a rate other than the Weekly Mode, and Series 2008 Bonds held by or on behalf of the County (collectively, "Ineligible Bonds")) when due, whether at maturity or upon redemption or acceleration, and (ii) to pay the portion of the purchase price of Series 2008 Bonds (other than Ineligible Bonds) delivered for purchase pursuant to a demand for purchase by the owner thereof or a mandatory tender for purchase and not remarketed (a "Liquidity Drawing") equal to the principal amount of such Series 2008 Bonds, plus (b) an amount not to exceed 56 days of accrued interest on such Series 2008 Bonds at the rate of 15% per annum (i) to pay interest on Series 2008 Bonds (other than Ineligible Bonds) when due, and (ii) to pay the portion of the purchase price of Series 2008 Bonds (other than Ineligible Bonds) delivered for purchase pursuant to a demand for purchase by the owner thereof or a mandatory tender for purchase and not remarketed, equal to the interest accrued, if any, on such Series 2008 Bonds.

The amount available under the 2008 Letter of Credit will be reduced to the extent of any drawing thereunder, subject to reinstatement as described below. With respect to a drawing by the Trustee solely to pay interest on the Series 2008 Bonds on an interest payment date, the interest component of the 2008 Letter of Credit will be reduced by the amount of each payment by the 2008 Letter of Credit Provider of interest and shall be automatically reinstated on the earlier to occur of (i) the tenth calendar day following any interest drawing under the 2008 Letter of Credit if Trustee shall not have received notice from the 2008 Letter of Credit Provider prior to such time that the 2008 Letter of Credit Provider has not been reimbursed for such interest drawing under the 2008 Letter of Credit or that an Event of Default has occurred under the Reimbursement Agreement and, as a result thereof, the amount of such interest drawing under the 2008 Letter of Credit shall not be reinstated or (ii) the 2008 Letter of Credit Provider has been reimbursed in full for such Interest Drawing. With respect to a Liquidity Drawing, the 2008 Letter of Credit will automatically be reduced by the Original Purchase Price (as hereinafter defined) of any Series 2008 Bonds (or portions thereof) purchased pursuant to such drawing. Prior to the Conversion Date (as defined in the Reimbursement Agreement) upon a remarketing of Series 2008 Bonds (or portions thereof) purchased with the proceeds of such Liquidity Drawing, the amount available under the 2008 Letter of Credit will be automatically reinstated concurrently upon receipt by the 2008 Letter of Credit Provider, or the Trustee on behalf of the 2008 Letter of Credit Provider, of an amount equal to the Original Purchase Price of such Series 2008 Bonds (or portions thereof); the amount of such reinstatement shall be equal to the Original Purchase Price of such Series 2008 Bonds (or portions thereof). "Original Purchase Price" means the principal amount of any Series 2008 Bond purchased with the proceeds of a Liquidity Drawing plus the amount of accrued interest on such Series 2008 Bond paid with the proceeds of a Liquidity Drawing (and not pursuant to an Interest Drawing a drawing to pay interest) upon such purchase.

The 2008 Letter of Credit will terminate on the earliest of the 2008 Letter of Credit Provider's close of business on (a) the stated expiration date (July 8, 2011, unless renewed or extended); (b) the earlier of (i) the date which is fifteen (15) days following the date on which the rate on all of the Series 2008 Bonds has been converted to bear interest at a rate other than a Weekly Mode as such date is specified in a certificate in the form attached to the 2008 Letter of Credit or (ii) the date on which the 2008 Letter of Credit Provider honors a drawing under the 2008 Letter of Credit on or after the Conversion Date; (c) the date which is fifteen (15) days following the 2008 Letter of Credit Provider's receipt of written notice from the Trustee that no Series 2008 Bonds remain Outstanding, within the meaning of the Trust Indenture, all drawings required to be made under the Trust Indenture and available under the 2008 Letter of Credit have been made and honored, or that an Alternate Credit Facility has been issued in Substitution for the 2008 Letter of Credit in accordance with the terms of the Trust Indenture and the Reimbursement Agreement; or (d) the date which is fifteen (15) days following the date the Trustee receives a written notice from the 2008 Letter of Credit Provider specifying the occurrence of an "Event of Default" under the Reimbursement Agreement.

Events of Default

Pursuant to the Reimbursement Agreement, the occurrence of any of the following events, among others, shall constitute an Event of Default thereunder. Reference is made to the Reimbursement Agreement for a complete listing of all Events of Default.

(a) the County fails to pay, or cause to be paid (i) when due, any principal of or interest on any Drawing or any Advance (as each is defined in the Reimbursement Agreement), (ii) when due, any principal of or interest on any Series 2008 Bonds for any reason other than the failure of the 2008 Letter of Credit Provider to perform its obligations under the 2008 Letter of Credit or (iii) any other Obligation (as defined in the Reimbursement Agreement) (other than any principal or interest on any Drawing or any Advance) within five (5) days from the date such payment is due; or

(b) any representation, warrant or statement made by or on behalf of the County in the Reimbursement Agreement or in any Program Document (as defined in the Reimbursement Agreement) to which the County is a party or in any certificate delivered pursuant thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or the documents, certificates or statements of the County (including unaudited financial reports, budgets, projections and cash flows of the County) furnished to the 2008 Letter of Credit Provider by or on behalf of the County in connection with the transactions contemplated in the Reimbursement Agreement, when taken as a whole, are materially inaccurate in light of the circumstances under which they were made and as of the date on which they were made; or

(c) the County shall default in the due performance or observance of any negative covenant or certain affirmative covenants contained in the Reimbursement Agreement; or

(d) the County shall default in the due performance or observance of any term, covenant or agreement contained in the Reimbursement Agreement (other than those covered by clauses (a) and (c) above) and such default, if capable of being remedied, shall remain unremedied for thirty (30) days after written notice thereof shall have been given to the County by the 2008 Letter of Credit Provider; or

(e) any Debt (as defined in the Reimbursement Agreement) secured by a Lien (as each is defined in the Reimbursement Agreement) on the Pledged Revenue (as defined in the Reimbursement Agreement) ("Secured Debt") in an aggregate outstanding principal amount or any interest or premium on such Debt, shall not be paid when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) (it being understood by the 2008 Letter of Credit Provider that default, for purposes of this paragraph, shall not mean a situation whereby the County contests in good faith its liability with respect to such Debt); or (ii) default in the observance or performance of any agreement or condition relating to any Secured Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Secured Debt to become due prior to its stated maturity; or

(f) (i) a court or other governmental authority with jurisdiction to rule on the validity of the Reimbursement Agreement, the Trust Indenture or any other Program Document to which the County is a part shall find, announce or rule that (A) any material provision of the Reimbursement Agreement and any other Program Document to which the County is a party; or (B) any provision of the Trust Indenture relating to the security for the Series 2008 Bonds or the Obligations (as defined in the Reimbursement Agreement), the County's ability to pay the Obligations or perform its obligations under the Reimbursement Agreement or the rights and remedies of the 2008 Letter of Credit Provider, is not a valid and binding agreement of the County; or (ii) the County shall contest the validity or enforceability of the Reimbursement Agreement, any other Program Document to which the County is a party or any provision of the Trust Indenture relating to the security for the Series 2008 bonds or the Obligations, the County's ability to pay the Obligations or perform its obligations under the Reimbursement Agreement or the rights and remedies of the 2008 Letter of Credit Provider, is not valid and binding on the County; or

(g) any provision of the Trust Indenture relating to the security for the Series 2008 Bonds or the Obligations, the County's ability to pay the Obligations or perform its obligations under the Reimbursement Agreement or the rights and remedies of the 2008 Letter of Credit Provider, or any Program Document to which the County is a party, except for any Remarketing Agreement which has been terminated due to a substitution of the Remarketing Agent, or any material provision thereof shall cease to be in full force or effect, or the County or any Person acting by or on behalf of the County shall deny or disaffirm the County's obligations under the Trust Indenture or any other Program Document to which the County is a party; or

(h) one or more final, unappealable judgments against the County for the payment of money payable out of the Trust Estate (as defined in the Reimbursement Agreement) and not covered by insurance, or attachments against the Trust Estate, the operation or result of which, individually or in the aggregate, equal or exceed $1,000,000 shall remain unpaid, unstayed, undischarged, unbonded or undismissed for a period of thirty (30) days; or

(i) (i) a debt moratorium, debt restructuring, debt adjustment or comparable restrictions imposed on the repayment when due and payable of the principal of or interest on any obligation secured by a lien, charge or encumbrance upon the General Revenues; (ii) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, the County seeks to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or bankruptcy or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts; (iii) the County seeks appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of the County's property, or the County shall make a general assignment for the benefit of its creditors; (iv) there shall be commenced against the County any case, proceeding or other action of a nature referred to in clause (ii) above and the same shall remain undismissed for a period of sixty (60) days; (v) there shall be commenced against the County any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within 60 days from the entry thereof; (vi) the County takes action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), (iii), (iv) or (v) above; or (vii) the County shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(j) any of Fitch, Moody's or S&P shall have downgraded its long-term unenhanced rating of any debt of the County secured by a Lien on the Pledged Revenue to below "BBB-" (or its equivalent), "Baa3" (or its equivalent), or "BBB-" (or its equivalent), respectively, or suspended or withdrawn its rating of the same; or

(k) an "event of default" shall have occurred pursuant to the Trust Indenture.

Remedies

Following the occurrence of the above described Events of Default, the 2008 Letter of Credit Provider may take any one or more of the following actions, among others. Reference is made to the Reimbursement Agreement for a complete listing of all consequences of Events of Default.

(a) by written notice to the County require that the County immediately prepay to the 2008 Letter of Credit Provider in immediately available funds an amount equal to the Available Amount (as defined in the 2008 Letter of Credit) (such amount to be held by the 2008 Letter of Credit Provider as collateral security for the Obligations); *provided, however,* that in the case of an Event of Default described in clause (i) above, such prepayment of an amount equal to the Available Amount shall automatically become immediately due and payable without any notice (unless the coming due of such Obligations is waived by the 2008 Letter of Credit Provider in writing);

(b) give notice of the occurrence of any Event of Default to the Trustee directing the Trustee to cause a mandatory tender of the Series 2008 Bonds pursuant to the terms of the Trust Indenture, thereby causing the 2008 Letter of Credit to expire 15 days thereafter;

(c) by notice to the County declare all Obligations to be, and such amounts shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the County; provided that upon the occurrence of an Event of Default under clause (i) above such acceleration shall automatically occur (unless such automatic acceleration is waived by the 2008 Letter of Credit Provider in writing);

(d) pursue any rights and remedies it may have under the Program Documents; or

(e) pursue any other action available at law or in equity.

2008 INTEREST RATE SWAP AGREEMENT

Simultaneously with the issuance of the Series 2008 Bonds, the County expects to terminate the 1998 Interest Rate Swap related to the Refunded Bonds and use a portion of the proceeds of the Series 2008 Bonds to pay a portion of any related termination payment. The remaining portion of the termination payment will paid from other available moneys of the County. See “THE FINANCING PLAN – Termination of 1998 Interest Rate Swap.” Additionally, the County expects to enter into a new interest rate swap agreement (the “2008 Interest Rate Swap”) with Goldman Sachs Capital Markets, L.P. (“GSCMLP”) relative to the Series 2008 Bonds, which 2008 Interest Rate Swap would have a notional amount equal to the par amount of the Series 2008 Bonds and would terminate on September 1, 2027. Pursuant to the 2008 Interest Rate Swap Agreement the County would make a fixed rate payment equal to 3.642% per annum and receive a variable payment from GSCMLP equal to the Weekly SIFMA Index. The 2008 Interest Rate Swap is subject to termination prior to September 1, 2027 upon the occurrence of certain termination events.

THE COUNTY

Generally

Broward County, created in October 1915 by the Legislature of the State of Florida, is located on the southeast coast of Florida and has an area of approximately 1,197 square miles. The County is bordered to the south by Miami-Dade County and to the north by Palm Beach County. The County ranks second in the State and 15th in the nation with a 2000 Census population of approximately 1.62 million persons and an estimated 2007 population of approximately 1.82 million persons. Located within the County are 31 municipalities, the largest of which is Fort Lauderdale with an estimated 2005 population of approximately 187,000 persons. Four airports, including the Fort Lauderdale-Hollywood International Airport, are located in the County. The Port is located two miles from Fort Lauderdale-Hollywood International Airport. General governance, finance, economic and demographic information concerning the County may be found in "APPENDIX A - General Information Regarding Broward County" herein.

County Governance

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

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

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

Lois Wexler, Mayor	November 2008
Stacy Ritter, Vice Mayor	November 2010
Josephus Eggelletion, Jr., Commissioner	November 2008
Suzanne N. Gunzburger, Commissioner	November 2010
Kristin D. Jacobs, Commissioner	November 2010
Ken Keechl, Commissioner	November 2010
Ilene Lieberman, Commissioner	November 2008
John E. Rodstrom, Jr., Commissioner	November 2008
Diana Wasserman-Rubin, Commissioner	November 2010

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

THE PORT

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

Port Everglades Department

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

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

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

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

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

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

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

General Attributes

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

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

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

In Fiscal Years 2006 and 2007, the Port hosted 5,510 and 5,496 port calls, respectively, from vessels ranging from aircraft carriers and mega cruise ships to container ships and tankers of all sizes. For Fiscal Year 2008, the Department has forecasted 5,871 port calls at the Port. In 2007, the Port ranked third-busiest among the world's cruise ports, second largest petroleum port in Florida, second in Florida in terms of total cargo tonnage handled and eleventh in the nation in terms of foreign waterborne container cargo. The Port receives refined petroleum products that are distributed over a 12-county area in southern Florida.

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

Revenue Sources

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

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

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

In an effort to give the Port a competitive advantage in attracting additional shipping lines and maintaining those presently using the Port, contracts between the Port and certain container shipping lines and cruise lines provide for wharfage and dockage fees based on a percentage of published tariff rates based on throughput. Petroleum and other liquid bulk items using pipeline connections on the piers are charged wharfage based on the number of barrels unloaded. Currently most multiday passenger activity is discounted at 20% of published Port Tariff Rates, under the current Tariff cruise ships are charged wharfage fees of $7.71 for each passenger embarking on or disembarking from multi-day cruises and $1.76 for each passenger embarking on or disembarking from single-day cruises.

PORT EVERGLADES DEPARTMENT
PORT EVERGLADES VERSUS SELECTED PORT TARIFF C OMPARISONS
TARIFFS AS CURRENTLY POSTED ON RELATED PORT WEBSITES WITH VARING EFFECTIVE DATES

Wharfage – Passenger (Embark/Debark)	UNITS	PORT EVERGLADES[1]	MAMI	JAXPORT	TAMPA	PORT CANAVERAL	PORT OF PALM BEACH
- Multi-day (Less than 12 calls per year)	Each	$7.71	$8.61	$8.18	$6.00	$5.94	$6.00
- Multi-day	Each	$7.71	$8.61	$8.18	$6.00	$5.94	$4.50
- Daily (25 sailings per month)	Each	$1.76	$1.68	N/S	N/S	$1.55	$1.75
- Daily (180 – 200 sailings per year)	Each	N/S	$2.78	N/S	N/S	$3.06	N/S
- Security Fee	Each	*	$ -	$2.00	$ -	$ -	$1.00

* Cruise lines billed directly by the Port for security overtime incurred during each ship call.
1 The Port Everglades Department has proposed a 5% tariff increase in Fiscal Year 2009.
See discussion "THE PORT – Capital Improvement Program."
N/S = Not Specified

Combined dockage and wharfage fees provide the major portion of the Port's operating revenues. In Fiscal Year 2007, wharfage accounted for approximately $50 million, or 45% of the Port's operating revenues, and dockage generated approximately $22 million, or 19% of the Port's operating revenues.

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

Passengers embarking on cruise ships calling at the Port are assessed a daily fee for parking privately-owned vehicles in designated Department-owned parking facilities. In 2007, parking fees generated approximately $8 million, or approximately 7% of the Port's operating revenues. Container lines are assessed an hourly charge for utilizing the Port's container gantry cranes, which are maintained by the Department.

As an additional source of income, the Department leases land, office space, and warehouse space to various private entities including steamship lines, agents, stevedoring firms, Foreign Trade Zone users and others under the terms of approximately 110 separate leases. The majority of office and warehouse space leases are for terms from one to three years. Land leases with terminal operators usually have initial terms of five to ten years with options to renew for additional five- to ten-year terms. In addition, the County has a 99-year lease agreement with a separate private entity which operates a retail marketplace in Northport. In 2007, leases of real property, including the Foreign Trade Zone discussed below, generated approximately $10,405,951, or approximately 9% of the Port's operating revenues.

The County (or its predecessor, the Port Everglades Authority) has operated a foreign trade zone at the Port since 1978, when Port Everglades' Foreign Trade Zone No. 25 ("FTZ #25" or the "Foreign Trade Zone") became Florida's first such facility offering businesses duty-related advantages for import and export goods. A foreign trade zone is a duty-free and quota-free area in a United States Customs port of entry that handles foreign and domestic cargo imported from, or exported or re-exported to, a foreign country. Those who ship goods through a foreign trade zone can postpone, reduce or eliminate customs duties, excise taxes and other state and federal charges. Goods resting in a foreign trade zone are not within the limits of United States commerce for customs purposes. Total acreage designated for FTZ #25 status in the County is 250 acres, 82 of which are located within the boundaries of the Port. Activated space within FTZ #25 at the Port consists of a 22.7-acre fenced and lighted security area. Five warehouse buildings totaling 388,600 square feet (9.7 million cubic feet) are located within this area. All facilities in FTZ #25 at the Port are owned by the County. The Foreign Trade Zone, including subzones typically receives and ships goods valued at some $4,104,606,674 per year. Nearly 800 different commodities from more than 89 countries of origin moved through FTZ #25 in 2007. The top five commodities for 2007 were jet fuel, alcoholic beverages, auto parts, tools, tobacco products and vehicles, and the top five countries of origin for 2007 were the United Kingdom, China, Japan, Taiwan and France. The Foreign Trade Zone is primarily a landlord operation; most of the Port's revenues from this business are derived from lease rentals.

Business Operations

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

The volume of cruise passengers embarking and debarking at Port Everglades has grown significantly in the past decade, rising from 2,256,169 passenger movements in 1998 to a high of 4,075,406 passenger movements in 2004 and settling to approximately 3.4 million passenger movements in 2007. In 2007, the Port derived approximately 28% ($31.5 million) of its operating revenues from the passenger cruise industry. Fifteen cruise lines provide service at the Port via a 40-ship cruise fleet, including Carnival Cruise Lines, Celebrity Cruises, Costa Cruise

Lines, Cunard Line, Discovery Cruise Line, Hapag-Lloyd Cruises, Holland America Line, Imperial Majesty Cruise Line, MSC Cruises, Princess Cruises, Regent Seven Seas Cruises, Royal Caribbean International, Seabourn, SeaEscape Cruises and Silversea Cruises. Cruise ships embarking from the Port range in size from the 9,961 gross registered ton (GRT) *Seabourn Legend*, with a passenger capacity of 204, to the 158,000 GRT *Independence of the Seas*, with passenger capacity of 3,600. In fall 2009, the 220,000 GRT *Oasis of the Seas* will begin embarking from the Port, and its sister ship, the *Allure of the Seas*, will begin embarking from the Port in the fall of 2010.

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

The new RCL agreement is for a ten-year period and also provides for two additional five-year option terms. In addition to the higher passenger guarantees, the RCL agreement provides for $37.4 million plus interest in capital cost recovery fees from Royal Caribbean related to the expansion of Terminal 18. The total capital costs are to be recovered from the line within six years. During the initial ten-year term, both the Port and RCL have an option to terminate the agreement after a written notice twelve months prior to the anticipated termination. The terminating party is obligated to pay $20,000,000 when the Termination Option is exercised. If RCL initiates the Termination Option, they will also be obligated for any unpaid capital cost recovery fees. If the Port initiates the Termination Option, RCL will be released from any unpaid balance of the total capital cost recovery charge.

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

In 2007 as noted in the following chart, the Port ranked third in the world behind the Port of Miami and Port Canaveral as a port offering cruise ship service. As a cruise port, Port Everglades holds several advantages over competing ports, including a deeper channel and turning basin, close proximity to deep water, major hotels and nearby Fort Lauderdale-Hollywood International Airport. The Port holds a world record of handling 47,229 cruise passengers in one day.

Top Ten Cruise Ports
Passenger Traffic in Millions

Port	Passengers
Canaveral	4.3
Miami	3.8
Everglades	3.4
Hong Kong	2.7
Cozumel	2.5
Nassau	2.1
U.S.V.I.	1.9
Barcelona	1.8
Caymans	1.7
Civitavecchia	1.6

Source: Extracted from calendar 2007 passenger activity reported in the "Cruise Industry News Annual Report 2008."

[Remainder of page intentionally left blank]

The following table sets forth cruise passenger traffic at the Port from 1998 through 2007.

CRUISE PASSENGER TRAFFIC

2007	*3,409,946*
2006	*3,239,154*
2005	*3,801,464*
2004	*4,075,406*
2003	*3,375,671*
2002	*3,485,857*
2001	*3,072,343*
2000	*2,737,389*
1999	*2,392,324*
1998	*2,256,169*

Source: Port Everglades Annual Commerce Report Fiscal Year 2007, a publication of the Department.

Containerized Cargo. Containerized cargo accounted for approximately 25% of operating revenue in Fiscal Year 2007. Containerization is a method of carrying, loading and unloading waterborne cargo in large metal containers of standard shapes and sizes. Containers permit shippers to move cargo from ship to shore and truck or rail to ship without intermediate handling steps. Port-owned rail-mounted gantry cranes as well as privately owned stick cranes are largely used to unload containers from ships directly onto trucks. The Port's largest terminal operator primarily utilizes the roll-on/roll-off (ro/ro) method of container operations and supplements its operation with the use of Port-owned gantry cranes. Containerization requires less labor and is less costly than breakbulk cargo shipping, which requires manual loading and unloading. Containerization has replaced breakbulk cargo as a transportation mode in appropriate cargo categories.

The Port now ranks as the number one container port in Florida as noted in the table below from the Florida Ports Council's Mission Plan. Port Everglades also ranks eleventh among U.S. seaports for containerized cargo and during the last few years has been growing at a faster rate than most of the top ten ports in the United States. From 1998 to 2007, the volume of containerized cargo handled at Port Everglades increased from 4,257,414 tons to 6,060,149 tons, representing growth of 42%. Port Everglades produced a third consecutive year of growth in containerized cargo during Fiscal Year 2007, increasing the amount of containerized cargo tonnage shipped 6.5%, totaling a record 6,060,149 tons. The Port has increased containerized cargo an average of 12.5% annually for the past five years, and it increased containerized cargo tonnage by more than 2.6 million tons during that time.

[Remainder of page intentionally left blank]

U.S. Port Container Volumes, 1997, 2006 and 2007 (Includes loaded and empty containers)						
Rank 2007	**Seaport**	**1997**	**2006**	**2007**	**% Change FY 07 over FY 06**	**10-Year CAGR**
1	Los Angeles	2,960,000	8,469,980	8,355,039	-1.4%	10.9%
2	Long Beach	3,505,000	7,289,365	7,316,465	0.4%	7.6%
3	New York/New Jersey	2,457,000	5,092,806	5,299,105	4.1%	8.1%
4	Savannah*	735,000	2,160,168	2,604,312	20.1%	13.5%
5	Oakland	1,531,000	2,391,598	2,307,289	-3.5%	4.5%
6	Hampton Roads*	1,233,000	2,046,285	2,128,366	4.0%	5.9%
7	Seattle	1,476,000	1,987,360	1,973,504	-0.7%	2.9%
8	Tacoma	1,158,000	2,067,186	1,924,934	-6.9%	5.2%
9	Houston*	934,000	1,606,786	1,768,627	10.1%	6.6%
10	Charleston*	1,218,000	1,968,474	1,754,376	-10.9%	3.7%
11	**Port Everglades**	**719,685**	**864,030**	**948,687**	**9.8%**	**2.8%**
12	**Miami**	**761,183**	**976,514**	**884,945**	**-9.4%**	**1.5%**
13	**Jacksonville**	**675,196**	**768,239**	**710,073**	**-7.6%**	**0.5%**
14	Baltimore		627,947	610,466	-2.8%	
15	Wilmington (DE)		262,856	284,352	8.2%	
16	Portland (OR)		214,484	260,128	21.3%	
17	Philadelphia		247,211	253,492	2.5%	
18	New Orleans*		175,957	250,649	42.4%	
19	**Palm Beach**	**174,080**	**244,004**	**257,507**	**5.5%**	**4.0%**
20	Boston		200,113	220,339	10.1%	
*Primary Florida competitors.						
Data source: ASAPA seaport data and independent analysis.						

All of the 34 shipping lines that maintain regular service at the Port handle container shipping. Cargo shippers at the Port provide service to over 200 ports in 118 countries. Most of these shipping lines primarily serve the Caribbean Basin, Central and South America, the Mediterranean, and the Far East. In 2007, 96% of the Port's containerized cargo originated in or was destined for these trade areas. Of that amount, 35.2% of the Port's containerized cargo volume was destined for Central America. Please see the chart below for a summary of activity by trade lane and related percentage shares.

PORT EVERGLADES MARKET SHARE REPORT FY 2007
COMPARISON WITH ACTIVITY IN U.S. SOUTH ATLANTIC SEAPORTS

TRADE LANE	CONTAINERIZED CARGO VOLUME IN STONS PORT EVERGLADES	Grand Total	PEV % of Market	% of PEV
CARIBBEAN	1,358,522	8,085,167	16.80%	**22.9%**
CENTRAL AMERICA	**2,082,493**	**3,781,376**	**55.07%**	**35.2%**
EAST COAST SOUTH AMERICA	406,973	1,326,835	30.67%	**6.9%**
MEDITERRANEAN	266,716	3,805,129	7.01%	**4.5%**
MIDDLE EAST	45,284	2,956,793	1.53%	**0.8%**
NORTH COAST SOUTH AMERICA	530,563	1,565,422	33.89%	**9.0%**
NORTHERN EUROPE	105,276	7,288,119	1.44%	**1.8%**
NORTHERN FAR EAST	525,540	12,670,048	4.15%	**8.9%**
OTHERS	44,724	1,847,811	2.42%	**0.8%**
SOUTHEAST ASIA	35,503	2,483,610	1.43%	**0.6%**
WEST COAST SOUTH AMERICA	520,030	2,845,194	18.28%	**8.8%**
GRAND TOTAL	5,921,624	48,655,504	12.17%	**100.0%**
REGIONAL TOTAL	**4,898,581**	**17,603,993**		**96.1%**
% of REGIONAL CARGO	**27.8%**			

Per data extracted from the Journal of Commerce Port Import Export Reporting System (PIERS)

In addition to being the leading port in Florida for containerized cargo trade, Port Everglades leads all South Atlantic Region U.S. seaports in trade within this hemisphere. As noted in the chart above, the Port handles 27.8% of this market versus its closest rival, the Port of Jacksonville, which handles 25.8%. The Port is particularly dominant in Central America, where it not only is first in the South Atlantic, with 55% of the market, but also first among all U.S. seaports, with 20% of the entire market in 2007 (see chart below).

[Remainder of page intentionally left blank]

Top Five Container Seaports
Loaded Twenty-Foot Equivalent Units (TEUs)

Port	TEUs
Everglades	264,557
Gulfport	170,621
Wilmington, DE	159,092
Miami	136,732
Houston	69,251
Other U.S. Ports	517,348
Total Central America	1,317,601
% Port Everglades	**20%**

Source: Extracted from calendar 2007 cargo activity reported in the "PIERS Port Horizons Spring 2008 Issue."

With the signing of a long-term, guaranteed-revenue terminal operating agreement with the Mediterranean Shipping Company (MSC) in 2004, the Port has secured long-term Far East trade connections. Far East trade currently represents 9.5% of the Port's activity.

The table below sets forth the total container cargo tonnage handled at the Port from 1998 through 2007.

CONTAINER CARGO TONNAGE HANDLED

2007	*6,060,149*
2006	*5,688,442*
2005	*5,076,403*
2004	*4,145,394*
2003	*3,633,610*
2002	*3,425,269*
2001	*3,907,890*
2000	*4,091,936*
1999	*4,143,982*
1998	*4,257,414*

Source: Port Everglades Annual Commerce Report Fiscal Year 2007, a publication of the Department.

The tables below set forth the 20 top export and import countries for the Port for Fiscal Year 2007 related to containerized trade, as well as the 20 top export and import containerized commodities for the Port during that period. Please note that the information in this table is not limited to containerized shipping.

TOP 20 EXPORT COUNTRIES (FISCAL 2007)

Rank	Country	Short Tons
1	Honduras	354,427
2	Bahamas	260,312
3	Venezuela	213,802
4	Costa Rica	186,539
5	Netherlands Antilles	153,960
6	Dominican Republic	143,929
7	Guatemala	142,258
8	Cayman Islands	119,597
9	People's Republic of China	101,748
10	El Salvador	88,062
11	Brazil	83,052
12	Virgin Islands	82,244
13	Jamaica	81,571
14	Colombia	74,249
15	Trinidad	72,341
16	Puerto Rico	69,772
17	Cuba	67,995
18	Chile	65,572
19	Belize	64,874
20	Panama	64,136

TOP 20 IMPORT COUNTRIES (FISCAL 2007)

Rank	Country	Short Tons
1	Honduras	426,519
2	People's Republic of China	329,692
3	Brazil	313,134
4	Guatemala	232,095
5	Costa Rica	196,537
6	Colombia	133,340
7	Italy	104,304
8	Ecuador	102,494
9	Chile	85,560
10	Nicaragua	84,921
11	Spain	84,422
12	Dominican Republic	69,679
13	Venezuela	67,940
14	El Salvador	50,709
15	Belize	49,806
16	Haiti	47,335
17	Turkey	46,614
18	Peru	43,674
19	Argentina	41,895
20	Netherlands Antilles	36,227

TOP 20 EXPORT COMMODITIES (FISCAL 2007)

Rank	Commodity	Short Tons
1	General cargo, miscellaneous	320,729
2	Grocery products, miscellaneous	244,508
3	Paper & paperboard, including waste	182,705
4	Fabrics, including raw cotton	180,864
5	Yarns, miscellaneous	168,106
6	Building materials	127,073
7	Auto parts	77,593
8	Poultry, chiefly fresh & frozen	77,486
9	Automobiles	52,243
10	Hardware, miscellaneous	49,400
11	Non-alcoholic beverages	45,751
12	Electrical & electronic products	45,321
13	EDP, number, address machinery	43,074
14	Household goods	40,430
15	Apparels, miscellaneous	39,775
16	Construction & building equipment	37,537
17	Unclassifiable chemicals	37,304
18	Mixed metal scrap	34,269
19	Metal scrap, ferrous, pig iron	31,976
20	Appliances, miscellaneous	30,451

TOP 20 IMPORT COMMODITIES (FISCAL 2007)

Rank	Commodity	Short Tons
1	Bananas	294,624
2	Ceramic & mosaic tiles	284,852
3	Fruits, miscellaneous	247,368
4	Vegetables	156,204
5	Underwear, T-shirts	109,782
6	Non-alcoholic beverages	107,082
7	Granite	105,174
8	Apparels, miscellaneous	77,710
9	Furniture	59,260
10	Women's & infant wear	56,166
11	Marble, onyx	50,873
12	Beer & ale	50,227
13	Men's wear	49,495
14	Veneers & plywood	48,748
15	Pineapples, except canned	46,004
16	Coffee	43,729
17	Logs & lumber	39,050
18	General cargo, miscellaneous	36,367
19	Paper & paperboard, including waste	35,562
20	Empty containers, drums etc.	34,036

Sources: the Department and Port Everglades Annual Commerce Report Fiscal Year 2007, a publication of the Department.

Petroleum. Petroleum accounted for approximately 21% of the Port's operating revenues in 2007. The Port is the second largest storage and distribution center for petroleum products in Florida. During 2007, approximately 123 million barrels of petroleum products were transferred from/to vessels at the Port. Most of the Port's petroleum arrives from refineries located along the U.S. Gulf Coast, in Venezuela, Europe and throughout the Caribbean. Eleven petroleum terminal operators receive product across Port docks to their privately-owned storage facilities within the Port jurisdictional Area. Most of the petroleum products imported to the Port are shipped via tanker truck to retail outlets in the twelve counties of southern Florida and by pipeline to Fort Lauderdale-Hollywood International Airport and Miami International Airport. Petroleum products handled at the Port include asphalt, diesel fuel, gasoline, residual fuel oil, jet fuel, propane and crude oil.

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

Cement imports, which constitute most of the dry bulk handled at the Port, are unloaded from ships pneumatically into privately-owned silos where they are stored until distributed by enclosed truck or in bags. Through 34 silos of two major cement terminals (owned by Continental Cement Co. of Florida, Inc. and CEMEX), the Port handles nearly 2 million tons of cement and related materials per year. Gypsum and alumina sand are handled by automated buckets and open dump trucks. Volumes of cement, alumina sand and gypsum have been highly variable and are affected by the demands of the construction industry and by population growth in southern Florida and has declined with the slump in the housing market. The volume of breakbulk steel imports is also affected by the level of activity of the construction industry in the southern Florida region. Yacht activity, on the other hand, has experienced a long-term growth trend and grew 11% in Fiscal Year 2007.

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

Port Calls. The Port is a liberty port for navy vessels from throughout the world. A number of United States Navy vessels have historically called at the Port. In 2007, 25 Navy vessels called at the Port. Department management does not foresee any significant increases or decreases in naval activity at the Port in the near-term.

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

Recent Developments

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

As of Fiscal Year 2007, Port Everglades has become the number one container cargo port in Florida. The Port's growth over the past several years has been fueled by the signing of long-term, guaranteed agreements with container operators new to Port Everglades while retaining most existing tenants. These new operators include Chiquita Banana in 2003, MSC in 2004, and Compania Sud-Americana de Vapores (CSAV) in 2005. These new terminal operators have also attracted the following lines new to Port Everglades: APL, Hamburg Sud, Hapag-Lloyd, and Maruba. The Port recently amended its 20-year terminal operating lease agreement with Mediterranean Shipping Corporation, the second largest containerized cargo carrier in the world, to accommodate their increasing volumes.

In January 2008, Maersk/Universal exercised its option for a 36-month early termination of its terminal operating lease, which had an expiration date of September 28, 2013. Maersk also has a terminal operating lease in the Port of Miami and originally assumed the lease in Port Everglades when it acquired the former Sealand Service in the late 1990's. The Maersk terminal has been one of the least productive in Port Everglades for the past several years, and Maersk has been reducing its services in the region. Maersk is responsible for approximately $3.8 million in lease and guarantee payments for the remainder of their early termination period to January 20, 2011. The Port is currently negotiating with Maersk/Universal for a phased reduction in their terminal acreage and related obligations in order to return these terminal facilities to more productive operation as soon as possible.

Capital Improvement Plan

On December 4, 2007, the Broward County Board of County Commissioners adopted the Port Everglades Master/Vision Plan which covers a 20-year planning horizon from 2006 through 2026. The plan provides a comprehensive 5-Year Master Plan along with a 5-Year Capital Improvement Program (CIP) within a framework of 10- and 20-Year Vision Plans. The Master/Vision Plan analyzed maritime business trends from regional, national, international and Port perspectives. It included a physical evaluation of existing Port Everglades deepwater facilities as well as the cargo, cruise, and petroleum storage infrastructure and a review of the Port's interstate highway, freight, rail and airport connections and synergies. Marketing assessments and forecasts were produced for containerized cargo, non-containerized cargo and cruise operations. The Master/Vision Plan identified opportunities and constraints that could impact the 10- and 20-Year vision plans and devised business, financial and asset utilization strategies which resulted in the final long term vision for the Port.

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

The adopted 5-Year CIP for Port Everglades for Fiscal Years 2008 through 2012 totals $475,599,367. The project category totals are as follows general infrastructure $23,855,000; master plan projects $292,156,000; Army Corps of Engineers dredging project $46,726,000 and the other port capital improvements/reserves $112,862,367. The County expects to finance a portion of the 5-Year CIP through the issuance of additional Senior Bonds, including the refinancing of $5 million in commercial paper. See "SECURITY AND SOURCES OF PAYMENTS FOR THE SERIES 2008 BONDS – Issuance of Additional Senior Bonds" above. Funding for the 5-Year CIP is comprised of $50,350,000 in state and federal grants, $80,396,000 in future bond proceeds/financing, $204,410,367 in use of internal funds, and $140,443,000 in private sources primarily derived from new business generated within the Port.

Funding of major capital improvements includes (i) Cruise Terminal 18 Redevelopment (approximately $39,000,000), (ii) Cruise Terminal 19 Expansion (approximately $6,700,000), (iii) Midport Crane Replacement/Upgrades (approximately $6,030,000), (iv) Southport Turning Notch Expansion (approximately $47,030,000), (v) Midpart Parking Garage (approximately $27,700,000), (vi) Spangler Boulevard Bypass Road (approximately $19,000,000), (vii) Cruise Terminal 21/22 Expansion (approximately $22,000,000)and (viii) Aggregate Terminal & Rail Yard (approximately $55,000,000).

FUNDING OF CAPITAL IMPROVEMENT PLAN

	2008	2009	2010	2011	2012	Total
Revenues						
State Grants	$ 19,479	$ 5,812	$ 2,733	$ 11,760	$ 9,966	$ 49,750
Federal Grants	600	-	-	-	-	$ 600
Bond Proceeds	-	17,100	26,300	9,730	27,266	$ 80,396
Less Five Percent[1]	(1,003)	(1,145)	(1,451)	(1,073)	(1,861)	$ (6,533)
Operating Fund	17,388	16,650	23,570	27,757	18,125	$ 103,490
Cost Recovery & Private Investment	6,528	52,253	2,733	8,929	70,000	$ 140,443
Fund Balance	85,349	22,103	-	-	-	$ 107,452
Total Revenues	**$ 128,341**	**$ 112,773**	**$ 53,885**	**$ 57,103**	**$ 123,496**	**$ 475,598**

[1] Under Florida law local governments may not budget in excess of 95% of anticipated revenues.

Additionally, the Port expects to increase tariffs as a funding source for its 5-year CIP. A recommendation will be made to the Board of County Commissioners to approve a 5% tariff increase for Fiscal Year 2009. If approved, the increased tariff will result in approximately a $4,000,000 annual increase in Port revenues.

CERTAIN HISTORICAL FINANCIAL INFORMATION

Historical Revenue and Expenses and Debt Service Coverage

Table I below depicts the Port's historical total operating revenue, operating expenses and net operating revenue for the years 2003 through 2007. Increases in operating revenue and the cost of operations during the past decade reflect increased business operations, in particular container throughput and cruise operations. General and administrative expenses have increased in recent years as the Department has developed and implemented its capital improvements program. Table I further depicts the Port's historical debt service coverage based on such net operating revenue. Historical debt service coverage was calculated by adding the Port's interest income to its net operating revenue and dividing the total by the debt service on all of the Port's outstanding capital indebtedness inclusive of principal and interest accrued in each year on all notes and bonds.

[Remainder of page intentionally left blank]

TABLE I

PORT EVERGLADES DEPARTMENT
HISTORICAL REVENUE, EXPENSES AND DEBT SERVICE COVERAGE
HISTORIC SENIOR AND SUBORDINATED DEBT SERVICE COVERAGE
(Dollars in Thousands)

	FISCAL YEAR 2003	FISCAL YEAR 2004		FISCAL YEAR 2005	FISCAL YEAR 2006	FISCAL YEAR 2007
Operating Revenues						
Petroleum	$19,804	$22,734		$22,945	$22,947	$23,756
Container	16,307	20,461		24,193	25,393	28,557
Cruise	24,923	30,601		30,001	28,146	31,483
Bulk	3,987	4,595		4,836	5,662	3,252
Breakbulk/Neobulk	1,318	2,148		2,228	2,798	2,803
Real Estate	12,467	20,379	*	10,777	11,151	11,109
All Other	10,580	11,559		10,878	11,480	11,540
Subtotal	89,386	112,477		105,858	107,577	112,500
Non-Operating – Investment	1,252	1,345		3,557	7,053	8,922
Non-Operating – All Other	2,060	84		184	1	34
Total Revenues	92,698	113,906		109,599	114,631	121,456
Operating Expenses	53,660	56,489		65,232	69,117	72,111
Non-Operating Expenses	416	407		736	1,588	451
Total Expenses	54,076	56,896		65,968	70,705	72,562
Net Income Available for Debt Service	$38,622	$57,010		$43,631	$43,926	$48,894
Senior Bonds Debt Service	$21,843	$21,844		$21,844	$21,845	$21,854
Senior Bonds Debt Service Coverage Ratio	1.77x	2.61x		2.60x	2.01x	2.24x
Subordinated Debt Service	$25,232	$25,237		$25,235	$25,236	$25,246
Subordinated Debt Service Coverage Ratio	1.53x	2.26x		1.73x	1.74x	1.94x

*NOTE: FISCAL YEAR 2004 REAL ESTATE REVENUE INCLUDES A ONE-TIME LEASE TERMINATION SETTLEMENT OF $8.4 million.

Source: Port Everglades Department.

RISK FACTORS

The County's ability to derive Net Revenue from its operation of the Port in amounts sufficient to pay debt service on the Series 2008 Bonds depends upon many factors, many of which are not subject to the control of the County. These factors include the financial strength of the petroleum, cruise passenger and shipping industries in general, and of the firms in those industries that operate at the Port in particular. While the Department is of the view that the diverse nature of business activities at the Port provides a degree of financial stability and insulation from downturns in particular economic sectors, a worsening of general economic conditions, including inflation, general cost increases, international trade or oil embargoes, or continued trade deficit imbalances, nonetheless could affect the Port's operations and the County's income by either increasing operating costs without corresponding revenue increases, or decreasing cargo or cruise volume. Described below are certain factors that could affect future operations of the Port and certain related matters.

Competition

The Port currently faces competition in certain of its business operations from other ports in the southeastern Atlantic region, including the Port of Miami. In the future, the level of competition could increase if these ports were to expand or establish additional facilities and services, which may have an adverse impact on Net Revenue. In addition, it is possible that other means of transporting cargoes presently handled at the Port could be devised and implemented that would have the effect of reducing the volume of such cargoes at the Port. For example, the Port's market area has seen an expansion of international seaport facilities in Caucedo, Dominican Republic; Kingston, Jamaica; Freeport, Bahamas; and Colón, Panama, among others, in the Caribbean basin. While the cargo volume of these ports represents a small percentage of Port Everglades' containerized cargo, these international seaport facilities are well positioned to handle transshipment cargo for the hemisphere. Transshipment cargo is cargo that is transferred from one vessel to another to reach its final destination. This is also a business activity which is projected to grow with the expansion of the Panama Canal in 2014.

In the Cruise sector Port Everglades primarily competes with the Port of Miami and Port Canaveral for the largest share of cruise passengers. Secondary competition has been increasing as a result of the modernization of the cruise fleet. While Port Everglades continues to handle the newer and larger cruise ships, smaller ports throughout the United States have benefited by redeployment of the older fleet to these smaller markets. This expansion of smaller market cruise ports has increased the options for cruise lines and could potentially impact the length of seasonal deployments in South Florida. Recently, the Port has experienced a shortening of its seasonal deployments due to increasing cruise demand in the Mediterranean, but this is considered a short-term trend that will be resolved in the near term by the deployment of new cruise ships currently under construction.

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

Fuel switching, e.g., the use of natural gas in place of fuel oil, could have a limited impact on petroleum revenues. Calypso LNG LLC has proposed the installation of a deepwater offshore port off the coast of Broward County to receive liquefied natural gas. The deepwater port, if operational, would provide a second source of natural gas for the south Florida region, possibly reducing the amount of fuel oil used by Florida Power & Light Company's Port Everglades plant. In Fiscal Year 2007 the Port revenues attributed to FPL totaled approximately $640,000.

Labor Relations

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

Certain operations at the Port are dependent on good labor relations among the stevedoring firms, marine terminal operators, shipping lines and other franchisees operating at the Port and the longshoremen, cargo checkers and other workers who work at the Port, but are not employed by the Department. Florida is a "right to work" state, and some of these workers are unionized, while others are not. The International Longshoreman's Association ("ILA") Local 1526 represents some of the longshoremen at the Port and ILA Local 1922 represents some of the cargo checkers at the Port. Some of the franchisees at the Port use ILA union labor and are presently operating under an eight-year contract which expires in 2010. One of the firms at the Port uses Teamsters labor represented by International Brotherhood of Teamsters Local 390.

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

Improvement of Port Facilities

No assurance can be given that, as a result of unanticipated circumstances, the cost of capital improvements currently under consideration by the County will not exceed the amount of funds available to the County for such purposes. To the extent that such funds are insufficient to pay for the cost of acquiring and constructing these capital improvements, the County would be required to provide additional moneys or reduce the scope of its 5-Year Capital Improvement Program. Either of these alternatives could have an adverse impact on Net Revenue. Additionally, the Port Everglades Department intends to seek a 5% tariff increase in Fiscal Year 2009 which may impact the Port's competitiveness. See "The PORT – Capital Improvement Program."

Cruise/Tourist Industry Fluctuations

The Port currently derives approximately twenty-eight percent (28%) of its total revenues from the passenger cruise industry, which is a part of the tourist industry. In addition, approximately fourteen percent (14%) of the consolidated revenue for the Port for Fiscal Year 2007 is expected to be generated by one company, Carnival Corporation, which is the parent corporation for several of the cruise lines providing passenger cruises from the Port. See 'THE PORT – Business Operations – Cruise" herein. The cruise/tourist industry is subject to economic fluctuation due to any one or more of many factors, including fuel prices and the health of the economy in general, which are beyond the control of the County. Any significant change in such factors (e.g., a significant increase in fuel prices or a significant downturn in the economy) could produce a substantial and/or extended decrease in cruise travel, which decrease could have a material adverse impact on Net Revenue.

Hurricanes

The State of Florida is generally susceptible to hurricanes and similar storms in which winds and tidal surges are powerful enough to cause severe destruction. Located on the Atlantic Ocean, the Port, specifically, and the County, generally, are particularly susceptible to such storms and their effects. The County has adopted a Hurricane Plan in an effort to, among other things, establish protective measures to be effected at the Port and to make the Port Facilities safer in case a hurricane occurs. The Port Facilities are generally insured under the County's casualty insurance policies. However, the insurance for wind damage under such policies requires the payment of a $25,000,000 deductible. There can be no assurance that the County has provided adequate reserves to pay all of the deductibles that would be required to access insurance proceeds to repair damage to Port Facilities resulting from a hurricane or other casualty, or to pay amounts required to make such repairs in the event the costs thereof exceeded the amount of the County's insurance coverage. In addition, the amount of Net Revenue that would be lost during any period of repair required after the effects of a hurricane or other casualty cannot be predicted with any reasonable degree of certainty. The County has obtained various business interruption insurance policies that cover certain events. No assurance can be given that such insurance would be adequate to cover lost Net Revenue during any repair or reconstruction period resulting from a hurricane or other casualty.

Regulation

The County is subject to the general requirements of State and federal environmental laws, including the regulations of the Florida Department of Environmental Protection. Projects involving dredging at the Port require the approval of the U.S. Army Corps of Engineers. The County, in compliance with Section 15 of the United States Shipping Act, publishes and files with the Federal Maritime Commission a port tariff establishing the rate, rules and regulations that apply to all users of the Port Facilities. To the best knowledge of the Department, the County is currently in compliance with all State and federal regulations requiring (i) approval of projects that have been or are being implemented or (ii) reporting of operations conducted at the Port. To the best knowledge of the Department, no failure to obtain a required approval has occurred and no regulatory action has been taken or threatened which, in either case, would have a material adverse impact on the operations of the Port or the revenues generated or to be generated by the Port Facilities. No assurance can be given, however, that the County will be able to obtain approvals that may be required in the future (i) to implement improvements that are contemplated for the Port or (ii) to maintain existing Port Facilities, or that it will meet all of the reporting and other requirements that have been or may be imposed by State or federal agencies or authorities. A failure to obtain such approvals or to meet such reporting or other requirements could result in a loss of revenue for the Port or a failure to realize projected revenue, which loss or failure could have a material adverse impact on Net Revenue.

Environmental Hazards

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

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

Increased Cost of Security

As a result of the terrorist attacks of September 11, 2001, new Federal requirements resulting from the Maritime Transportation Security Act of 2002, and changes to the Florida State Seaport Security Standards in Florida Statutes (FS) section 311.12, the Port is incurring significantly increased security costs from those seen prior to 2001. These increased costs for both construction and maintenance of security infrastructure and annual operating expenses have adversely affected the Port's Net Revenue, but have been offset to some extent by Federal and State grants and the imposition of security fees within the Port Tariff. With the installation of security infrastructure substantially completed in 2006, security costs have stabilized with annual increases attributable primarily to the terms of the County's contract with the Broward Sheriff's Office to provide security staffing to meet current Federal and State requirements. The Port is currently working with other Florida ports and the Florida Ports Council to seek to have the State Legislature amend FS 311.12 to eliminate duplicative state security standards that result in increased costs, however the results of that effort are uncertain.

CONTINUING DISCLOSURE

The continuing disclosure requirements of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "SEC") are not applicable to the Series 2008 Bonds as of the date of original issuance of the Series 2008 Bonds while bearing interest at the Weekly Rate by virtue of the provision of the Rule that exempts securities in authorized denominations of $100,000 or more that, at the option of the holder thereof, may be tendered to an issuer of such securities or its designated agent for redemption or purchase at par value or more at least as frequently as every nine months.

The County has, in the Continuing Disclosure Agreement, covenanted to comply with the requirements of the Rule in the event that the Series 2008 Bonds cease to be exempt from the provisions of the Rule. Notwithstanding the exemption described above, it has been the County's practice to provide annual information as described in the Continuing Disclosure Agreement.

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

INVESTMENT POLICY

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

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

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

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

LITIGATION

There is no litigation of any nature now pending or, to the best knowledge of the County, threatened against the County which, in the opinion of the Office of the County Attorney, will have any material adverse effect on the County's ability to pay the Series 2008 Bonds or to collect the Net Revenue.

At the time of the delivery of the Series 2008 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 2008 Bonds or (ii) questioning or affecting the validity of the Series 2008 Bonds or any proceedings of the County taken with respect to the authorization, sale, execution or issuance of the Series 2008 Bonds or of the pledge of any moneys or other security provided for the Series 2008 Bonds.

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

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2008 Bonds upon an event of default under the Trust Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title II of the United States Code, the remedies specified by the federal bankruptcy code and the Trust Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2008 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

LEGALITY

Certain legal matters incident to the validity of the Series 2008 Bonds are subject to the approval of Squire, Sanders & Dempsey L.L.P., Miami, Florida, and Perry E. Thurston, Jr., P.A., Fort Lauderdale, Florida, Co-Bond Counsel, whose approving opinions, the proposed form of which is attached hereto as Appendix D, will be delivered at the time of issuance of the Series 2008 Bonds. Certain legal matters will be passed on by Edwards Angell Palmer & Dodge LLP, West Palm Beach, Florida, and Rasco, Reininger, Perez, Esquenazi & Vigil, P.L., Coral Gables, Florida, Co-Disclosure Counsel to the County. Certain legal matters will be passed upon for the County by the Office of the County Attorney, and for the Underwriter by its Counsel, Ruden, McCloskey, Smith, Schuster & Russell, P.A., Fort Lauderdale, Florida.

TAX MATTERS

General

In the opinion of Co-Bond Counsel, under existing law: (i) interest on the Series 2008 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code, except for interest on any Series 2008 Bond for any period during which it is held by a "substantial user" or a "related person" as those terms are used in Section 147(a) of the Code, (ii) interest on the Series 2008 Bonds is an item of tax preference under Section 57 of the Code and therefore may be subject to the alternative minimum tax imposed on individuals and corporations, and (iii) the Series 2008 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 2008 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 2008 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 2008 Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Co-Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the County may cause loss of such status and result in the interest on the Series 2008 Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2008 Bonds. The County has covenanted to take the actions required of it for the interest on the Series 2008 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 2008 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 2008 Bonds or the market prices of the Series 2008 Bonds.

A portion of the interest on the Series 2008 Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2008 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 2008 Bonds. Co-Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2008 Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2008 Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2008 Bonds, will not have an adverse effect on the tax status of interest on the Series 2008 Bonds or the market prices of the Series 2008 Bonds.

Prospective purchasers of the Series 2008 Bonds should consult their own tax advisers regarding pending or proposed federal tax legislation and court proceedings, and prospective purchasers of the Series 2008 Bonds at other than their original issuance at the respective prices indicated on the 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 2008 Bonds ends with the issuance of the Series 2008 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 2008 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 2008 Bonds, under current IRS procedures, the IRS will treat the County as the taxpayer and the beneficial owners of the Series 2008 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 2008 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 2008 Bonds.

RATINGS

Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, ("S&P") and Fitch Ratings ("Fitch") shall assign their expected ratings of "AA-/A-1+" and "AA-/F1+", respectively, to the Series 2008 Bonds based on the issuance of the 2008 Letter of Credit concurrently with the issuance of the Series 2008 Bonds. Such ratings reflect only the views of such rating agencies and an explanation of the significance of such ratings may be obtained from such rating agencies. There is no assurance that such ratings given to the Series 2008 Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by such rating agencies if, in their judgment, circumstances so warrant. Any such downward change or withdrawal of such ratings may have an adverse effect on the market price of the Series 2008 Bonds.

DISCLOSURE PURSUANT TO SECTION 517.051, FLORIDA STATUTES

Rule 3E-400.003, Rules of Government Securities, promulgated by the Florida Department of Banking and Finance, Division of Securities, under Section 517.051(1), Florida Statutes ("Rule 3E-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 3E-400.003 further provides, however, that if the County in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted.

The Series 2008 Bonds do not constitute a general debt, liability or obligation of the County, but instead are secured by a pledge of the Pledged Revenue and other security described herein. Accordingly, the County, in good faith, believes that the disclosure of any default on bonds with respect to which the County was merely a conduit issuer and which are secured by payments of the borrower under a loan agreement, lease agreement or other installment sale agreement, will not be considered material by a reasonable investor. Although the County is aware of the existence of certain defaults on obligations for which it is a conduit issuer, the County is not obligated to pay debt service on such defaulted obligations except from payments made from borrowers under their respective agreements and because such defaults in no way impact the Series 2008 Bonds, specific disclosures related to such defaults have been omitted.

UNDERWRITING

Siebert Brandford Shank & Co., L.L.C. (the "Underwriter") has agreed to purchase the Series 2008 Bonds at an aggregate purchase price of $46,044,246.25 (representing the $46,145,000.00 original principal amount of the Series 2008 Bonds less $100,753.75 of Underwriter's discount). The Underwriter will be obligated to purchase all of the Series 2008 Bonds if any Series 2008 Bonds are purchased. The Series 2008 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2008 Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside of the cover page thereof. The initial public offering prices may be changed from time to time by the Underwriter.

REMARKETING AGENT

Morgan Keegan & Company, Inc. has been appointed by the County pursuant to the Remarketing Agreement to act as initial remarketing agent (the "Remarketing Agent") for the purposes described in the Trust Indenture. The Remarketing Agent will determine the interest rate beginning on the first interest rate reset date expected to be July 16, 2008, effective July 17, 2008. The Remarketing Agent's office is located at Fifty N. Front Street, Memphis, Tennessee 38103. The Remarketing Agent will, under certain circumstances, determine the interest rates on the Bonds, will use its best efforts to remarket Bonds, and may from time to time effect purchases of Bonds. The Remarketing Agent may resign upon 90 days' notice to the County and the 2008 Letter of Credit Provider or may be removed by the County with the written consent of the 2008 Letter of Credit Provider upon 90 days' notice, effective upon the appointment of a successor Remarketing Agent or Agents.

While all the Bonds are registered in the name of a nominee of DTC, the Resolution requires the Remarketing Agent, or any successor in such capacity, to be the sole DTC Participant with respect to the Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The mathematical accuracy of the computations of the adequacy of escrowed moneys to be held by the Escrow Agent to provide for the payment of the principal of, maturity amounts, redemption prices of and interest on the Refunded Bonds, when due or upon redemption will be verified by Causey, Demgen & Moore Inc., certified public accountants.

CO-FINANCIAL ADVISORS

Raymond James & Associates, Inc. and Fidelity Financial Services, L.C. are serving as Co-Financial Advisors to the County in connection with the sale of the Series 2008 Bonds. The Co-Financial Advisors assisted in matters relating to the planning, structuring and issuance of the Series 2008 Bonds and provided other advice. The Co-Financial Advisors will not engage in any underwriting activity with regard to the issuance and sale of the Series 2008 Bonds. The Co-Financial Advisors are not obligated to undertake and have not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

FINANCIAL STATEMENTS

The general purpose financial statements of the County as of and for the Fiscal Year ended September 30, 2007, included herein APPENDIX B have been audited by Rachlin LLP, independent auditors, as stated in the report appearing herein, and are an integral part of this Official Statement.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and are made subject to all of the detailed provisions of such documents, to which reference is hereby made for full and complete statements of all matters of fact relating to the Series 2008 Bonds, the security for and the source for repayment for the Series 2008 Bonds and the rights and obligations of the holders thereof.

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

Any statements made in this Official Statement involving matters of opinion or of estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement not any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

AUTHORIZATION OF OFFICIAL STATEMENT

The delivery of this Official Statement has been duly authorized by the County Commission. At the time of delivery of the Series 2008 Bonds, the County will furnish its certificate, executed by the Mayor to the effect that nothing has come to her attention which would lead her to believe that this Official Statement, as of its date and as of the date of the delivery of the Series 2008 Bonds, contains an untrue statement of a material fact or omits to state any material fact which should be included therein for the purpose for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

BROWARD COUNTY, FLORIDA

By: /s/ Stacy Ritter
Vice Mayor

By: /s/ Richard H. Brossard
Interim Deputy County Administrator

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

General Information Concerning
Broward County, Florida

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

Broward County, created in October 1915 by the legislature of the State of Florida, is located on the southeast coast of Florida and has an area of approximately 1,197 square miles. The County is bordered on the south by Miami-Dade County and on the north by Palm Beach County. Located within the County are 31 municipalities. The County ranks second in the State and 15th in the nation with a 2000 Census population of 1.62 million persons. Broward County's Planning Services Division estimates the County's 2008 population to be 1,846,789. Approximately 50% of the County's population lives in its seven largest cities: Coral Springs, Fort Lauderdale, Hollywood, Miramar, Pembroke Pines, 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:

Lois Wexler, Mayor	November 2008
Stacey Ritter, Vice Mayor	November 2010
Josephus Eggelletion, Jr.	November 2008
Kristin D. Jacobs, Commissioner	November 2010
Suzanne N. Gunzburger, Commissioner	November 2010
Ken Keechl, Commissioner	November 2010
John E. Rodstrom, Jr., Commissioner	November 2008
Ilene Lieberman, Commissioner	November 2008
Diana Wasserman-Rubin, Commissioner	November 2010

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

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

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

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

Population

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

	Broward County		State of Florida		United States	
Year	**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
2006 [2]	1,787,636	0.32	18,057,508	1.81	298,754,819	0.97

Source: U.S. Department of Commerce, Bureau of Census.
(1) The average annual percentage increase over the preceding period.
(2) This data is estimated. 2006 represents the last year data is available at the County level from the Bureau of Census.

[Remainder of page intentionally left blank]

Labor Force and Unemployment Rates[1]

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

Source: Florida Research and Economic Database;
(1) Average labor force and unemployment rates during the calendar year.

[Remainder of page intentionally left blank]

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

	2003 Total	2003 Percent of Total	2004 Total	2004 Percent of Total	2005 Total	2005 Percent of Total	2006 Total	2006 Percent of Total	2007 Total	2007 Percent of Total
Grand Total	717.0	100%	733.4	100.0%	748.1	100.0%	784.0	100.0%	789.8	100.0%
Goods Producing	75.5	10.5%	77.1	10.5%	82.2	11.0%	92.0	11.7%	90.7	11.5%
Construction	44.1	6.2%	46.9	6.4%	51.3	6.9%	60.0	7.7%	59.5	7.5%
Manufacturing	31.2	4.4%	30.2	4.1%	30.8	4.1%	32.0	4.1%	31.1	3.9%
Service Providing	641.6	89.5%	656.4	89.5%	665.9	89.0%	691.9	88.3%	699.1	88.5%
Trade, Transportation and Utilities	154.6	21.6%	154.4	21.1%	164.5	22.0%	173.5	22.1%	174.9	22.1%
Wholesale Trade	39.3	5.5%	39.5	5.4%	44.0	5.9%	47.0	6.0%	47.2	6.0%
Retail Trade	96.4	13.4%	96.5	13.2%	99.1	13.2%	102.6	13.1%	103.7	13.1%
Transportation, Warehousing, and Utilities	18.9	2.6%	18.5	2.5%	21.4	2.9%	23.9	3.0%	24.0	3.0%
Financial Activities	57.8	8.1%	58.7	8.0%	62.9	8.4%	67.7	8.6%	65.6	8.3%
Information	N/A	N/A	N/A	N/A	N/A	N/A	20.3	2.6%	19.9	2.5%
Professional and Business Services	127.9	17.8%	134.4	18.3%	124.5	16.6%	125.4	16.0%	129.2	16.4%
Education and Health Services	79.5	11.1%	82.8	11.3%	86.7	11.6%	89.0	11.4%	91.4	11.6%
Leisure and Hospitality	73.8	10.3%	75.6	10.3%	77.9	10.4%	78.3	10.0%	79.5	10.1%
Other Services	30.0	4.2%	30.8	4.2%	29.9	4.0%	34.3	4.4%	34.3	4.3%
Government	98.5	13.7%	100.4	13.7%	100.3	13.4%	103.4	13.2%	104.2	13.2%
Federal	7.8	1.1%	7.6	1.0%	7.9	1.1%	7.9	1.0%	7.8	1.0%
State & Local	90.7	12.6%	92.9	12.7%	92.4	12.4%	95.5	12.2%	96.4	12.2%

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 technology, manufacturing, financial, international and domestic tourism, residential and commercial construction, and retail trade. There were approximately 80,022 business establishments with operations in the County at the end of Fiscal Year 2007. According to the recently released 2002 Economic Census conducted by the United States Census Bureau, more than 70% of firms within Broward County have fewer than 20 employees; while this is a smaller percentage than at the state or national level, Broward small businesses provide more employment and payroll than the state and national average. Additionally, approximately 100 of these businesses are Fortune 500 companies or divisions thereof. The next Economic Census began in 2007, and results will be published in 2009 and 2010. The table below shows the principal employers in the County for 2007.

Company	Employees
Broward County School Board	36,853
Broward County Government	13,330
Memorial Healthcare System	7,938
North Broward Hospital District	7,485
American Express	4,200
Motorola	3,500
Pediatrix Medical Group	2,826
BCF Financial Corp/BankAtlantic	2,547
City of Fort Lauderdale	2,497
Publix Supermarkets, Inc.	2,200

Source: Broward County Planning Services Division

[Remainder of page intentionally left blank]

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

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

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

(2) 2005 is the last year for which data is available. Per Capita Personal Income data will not be available at the county level until late April 2008 for calendar year 2006.

[Remainder of page intentionally left blank]

Taxable Sales for the County

The following table shows the taxable sales within the County for the calendar years 1997-2007 and the percentage increase in such sales for each year.

Taxable Sales
($ in Thousands)

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

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 10.7 million people visited Broward County in calendar year 2007, and had an economic impact of $8.87 billion. The

County's 2007 hotel occupancy rate was 70.4%, which exceeded the state average of 64.1%, and the Average Daily Rate (ADR) rose to $125.64, an increase of 9.3% over the previous year.

Building Permits

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

Building Permits Issued in Broward County
($ in Thousands)

Calendar Year	Single Family Units	Single Family Valuation	Multi-Family Units	Multi-Family Valuation	Total Residential Units	Total Residential Valuation(1)	Total Non-Residential Valuation(2)	Permit Valuation(3)
1996	9,857	966,196	5,161	315,018	15,018	1,281,214	847,021	2,128,235
1997	7,481	N/A	5,549	N/A	13,030	1,274,826	N/A	1,274,826
1998	8,797	N/A	3,687	N/A	12,484	1,277,947	N/A	1,277,947
1999	8,571	N/A	3,449	N/A	12,020	1,406,750	N/A	1,406,750
2000	9,148	N/A	2,689	N/A	11,837	1,459,803	N/A	1,459,803
2001	8,296	N/A	2,490	N/A	10,786	1,383,892	N/A	1,383,892
2002	5,701	N/A	6,319	N/A	12,020	1,561,660	N/A	1,561,660
2003	3,931	N/A	4,432	N/A	8,363	1,080,166	N/A	1,080,166
2004	4,811	N/A	3,980	N/A	8,791	1,077,816	N/A	1,077,816
2005	3,353	N/A	2,817	N/A	6,170	1,112,104	N/A	1,112,104
2006	3,308	N/A	3,378	N/A	6,686	991,153	N/A	991,153
2007	1,129	N/A	1,387	N/A	2,653	652,219	N/A	652,219

Sources: Bureau of Economic and Business Research, University of Florida; Sun-Sentinel Research Services; U.S. Bureau of the Census.
(1) Includes valuation of fixtures such as pools and recreation areas.
(2) Includes commercial and industrial construction. Since 1997, this information has not been readily available from other sources.
(3) Prior to 1997, this figure includes permits for additions, alterations, and repairs of existing structures.

Education

Broward County Public Schools is the sixth largest district in the nation with approximately 259,000 students currently enrolled and a Fiscal Year 2006-2007 budget of $5.07 billion. The system consists of 283 schools: 138 elementary schools, 42 middle schools, and 32 high schools. In addition, there are 55 charter schools and 16 other sites for adult community, vocational, and training centers. Broward County Public Schools is an independent operating and taxing entity, meaning that it is separate from the County.

There are three four-year colleges and universities in the County: Florida Atlantic University and Florida International University, which are public, and Nova Southeastern University, which is private. Florida Atlantic University and Florida International University are two of the nine universities in the State of Florida University system. Broward 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 290 fixed route busses and 88 community busses, serviced 39.2 million passengers in Fiscal Year 2007 and is projected to serve approximately 42.0 million passengers during Fiscal Year 2008. TRI-Rail, a commuter rail system, provides service along a 66 mile corridor from Palm Beach County to Miami-Dade County.

Sea Transportation: Port Everglades, the State's deepest harbor and one of the top three cruise ports in the world, is located in the County – less than two miles from Fort Lauderdale-Hollywood International Airport. Port Everglades is served by major motor freight carriers and two railroads. All functions, assets, and liabilities of Port Everglades passed over to the County in November, 1994 as the result of a local bill which dissolved the separate governing body of the Port and transferred all related duties and powers to the Board. In Fiscal Year 2007 Port Everglades handled 122.98 million barrels of petroleum and 6.06 million tons of containerized cargo. A total of 3,409,946 cruise ship passengers went through Port Everglades on 1,852 sailings in Fiscal Year 2007.

A portion of Port Everglades has been designated a Foreign Trade Zone ("FTZ"), where foreign components can be assembled, packaged, and shipped without usual customs duties. The FTZ at Port Everglades was the first such operating zone established in Florida. The FTZ now includes eleven sites within and outside of the Port's boundaries on a total of 250 acres. In Fiscal Year 2007, cargo valued at more than $154 million was received and more than $153 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 2007, enplaned passengers totaled 11,344,679 – an increase of 5.4% over calendar year 2006. Approximately 151,289 total tons of cargo were handled at the Airport in calendar year 2007 – a decrease of 7.4% over the amount handled in calendar year 2006.

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

Overview of the Budget Process

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

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

The Board's adopted budget for Fiscal Year 2008 contains a millage rate of 5.2868 mills. With respect to the individual components of the Fiscal Year 2008 millage rate, the operating millage rate is 4.7471, the capital outlay millage rate is 0.1418 mills, and the remaining 0.3979 mills funds this year's debt service payments associated with various voter-approved General Obligation bonds.

Capital Improvement Program for Public Improvements

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

The CIP development process is coordinated by the Office of Management and Budget and involves the linking of all County agencies for comprehensive review, input, and development. The CIP also utilizes input from the long range capital improvement plan. The CIP development process includes public participation as well as input from governmental entities for certain joint projects and project requests. The adopted CIP for Fiscal Years 2008-2012 includes the following:

Transportation and Mass Transit Projects *	$ 291,112,830
Environmental/Beach Renourishment	68,439,580
Aviation	1,201,749,610
Port	543,783,600
Water/Wastewater	442,174,020
Criminal Justice/Public Safety/Human Services	51,152,620
Libraries and Parks	55,616,180
General Government *	89,384,760
Neighborhood Improvement/Redevelopment/Housing/Economic Development	91,867,594
Total	$2,835,280,794

It is anticipated that the adopted CIP for the Fiscal Years 2008-2012 will be funded as follows:

Bonds	$1,535,728,936
Federal and State Grants	348,352,754
Local Sources (Taxes, Fees, Fund Balance)	951,199,104
Total	$2,835,280,794

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

Non-Ad Valorem Revenues

The following table presents the net non-ad valorem revenues available to the County for the payment of debt service for a covenant to budget and appropriate debt and certain special revenue debt for the Fiscal Year ended September 30, 2007.

Net Available Non-Ad Valorem Revenues
for the Fiscal Year ended September 30, 2007
(Dollars in Thousands)

License and Permit Fees	$ 21,725
State Revenue Sharing	34,064
Licenses (State Revenue)	604
Local Government Half Cent Sales Tax	53,342
Utility Services Taxes and Fire Rescue Tax	12,761
Fines and Forfeitures	4,159
Interest Earnings	32,719
Charges for Services	339,626
Miscellaneous Revenue	38,240
Non-Revenue Sources/Fund Balance	179,396
Federal/State Grants	86,964
Special Assessments	1,367
Total Gross Non-Ad Valorem Revenues	$804,967
Less Operations Costs not paid by Ad Valorem Taxes	(582,787)
Total Net Available Non-Ad Valorem Revenues	$222,180

Employee Relations

As of October 1, 2007 (Fiscal Year 2008), the County had 6,286 full and part-time funded positions, as compared with 6,512 in Fiscal Year 2007, excluding employees of constitutional officers. The County budget also provides for 525 federal and state grant employee positions in Fiscal Year 2008. The Constitutional Officers are funded for 6,208 positions in Fiscal Year 2008.

There are eight organized collective bargaining units within the County: Amalgamated Transit Union, Local 1267 (Mass Transit, 807 unit employees); Amalgamated Transit Union, Local 1591 (White Collar, 1,328 unit employees); Federation of Public Employees (Blue Collar, 1,164 unit employees); Government Supervisory Association of Florida, Local 100 (GSA Supervisors, 352 unit employees); Federation of Public Employees (Port Everglades Blue Collar, 73 unit employees); Federation of Public Employees, Supervisory (Port Everglades Supervisors, 15 unit employees); Federation of Public Employees, Non-Supervisory (Port Everglades White Collar, 70 unit employees); and Government Supervisory Association of Florida, Local 100

(GSA Professionals, 1,381 unit employees). This information is based on data as of November 27, 2007.

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

Pension Plan

The County participates in the Florida Retirement System (the "System"). Pension costs of the County are recorded in the period salaries are earned. For Fiscal Year 2007, pension expenditures and expenses of the County, as required and defined by the System, were approximately $93.1 million or 13.8 percent of covered payroll.

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

[Remainder of page intentionally left blank]

APPENDIX B

General Purpose Financial Statements of Broward County, Florida for Fiscal Year Ended September 30, 2007

[THIS PAGE INTENTIONALLY LEFT BLANK]

Rachlin
accountants • advisors

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, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Supervisor of Elections Office, a constitutional officer of the County, which represents .17% and .17%, respectively, of the assets and revenues of the aggregate remaining fund information. We also did not audit the financial statements of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Supervisor of Elections Office and the aggregate discretely presented component units, are based solely on the reports of other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of September 30, 2007, 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 LLP • 450 East Las Olas Boulevard • Ninth Floor • Fort Lauderdale, Florida 33301 • Phone 954.525.1040 • Fax 954.525.2004 • www.rachlin.com
An Independent Member of Baker Tilly International
MIAMI • FORT LAUDERDALE • WEST PALM BEACH

To the Board of County Commissioners of Broward County, Florida
Broward County, Florida
Page Two

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2008 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the Required Supplementary Information on pages 12 through 16 and pages 52 through 57, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Rachlin LLP

Fort Lauderdale, Florida
March 25, 2008

Rachlin
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, 2007. 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, 2007 by $4.2 billion (net assets). Of this amount, $909 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 $320 million, $243 million of which was from governmental activities, and $77 million was from business-type activities.
- As of September 30, 2007, the County's governmental funds reported combined ending fund balances of $1.261 billion, an increase of $60 million from the prior year. Of this amount, $1.024 billion is available for use at the County's discretion (unreserved fund balance).
- At September 30, 2007, unreserved fund balance for the General Fund was $222 million, or 15 percent of total general fund expenditures and transfers out.
- The County's total bonded debt decreased by $114 million or 5 percent during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

The government-wide financial statements include not only the County itself, but also the Housing Finance Authority, the Health Facilities Authority, and the Clerk of the Courts, legally separate entities for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 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 32 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sheriff Operations Fund, the County Transportation Trust Fund, and the Capital Outlay Reserve Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

Notes to the Financial Statements

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

Other Information

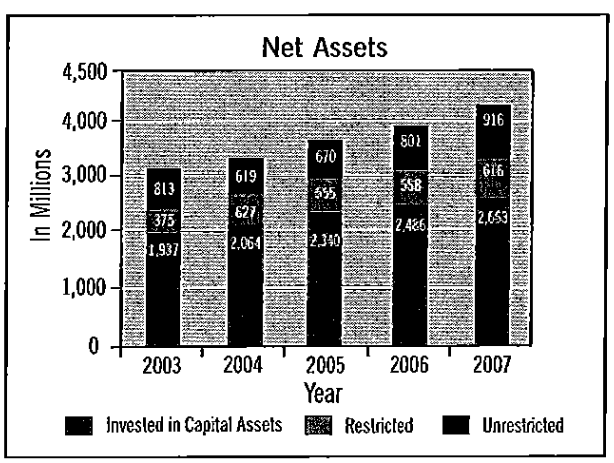
In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the general and major special revenue funds. The combining statements referred to earlier in connection with nonmajor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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $4.2 billion as of September 30, 2007.

Broward County's Net Assets
As of September 30, 2007 and 2006
(In thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	$ 1,519,906	$ 1,450,442	$ 954,775	$ 962,016	$ 2,474,681	$ 2,412,458
Capital assets	2,063,484	1,974,410	2,440,503	2,381,657	4,503,987	4,356,067
Total assets	3,583,390	3,424,852	3,395,278	3,343,673	6,978,668	6,768,525
Long-term debt outstanding	1,023,844	1,096,788	1,486,700	1,511,760	2,510,544	2,608,548
Other liabilities	148,505	159,528	125,081	125,414	273,586	284,942
Total liabilities	1,172,349	1,256,316	1,611,781	1,637,174	2,784,130	2,893,490
Net assets:						
Invested in capital assets, net of related debt	1,469,543	1,348,507	1,196,335	1,137,650	2,665,878	2,486,157
Restricted	311,784	280,952	308,084	306,498	619,868	587,450
Unrestricted	629,714	539,077	279,078	262,351	908,792	801,428
Total net assets	$ 2,411,041	$ 2,168,536	$ 1,783,497	$ 1,706,499	$ 4,194,538	$ 3,875,035



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.

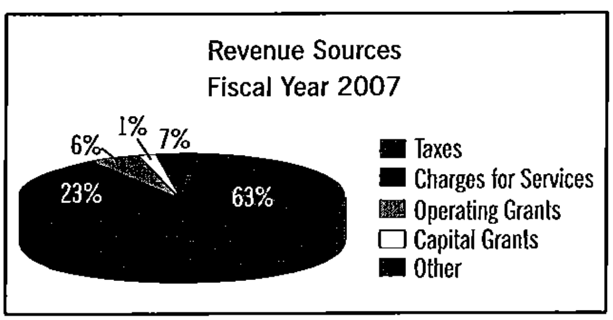
An additional portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the County's ongoing obligations to citizens and creditors. As of September 30, 2007 the County 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 $243 million. Key elements of this increase are as follows:

Broward County's Changes in Net Assets
For the Year Ended September 30, 2007 and 2006
(In thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	$ 426,196	$ 392,333	$ 543,267	$ 528,448	$ 969,463	$ 920,781
Operating grants and contributions	119,114	148,503	1,652	1,378	120,766	149,881
Capital grants and contributions	15,960	28,760	20,919	16,068	36,879	44,828
General revenues:						
Property taxes	926,865	869,511			926,865	869,511
Other taxes	246,306	248,248			246,306	248,248
Other	129,491	114,902	45,885	37,940	175,376	152,842
Total revenues	1,863,932	1,802,257	611,723	583,834	2,475,655	2,386,091
Expenses:						
General government	213,782	227,610			213,782	227,610
Public safety	23,506	17,943			23,506	17,943
Transportation	193,522	175,184			193,522	175,184
Human services	144,588	138,432			144,588	138,432
Culture and recreation	205,504	185,339			205,504	185,339
Physical environment	29,720	62,992			29,720	62,992
Economic environment	37,612	23,705			37,612	23,705
Sheriff	694,110	654,661			694,110	654,661
Property Appraiser	19,780	17,488			19,780	17,488
Supervisor of Elections	13,304	15,266			13,304	15,266
Interest on long-term debt	45,911	42,735			45,911	42,735
Aviation			203,982	185,703	203,982	185,703
Port Everglades			109,847	107,185	109,847	107,185
Water and wastewater			101,953	100,752	101,953	100,752
Resource recovery system			115,057	115,675	115,057	115,675
Other			3,974	5,387	3,974	5,387
Total expenses	1,621,339	1,561,355	534,813	514,702	2,156,152	2,076,057
Increase in net assets Before Transfers	242,593	240,902	76,910	69,132	319,503	310,034
Transfers	(88)	(88)	88	88		
Increase in net assets	242,505	240,814	76,998	69,220	319,503	310,034
Net assets – Beginning	2,168,536	1,927,722	1,706,499	1,637,279	3,875,035	3,565,001
Net assets - Ending	**$2,411,041**	**$2,168,536**	**$1,783,497**	**$1,706,499**	**$4,194,538**	**$3,875,035**



The County's governmental activities had net expenses of ($1.06 billion) before general revenues. However, these services are funded primarily from general taxes, and those general revenues produced net revenues of $242 million. Charges for services increased 9% due to increases in transportation fees, recreation fees, and Sheriff service fees. Property tax revenues increased 7% due to both new construction and increased assessed values of property within the County. Expenses increased 4% due to general cost increases in several agencies.

The County's business type activities had net revenue of $31 million and increased net assets by $77 million, with all major operations except one 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, 2007, the County's governmental funds reported combined ending fund balances of $1.260 billion, an increase of $60 million from the prior year. This increase resulted from an increase in the General Fund of $3 million, an $86 million increase in the Capital Outlay Reserve Fund, and a decrease in the fund balance of all other governmental funds of ($30 million).

Approximately 82% of the combined fund balances ($1.024 billion) 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 ($164 million), (2) to pay debt service ($14 million), or (3) for other restricted purposes.

The General Fund is the chief operating fund of the County. At September 30, 2007, the unreserved fund balance of the General Fund was $222 million and the total fund balance was $281 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, and the County's Capital Outlay Reserve Fund, which is the principal capital projects fund of the County.

Proprietary Funds

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

Aviation operating revenues increased $11 million or 7% primarily due to increases in terminal rentals revenue and customer facility charges. Unrestricted net assets of the Aviation Department were $31 million at September 30, 2007.

Port Everglades operating revenues increased $5 million or approximately 5% due to increased revenues and volume from vessel and cargo services. Unrestricted net assets of the Port Everglades Fund were $159 million at September 30, 2007.

Water and Wastewater System operating revenues increased $0.6 million or 1% due to general growth in system usage and to rate increases. Unrestricted net assets of the Water and Wastewater System were $13 million at September 30, 2007.

Resource Recovery System operating revenues decreased ($5 million) or (4%) due to reduced volume compared to the previous year when disposals of debris from Hurricane Wilma were still being processed. Unrestricted net assets of the Resource Recovery System were $78 million at September 30, 2007.

BUDGETARY HIGHLIGHTS

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

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

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

- Revenues were increased $14.824 million or 1% due to a number of minor adjustments to original revenue projections.
- Expenditures were increased $57.5 million or 9% due to general increases in most functional areas and increased debt service costs.
- Operating transfers in were reduced ($67.546 million) or (48%) due to changes expected results in other funds.
- Operating transfers out were decreased ($3.759 million) or (0.5%) due to decreased expected transfers to other funds, reduced by increased transfers to constitutional officers, which were partially offset by transfers back from constitutional officers.

General Fund actual total revenues were $1.450 billion or 102% of the final budget amount. Total expenditures of $672 million were 92% of the final budget as most functional areas were within their budget for the year. Net transfers out of $878 million were just under the budget. Revenues exceeded expenditures and transfers, resulting in an increase in the General Fund balance of $5 million, 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, 2007 amounted to $4.5 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 three percent.

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

- Various parks improvement projects ($17 million).
- Expansion of the West Regional Library and Courthouse ($15 million).
- Construction of the new Central Broward Regional Park ($30 million).
- Continued construction and expansion of the Aviation Facilities in accordance with an ongoing master plan (approximately $48 millon net of depreciation).

Broward County's Capital Assets (in thousands)
(net of depreciation)
September 30, 2007

			Total	
	Governmental	Business-type	2007	2006
Land	$ 394,871	$ 345,932	$ 740,803	$738,197
Landfill		28,245	28,245	28,380
Property held for leasing		191,709	191,709	194,793
Buildings	620,555	745,145	1,365,700	1,357,482
Improvements	580,141	343,788	923,929	877,363
Equipment	209,244	468,597	677,841	684,100
Construction in progress	258,673	317,087	575,760	475,752
Total	$2,063,484	$2,440,503	$4,503,987	$4,356,067

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

Long-Term Debt

At September 30, 2007, the County had total bonded debt outstanding of $2.3 billion, a 5% decrease from the prior year. Of this amount, $536 million comprises debt backed by the full faith and credit of the government, $206 million is special obligation debt secured by dedicated revenue sources, $66 million is loans payable and other obligations, and $1.4 billion is secured solely by specified revenue sources (i.e. revenue bonds).

Broward County's Outstanding Debt
September 30, 2007

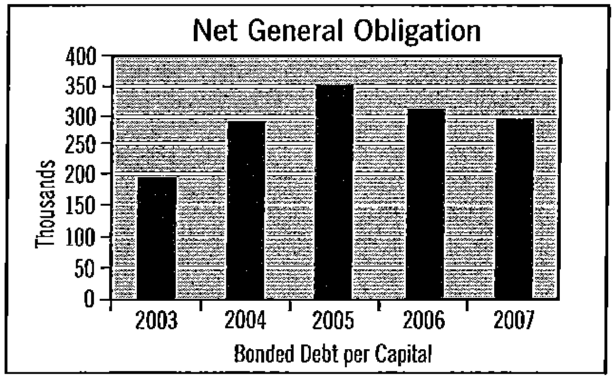
	Governmental Activities	Business-type Activities	Total 2007	Total 2006
General Obligation Bonds	$535,920		$ 535,920	$ 577,775
Special Obligation Bonds	205,855		205,855	235,290
Loans Payable and Other Obligations	86,284	$ 65,688	151,972	136,680
Revenue Bonds		1,394,617	1,394,617	1,452,877
Total	$828,059	$1,460,305	$2,288,364	$2,402,622

The County's outstanding bonded indebtedness decreased $114 million during the year. New bonds issued during the year were $164 million 2007A and B Parks and Libraries Refunding Bonds and First Florida secured debt of $7 million.

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, and charges for services. 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 3.8%, lower than the rate for the state of Florida (4.3%) and the nation (4.5%).
- Tourist visitors during 2007 were 10.5 million, an increase of 1.5% over 2006.
- Net assessed value of real and personal property within the County increased 19%.
- Inflation in the region increased to 5% for Fiscal 2007, higher than the national average.

All of these factors were considered in preparing the County's budget for the 2007 fiscal year. However, the Board also embarked on an effort to reduce the County's property tax millage rate at the beginning of its Fiscal 2008 budget process. This effort resulted in a 14% decrease in the millage rate for Fiscal 2008 which complied with mandated rate rollback provisions of State Statutes adopted during 2007 by the Florida Legislature. This was actually the tenth consecutive year that the County's property tax millage rate was either reduced or retained at the same level.

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

In 2007, Broward County secured $18.4 million in federal funding for a permanent automated baggage screening system in Terminal 1 and nearly $10 million was received in grants from state and federal agencies for security, noise mitigation and other projects.

The North Perry Airport, operated by the Broward County Aviation Department, was named "General Aviation Airport" of the year by the Florida Department of Transportation.

STATEMENT OF NET ASSETS

September 30, 2007

(In Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and Cash Equivalents	$ 458,534	$ 131,160	$ 589,694	$ 6,820
Investments	940,746	163,387	1,104,133	8,136
Receivables (Net)	17,060	43,450	60,510	4,486
Delinquent Taxes Receivable (Net)	6,835		6,835	
Internal Balances	9,805	(9,805)		
Due from Primary Government				231
Due from Other Governments	60,329	10,787	71,116	
Inventories	6,170	6,519	12,689	
Prepaid Expenses	1,660		1,660	
Advance to Component Unit	916		916	
Other Current Assets	12,010	6,398	18,408	397
Restricted Assets:				
Cash and Cash Equivalents		150,463	150,463	12,974
Investments		432,869	432,869	
Deferred Charges	5,841	19,547	25,388	
Capital Assets:				
Non-depreciable	653,544	663,019	1,316,563	652
Depreciable (Net)	1,409,940	1,777,484	3,187,424	5,686
Total Assets	3,583,390	3,395,278	6,978,668	39,382
LIABILITIES				
Accounts Payable	43,794	11,754	55,548	187
Accrued Liabilities	40,970	36,066	77,036	2,037
Accrued Interest Payable	9,571		9,571	
Due to Primary Government				916
Due to Component Unit	231		231	
Due to Other Governments	12,955	8,567	21,522	2,741
Escrow Deposits	16,093		16,093	180
Unearned Revenue	24,891	911	25,802	57
Other Current Liabilities		1,885	1,885	
Current Liabilities Payable from Restricted Assets		65,898	65,898	
Non-current Liabilities:				
Due Within One Year	123,126	114,232	237,358	389
Due in More Than One Year	900,718	1,372,468	2,273,186	1,997
Total Liabilities	1,172,349	1,611,781	2,784,130	8,504
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	1,469,543	1,196,335	2,665,878	6,338
Restricted for:				
Capital Projects	239,800	71,631	311,431	
Debt Service	4,805	90,240	95,045	
Transportation	15,364		15,364	
E-911	18,918		18,918	
Court Fee Funds	26,273		26,273	
Equipment Modernization	3,898		3,898	
Passenger Facility Charges		100,704	100,704	
Landfill Closure		23,791	23,791	
Revenue Bonds Renewal and Replacement		21,718	21,718	
Other	2,726		2,726	15,679
Unrestricted	629,714	279,078	908,792	8,861
Total Net Assets	**$2,411,041**	**$1,783,497**	**$4,194,538**	**$30,878**

See accompanying notes.

STATEMENT OF ACTIVITIES

for the fiscal year ended September 30, 2007
(In Thousands)

		Program Revenues			Net (Expenses) Revenue and Changes in Net Assets — Primary Government			
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total	Component Units
Activities:								
Primary Government:								
Governmental Activities:								
General Government	$ 213,782	$ 71,552	$ 1,901		$ (140,329)		$ (140,329)	
Public Safety	23,506	15,941	7,391	$ 650	476		476	
Transportation	193,522	38,939	13,896	10,104	(130,583)		(130,583)	
Human Services	144,588	6,694	40,807		(97,087)		(97,087)	
Culture and Recreation	205,504	27,306	5,467	1,800	(170,931)		(170,931)	
Physical Environment	29,720	7,319	6,728	3,406	(12,267)		(12,267)	
Economic Environment	37,612	4,641	21,726		(11,245)		(11,245)	
Sheriff	694,110	249,778	21,041		(423,291)		(423,291)	
Property Appraiser	19,780	3,174			(16,606)		(16,606)	
Supervisor of Elections	13,304	852	157		(12,295)		(12,295)	
Interest on Long-term Debt	45,911				(45,911)		(45,911)	
Total Governmental Activities	1,621,339	426,196	119,114	15,960	(1,060,069)		(1,060,069)	
Business-type Activities:								
Aviation	203,982	216,857	1,618	13,940		$ 28,433	28,433	
Port Everglades	109,847	112,500		753		3,406	3,406	
Water and Wastewater	101,953	91,142		6,226		(4,585)	(4,585)	
Resource Recovery System	115,057	119,324	34			4,301	4,301	
Other	3,974	3,444				(530)	(530)	
Total Business-type Activities	534,813	543,267	1,652	20,919		31,025	31,025	
Total Primary Government	**$2,156,152**	**$969,463**	**$120,766**	**$36,879**	**$(1,060,069)**	**$ 31,025**	**$(1,029,044)**	
Component Units:								
Clerk of Courts	$ 44,094	$ 45,471						$1,377
Housing Finance Authority	2,288	1,770						(518)
Health Facilities Authority	90	76						(14)
Total Component Units	**$ 46,472**	**$ 47,317**						**$ 845**

	Governmental Activities	Business-type Activities	Total	Component Units
General Revenues:				
Taxes:				
Property Taxes	$ 926,865		$ 926,865	
One-Half Cent Sales Taxes	70,304		70,304	
Gas Taxes	87,738		87,738	
Revenue Sharing - Unrestricted	34,064		34,064	
Other	54,200		54,200	
Interest Income	90,929	$ 45,885	136,814	$2,009
Miscellaneous	38,562		38,562	
Special Item - Loss on Donated Land				(420)
Transfers	(88)	88		
Total General Revenues, Special Item, and Transfers	**1,302,574**	**45,973**	**1,348,547**	**1,589**
Change in Net Assets	**242,505**	**76,998**	**319,503**	**2,434**
Net Assets - Beginning	**2,168,536**	**1,706,499**	**3,875,035**	**28,444**
Net Assets - Ending	**$2,411,041**	**$1,783,497**	**$4,194,538**	**$30,878**

See accompanying notes.

BALANCE SHEET
Governmental Funds
September 30, 2007
(In Thousands)

	MAJOR FUNDS					
	General	*Sheriff Operations*	*County Transportation Trust*	*Capital Outlay Reserve*	*Other Governmental Funds*	*Total Governmental Funds*
ASSETS						
Cash and Cash Equivalents	$ 74,911	$56,962	$ 8,924	$ 87,682	$209,920	$ 438,399
Investments	171,589		146	345,960	361,918	879,613
Receivables (Net):						
Accounts	9,187	28	20	2	2,385	11,622
Other	4,063				1,363	5,426
Delinquent Taxes Receivable (Net)	6,345			173	317	6,835
Due from Other County Funds	41,354		91	127	8,490	50,062
Due from Other Governments	35,644	61	16,550	75	7,592	59,922
Inventory	2,983	998	1,379		151	5,511
Other Assets		1,073				1,073
Advance to Component Unit	840			76		916
Total Assets	$346,916	$59,122	$27,110	$434,095	$592,136	$1,459,379
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 19,750	$ 4,632	$ 284	$ 4,412	$ 13,543	$ 42,621
Accrued Liabilities	7,796	19,445	606	2,008	10,443	40,298
Due to Other County Funds	137	33,817			15,703	49,657
Due to Component Unit	231					231
Due to Other Governments	5,108	230	121	395	7,101	12,955
Escrow Deposits	10,273		5,701		119	16,093
Deferred Revenue	22,588			249	14,146	36,983
Total Liabilities	65,883	58,124	6,712	7,064	61,055	198,838
Fund Balances:						
Reserved for Encumbrances	6,031		13	36,526	121,691	164,261
Reserved for Inventory	2,983	998	1,379			5,360
Reserved for Debt Service					14,062	14,062
Reserved for E-911	18,918					18,918
Reserved for Court Fee Funds	26,273					26,273
Reserved for Equipment Modernization	3,898					3,898
Reserved for Loans Receivable and Advances	750				638	1,388
Reserved for Inmate Welfare					2,726	2,726
Unreserved/Undesignated Related to:						
General Fund	222,180					222,180
Special Revenue Funds			19,006		53,305	72,311
Capital Projects Funds				390,505	338,659	729,164
Total Fund Balances	281,033	998	20,398	427,031	531,081	1,260,541
Total Liabilities and Fund Balances	**$346,916**	**$59,122**	**$27,110**	**$434,095**	**$592,136**	**$1,459,379**

See accompanying notes.

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

September, 30 2007
(In Thousands)

Fund balances - total governmental funds				$ 1,260,541

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.

	Asset Cost	*Accumulated Depreciation*	*Net*	
Land	$394,871		$ 394,871	
Construction in Progress	258,673		258,673	
Buildings	841,261	$(220,706)	620,555	
Improvements	803,423	(223,282)	580,141	
Equipment	616,819	(411,571)	205,248	2,059,488

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		12,374
Certain assets reported in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Prepaid expenses	$ 1,660	
Deferred charges - unamortized bond issuance costs	5,841	7,501
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	$ (535,920)	
Special obligation bonds	(205,855)	
Loans payable and other obligations	(86,284)	
Discount/(premium) and deferred on refunding	(19,520)	
Arbitrage rebate payable	(4,553)	
Compensated absences	(94,820)	
Accrued interest payable	(9,571)	(956,523)
Internal service funds are used by management to charge the costs of self-insurance, printing and fleet services to individual funds. The assets and liabilities of the internal services funds are included in governmental activities in the statement of net assets.		27,660
Total net assets of governmental activities		**$2,411,041**

See accompanying notes.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Governmental Funds

for the fiscal year ended September 30, 2007

(In Thousands)

	MAJOR FUNDS					
	General	*Sheriff Operations*	*County Transportation Trust*	*Capital Outlay Reserve*	*Other Governmental Funds*	*Total Governmental Funds*
Revenues:						
Taxes (Net of Discounts)	$ 837,101		$ 63,499	$ 36,160	$ 66,040	$ 1,002,800
Special Assessment/Impact Fees	1,367		12,533		1,169	15,069
Licenses and Permits	21,725		808		459	22,992
Federal Grants	56,128			650	20,305	77,083
State Revenues:						
Revenue Sharing	34,064					34,064
Grants	30,836			400	12,294	43,530
Licenses	604		385			989
Gasoline Taxes			24,239			24,239
Tourist Tax					41,439	41,439
One-Half Cent Sales Tax	53,342		16,962			70,304
Other					12,373	12,373
Charges for Services	339,626		1,682	75	17,416	358,799
Fines and Forfeitures	4,159				6,544	10,703
Interest Income	32,719		1,883	21,318	31,276	87,196
Miscellaneous	38,240		619	2,034	15,250	56,143
Total Revenues	1,449,911		122,610	60,637	224,565	1,857,723
Expenditures:						
Current:						
General Government	198,137				30,520	228,657
Public Safety	22,924	$ 641,083			27,112	691,119
Transportation	128,088		28,979			157,067
Human Services	144,187				239	144,426
Culture and Recreation	122,012				26,256	148,268
Physical Environment	19,493				4,093	23,586
Economic Environment	22,055				11,486	33,541
Capital Outlay		32,166	76	41,336	169,404	242,982
Debt Service:						
Principal Retirement	14,750				66,760	81,510
Interest and Fiscal Charges	414				42,983	43,397
Bond and Loan Issuance Costs					1,469	1,469
Total Expenditures	672,060	673,249	29,055	41,336	380,322	1,796,022
Excess of Revenues Over (Under) Expenditures	777,851	(673,249)	93,555	19,301	(155,757)	61,701
Other Financing Sources (Uses):						
Refunding Loans and Bonds Issued					171,835	171,835
Payments to Refunded Loan and Bond Escrow Agent					(186,062)	(186,062)
Premium on Bonds Issued					13,037	13,037
Swaption Termination Receipt					1,519	1,519
Transfers In	105,297	706,393		91,534	223,371	1,126,595
Transfers Out	(877,657)	(33,144)	(99,880)	(24,590)	(91,508)	(1,126,779)
Total Other Financing Sources (Uses)	(772,360)	673,249	(99,880)	66,944	132,192	145
Net Change in Fund Balances	5,491		(6,325)	86,245	(23,565)	61,846
Fund Balances, October 1	278,158	934	26,512	340,786	554,646	1,201,036
Changes In Reserves for Inventory	(2,616)	64	211			(2,341)
Fund Balances, September 30	**$ 281,033**	**$ 998**	**$ 20,398**	**$427,031**	**$ 531,081**	**$ 1,260,541**

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, 2007

(In Thousands)

Net change in fund balances - total governmental funds	$ 61,846	
Changes in reserves for inventory	(2,341)	$ 59,505
Total change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the statement of activities, the loss on the disposed capital assets is reported.		
Expenditures for capital assets	$ 196,908	
Current year depreciation	(85,609)	
Loss on disposition of assets	(22,151)	89,148
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.		957
Bond and loan proceeds provide current financing resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal is an expenditure in the governmental funds but reduces the long-term liability in the statement of net assets.		
Principal payment	$ 81,510	
Refunding loans and bonds issued	(171,835)	
Payment to refunded loan and bond escrow agent	186,062	
Premium on bonds issued	(13,037)	82,700
Governmental funds report bond and loan issuance costs as expenditures. However, these amounts are reported on the statement of net assets as deferred charges and amortized over the life of the debt.		
Bond and loan issuance costs	$ 1,469	
Amortization of bond and loan issuance costs	(475)	994
Governmental funds report operating leases as expenditures. However, these amounts are reported on the statement of net assets as prepaid expenses and amortized over the life of the lease.		
Amortization of prepaid rent		(45)
Some expenses reported in the statement of activities do not require the use of financial resources and therefore are not reported as expenditures in governmental funds. These expenses are:		
Change in compensated absences	$ (3,296)	
Change in accrued interest payable	160	
Change in arbitrage rebate payable	(3,964)	
Amortization of debt discount and premium	2,707	
Amortization of refunding difference	(1,491)	(5,884)
The net revenue of internal service funds is reported with governmental activities on the statement of activities.		15,130
Change in net assets of governmental activities		**$242,505**

See accompanying notes.

PROPRIETARY FUNDS
Statement of Net Assets
September 30, 2007
(In Thousands)

	Aviation	*Port Everglades*	*Water and Wastewater*	*Resource Recovery System*	*Other Nonmajor Enterprise Funds*	*Total*	*Internal Service Funds*
ASSETS							
Current Assets:							
Cash and Cash Equivalents	$ 30,677	$ 32,025	$ 10,182	$ 47,260	$11,016	$ 131,160	$20,135
Investments		122,980		40,407		163,387	61,133
Receivables (Net):							
Accounts	6,446	7,486	16,668	12,648	202	43,450	12
Due from Other County Funds				38		38	621
Due from Other Governments	10,753	34				10,787	407
Inventory	319	2,487	3,713			6,519	659
Other Current Assets	3,715	1,823	860			6,398	10,937
Total Current Assets	51,910	166,835	31,423	100,353	11,218	361,739	93,904
Noncurrent Assets:							
Restricted Assets:							
Cash and Cash Equivalents	86,699	26,379	34,483	262	2,640	150,463	
Investments	382,048	14,464	10,592	25,765		432,869	
Deferred Charges	9,147	3,068	3,011	4,321		19,547	
Capital Assets:							
Land	282,797	56,641	4,874		1,620	345,932	
Construction in Progress	168,954	23,291	124,784	58		317,087	
Landfill (Net)				28,245		28,245	
Property Held for Leasing (Net)		191,709				191,709	
Buildings (Net)	559,374	87,559	97,154	1,038	20	745,145	
Improvements (Net)	269,104	58,405		15,783	496	343,788	
Equipment (Net)	4,058	78,311	385,095	1,066	67	468,597	3,996
Total Noncurrent Assets	1,762,181	539,827	659,993	76,538	4,843	3,043,382	3,996
Total Assets	1,814,091	706,662	691,416	176,891	16,061	3,405,121	97,900
LIABILITIES							
Current Liabilities:							
Accounts Payable		4,695		6,800	259	11,754	1,173
Accrued Liabilities	24,632	1,336	13,845	289	69	40,171	1,110
Due to Other County Funds					851	851	213
Due to Other Governments	1,625	1,896	2,694	2,352		8,567	
Unearned Revenue	911					911	282
Other Current Liabilities	1,885	5,000	38,722			45,607	27,930
Total Current Liabilities	29,053	12,927	55,261	9,441	1,179	107,861	30,708
Noncurrent Liabilities:							
Liabilities Payable from Restricted Assets	90,939	14,176	20,629	6,185	374	132,303	
Revenue Bonds and Loans Payable Long-Term (Net)	815,016	242,407	264,042	18,590		1,340,055	
Other Long-Term Liabilities	9,690	1,003	1,921	17,672	2,127	32,413	48,524
Total Noncurrent Liabilities	915,645	257,586	286,592	42,447	2,501	1,504,771	48,524
Total Liabilities	944,698	270,513	341,853	51,888	3,680	1,612,632	79,232
NET ASSETS							
Invested in Capital Assets, net of related debt	625,276	242,076	305,126	21,654	2,203	1,196,335	3,996
Restricted:							
Capital Projects	57,247	14,384				71,631	
Debt Service	55,024	3,433	27,197	4,586		90,240	
Passenger Facility Charges	100,704					100,704	
Closure				21,179	2,612	23,791	
Revenue Bonds Renewal and Replacement		17,033	4,685			21,718	
Unrestricted	31,142	159,223	12,555	77,584	7,566	288,070	14,672
Total Net Assets	**$ 869,393**	**$436,149**	**$349,563**	**$125,003**	**$12,381**	1,792,489	**$18,668**
Adjustments to reflect the consolidation of internal service fund activities related to business-type activities						(8,992)	
Net assets of business-type activities						**$1,783,497**	

PROPRIETARY FUNDS

Statement of Revenues, Expenses and Changes in Fund Net Assets

for the fiscal year ended September 30, 2007
(In Thousands)

	Aviation	*Port Everglades*	*Water and Wastewater*	*Resource Recovery System*	*Other Nonmajor Enterprise Funds*	*Total*	*Internal Service Funds*
Operating Revenues:							
Concessions	$ 41,282					$ 41,282	
Parking Fees	42,463	$ 8,093				50,556	
Terminal Rentals	35,550					35,550	
Airfield Fees	15,151					15,151	
Building and Ground Rentals	11,167	10,405				21,572	
Vessel and Cargo Services		88,832				88,832	
Wastewater Treatment Charges			$ 52,169			52,169	
Water Sales			35,845			35,845	
Tipping Fees				$ 113,833		113,833	
Recycling				5,186	$ 121	5,307	
Customer Facility Charges	24,459					24,459	
Assessments					1,077	1,077	
Miscellaneous	1,259	5,170	3,128	305	2,246	12,108	$119,918
Total Operating Revenues	171,331	112,500	91,142	119,324	3,444	497,741	119,918
Operating Expenses:							
Personal Services	26,977	19,992	24,967	3,875	1,145	76,956	8,638
General Operating	98,920	52,120	33,972	89,268	2,816	277,096	101,860
Depreciation	34,228	20,185	32,631	1,378	87	88,509	1,430
Total Operating Expenses	160,125	92,297	91,570	94,521	4,048	442,561	111,928
Operating Income (Loss)	11,206	20,203	(428)	24,803	(604)	55,180	7,990
Non-Operating Revenues (Expenses):							
Grants	1,618			34		1,652	
Interest Income	25,503	10,494	2,807	6,360	721	45,885	3,733
Interest Expense	(41,627)	(14,744)	(10,698)	(1,255)		(68,324)	
Gain on Sale of Capital Assets	6	34	81	1,571	5	1,697	222
Passenger Facility Charges	45,526					45,526	
Other	(947)	(1,981)	695	(20,832)	69	(22,996)	460
Total Non-Operating Revenues (Expenses)	30,079	(6,197)	(7,115)	(14,122)	795	3,440	4,415
Income (Loss) Before Capital Contributions and Transfers	41,285	14,006	(7,543)	10,681	191	58,620	12,405
Capital Contributions	13,940	753	6,226			20,919	
Transfers In				27	888	915	96
Transfers Out				(600)	(227)	(827)	
Change in Net Assets	55,225	14,759	(1,317)	10,108	852	79,627	12,501
Total Net Assets, October 1	814,168	421,390	350,880	114,895	11,529		6,167
Total Net Assets, September 30	**$869,393**	**$436,149**	**$349,563**	**$ 125,003**	**$12,381**		**$ 18,668**
Adjustments to reflect the allocation of internal service fund net revenue (expense) to business-type activities						(2,629)	
Change in net assets of business-type activities						**$ 76,998**	

See accompanying notes.

PROPRIETARY FUNDS

Statement of Cash Flows

for the fiscal year ended September 30, 2007

(In Thousands)

	Aviation	Port Everglades	Water and Wastewater	Resource Recovery System	Oher Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash Flows from Operating Activities:							
Cash Received from Customers	$167,999	$111,873	$ 95,389	$119,656	$ 3,333	$ 498,250	$ 12,962
Cash Received from Premiums							114,581
Cash Payments to Suppliers for Goods and Services	(97,881)	(51,857)	(45,155)	(87,896)	(3,225)	(286,014)	(95,814)
Cash Payments to Employees for Services	(26,255)	(19,647)	(24,635)	(4,084)	(1,132)	(75,753)	(8,542)
Cash Payments for Claims							(3,680)
Other Cash Received			695	72	68	835	460
Other Cash Paid		(241)		(19,623)		(19,864)	
Net Cash Provided by (Used for) Operating Activities	43,863	40,128	26,294	8,125	(956)	117,454	19,967
Cash Flows from Noncapital Financing Activites:							
Grants Received	1,618			34		1,652	
Transfers In				27	888	915	96
Transfers Out				(600)	(227)	(827)	
Net Cash Provided by (Used for) Noncapital Financing Activities	1,618			(539)	661	1,740	96
Cash Flows from Capital and Related Financing Activities:							
Acquisition and Construction of Capital Assets	(87,412)	(11,610)	(52,508)	(228)		(151,758)	(1,357)
Proceeds from Sale of Capital Assets	131	39	176	1,602	5	1,953	223
Proceeds from Bonds and Notes			38,722			38,722	
Debt Principal Payments	(34,245)	(12,085)	(5,439)	(5,815)		(57,584)	
Interest and Fiscal Charges Paid	(42,389)	(13,183)	(15,310)	(958)		(71,840)	
Capital Contributions	18,710	1,135	708			20,553	
Receipt of Passenger Facility Charges	45,526					45,526	
Capital Recovery and Surcharge Fees			3,894			3,894	
Net Cash Provided by (Used) for Capital and Related Financing Activities	$ (99,679)	$ (35,704)	$(29,757)	$ (5,399)	$ 5	$(170,534)	$ (1,134)

(continued)

See accompanying notes.

PROPRIETARY FUNDS

Statement of Cash Flows, continued

for the fiscal year ended September 30, 2007
(In Thousands)

	Aviation	*Port Everglades*	*Water and Wastewater*	*Resource Recovery System*	*Other Nonmajor Enterprise Funds*	*Total*	*Internal Service Funds*
Cash Flows from Investing Activities:							
Purchase of Investment Securities	$ (550,150)	$(206,864)	$(39,379)	$(155,718)		$ (952,111)	$(175,770)
Proceeds from Sale and Maturities of Investment Securities	615,502	141,854	39,235	161,254		957,845	126,000
Interest and Dividends on Investments	25,503	10,484	2,801	6,495	$ 721	46,004	3,733
Net Cash Provided by (Used for) Investing Activities	90,855	(54,526)	2,657	12,031	721	51,738	(46,037)
Net Increase (Decrease) in Cash and Cash Equivalents	36,657	(50,102)	(806)	14,218	431	398	(27,108)
Cash and Cash Equivalents, October 1	80,719	108,506	45,471	33,304	13,225	281,225	47,243
Cash and Cash Equivalents, September 30	**$ 117,376**	**$ 58,404**	**$ 44,665**	**$ 47,522**	**$13,656**	**$ 281,623**	**$ 20,135**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Operating Income (Loss)	$ 11,206	$ 20,203	$ (428)	$ 24,803	$ (604)	$ 55,180	$ 7,990
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Depreciation Expense	34,228	20,185	32,631	1,378	87	88,509	1,430
Miscellaneous Non-Operating Revenue (Expense)	(130)	(241)	695	(19,551)	68	(19,159)	460
Provision for Uncollectable Accounts			2,580			2,580	
Decrease (Increase) in Assets:							
Accounts Receivable (Net)	(3)	(536)	(4,832)	259	(110)	(5,222)	16
Due from Other County Funds	1			(35)		(34)	7,628
Due from Other Governments				108		108	(20)
Inventory		602	(1,102)			(500)	(140)
Other Current Assets	(1,371)	69	146			(1,156)	(1,131)
Increase (Decrease) in Liabilities:							
Accounts Payable	(635)	(583)	(4,579)	(109)	(189)	(6,095)	(580)
Accrued Liabilities		347		(209)	13	151	188
Due to Other County Funds				(38)	(1)	(39)	213
Due to Other Governments	26	173	1,403	141		1,743	
Other Current Liabilities	541					541	
Liabilities Payable from Restricted Assets		(91)	(220)			(311)	
Estimated Liability for Insurance Claims							3,913
Provision for Landfill Closure				1,378	(220)	1,158	
Total Adjustments	32,657	19,925	26,722	(16,678)	(352)	62,274	11,977
Net Cash Provided by (Used for) Operating Activities	**$ 43,863**	**$ 40,128**	**$ 26,294**	**$ 8,125**	**$ (956)**	**$ 117,454**	**$ 19,967**
Noncash Investing,, Capital and Financing Activities:							
Change in Fair Value of Investments	**$ (40)**	**$ 155**		**$ 10**		**$ 200**	**$ 22**

See accompanying notes.

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

Agency Funds

September 30, 2007
(In Thousands)

	Total
ASSETS	
Cash and Cash Equivalents	$ 17,850
Investments	15,238
Accounts Receivable (Net)	2,251
Delinquent Taxes Receivable (Net)	96,888
Due from Other Governments	6,791
Total Assets	**$139,018**
LIABILITIES	
Accounts Payable	$ 6
Due to Other Governments	8,434
Due to Individuals	7,958
Escrow Deposits	122,620
Total Liabilities	**$139,018**

See accompanying notes.

COMPONENT UNITS
Statement of Net Assets
September 30, 2007
(In Thousands)

	CLERK OF COURTS	HOUSING FINANCE	HEALTH FACILITIES	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 5,913	$ 890	$17	$ 6,820
Investments		8,136		8,136
Receivables (Net)	3,253	1,233		4,486
Due from Primary Government	231			231
Other Current Assets	397			397
Restricted Assets:				
Cash and Cash Equivalents	12,736	238		12,974
Capital Assets:				
Non-depreciable		652		652
Depreciable (Net)	4,876	810		5,686
Total Assets	27,406	11,959	17	39,382
LIABILITIES				
Accounts Payable	177	10		187
Accrued Liabilities	1,800	237		2,037
Due to Primary Government		916		916
Due to Other Governments	2,741			2,741
Escrow Deposits		180		180
Unearned Revenue		57		57
Non-current Liabilities:				
Due Within One Year	338	51		389
Due in More Than One Year	1,931	66		1,997
Total Liabilities	6,987	1,517		8,504
NET ASSETS				
Invested in Capital Assets, net of Related Debt	4,876	1,462		6,338
Restricted for:				
Other	14,958	721		15,679
Unrestricted	585	8,259	17	8,861
Total Net Assets	**$20,419**	**$10,442**	**$17**	**$30,878**

See accompanying notes.

COMPONENT UNITS

Statement of Activities

for the fiscal year ended September 30, 2007
(In Thousands)

	CLERK OF COURTS	HOUSING FINANCE	HEALTH FACILITIES	TOTAL
Program Expenses:				
Personal Services	$38,737	$ 835		$39,572
Professional Fees		155	$ 6	161
Bond Issuance Cost		887		887
General Operating	4,210	318		4,528
Depreciation	1,147	39		1,186
Interest Expense		54		54
Payment to Primary Government			84	84
Total Program Expenses	44,094	2,288	90	46,472
Program Revenues:				
Charges for Services				
Court Related Revenues	31,302			31,302
Non-court Related Revenues	1,500			1,500
Fines and Forfeitures	5,124			5,124
Recording Fees	6,650			6,650
Authority Fees		995	76	1,071
Rentals		88		88
Bond Issuance and Redemption Income		529		529
Miscellaneous	895	158		1,053
Total Program Revenues	45,471	1,770	76	47,317
Program Income (Loss)	1,377	(518)	(14)	845
General Revenues:				
Interest and Investment Income	1,550	456	3	2,009
Special Item - Loss on Donated Land		(420)		(420)
Total General Revenues and Special Item	1,550	36	3	1,589
Change in Net Assets	2,927	(482)	(11)	2,434
Net Assets - Beginning	17,492	10,924	28	28,444
Net Assets - Ending	**$20,419**	**$10,442**	**$ 17**	**$30,878**

See accompanying notes.

Port Everglades experienced its third year of record growth in 2007, as cargo tonnage increased by eight percent and containerized cargo shipments grew by ten percent.

The increased volume at Port Everglades points to the marine facility surpassing the Port of Miami by early 2008. Among the top three cruise ports in the world, Port Everglades is expected to become the world's largest cruise port within a few years.

[THIS PAGE INTENTIONALLY LEFT BLANK]

NOTES TO FINANCIAL STATEMENTS - CONTENTS

September 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

Blended Component Units

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

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

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

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

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

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

The following organizations are also shown as blended component units:

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

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

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

Discretely Presented Component Units

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

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

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

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 was secured by a mortgage of the property. The repayment of the loan to the HFA was later extended from August 1, 2006 to May 1, 2007. In 2007, the developer was unable to secure financing for the project, and a special warranty deed for the property was executed in favor of the HFA in settlement of the loan. The County cancelled its loan from the HFA, and the County is in negotiations with a developer to develop a mixed use project which includes an affordable housing component. The developer is liable for accrued interest of $82,325 on the loan. As of September 30, 2007, the balance was $75,465. The HFA also has a note payable to the County which is secured by an office building. The principal balance of the note was $840,000 on September 30, 2007. The note is due in full on or before July 1, 2015 and bears interest at 4 percent.

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

Clerk of Circuit and County Courts
Finance and Budget Department
201 S.E. 6th Street, Room 275
Fort Lauderdale, FL 33301

Broward County Health Facilities Authority
Accounting Division
P. O. Box 14740
Fort Lauderdale, FL 33302

Broward County Housing Finance Authority
Accounting Division
P. O. Box 14740
Fort Lauderdale, FL 33302

B. Basis of Presentation

Government-wide Statements

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

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

Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

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

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

The County reports the following major enterprise funds:

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

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

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

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

The County also reports the following fund types:

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

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

C. Measurement Focus, Basis of Accounting

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

Governmental Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for grants which are collected within 6 months. Intergovernmental revenues, property taxes and interest are significant revenue sources considered to be susceptible to accrual in the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences 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 ninety days or less are recorded at amortized cost plus accrued interest. All other investments are carried at fair value as determined from quoted market prices. Each fund's portion of the pool are presented as "cash and cash equivalents", "investments" or "restricted assets" as appropriate. Earnings are allocated to each fund based on average daily balances of cash and investments.

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

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

2. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts of $78,050,000.

3. Disaggregation of Receivables and Payables Balances

Receivables

Receivables in the General Fund are 53 percent receivable for Hurricane Wilma insurance settlement, 31 percent liens receivables, and 16 percent are vendor receivables. The majority of the liens receivables in the General Fund are not expected to be collected within one year. Receivables in the Special Revenue Funds are 60 percent tourist development tax receivables from hotels and motels, 19 percent loan receivables from the Museum of Art, 100 percent of which are not scheduled to be collected in the subsequent year, 20 percent local housing assistance receivables consisting principally of long term notes receivable, 100 percent of which are not scheduled to be collected in the subsequent year, and 1 percent Sheriff Operations receivables. Receivables in the Enterprise Funds are 71 percent due from customers and 29 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 and Prepaid Items

Inventories consist principally of materials and supplies held for consumption and are recorded at cost for Governmental Funds and at the lower of average cost or market for Proprietary

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

6. Restricted Assets

Restricted assets and reserves of the Enterprise Funds at September 30, 2007 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	$175,660
Construction accounts	355,351
Landfill closure escrow accounts	23,791
Other restricted accounts	28,530
	$583,332

Amounts payable from restricted assets at September 30, 2007 consist of the following (in thousands):

Accounts payable	$ 21,298
Revenue bonds and interest payable	82,139
Customers' deposits	7,948
Deferred revenue	20,544
Accrued closure costs	374
	$132,303

Reclassified on government-wide statements

Current liabilities payable from restricted assets	$ 65,898
Noncurrent liabilities due within 1 year	$ 66,405

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 2007 was $71,094,000. Of this amount, $2,770,000 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 avigation 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. This authorization was amended to increase the charge to $4.50 per departing passenger effective October 1, 2005.

Through initial and subsequent FAA approvals, the Aviation Department is authorized to collect PFC's up to $571,292,000 including interest, of which $333,389,000 has been collected as of September 30, 2007. The net receipts from PFC's are nonrefundable 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, 2007, $232,685,000 of the collected PFCs had been spent on approved projects or debt service, and the remaining $100,704,000 was reflected as a restricted asset and a restriction of net assets.

12. Reclassifications

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

13. Use of Estimates

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

E. Excess of Expenditures Over Appropriations

For the year ended September 30, 2007, primarily due to Hurricane Wilma, General Fund expenditures exceeded appropriations in the following departments (in thousands):

General Government	
Supervisor of Elections	$ 92
Urban Planning and Redevelopment	1,268
Public Safety	
Public Works and Transportation-Detention and Correction Facilities	117
Public Works and Transportation - Judicial Complexes	3,624
Transportation	
Aviation	111
Port Everglades	602
Community Services - Mass Transit	1,205
Human Services	
Public Works and Transportation - Family Success, County Health Unit	293
Culture and Recreational	
Public Works and Transportation - Libraries	1,123
General Services - Libraries	53
Physical Environment	
Water and Wastewater	1,528
Waste and Recycling Services	1,251
Economic Environment	
Office of Housing	2,302
Human Services - Community Development	4,248
Human Services - Veteran's Services	3
Community Services - Community Development	47

For the year ended September 30, 2007, expenditures exceeded appropriations in the Supervisor of Elections Operations Fund by $248,000.

F. Deficits

At September 30, 2007, the Mass Transit Capital Grants Fund had an undesignated fund deficit of $31,271,000 and a total fund deficit of $5,412,000. The County plans to eliminate this deficit in the ensuing fiscal year.

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Summary of Deposit and Investment Balances

The following is a summary of the County's deposit and investment balances as of September 30, 2007 (in thousands):

	Government-wide Statement of Net Assets	*Component Units Statement of Net Assets*	*Fiduciary Funds Statement of Net Assets*	*Total*
Cash and cash equivalents	$ 589,694	$ 6,820	$17,850	$ 614,364
Investments	1,104,133	8,136	15,238	1,127,507
Restricted assets	583,332	12,974		596,306
Total	$2,277,159	$27,930	$33,088	$2,338,177

B. Deposits

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

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

C. Investments

The County has a formal investment policy that, in the opinion of management, is designed to insure conformity with State Statutes and seeks to limit exposure to investment risks. The investment policy specifies the types, issuer, maturity and performance measurement of investment securities that are permissible. Qualified institutions utilized for investment transactions are also addressed within the policy, as well as diversification requirements for the investment portfolio. The County's investment portfolio became the first County portfolio in the state to receive the highest possible rating from Standard & Poor's (AAAf/S1+), based on credit quality, risk and stability.

Under State Statutes and County Ordinances, the County is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, repurchase agreements, certificates of deposit, the Local Government Surplus Trust Funds Investment Pool, an SEC Rule 2a-7 like fund which has the characteristics of a Money Market Fund, and the Florida Local Government Investment Trust. County policy requires that securities underlying repurchase agreements must have a market value of at least 101 percent of the cost of the repurchase agreements. There were no losses during the period due to default by counterparties to investment transactions and, in the opinion of County management, no types of investments during the period other than those permitted as enumerated above. The County does not have any direct exposure to subprime backed securities (see Note 13).

As of September 30, 2007, the County's investments consisted of the following (in thousands):

Investment Type	*Fair Value*	*Weighted Average Maturity (Days)*
U. S. Treasuries	$ 108,374	275
U. S. Agencies	1,319,541	647
Repurchase Agreements with the State Board of Administration	151,214	11
Commercial Paper	301,481	73
Local Government Surplus Trust Funds Investment Pool	230,927	1
Total Fair Value	$2,111,537	
Portfolio Weighted Average Maturity		434 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 35%; 1-30 days 80%; 31-90 days 80%; 91 days to 1 year 70%; 1-2 years 40%; 2-3 years 20%; 3-4 years 15%; 4-5 years 10%. As of September 30, 2007 the portfolio weighted average maturity was 434 days, and was in accordance with the County's investment policy.

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

The County's investments in U.S. Treasuries and U.S. Agencies are rated AAA by Standard & Poor's and Fitch Ratings, and Aaa by Moody's Investor Services. Under Florida Statutes, repurchase agreements with the State Board of Administration are entirely collateralized and insured by the State. Repurchase agreements and Local Government Surplus Trust Funds Investment Pool with the State Board of Administration are not rated. The Local Government Surplus Trust Funds Investment Pool 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. The County's investments in commercial paper are rated P-1 by Moody's Investor Services and A-1 by Standard & Poor's or higher.

Concentration of Credit Risk - The County places no limit on the amount that may be invested in securities of the U. S. Government and Agency thereof, or government sponsored corporation securities. The County requires that all other investments be diversified with no more than 5% of the value of the portfolio invested in the securities of any single issuer. GASB 40 requires disclosure when the percent is 5% or more in any one issuer. The investment in the Federal Home Loan Bank is 19%, the Federal Home Loan Mortgage Corporation is 30% and the Federal National Mortgage Association is 10%.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2007 is as follows (in thousands):

Governmental Activities:	*Beginning Balances*	*Increases*	*Decreases*	*Ending Balances*
Capital assets not being depreciated:				
Land	$ 392,331	$ 2,540		$ 394,871
Construction in progress	246,228	94,075	$81,630	258,673
Total capital assets not being depreciated	638,559	96,615	81,630	653,544
Capital assets being depreciated:				
Buildings	803,816	37,754	309	841,261
Improvements	725,063	78,360		803,423
Equipment	606,095	47,455	21,428	632,122
Total capital assets being depreciated	2,134,974	163,569	21,737	2,276,806
Less accumulated depreciation for:				
Buildings	199,897	20,868	59	220,706
Improvements	203,710	19,572		223,282
Equipment	395,516	46,599	19,237	422,878
Total accumulated depreciation	799,123	87,039	19,296	866,866
Total capital assets being depreciated, net	1,335,851	76,530	2,441	1,409,940
Governmental activities capital assets, net	$1,974,410	$173,145	$84,071	$2,063,484

Business-type Activities:	*Beginning Balances*	*Increases*	*Decreases*	*Ending Balances*
Capital assets not being depreciated:				
Land	$345,866	$ 66		$345,932
Construction in progress	229,524	130,848	$ 43,285	317,087
Total capital assets not being depreciated	575,390	130,914	43,285	663,019
Capital assets being depreciated:				
Landfill	36,216			36,216
Property held for leasing	239,650	84		239,734
Buildings	1,026,789	25,251	495	1,051,545
Improvements	561,755	7,662	292	569,125
Equipment	710,318	5,175	1,441	714,052
Total capital assets being depreciated	2,574,728	38,172	2,228	2,610,672
Less accumulated depreciation for:				
Landfill	7,836	135		7,971
Property held for leasing	44,857	3,168		48,025
Buildings	273,226	33,669	495	306,400
Improvements	205,745	19,884	292	225,337
Equipment	236,797	31,653	22,995	245,455
Total accumulated depreciation	768,461	88,509	23,782	833,188
Total capital assets being depreciated, net	1,806,267	(50,337)	(21,554)	1,777,484
Business-type activities capital assets, net	**$2,381,657**	**$ 80,577**	**$21,731**	**$2,440,503**

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

Governmental Activities:	
General government	$18,213
Public safety	3,519
Transportation	23,009
Human Services	745
Culture and Recreation	13,379
Physical Environment	4,164
Economic Environment	280
Sheriff	21,924
Property Appraiser	142
Supervisor of Elections	1,664
Total depreciation expense - governmental activities	**$87,039**
Business-type Activities:	
Aviation	$34,228
Port Everglades	20,185
Water and Wastewater	32,631
Resource Recovery	1,378
Other	87
Total depreciation expense - business-type activities	**$88,509**

Construction Commitments

At September 30, 2007 the County had in process various uncompleted construction projects with remaining balances totaling approximately $261,189,000. The retainage payable on these contracts totaled $21,689,000. 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, 2007 (in thousands):

Years ending September 30:

2008	$ 56,405
2009	60,065
2010	57,935
2011	56,438
2012	51,142
2013-2017	152,813
2018-2022	49,110
2023-2027	14,220
2028-2032	13,719
2033-2037	8,746
2038-2042	3,550
2043-2047	4,320
2048-2052	5,256
2053-2057	6,394
2058-2062	7,780
2063-2067	9,465
2068-2072	11,516
2073-2077	14,011
2078-2082	17,046
2083-2087	20,739
2088-2092	25,232
2093-2097	459
Total	$646,361

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, 2007 amounted to $41,282,000.

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, 2007 and have been included in current liabilities payable from restricted assets. For the year ended September 30, 2007, these funds amounted to $20,320,000.

Discretely Presented Component Units

Capital asset activity for the year ended September 30, 2007 is as follows (in thousands):

Governmental Activities:	*Beginning Balances*	*Increases*	*Decreases*	*Ending Balances*
Capital assets not being depreciated:				
Land	$1,072		$420	$ 652
Total capital assets not being depreciated	1,072		420	652
Capital assets being depreciated:				
Buildings	1,115			1,115
Equipment	10,035	$2,987	8	13,014
Total capital assets being depreciated	11,150	2,987	8	14,129
Less accumulated depreciation for:				
Buildings	331	28		359
Equipment	6,926	1,158		8,084
Total accumulated depreciation	7,257	1,186		8,443
Total capital assets being depreciated, net	3,893	1,801	8	5,686
Governmental activities capital assets, net	**$4,965**	**$1,801**	**$428**	**$ 6,338**

NOTE 4 - LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended September 30, 2007 are as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 577,775	$164,520	$ (206,375)	$ 535,920	$ 42,305
Special Obligation Bonds	235,290		(29,435)	205,855	11,965
Loans Payable and Other Obligations	101,714	7,315	(22,745)	86,284	17,854
Unamortized Bond Premiums, Discount and Deferred Amount on Refunding	16,929	6,193	(3,602)	19,520	
Claims and Judgments	72,470	27,725	(19,848)	80,347	27,930
Compensated Absences	92,610	76,006	(72,698)	95,918	23,072
Total	$1,096,788	$281,759	$(354,703)	$1,023,844	$123,126
Business-type Activities:					
Revenue Bonds Payable	$1,452,877		$ (58,260)	$1,394,617	$ 61,231
Loan Payable and Other Obligations	34,966	$ 38,722	(8,000)	65,688	48,522
Unamortized Bond Premiums, Discount and Deferred Amount on Refunding	(4,692)	(342)	272	(4,762)	
Compensated Absences	8,744	4,834	(3,939)	9,639	4,105
Other	19,865	1,873	(220)	21,518	374
Total	$1,511,760	$ 45,087	$ (70,147)	$1,486,700	$114,232

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, 2007 included: landfill closure and post closure costs of $19,723,000 and arbitrage rebate liabilities of $1,795,000.

The debt service requirements for all bonds and loans outstanding as of September 30, 2007 are as follows (in thousands):

	GOVERNMENTAL ACTIVITIES								BUSINESS-TYPE ACTIVITIES	
	General Obligation Bonds		Special Obligation Bonds		Loans Payable and Other Obligations				Revenue Bonds Payable	
Year Ending September 30	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Principal	Interest
2008	$ 42,305	$25,451	$11,965	$10,057	$17,854	$3,651	$ 72,124	$ 39,159	$ 61,231	$ 69,333
2009	47,285	22,963	12,450	9,567	10,695	2,977	70,430	35,507	63,731	66,977
2010	52,665	20,651	13,050	8,966	9,890	2,541	75,605	32,158	85,290	64,098
2011	37,450	18,496	8,100	8,373	10,275	2,142	55,825	29,011	72,105	60,736
2012	27,715	16,960	8,415	8,037	7,830	1,704	43,960	26,701	69,145	57,282
2013-2017	115,640	67,974	40,145	34,759	17,540	5,098	173,325	107,831	280,365	237,548
2018-2022	141,590	35,901	44,715	24,927	7,615	2,084	193,920	62,912	301,755	161,884
2023-2027	71,270	4,331	55,685	11,980	3,995	744	130,950	17,055	361,610	75,400
2028-2032			11,330	602	590	32	11,920	634	99,385	10,725
Total	$535,920	$212,727	$205,855	$117,268	$86,284	$20,973	$828,059	$350,968	$1,394,617	$803,983

Governmental loans payable and other obligations above include: First Florida loans amounting to $52,160,000 of principal and $16,894,000 of interest; Certificates of Participation amounting to $30,540,000 of principal and $4,012,000 of interest and commercial paper amounting to $3,584,000 and $67,000 of interest. Also, Claims and Judgments include an arbitrage liability of $4,553,000.

Certain bond indentures contain provisions as to annual debt service, sinking fund, and minimum net revenue requirements. In addition, certain indentures require maintenance of various accounts and specify the deposits to be made to such accounts. At September 30, 2007, 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 $21,966,000 with repayment terms of $4.8 million in fiscal years 2008 thru 2011 and $2.8 million in fiscal year 2012 and commercial paper amounting to $43,722,000 to be repaid during fiscal year 2008.

The following is a summary of the major provisions and significant debt service requirements for the outstanding bonds at September 30, 2007 (dollars in thousands):

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

Optional Redemption Year	Premium	Final Maturity Date	Original Amount Issued	Retired/Refunded	Accretion	Outstanding September 30
2007	1%	1-1-2012	$135,135	($100,320)		$ 34,815
N/A	N/A	1-1-2012	146,620	(68,930)		77,690
N/A	N/A	1-1-2010	46,640	(26,765)		19,875
2007	N/A	1-1-2024	187,770	(96,195)		91,575
2015	N/A	1-1-2025	154,135	(6,690)		147,445
N/A	N/A	1-1-2021	86,690			86,690
2022	N/A	1-1-2024	77,830			77,830
						$535,920
2006	1%	1-1-2010	37,605	(37,605)		-
2006	1%	1-1-2012	7,790	(7,790)		-
N/A	N/A	9-1-2010	51,760	(36,505)		$15,255
2011	N/A	10-1-2013	19,280	(3,825)		15,455
2016	N/A	9-1-2028	124,290	(705)		123,585
2016	N/A	9-1-2028	52,475	(915)		51,560
						$205,855
2008	1%	10-1-2013	75,560			$75,560
2008	1%	10-1-2009	10,530	(6,240)		4,290
2008	1%	10-1-2018	44,635	(9,340)		35,295
2019	N/A	10-1-2023	18,880			18,880
2008	1%	10-1-2015	66,620	(26,435)		40,185
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	(4,250)		37,605
2011	1%	10-1-2026	135,970			135,970
2016	N/A	10-1-2021	149,185	(6,925)		142,260
N/A	N/A	10-1-2009	87,360	(39,825)		47,535
2014	1%	10-1-2027	142,015	(7,870)		134,145
N/A	N/A	10-1-2029	72,750			72,750
N/A	N/A	10-1-2029	32,475	(3,275)		29,200
						$833,725
N/A	N/A	9-1-2010	37,875	(37,258)	$1,698	$ 2,315
N/A	N/A	9-1-2016	79,580	(26,395)		53,185
2008	1%	9-1-2012	13,195	(130)		13,065
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	(5,840)		43,160
						$263,990
N/A	N/A	10-1-2008	8,466	(15,954)	12,040	$4,552
2014	N/A	10-1-2025	84,415	(145)		84,270
2014	N/A	10-1-2027	20,215			20,215
2014	N/A	10-1-2027	99,370	(13,145)		86,225
2015	N/A	10-1-2026	23,065			23,065
N/A	N/A	10-1-2030	53,675			53,675
						$272,002
N/A	N/A	7-1-2011	34,800	(9,900)		$24,900
						$24,900
						$1,394,617

General Obligation Bonds

In fiscal year 2007, the County issued $86,690,000 Series 2007A Bonds to partially refund a portion of the County's Library General Obligation Bonds, Series 2001A. The reacquisition price of refunded debt exceeded the net carry amount of the old debt by $4,857,000. This amount is being amortized over the new debt's life. As a result of the refunding, the County reduced its total debt service requirements by $5,512,000, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $4,238,000.

On March 8, 2007, the County entered into an Agreement with UBS AG, with respect to a forward rate swap transaction. The Swap Transaction allowed the County to hedge against rising interest rates for the refunding of the 2001A Refunded Bonds. The Swap Transaction was terminated on May 30, 2007. The County received a termination payment of $1,519,000 from UBS AG on June 7, 2007.

In fiscal year 2007, the County also issued $77,830,000 Series 2007B Bonds to partially refund a portion of the County's Parks and Land Preservation General Obligation Bonds, Series 2004. The reacquitsition price of refunded debt exceeded the net carry amount of the old debt by $1,917,000. This amount is being amortized over the new debt's life. As a result of the refunding, the County reduced its total debt service requirements by $4,186,000, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $2,642,000.

The full faith and credit of the Board of County Commissioners has been pledged from an ad valorem tax levied on all taxable property in the County for the payment of the principal and interest on the General Obligation Bonds.

Special Obligation Bonds

In fiscal year 2007, the County authorized the redemption of Special Obligation Bonds Series 1995 in order to reduce recurring costs within the County's General Fund. Debt service is approximately $4.1 million annually and its final maturity is in 2012. These bonds can be paid off and there is no penalty for early redemption. Total redemption was $18.3 million of which $4.1 million was funded from the Debt Service Reserve and $14.2 million from Fund Balance of the General Fund.

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, 2007, the County had loans payable to the Commission totaling $52,160,000.

In fiscal year 2007, the County issued $7,315,000 Series 2007 loans to refund Series 1997 loans. The reacquisition price of refunded debt exceeded the net carrying amount of the old debt by $70,000. This amount is being amortized over the new debt's life. As a result of the refunding, the County reduced its total debt service requirements by $2,128,000, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $571,000.

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, 2007, the County had Sales Tax Revenue Commercial Paper Notes outstanding of $47,306,000 of which $3,584,000 is included in Loans Payable and Other Obligations of the Governmental Activities Long-Term Obligations; and $43,722,000 is included in the Business-Type Activities. During fiscal year 2007, $770,000 was redeemed in the Governmental Activities and $38,722,000 was issued in the Business-type Activities. Interest rate on outstanding notes during fiscal year 2007 ranged from 3.70% to 3.80%. These notes will be repaid in fiscal year 2008.

Commercial paper activity for the year ended September 30, 2007 is as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities	$4,354		$(770)	$3,584
Business-type activities	5,000	$38,722		43,722
Total	$9,354	$38,722	$(770)	$47,306

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
2008	$ 6,721
2009	6,719
2010	6,729
2011	6,724
2012	3,828
2013	3,831
Total	34,552
Less Interest	4,012
Principal Outstanding	**$30,540**

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, 2007.

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 Subordinate 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. Based on the swap agreement, the County pays 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 declined 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, 2007, the swap had a negative fair value of $3,311,000 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, 2007, 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 (see Note 13).

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, 2007, 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 Principal	Interest	Total
2008	$ 1,340	$ 2,052	$ 3,392
2009	1,405	1,988	3,393
2010	1,470	1,921	3,391
2011	1,540	1,851	3,391
2012	1,615	1,778	3,393
2013-2017	9,290	7,663	16,953
2018-2022	11,720	5,235	16,955
2023-2027	14,780	2,173	16,953
Total	$43,160	$24,661	$67,821

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

Defeased Bonds

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

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

Year of Defeasance	Bond Issue(s) Defeased	Principal Outstanding Sept. 30, 2007
1989	Water & Sewer Revenue 1978 Series A	$12,900
1989	Port Facilities Revenue Bonds Series 1986	59,335
1994	Tourist Development Tax Special Revenue Bonds Series 1988	1,052
1998	Port Facilities Refunding Bonds Series 1989A (including accretion)	25,573
2007	General Obligation Bonds Library Project Series 2001A (Partially Refunded)	88,515
2007	General Obligation Bonds Parks & Land Series 2004 (Partially Refunded)	80,175

Conduit Debt

The two component units of the County, Broward County Health Facilities Authority (HeFA) and Broward County Housing Finance Authority (HFA), are authorized to issue bonds to fulfill their corporate purposes. Bonds issued by HeFA and HFA shall not be deemed to constitute a debt of the HeFA, HFA, the County, or any political sub-division thereof. As of September 30, 2007 the total revenue bonds outstanding of HeFA and HFA are $627.8 million.

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 $75,794,000 at September 30, 2007 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, 2007 reflects management's loss estimates of $54,791,000 for all reported claims and $35,670,000 for claims incurred but not reported, net of a discount of $14,667,000 computed based on a projected interest rate of 5.00%. The net assets accumulated in the County's Self-Insurance Fund are designated for future catastrophic losses or for the purchase of additional commercial insurance against such losses when available at advantageous rates.

Changes in the Fund's claims liability amount in fiscal 2006 and 2007 were (in thousands):

Fiscal Year	*Liability October 1*	*Current Year Claims and Changes in Estimates*	*Liability Claim Payments*	*September 30*
2006	$57,167	$32,674	$17,960	$71,881
2007	$71,881	$23,761	$19,848	$75,794

NOTE 6 – INTERFUND BALANCES AND INTERFUND TRANSFERS

Interfund Balances

Interfund balances at September 30, 2007 are as follows (in thousands):

		Due From					
		General Fund	*Sheriff Operations*	*Nonmajor Governmental*	*Nonmajor Enterprise*	*Internal Service*	*Total*
Due to	General Fund		$33,202	$ 7,126	$849	$177	$41,354
	County Transportation Trust	$ 91					91
	Capital Outlay Reserve			127			127
	Resource Recovery				2	36	38
	Nonmajor Governmental	46		8,444			8,490
	Internal Service		615	6			621
	Total	$137	$33,817	$15,703	$851	$213	$50,721

The $33,202,000 due from the Sheriff Operations to the General Fund represents $33,144,000 for unexpended County appropriations, and $58,000 for services provided to the Sheriff that includes maintenance, warehouse use, and postage. The $7,126,000 due from Nonmajor Governmental to the General Fund represents $2,722,000 unexpended County appropriations by the Property Appraiser and $338,000 unexpended County appropriation by the Supervisor of Elections, $4,020,000 owed by a Debt Service Fund, and $46,000 owed by the Sheriff Victim Witness Fund.

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, 2007 are as follows (in thousands):

Transfer To		Transfer From: General Fund	Sheriff Operations	County Transportation Trust	Capital Outlay Reserve	Resource Recovery	Nonmajor Governmental	Nonmajor Enterprise	Total
Transfer To	General Fund		$33,144	$46,776	$10,917		$14,460		$ 105,297
	Sheriff Operations	$706,393							706,393
	Capital Outlay Reserve	89,538					1,996		91,534
	Resource Recovery							$ 27	27
	Nonmajor								
	Governmental	81,638		53,104	13,577		75,052		223,371
	Enterprise	88				$600		200	888
	Internal Service				96				96
	Total	$877,657	$33,144	$99,880	$24,590	$600	$91,508	$227	$1,127,606

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 $33,144,000 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, 2007. Included in the $14,460,000 transfer from the Nonmajor Governmental Funds to the General Fund is a transfer of $10,298,000 from a Debt Service Fund which was transferred back to the Debt Service Fund in order to make debt service payments.

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, 2007, the County estimates that the cost of permanently capping and maintaining its landfills in accordance with existing regulations will be $41,173,000. Of this amount, the County has accrued a liability of $19,723,000 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 $19,349,000 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):

	Davie Landfill	Interim Contingency Landfill	Resource Recovery Landfill
Liability 9/30/07	$2,383	$10,556	$6,784
Estimated total closure and postclosure care costs remaining to be recognized		11,280	10,170
Estimated remaining life of landfill (in years)	N/A-closed	17	4
Capacity used to date	100%	52%	48%

The $41,173,000 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, 2007, cash and investments of $23,791,000 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 $129,875,000 for the above-mentioned services were allocated between funds during the year ended September 30, 2007.

NOTE 10 - PENSION COSTS

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

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

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

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

	2007	*2006*	*2005*
Covered Payroll	$674,136	$644,403	$612,262
Contributions	$93,121	$78,920	$69,030
% of Covered Payroll	13.8%	12.2%	11.3%

The County has met all contribution requirements for the current year and the 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, 2007, there were 229 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. The unfunded actuarial accrued liability for the value of these benefits as of October 1, 2005, the date of the last actuarial valuation, was $269,898,000. As of September 30, 2007, there were approximately 447 retired employees receiving the benefit with an average of 35 additional retirees each year for future participation calculations. Payments during fiscal 2007 totaled $2,107,000.

The County has not yet adopted a funding policy regarding these benefits and is on a pay-as-you-go method.

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, 2007 amounted to $6,268,000. Future commitments under operating leases at September 30, 2007, are not material.

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

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

During fiscal year 2007, the County was obligated to deliver 1,095,000 tons of processable waste to the plants. Actual deliveries were 1,203,200 tons. As a result, the County exceeded the minimum tonnage commitment.

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

NOTE 13 - SUBSEQUENT EVENTS (UNAUDITED)

As discussed in Note 2, at September 30, 2007, the County had $230,927,000 invested in the State Board of Administration's Local Government Surplus Trust Funds Investment Pool (the Pool). However, the County withdrew all of its funds from the Pool prior to certain restructuring decisions made by the State Board of Administration on November 29, 2007, and on December 4, 2007. Those restructuring decisions implemented a temporary freeze on the assets in the Pool and a restructuring of the assets in the Pool into two separate pools. The resulting two pools have different asset types in them and different withdrawal restrictions applicable to them. Additional information regarding the Local Government Surplus Trust Funds Investment Pool may be obtained from the State Board of Administration.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homesteaded property, Amendment 1 increases the current $25,000 homestead exemption by another $25,000 for properties with certain values, except for school district taxes. Amendment 1 also allows property owners to transfer to subsequent homesteaded property up to $500,000 in Save Our Homes benefits. Save Our Homes became effective in 1995 and caps the annual increase in assessed value for homestead property to three percent or the percentage change in the Consumer Prices Index, whichever is less.

Amendment 1 also caps the annual increase in assessed value for non-homestead property (commercial, industrial, rental, and second home properties) to ten percent, except for school district taxes. The Amendment also provides a new $25,000 exemption for tangible personal property.

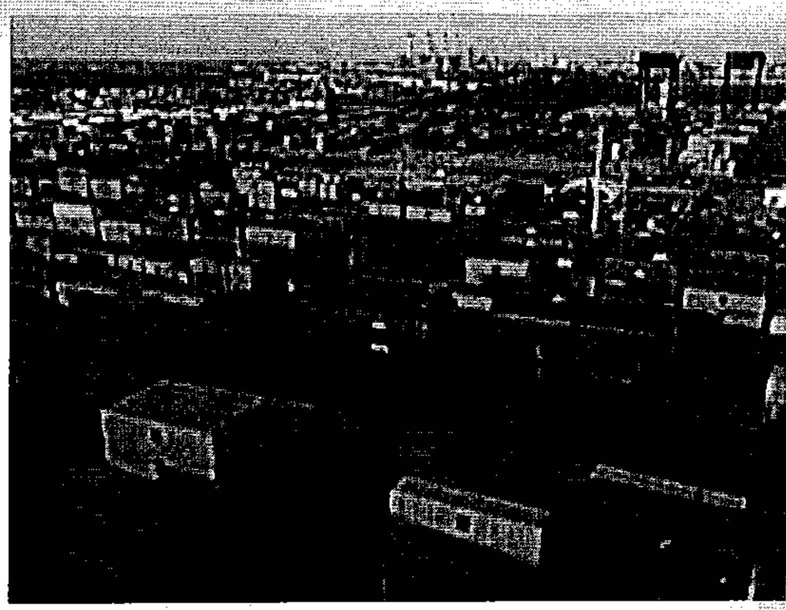
Amendment 1 becomes effective on October 1, 2008, with the exception of the ten percent assessment cap on non-homestead property, which becomes effective on January 1, 2009. At present, there is no accurate way to determine the impact of Amendment 1 in terms of potential loss of property tax revenues to the County. Estimates for the County's loss of property tax revenues range from $55,000,000 to $59,000,000. The County will take the impact of Amendment 1 into account in the preparation of its annual budget for Fiscal 2009.

Credit and liquidity conditions in the general credit markets have impacted three variable rate bond issues of the County: the Airport System Revenue Bonds M1 and M2 (the Airport Bonds); and the 1998 Subordinate Port Facilities Refunding Revenue Bonds (the Port Bonds). See Note 4 for the balances outstanding on these bond issues. The Airport Bonds were issued as 35 day auction rate securities, and the Port Bonds were issued as 7-day floaters. All three issues are insured by AMBAC Insurance Corporation (AMBAC), which has recently been downgraded from AAA to AA by Fitch Ratings and is on negative credit watch for possible downgrade by both Moody's and Standard and Poor's.

Recent auctions in the tax-exempt municipal securities market have failed, and the Airport Bonds have been reset to as high as 12% interest. On February 29, 2008 the provider of the liquidity facility for the Port Bonds gave notice that they were tendering the bonds back to the County, yet they nevertheless remarketed the bonds at a rate of 8.35% in March. Under the terms of an interest rate swap agreement, the County pays a subsidiary of AMBAC a fixed rate of 5.03% on the Port Bonds in exchange for the AMBAC subsidiary paying the actual variable rate due on the bonds.

The County is working with bond counsel and others to structure refundings for all three bond issues in 2008 and minimize any additional cost to the County.

Required Supplementary Information



In December 2007, Broward County Commissioners approved a Master Plan for Port Everglades. An independent analysis of the economic impact at the port indicated that economic activity exceeded $17 billion. More than 188,000 jobs are generated through port activities, including 11,000 people who work for companies that provide direct services to Port Everglades. It is estimated that this economic activity generates $6.4 billion in total personal income and $589 million in total state and local taxes.

GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

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

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Information

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

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

GENERAL FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007

(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes (Net of Discounts)	$ 863,897	$ 865,357	$ 837,101	$(28,256)
Special Assessment/Impact Fees	1,139	1,139	1,367	228
Licenses and Permits	19,313	19,373	21,725	2,352
Federal Grants	65,269	65,992	56,128	(9,864)
State Revenues:				
Revenue Sharing	30,626	35,806	34,064	(1,742)
Grants	26,461	27,596	30,836	3,240
Licenses	565	565	604	39
One-Half Cent Sales Tax	55,753	55,753	53,342	(2,411)
Charges for Services	352,198	356,749	339,626	(17,123)
Fines and Forfeitures	4,673	4,673	4,159	(514)
Interest Income	15,456	15,526	32,719	17,193
Miscellaneous Revenues	21,136	22,830	38,240	15,410
Subtotal	1,456,486	1,471,359	1,449,911	(21,448)
Less 5% of Anticipated Revenues	(55,709)	(55,758)		55,758
Total Revenues	1,400,777	1,415,601	1,449,911	34,310
Expenditures:				
Current:				
General Government				
County Commission	11,418	13,873	12,770	1,103
Supervisor of Elections			92	(92)
County Administrator	2,998	5,111	4,853	258
Office of Management and Budget	45,636	48,982	45,823	3,159
Office of Professional Standards	358	301	271	30
Governmental Relations	4,066	4,330	4,074	256
Finance and Administrative Services	74,881	82,682	58,290	24,392
Boards and Other Agencies	3,552	3,600	3,220	380
Judicial	12,921	11,285	7,980	3,305
Urban Planning and Redevelopment	20,209	20,302	21,570	(1,268)
Public Works and Transportation - Administration	37,262	44,324	39,194	5,130
Total General Government	213,301	234,790	198,137	36,653
Public Safety				
Sheriff	2,886	2,886	2,839	47
County Administration - Emergency Management Operations	2,527	2,580	2,085	495
Human Services - Medical Examiner and Trauma Services	10,792	11,146	10,697	449
Community Services - Consumer Affairs	2,626	2,757	2,620	137
Urban Planning and Redevelopment - Housing and Community Development	11,082	11,082	26	11,056
Public Works and Transportation - Detention and Correction Facilities			117	(117)
Public Works and Transportation - Judicial Complexes	492	867	4,491	(3,624)
Public Works and Transportation - School Guard	56	56	49	7
Total Public Safety	$ 30,461	$ 31,374	$ 22,924	$ 8,450

(continued)

GENERAL FUND

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

for the fiscal year ended September 30, 2007
(In Thousands)

	Budgeted Amounts		*Actual*	*Variance with Final Budget Positive*
	Original	*Final*	*Amounts*	*(Negative)*
Transportation				
Public Works and Transportation - Road and Street Facilities	$ 4,823	$ 4,823	$ 1,173	$ 3,650
Aviation			111	(111)
Port Everglades			602	(602)
Community Services - Mass Transit	119,550	124,997	126,202	(1,205)
Total Transportation	124,373	129,820	128,088	1,732
Human Services				
Human Services - Children's Services, Elderly Services, Family Success, Substance Abuse and Health Care Services	138,021	140,907	134,296	6,611
Community Services - Animal Care and Regulation	4,489	5,403	5,179	224
County Health Unit	2,400	2,420	1,973	447
Judicial - Legal Aid	1,014	1,255	1,158	97
Public Works and Transportation - Family Success, County Health Unit			293	(293)
Public Works and Transportation - Mosquito Control	1,349	1,453	1,288	165
Total Human Services	147,273	151,438	144,187	7,251
Culture and Recreation				
Community Services - Libraries, Parks and Recreation, Cultural	120,961	125,187	120,504	4,683
Boards and Other Agencies - Historical Commission	349	404	332	72
Public Works and Transportation - Libraries			1,123	(1,123)
General Services - Libraries			53	(53)
Total Culture and Recreation	121,310	125,591	122,012	3,579
Physical Environment				
Environmental Protection	13,642	16,065	13,352	2,713
Water and Wastewater	2,255	2,292	3,820	(1,528)
Community Services - Extension Education	1,087	1,115	1,070	45
Waste and Recycling Services			1,251	(1,251)
Total Physical Environment	16,984	19,472	19,493	(21)
Economic Environment				
Urban Planning and Redevelopment	9,749	9,952	6,507	3,445
Office of Economic Development	2,792	6,341	2,999	3,342
Office of Equal Opportunity	3,395	4,068	3,385	683
Office of Housing			2,302	(2,302)
Human Services - Community Development	1,944	1,944	6,192	(4,248)
Human Services - Veteran's Services	605	620	623	(3)
Community Services - Community Development			47	(47)
Total Economic Environment	$ 18,485	$ 22,925	$ 22,055	$ 870

(continued)

GENERAL FUND

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

for the fiscal year ended September 30, 2007
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Debt Service				
Principal Retirement	$ 847	$ 14,900	$ 14,750	$ 150
Interest and Fiscal Charges	844	1,068	414	654
Total Debt Service	1,691	15,968	15,164	804
Total Expenditures	673,878	731,378	672,060	59,318
Excess of Revenues Over Expenditures	726,899	684,223	777,851	93,628
Other Financing Sources (Uses):				
Transfers In:				
From Debt Service Funds	13,233	13,233	13,233	
From Other Funds	128,812	61,266	58,920	(2,346)
From Constitutional Officers			33,144	33,144
Total Transfers In	142,045	74,499	105,297	30,798
Transfers Out:				
To Debt Service Funds	(34,836)	(34,208)	(34,619)	(411)
To Constitutional Officers	(704,502)	(738,127)	(735,067)	3,060
To Other Funds	(142,665)	(105,909)	(107,971)	(2,062)
Total Transfers Out	(882,003)	(878,244)	(877,657)	587
Total Other Financing Sources (Uses)	(739,958)	(803,745)	(772,360)	31,385
Net Change in Fund Balance	(13,059)	(119,522)	5,491	125,013
Fund Balance, October 1	173,258	284,903	278,158	(6,745)
Changes In Reserves for Inventory			(2,616)	(2,616)
Fund Balance, September 30	**$ 160,199**	**$ 165,381**	**$ 281,033**	**$115,652**

SHERIFF OPERATIONS FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007

(In Thousands)

	Budgeted Amounts			Variance with Final Budget
	Original	*Final*	*Actual Amounts*	*Positive (Negative)*
Revenues				
Expenditures:				
Current:				
Public Safety				
Sheriff	$652,835	$661,796	$641,083	$20,713
Capital Outlay	22,175	44,597	32,166	12,431
Reserves	21,163	24,763		24,763
Total Expenditures	696,173	731,156	673,249	57,907
Excess of Revenues Over (Under) Expenditures	(696,173)	(731,156)	(673,249)	57,907
Other Financing Sources (Uses):				
Transfers In	696,173	731,156	706,393	(24,763)
Transfers Out			(33,144)	(33,144)
Total Other Financing Sources (Uses)	696,173	731,156	673,249	(57,907)
Net Change in Fund Balance				
Fund Balance October 1			934	934
Changes In Reserves for Inventory			64	64
Fund Balance, September 30	$ -	$ -	$ 998	$ 998

COUNTY TRANSPORTATION TRUST FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007

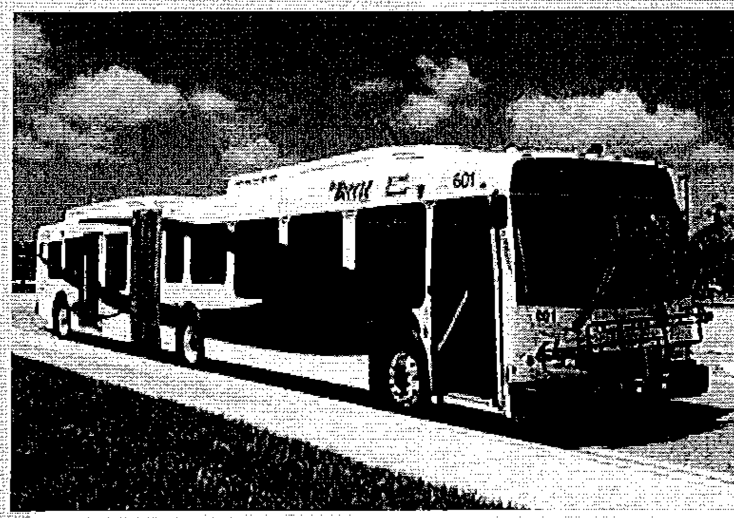
(In Thousands)

	Budgeted Amounts *Original*	*Budgeted Amounts* *Final*	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:				
Taxes (Net of Discounts)	$ 67,796	$ 67,999	$ 63,499	$ (4,500)
Special Assessment/Impact Fees	4,006	4,006	12,533	8,527
Licenses and Permits	912	912	808	(104)
State Revenues:				
Licenses	400	400	385	(15)
Gasoline Taxes	25,115	25,115	24,239	(876)
One-Half Cent Sales Tax	17,722	17,722	16,962	(760)
Charges for Services	1,842	1,842	1,682	(160)
Interest Income	291	291	1,883	1,592
Miscellaneous	544	544	619	75
Subtotal	118,628	118,831	122,610	3,779
Less 5% of Anticipated Revenues	(5,928)	(5,938)		5,938
Total Revenues	112,700	112,893	122,610	9,717
Expenditures:				
Current:				
Transportation				
Public Works - Road & Street Facilities	30,263	30,729	28,979	1,750
Capital Outlay	110	263	76	187
Total Expenditures	30,373	30,992	29,055	1,937
Excess of Revenues Over Expenditures	82,327	81,901	93,555	11,654
Other Financing Uses:				
Transfers Out	(93,265)	(100,880)	(99,880)	1,000
Total Other Financing Uses	(93,265)	(100,880)	(99,880)	1,000
Net Change in Fund Balance	(10,938)	(18,979)	(6,325)	12,654
Fund Balance, October 1	12,938	26,512	26,512	
Changes In Reserves for Inventory			211	211
Fund Balance, September 30	**$ 2,000**	**$ 7,533**	**$ 20,398**	**$12,865**

Supplemental Combining and Individual Fund Statements and Schedules

Ridership on Broward County Transit—BCT—continued to increase during 2007, averaging 43.2 million passenger trips a year, or a nearly five percent increase over 2006.

In the fall of 2007, Broward County conducted groundbreaking ceremonies for the new Northeast Neighborhood Transit Center in Pompano Beach and launched limited-stop "Breeze" service along State Road 7 and U.S. 1. A new route was added along Stirling Road, between U.S. 1 and Flamingo Road, and more frequent service has been added to several other routes.



GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

NONMAJOR DEBT SERVICE FUNDS

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

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

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

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

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

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

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

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

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

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

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

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

COMBINING BALANCE SHEET

Nonmajor Governmental Funds

September 30, 2007

(In Thousands)

	Special Revenue	*Debt Service*	*Capital Projects*	*Total Nonmajor Governmental Funds*
ASSETS				
Cash and Cash Equivalents	$49,282	$ 6,793	$153,845	$209,920
Investments	27,347	10,187	324,384	361,918
Receivables (Net):				
Accounts	2,023		362	2,385
Other	1,318		45	1,363
Delinquent Taxes Receivable (Net)	3	314		317
Due from Other County Funds	244	1,102	7,144	8,490
Due from Other Governments	1,817		5,775	7,592
Inventory	151			151
Total Assets	**$82,185**	**$18,396**	**$491,555**	**$592,136**
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 1,577		$ 11,966	$ 13,543
Accrued Liabilities	917		9,526	10,443
Due to Other County Funds	4,539	$ 4,020	7,144	15,703
Due to Other Governments	3,849		3,252	7,101
Escrow Deposits	108		11	119
Deferred Revenue	13,733	314	99	14,146
Total Liabilities	24,723	4,334	31,998	61,055
Fund Balances:				
Reserved for Encumbrances	793		120,898	121,691
Reserved for Debt Service		14,062		14,062
Reserved for Loans Receivable	638			638
Reserved for Inmate Welfare	2,726			2,726
Unreserved/Undesignated Related to:				
Special Revenue Funds	53,305			53,305
Capital Projects Funds			338,659	338,659
Total Fund Balances	57,462	14,062	459,557	531,081
Total Liabilities and Fund Balances	**$82,185**	**$18,396**	**$491,555**	**$592,136**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Nonmajor Governmental Funds

for the fiscal year ended September 30, 2007
(In Thousands)

	Special Revenue	*Debt Service*	*Capital Projects*	*Total Nonmajor Governmental Funds*
Revenues:				
Taxes (Net of Discounts)	$ 1,782	$ 64,258		$ 66,040
Special Assessment/Impact Fees	1,169			1,169
Licenses and Permits	459			459
Federal Grants	8,984		$ 11,321	20,305
State Revenues:				
Grants	9,805		2,489	12,294
Tourist Tax	41,439			41,439
Other	12,373			12,373
Charges for Services	14,436		2,980	17,416
Fines and Forfeitures	6,544			6,544
Interest Income	3,646	1,823	25,807	31,276
Miscellaneous	4,949	3,077	7,224	15,250
Total Revenues	105,586	69,158	49,821	224,565
Expenditures:				
Current:				
General Government	30,520			30,520
Public Safety	27,112			27,112
Human Services	239			239
Culture and Recreation	26,256			26,256
Physical Environment	4,093			4,093
Economic Environment	11,486			11,486
Capital Outlay	5,261		164,143	169,404
Debt Service:				
Principal Retirement		66,760		66,760
Interest and Fiscal Charges		42,983		42,983
Bond and Loan Issuance Costs		1,469		1,469
Total Expenditures	104,967	111,212	164,143	380,322
Excess of Revenues Over (Under) Expenditures	619	(42,054)	(114,322)	(155,757)
Other Financing Sources (Uses):				
Refunding Loans and Bonds Issued		171,835		171,835
Payments to Refunded Loan and Bond Escrow Agent		(186,062)		(186,062)
Premium on Bonds Issued		13,037		13,037
Swaption Termination Receipt		1,519		1,519
Transfers In	43,687	76,158	103,526	223,371
Transfers Out	(38,399)	(44,696)	(8,413)	(91,508)
Total Other Financing Sources (Uses)	5,288	31,791	95,113	132,192
Net Change in Fund Balances	5,907	(10,263)	(19,209)	(23,565)
Fund Balances, October 1	51,555	24,325	478,766	554,646
Fund Balances, September 30	**$ 57,462**	**$ 14,062**	**$459,557**	**$ 531,081**

NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
September 30, 2007
(In Thousands)

	Tourist Development Tax	Local Housing Assistance Trust	Water Control Districts	Other Special Revenue
ASSETS				
Cash and Cash Equivalents	$ 2,608	$ 2,507	$2,260	$1,366
Investments	17,152	10,195		
Receivables (Net):				
Accounts	2,020			
Other	638	680		
Delinquent Taxes Receivable (Net)			3	
Due from Other County Funds				
Due from Other Governments				304
Inventory				
Total Assets	**$22,418**	**$13,382**	**$2,263**	**$1,670**
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 596	$ 262		$ 10
Accrued Liabilities	68	35		20
Due to Other County Funds	1,102			
Due to Other Governments	3			
Escrow Deposits	45	9	$ 6	
Deferred Revenue		13,076	3	
Total Liabilities	1,814	13,382	9	30
Fund Balances:				
Reserved for Encumbrances	7		763	21
Reserved for Loans Receivable	638			
Reserved for Inmate Welfare				
Unreserved/Undesignated	19,959		1,491	1,619
Total Fund Balances	20,604		2,254	1,640
Total Liabilities and Fund Balances	**$22,418**	**$13,382**	**$2,263**	**$1,670**

Sheriff Special Revenue	*Property Appraiser Operations*	*Supervisor of Elections Operations*	*Park,Open Space and Recreational Trust*	*Other Trust*	*Total*
$18,864	$3,450	$1,293	$3,718	$13,216	$49,282
					27,347
2	1				2,023
					1,318
					3
198		46			244
1,343		76		94	1,817
151					151
$20,558	**$3,451**	**$1,415**	**$3,718**	**$13,310**	**$82,185**
$ 112	$ 92	$ 435		$ 70	$ 1,577
520	201	72		1	917
371	2,728	338			4,539
3,138	430			278	3,849
			$ 42	6	108
84		570			13,733
4,225	3,451	1,415	42	355	24,723
				2	793
					638
2,726					2,726
13,607			3,676	12,953	53,305
16,333			3,676	12,955	57,462
$20,558	**$3,451**	**$1,415**	**$3,718**	**$13,310**	**$82,185**

NONMAJOR SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

for the fiscal year ended September 30, 2007

(In Thousands)

	Tourist Development Tax	*Local Housing Assistance Trust*	*Water Control Districts*	*Other Special Revenue*
Revenues:				
Taxes (Net of Discounts)			$1,782	
Special Assessment/Impact Fees				
Licenses and Permits				$ 459
Federal Grants				
State Revenues:				
Grants				
Tourist Tax	$ 41,439			
Other	2,000	$ 9,120		1,253
Charges for Services	6,982	1,462		
Fines and Forfeitures	119			
Interest Income	1,110	904	144	78
Miscellaneous	76		5	
Total Revenues	51,726	11,486	1,931	1,790
Expenditures:				
Current:				
General Government				
Public Safety				
Human Services				
Culture and Recreation	25,848			
Physical Environment			1,881	1,682
Economic Environment		11,486		
Capital Outlay	335		190	59
Total Expenditures	26,183	11,486	2,071	1,741
Excess of Revenues Over (Under) Expenditures	25,543		(140)	49
Other Financing Sources (Uses):				
Transfers In	13,532			
Transfers Out	(36,767)			
Total Other Financing Sources (Uses)	(23,235)			
Net Change in Fund Balances	2,308		(140)	49
Fund Balances, October 1	18,296		2,394	1,591
Fund Balances, September 30	**$ 20,604**	**$ -**	**$2,254**	**$1,640**

Sheriff Special Revenue	Property Appraiser Operations	Supervisor of Elections Operations	Park, Open Space and Recreational Trust	Other Trust	Total
					$ 1,782
			$ 1,169		1,169
					459
$ 8,827		$ 157			8,984
9,805					9,805
					41,439
					12,373
3,223	$ 2,673			$ 96	14,436
4,991				1,434	6,544
575			206	629	3,646
2,779	501	429		1,159	4,949
30,200	3,174	586	1,375	3,318	105,586
	19,266	11,254			30,520
26,325				787	27,112
				239	239
			10	398	26,256
				530	4,093
					11,486
1,995	755	1,159		768	5,261
28,320	20,021	12,413	10	2,722	104,967
1,880	(16,847)	(11,827)	1,365	596	619
	16,847	11,827		1,481	43,687
			(1,632)		(38,399)
	16,847	11,827	(1,632)	1,481	5,288
1,880			(267)	2,077	5,907
14,453			3,943	10,878	51,555
$16,333	$ -	$ -	$ 3,676	$12,955	$ 57,462

TOURIST DEVELOPMENT TAX FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007
(In Thousands)

	Final Budgeted Amounts	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:			
State Revenues:			
Tourist Tax	$ 46,063	$ 41,439	$(4,624)
Other	2,000	2,000	
Charges for Services	6,961	6,982	21
Fines and Forfeitures		119	119
Interest Income	671	1,110	439
Miscellaneous	131	76	(55)
Subtotal	55,826	51,726	(4,100)
Less 5% of Anticipated Revenues	(2,791)		2,791
Total Revenues	53,035	51,726	(1,309)
Expenditures:			
Current:			
Culture and Recreation			
Greater Fort Lauderdale Convention and Visitors Bureau	32,884	25,848	7,036
Capital Outlay	413	335	78
Total Expenditures	33,297	26,183	7,114
Excess of Revenues Over Expenditures	19,738	25,543	5,805
Other Financing Sources (Uses):			
Transfers In	14,659	13,532	(1,127)
Transfers Out	(38,644)	(36,767)	1,877
Total Other Financing Sources (Uses)	(23,985)	(23,235)	750
Net Change in Fund Balance	(4,247)	2,308	6,555
Fund Balance, October 1	18,296	18,296	
Fund Balance, September 30	**$ 14,049**	**$ 20,604**	**$ 6,555**

LOCAL HOUSING ASSISTANCE TRUST FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
for the fiscal year ended September 30, 2007
(In Thousands)

	Final Budgeted Amounts	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:			
State Revenues:			
Other	$22,371	$9,120	$(13,251)
Charges for Services	4,325	1,462	(2,863)
Interest Income	1,673	904	(769)
Total Revenues	28,369	11,486	(16,883)
Expenditures:			
Current:			
Economic Environment			
Urban Planning & Redevelopment	28,369	11,486	16,883
Total Expenditures	28,369	11,486	16,883
Excess of Revenues Over Expenditures			
Fund Balance, October 1			
Fund Balance, September 30	$ -	$ -	$ -

WATER CONTROL DISTRICTS FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007

(In Thousands)

	Final Budgeted Amounts	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:			
Taxes (Net of Discounts)	$ 1,876	$1,782	$ (94)
Interest Income	57	144	87
Miscellaneous		5	5
Subtotal	1,933	1,931	(2)
Less 5% of Anticipated Revenues	(97)		97
Total Revenues	1,836	1,931	95
Expenditures:			
Current:			
Physical Environment			
Public Works	2,073	1,881	192
Capital Outlay	1,143	190	953
Total Expenditures	3,216	2,071	1,145
Excess of Revenues Over (Under) Expenditures	(1,380)	(140)	1,240
Fund Balance, October 1	2,394	2,394	
Fund Balance, September 30	**$ 1,014**	**$2,254**	**$1,240**

OTHER SPECIAL REVENUE FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007

(In Thousands)

	Final Budgeted Amounts	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:			
Licenses and Permits	$ 471	$ 459	$ (12)
State Revenues:			
Other	1,172	1,253	81
Interest Income	25	78	53
Subtotal	1,668	1,790	122
Less 5% of Anticipated Revenues	(83)		83
Total Revenues	1,585	1,790	205
Expenditures:			
Current:			
Physical Environment			
Environmental Protection	1,330	1,179	151
Community Services	803	503	300
Capital Outlay	161	59	102
Total Expenditures	2,294	1,741	553
Excess of Revenues Over (Under) Expenditures	(709)	49	758
Fund Balance, October 1	1,591	1,591	
Fund Balance, September 30	**$ 882**	**$1,640**	**$758**

PROPERTY APPRAISER OPERATIONS FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007

(In Thousands)

	Final Budgeted Amounts	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:			
Charges for Services	$ 3,103	$ 2,673	$ (430)
Miscellaneous		501	501
Total Revenues	3,103	3,174	71
Expenditures:			
Current:			
General Government			
Property Appraiser	21,384	19,266	2,118
Capital Outlay	1,288	755	533
Total Expenditures	22,672	20,021	2,651
Excess of Revenues Over (Under) Expenditures	(19,569)	(16,847)	2,722
Other Financing Sources:			
Transfers In	19,569	16,847	(2,722)
Total Other Financing Sources	19,569	16,847	(2,722)
Net Change in Fund Balance			
Fund Balance, October 1			
Fund Balance, September 30	$ -	$ -	$ -

SUPERVISOR OF ELECTIONS OPERATIONS FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007

(In Thousands)

	Final Budgeted Amounts	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:			
Federal Grants		$ 157	$ 157
Miscellaneous		429	429
Total Revenues		586	586
Expenditures:			
Current:			
General Government			
Supervisor of Elections	$11,764	11,254	510
Capital Outlay	401	1,159	(758)
Total Expenditures	12,165	12,413	(248)
Excess of Revenues Over (Under) Expenditures	(12,165)	(11,827)	338
Other Financing Sources:			
Transfers In	12,165	11,827	(338)
Total Other Financing Sources	12,165	11,827	(338)
Net Change in Fund Balance			
Fund Balance October 1			
Fund Balance, September 30	$ -	$ -	$ -

NONMAJOR DEBT SERVICE FUNDS

Combining Balance Sheet

September 30, 2007

(In Thousands)

	1986 General Obligation Bonds	2001A/2007A General Obligation Bonds	2004/2005/2007B General Obligation Bonds	General Obligation Refunding Bonds	Tourist Tax Revenue Bonds
ASSETS					
Cash and Cash Equivalents	$44	$616	$1,180	$1,542	$3,177
Investments					19
Delinquent Taxes Receivable (Net)		31	118	165	
Due from Other County Funds					
Total Assets	**$44**	**$647**	**$1,298**	**$1,707**	**$3,196**
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to Other County Funds					
Deferred Revenue		$ 31	$ 118	$ 165	
Total Liabilities		31	118	165	
Fund Balances:					
Reserved for Debt Service	$44	616	1,180	1,542	$3,196
Total Fund Balances	44	616	1,180	1,542	3,196
Total Liabilities and Fund Balances	**$44**	**$647**	**$1,298**	**$1,707**	**$3,196**

1995 Special Obligation Refunding Bonds	2006 Professional Sports Facilities & Civic Arena Bonds	1998 Gas Tax Revenue Refunding Bonds	Florida Financing Loan Pool	Certificates of Participation	Total
		$ 170	$ 50	$14	$ 6,793
$4,199		5,969			10,187
					314
	$1,102				1,102
$4,199	**$1,102**	**$6,139**	**$ 50**	**$14**	**$18,396**
$4,020					$4,020
					314
4,020					4,334
179	$1,102	$6,139	$ 50	$14	14,062
179	1,102	6,139	50	14	14,062
$4,199	**$1,102**	**$6,139**	**$ 50**	**$14**	**$18,396**

NONMAJOR DEBT SERVICE FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

for the fiscal year ended September 30, 2007

(In Thousands)

	1986 General Obligation Bonds	*2001A/2007A General Obligation Bonds*	*2004/2005/2007B General Obligation Bonds*	*General Obligation Refunding Bonds*	*Tourist Tax Revenue Bonds*
Revenues:					
Taxes (Net of Discounts)	$ 31	$ 5,973	$ 23,930	$34,324	
Interest Income	13	75	279	187	$ 173
Miscellaneous					
Total Revenues	44	6,048	24,209	34,511	173
Expenditures:					
Debt Service:					
Principal Retirement			8,505	29,180	1,970
Interest and Fiscal Charges		5,661	15,243	5,486	505
Bond and Loan Issuance Costs		767	601		
Total Expenditures		6,428	24,349	34,666	2,475
Excess of Revenues Over (Under) Expenditures	44	(380)	(140)	(155)	(2,302)
Other Financing Sources (Uses):					
Refunding Loans and Bonds Issued		86,690	77,830		
Payments to Refunded Loan and Bond Escrow Agent		(93,372)	(84,265)		
Premium on Bonds Issued		5,940	7,048		
Swaption Termination Receipt		1,519			
Transfers In				597	17,555
Transfers Out	(363)			(2)	(15,972)
Total Other Financing Sources (Uses)	(363)	777	613	595	1,583
Net Change in Fund Balances	(319)	397	473	440	(719)
Fund Balances, October 1	363	219	707	1,102	3,915
Fund Balances, September 30	**$ 44**	**$ 616**	**$ 1,180**	**$ 1,542**	**$ 3,196**

1995 Special Obligation Refunding Bonds	2006 Professional Sports Facilities & Civic Arena Bonds	1998 Gas Tax Revenue Refunding Bonds	Florida Financing Loan Pool	Certificates of Participation	Total
					$ 64,258
$ 268	$ 309	$ 384	$ 128	$ 7	1,823
	2,421		656		3,077
268	2,730	384	784	7	69,158
7,210	1,620	4,655	8,305	5,315	66,760
982	9,793	960	2,945	1,408	42,983
			101		1,469
8,192	11,413	5,615	11,351	6,723	111,212
(7,924)	(8,683)	(5,231)	(10,567)	(6,716)	(42,054)
			7,315		171,835
			(8,425)		(186,062)
			49		13,037
					1,519
16,952	18,501	5,403	10,527	6,623	76,158
(13,232)	(15,078)		(29)	(20)	(44,696)
3,720	3,423	5,403	9,437	6,603	31,791
(4,204)	(5,260)	172	(1,130)	(113)	(10,263)
4,383	6,362	5,967	1,180	127	24,325
$ 179	$ 1,102	$ 6,139	$ 50	$ 14	$ 14,062

1986 GENERAL OBLIGATION BONDS DEBT SERVICE FUND

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

for the fiscal year ended September 30, 2007
(In Thousands)

	Final Budgeted Amounts	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:			
Taxes (Net of Discounts)		$ 31	$31
Interest Income		13	13
Total Revenues		44	44
Expenditures:			
Debt Service:			
Principal Retirement			
Interest and Fiscal Charges			
Total Expenditures			
Excess of Revenues Over (Under) Expenditures		44	44
Other Financing Uses:			
Transfers Out	$(363)	(363)	
Total Other Financing Uses	(363)	(363)	
Net Change in Fund Balance	(363)	(319)	44
Fund Balance, October 1	363	363	
Fund Balance, September 30	$ -	$ 44	$44

2001A/2007A GENERAL OBLIGATION BONDS DEBT SERVICE FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007

(In Thousands)

	Final Budgeted Amonts	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:			
Taxes (Net of Discounts)	$ 6,214	$ 5,973	$(241)
Interest Income	47	75	28
Subtotal	6,261	6,048	(213)
Less 5% of Anticipated Revenues	(313)		313
Total Revenues	5,948	6,048	100
Expenditures:			
Debt Service:			
Interest and Fiscal Charges	6,054	5,661	393
Bond and Loan Issuance Costs	778	767	11
Total Expenditures	6,832	6,428	404
Excess of Revenues Over (Under) Expenditures	(884)	(380)	504
Other Financing Sources (Uses):			
Refunding Loans and Bonds Issued	86,690	86,690	
Payments to Refunded Loan and Bond Escrow Agent	(93,372)	(93,372)	
Premium on Bonds Issued	5,940	5,940	
Swaption Termination Receipt	1,519	1,519	
Total Other Financing Sources (Uses)	777	777	
Net Change in Fund Balance	(107)	397	504
Fund Balance, October 1	219	219	
Fund Balance, September 30	$ 112	$ 616	$ 504

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

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007

(In Thousands)

	Final Budgeted Amounts	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:			
Taxes (Net of Discounts)	$ 24,883	$ 23,930	$ (953)
Interest Income	150	279	129
Subtotal	25,033	24,209	(824)
Less 5% of Anticipated Revenues	(1,244)		1,244
Total Revenues	23,789	24,209	420
Expenditures:			
Debt Service:			
Principal Retirement	8,505	8,505	
Interest and Fiscal Charges	15,584	15,243	341
Bond and Loan Issuance Costs	614	601	13
Total Expenditures	24,703	24,349	354
Excess of Revenues Over (Under) Expenditures	(914)	(140)	774
Other Financing Sources (Uses):			
Refunding Loans and Bonds Issued	77,830	77,830	
Payments to Refunded Loan and Bond Escrow Agent	(84,265)	(84,265)	
Premium on Bonds Issued	7,048	7,048	
Total Other Financing Sources (Uses)	613	613	
Net Change in Fund Balance	(301)	473	774
Fund Balance, October 1	707	707	
Fund Balance, September 30	$ 406	$ 1,180	$ 774

GENERAL OBLIGATION REFUNDING BONDS DEBT SERVICE FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007

(In Thousands)

	Final Budgeted Amounts	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:			
Taxes (Net of Discounts)	$35,710	$34,324	$(1,386)
Interest Income	125	187	62
Subtotal	35,835	34,511	(1,324)
Less 5% of Anticipated Revenues	(1,785)		1,785
Total Revenues	34,050	34,511	461
Expenditures:			
Debt Service:			
Principal Retirement	29,180	29,180	
Interest and Fiscal Charges	6,051	5,486	565
Total Expenditures	35,231	34,666	565
Excess of Revenues Over (Under) Expenditures	(1,181)	(155)	1,026
Other Financing Sources (Uses):			
Transfers In	597	597	
Transfers Out	(2)	(2)	
Total Other Financing Sources (Uses)	595	595	
Net Change in Fund Balance	(586)	440	1,026
Fund Balance, October 1	1,102	1,102	
Fund Balance, September 30	**$ 516**	**$ 1,542**	**$ 1,026**

TOURIST TAX REVENUE BONDS DEBT SERVICE FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007

(In Thousands)

	Final Budgeted Amounts	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:			
Interest Income		$ 173	$ 173
Total Revenues		173	173
Expenditures:			
Debt Service:			
Principal Retirement	$ 2,000	1,970	30
Interest and Fiscal Charges	509	505	4
Total Expenditures	2,509	2,475	34
Excess of Revenues Over (Under) Expenditures	(2,509)	(2,302)	207
Other Financing Sources (Uses):			
Transfers In	18,480	17,555	(925)
Transfers Out	(15,972)	(15,972)	
Total Other Financing Sources (Uses)	2,508	1,583	(925)
Net Change in Fund Balance	(1)	(719)	(718)
Fund Balance, October 1	3,915	3,915	
Fund Balance, September 30	**$ 3,914**	**$ 3,196**	**$(718)**

1995 SPECIAL OBLIGATION REFUNDING BONDS DEBT SERVICE FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007

(In Thousands)

	Final Budgeted Amounts	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:			
Interest Income	$ 99	$ 268	$169
Subtotal	99	268	169
Less 5% of Anticipated Revenues	(5)		5
Total Revenues	94	268	174
Expenditures:			
Debt Service:			
Principal Retirement	7,210	7,210	
Interest and Fiscal Charges	987	982	5
Total Expenditures	8,197	8,192	5
Excess of Revenues Over (Under) Expenditures	(8,103)	(7,924)	179
Other Financing Sources (Uses):			
Transfers In	16,952	16,952	
Transfers Out	(13,232)	(13,232)	
Total Other Financing Sources (Uses)	3,720	3,720	
Net Change in Fund Balance	(4,383)	(4,204)	179
Fund Balance, October 1	4,383	4,383	
Fund Balance, September 30	$ -	$ 179	$179

2006 PROFESSIONAL SPORTS FACILITIES AND CIVIC ARENA BONDS DEBT SERVICE FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007

(In Thousands)

	Final Budgeted Amounts	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:			
Interest Income	$ 250	$ 309	$ 59
Miscellaneous	2,421	2,421	
Subtotal	2,671	2,730	59
Less 5% of Anticipated Revenues	(84)		84
Total Revenues	2,587	2,730	143
Expenditures:			
Debt Service:			
Principal Retirement	1,620	1,620	
Interest and Fiscal Charges	9,820	9,793	27
Total Expenditures	11,440	11,413	27
Excess of Revenues Over (Under) Expenditures	(8,853)	(8,683)	170
Other Financing Sources (Uses):			
Transfers In	19,267	18,501	(766)
Transfers Out	(16,003)	(15,078)	925
Total Other Financing Sources (Uses)	3,264	3,423	159
Net Change in Fund Balance	(5,589)	(5,260)	329
Fund Balance, October 1	6,362	6,362	
Fund Balance, September 30	$ 773	$ 1,102	$ 329

1998 GAS TAX REVENUE REFUNDING BONDS DEBT SERVICE FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007

(In Thousands)

	Final Budgeted Amounts	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:			
Interest Income	$ 170	$ 384	$214
Subtotal	170	384	214
Less 5% of Anticipated Revenues	(8)		8
Total Revenues	162	384	222
Expenditures:			
Debt Service:			
Principal Retirement	4,655	4,655	
Interest and Fiscal Charges	963	960	3
Total Expenditures	5,618	5,615	3
Excess of Revenues Over (Under) Expenditures	(5,456)	(5,231)	225
Other Financing Sources:			
Transfers In	5,403	5,403	
Total Other Financing Sources	5,403	5,403	
Net Change in Fund Balance	(53)	172	225
Fund Balance, October 1	5,967	5,967	
Fund Balance, September 30	**$ 5,914**	**$ 6,139**	**$225**

FLORIDA FINANCING LOAN POOL DEBT SERVICE FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007

(In Thousands)

	Final Budgeted Amounts	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:			
Interest Income	$ 69	$ 128	$ 59
Miscellaneous	773	656	(117)
Subtotal	842	784	(58)
Less 5% of Anticipated Revenues	(3)		3
Total Revenues	839	784	(55)
Expenditures:			
Debt Service:			
Principal Retirement	8,410	8,305	105
Interest and Fiscal Charges	2,975	2,945	30
Bond and Loan Issuance Costs	101	101	
Total Expenditures	11,486	11,351	135
Excess of Revenues Over (Under) Expenditures	(10,647)	(10,567)	80
Other Financing Sources (Uses):			
Refunding Loans and Bonds Issued	7,315	7,315	
Payments to Refunded Loan and Bond Escrow Agent	(8,394)	(8,425)	(31)
Premium on Bonds Issued	49	49	
Transfers In	10,527	10,527	
Transfers Out	(29)	(29)	
Total Other Financing Sources (Uses)	9,468	9,437	(31)
Net Change in Fund Balance	(1,179)	(1,130)	49
Fund Balance, October 1	1,180	1,180	
Fund Balance, September 30	$ 1	$ 50	$ 49

CERTIFICATES OF PARTICIPATION DEBT SERVICE FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

for the fiscal year ended September 30, 2007

(In Thousands)

	Final Budgeted Amounts	*Actual Amounts*	*Variance with Final Budget Positive (Negative)*
Revenues:			
Interest Income	$ 7	$ 7	$ -
Total Revenues	7	7	
Expenditures:			
Debt Service:			
Principal Retirement	5,315	5,315	
Interest and Fiscal Charges	1,408	1,408	
Total Expenditures	6,723	6,723	
Excess of Revenues Under Expenditures	(6,716)	(6,716)	
Other Financing Sources (Uses):			
Transfers In	6,623	6,623	
Transfers Out	(20)	(20)	
Total Other Financing Sources (Uses)	6,603	6,603	
Net Change in Fund Balance	(113)	(113)	
Fund Balance, October 1	127	127	
Fund Balance, September 30	**$ 14**	**$ 14**	**$ -**

NONMAJOR CAPITAL PROJECTS FUNDS

Combining Balance Sheet

September 30, 2007

(In Thousands)

	Engineering Road Projects	*Convention Center Capital Projects*	*Professional Sports Facilities and Civic Arena Capital Projects*	*1989 General Obligation Bonds*
ASSETS				
Cash and Cash Equivalents	$ 42,409	$4,108	$46	$ 284
Investments	131,280			1,067
Receivables (Net):				
Accounts	362			
Other	40			
Due from Other County Funds	7,144			
Due from Other Governments	182			
Total Assets	**$181,417**	**$4,108**	**$46**	**$1,351**
LIABILITIES AND FUND BALANCES (DEFICIT)				
Liabilities:				
Accounts Payable	$ 1,088	$41		
Accrued Liabilities	1,081	1		$ 39
Due to Other County Funds				
Due to Other Governments				
Escrow Deposits	11			
Deferred Revenue	40			
Total Liabilities	2,220	42		39
Fund Balances (Deficit):				
Reserved for Encumbrances	19,703	707		
Unreserved/Undesignated (Deficit)	159,494	$3,359	$46	1,312
Total Fund Balances (Deficit)	179,197	4,066	46	1,312
Total Liabilities and Fund Balances (Deficit)	**$181,417**	**$4,108**	**$46**	**$1,351**

Beach Renourishment	Unincorporated Area Capital Projects	2001 General Obligation Bonds	2004/2005 General Obligation Bonds	Mass Transit Capital Grants	Total
$ 10,027	$ 32,663	$32,785	$ 31,523		$153,845
	84,339	816	106,882		324,384
					362
	5				45
					7,144
1,514				4,079	5,775
$ 11,541	**$117,007**	**$33,601**	**$138,405**	**$ 4,079**	**$491,555**
$ 330	$ 412	$ 2,405	$ 5,860	$ 1,830	$ 11,966
177	1,698	1,397	4,624	509	9,526
				7,144	7,144
		165	3,079	8	3,252
					11
59					99
566	2,110	3,967	13,563	9,491	31,998
3,046	27,247	15,999	28,337	25,859	120,898
7,929	87,650	13,635	96,505	(31,271)	338,659
10,975	114,897	29,634	124,842	(5,412)	459,557
$11,541	**$117,007**	**$33,601**	**$138,405**	**$ 4,079**	**$491,555**

NONMAJOR CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)

for the fiscal year ended September 30, 2007

(In Thousands)

	Engineering Road Projects	*Convention Center Capital Projects*	*Professional Sports Facilities and Civic Arena Capital Projects*	*1989 General Obligation Bonds*
Revenues:				
Federal Grants				
State Grants	$ 383			
Charges for Services	2,980			
Interest Income	8,095	$ 171	$ 6	$ 225
Miscellaneous	1,049			
Total Revenues	12,507	171	6	225
Expenditures:				
Capital Outlay:				
Parks				
Beach Renourishment				
Libraries				
Stormwater Drainage				
Transportation	22,957			
Convention Center		986		
Buildings and Improvements			206	
Other Projects	368			
Total Expenditures	23,325	986	206	
Excess of Revenues Over (Under) Expenditures	(10,818)	(815)	(200)	225
Other Financing Sources (Uses):				
Transfers In	48,728	$1,950		
Transfers Out	(8,252)			
Total Other Financing Sources (Uses)	40,476	1,950		
Net Change in Fund Balances	29,658	1,135	(200)	225
Fund Balances (Deficit), October 1	149,539	2,931	246	1,087
Fund Balances (Deficit), September 30	**$179,197**	**$4,066**	**$ 46**	**$1,312**

Beach Renourishment	*Unincorporated Area Capital Projects*	*2001 General Obligation Bonds*	*2004/2005 General Obligation Bonds*	*Mass Transit Capital Grants*	*Total*
$ 1,600				$ 9,721	$ 11,321
1,806		$ 300			2,489
					2,980
	$ 5,596	2,914	$ 8,800		25,807
35	777	5,363			7,224
3,441	6,373	8,577	8,800	9,721	49,821
	1,868		72,954		74,822
2,469					2,469
		21,234			21,234
	21,129				21,129
				19,473	42,430
					986
					206
314	185				867
2,783	23,182	21,234	72,954	19,473	164,143
658	(16,809)	(12,657)	(64,154)	(9,752)	(114,322)
15,132	21,496	4,813	8,158	3,249	103,526
	(51)	(110)			(8,413)
15,132	21,445	4,703	8,158	3,249	95,113
15,790	4,636	(7,954)	(55,996)	(6,503)	(19,209)
(4,815)	110,261	37,588	180,838	1,091	478,766
$10,975	**$114,897**	**$29,634**	**$124,842**	**$(5,412)**	**$459,557**

PROPRIETARY FUNDS

NONMAJOR ENTERPRISE FUNDS

Solid Waste Fund - To account for the closure of the County landfill, County recycling programs and other solid waste activities.

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

INTERNAL SERVICE FUNDS

Self-Insurance Fund - To provide coverage against workers' compensation claims, public liability, medical malpractice and accidents involving County-owned motor vehicles.

Fleet Services Fund - To account for and consolidate vehicle management services to Governmental Fund Types and all Enterprise Funds except for the Mass Transit Division.

Print Shop Fund - To account for printing services provided to other County offices.

NONMAJOR ENTERPRISE FUNDS
Combining Statement of Net Assets
September 30, 2007
(In Thousands)

	Solid Waste	Unincorporated Area Waste Collection	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$4,254	$6,762	$ 11,016
Receivables (Net):			
Accounts	63	139	202
Total Current Assets	4,317	6,901	11,218
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents	2,640		2,640
Capital Assets:			
Land	1,620		1,620
Buildings (Net)	20		20
Improvements (Net)	496		496
Equipment (Net)	38	29	67
Total Noncurrent Assets	4,814	29	4,843
Total Assets	9,131	6,930	16,061
LIABILITIES			
Current Liabilities:			
Accounts Payable	217	42	259
Accrued Liabilities	38	31	69
Due to Other County Funds	2	849	851
Total Current Liabilities	257	922	1,179
Noncurrent Liabilities:			
Liabilities Payable from Restricted Assets	374		374
Other Long-Term Liabilities	2,108	19	2,127
Total Noncurrent Liabilities	2,482	19	2,501
Total Liabilities	2,739	941	3,680
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	2,174	29	2,203
Restricted:			
Closure	2,612		2,612
Unrestricted	1,606	5,960	7,566
Total Net Assets	**$6,392**	**$5,989**	**$12,381**

NONMAJOR ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

for the fiscal year ended September 30, 2007

(In Thousands)

	Solid Waste	*Unincorporated Area Waste Collection*	*Total*
Operating Revenues:			
Recycling	$ 74	$ 47	$ 121
Assessments		1,077	1,077
Miscellaneous	878	1,368	2,246
Total Operating Revenues	952	2,492	3,444
Operating Expenses:			
Personal Services	542	603	1,145
General Operating	1,089	1,727	2,816
Depreciation	70	17	87
Total Operating Expenses	1,701	2,347	4,048
Operating Income (Loss)	(749)	145	(604)
Non-Operating Revenues:			
Interest Income	369	352	721
Gain on Sale of Capital Assets	1	4	5
Other	68	1	69
Total Non-Operating Revenues	438	357	795
Income (Loss) Before Transfers	(311)	502	191
Transfers In	588	300	888
Transfers Out	(27)	(200)	(227)
Change in Net Assets	250	602	852
Total Net Assets, October 1	6,142	5,387	11,529
Total Net Assets, September 30	$ 6,392	$ 5,989	$ 12,381

NONMAJOR ENTERPRISE FUNDS

Combining Statement of Cash Flows

for the fiscal year ended September 30, 2007

(In Thousands)

	Solid Waste	*Unincorporated Area Waste Collection*	*Total*
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 891	$ 2,442	$ 3,333
Cash Payments to Suppliers for Goods and Services	(1,350)	(1,875)	(3,225)
Cash Payments to Employees for Services	(522)	(610)	(1,132)
Other Cash Received	68		68
Net Cash Used for Operating Activities	(913)	(43)	(956)
Cash Flows from Noncapital Financing Activities:			
Transfers In	588	300	888
Transfers Out	(27)	(200)	(227)
Net Cash Provided by Noncapital Financing Activities	561	100	661
Cash Flows from Capital and Related Financing Activities:			
Proceeds from Sale of Capital Assets	1	4	5
Net Cash Provided by Capital and Related Financing Activities	1	4	5
Cash Flows from Investing Activities:			
Interest and Dividends on Investments	369	352	721
Net Cash Provided by Investing Activities	369	352	721
Net Increase in Cash and Cash Equivalents	18	413	431
Cash and Cash Equivalents, October 1	6,876	6,349	13,225
Cash and Cash Equivalents, September 30	**$ 6,894**	**$ 6,762**	**$13,656**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	$ (749)	$ 145	$ (604)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation Expense	70	17	87
Miscellaneous Non-Operating Revenue	68		68
Decrease (Increase) in Assets:			
Accounts Receivable (Net)	(60)	(50)	(110)
Increase (Decrease) in Liabilities:			
Accounts Payable	(41)	(148)	(189)
Accrued Liabilities	20	(7)	13
Due to Other County Funds	(1)		(1)
Provision for Landfill Closure	(220)		(220)
Total Adjustments	(164)	(188)	(352)
Net Cash Used For Operating Activities	**$ (913)**	**$ (43)**	**$ (956)**

INTERNAL SERVICE FUNDS

Combining Statement of Net Assets

September 30, 2007

(In Thousands)

	Self-Insurance	*Fleet Services*	*Print Shop*	*Total*
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$19,091		$1,044	$20,135
Investments	61,133			61,133
Receivables (Net):				
Accounts	9	$ 3		12
Due from Other County Funds	500	120	1	621
Due from Other Governments		379	28	407
Inventory		633	26	659
Other Current Assets	10,937			10,937
Total Current Assets	91,670	1,135	1,099	93,904
Noncurrent Assets:				
Capital Assets:				
Equipment (Net)	92	3,834	70	3,996
Total Noncurrent Assets	92	3,834	70	3,996
Total Assets	91,762	4,969	1,169	97,900
LIABILITIES				
Current Liabilities:				
Accounts Payable	837	336		1,173
Accrued Liabilities	673	406	31	1,110
Due to Other County Funds		213		213
Unearned Revenue	282			282
Estimated Liability for Insurance Claims	27,930			27,930
Total Current Liabilities	29,722	955	31	30,708
Noncurrent Liabilities:				
Estimated Liability for Insurance Claims	47,864			47,864
Other Long-Term Liabilities	167	474	19	660
Total Noncurrent Liabilities	48,031	474	19	48,524
Total Liabilities	77,753	1,429	50	79,232
NET ASSETS				
Invested in Capital Assets,				
Net of Related Debt	92	3,834	70	3,996
Unrestricted	13,917	(294)	1,049	14,672
Total Net Assets	**$14,009**	**$3,540**	**$1,119**	**$18,668**

INTERNAL SERVICE FUNDS

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

for the fiscal year ended September 30, 2007

(In Thousands)

	Self-Insurance	*Fleet Services*	*Print Shop*	*Total*
Operating Revenues:				
Charges for Services	$106,944	$11,951	$1,023	$119,918
Operating Expenses:				
Personal Services	3,854	4,454	330	8,638
General Operating	94,885	6,633	342	101,860
Depreciation	41	1,364	25	1,430
Total Operating Expenses	98,780	12,451	697	111,928
Operating Income (Loss)	8,164	(500)	326	7,990
Non-Operating Revenues (Expenses):				
Interest Income	3,691		42	3,733
Gain (Loss) on Sale of Assets		223	(1)	222
Other	414	46		460
Total Non-Operating Revenues (Expenses)	4,105	269	41	4,415
Income (Loss) Before Transfers	12,269	(231)	367	12,405
Transfers In		96		96
Change in Net Assets	12,269	(135)	367	12,501
Total Net Assets, October 1	1,740	3,675	752	6,167
Total Net Assets, September 30	**$ 14,009**	**$ 3,540**	**$ 1,119**	**$ 18,668**

INTERNAL SERVICE FUNDS

Combining Statement of Cash Flows

for the fiscal year ended September 30, 2007

(In Thousands)

	Self-Insurance	*Fleet Services*	*Print Shop*	*Total*
Cash Flows From Operating Activities:				
Cash Received from Customers		$11,926	$1,036	$ 12,962
Cash Received for Premiums	$ 114,581			114,581
Cash Payments to Suppliers for Goods and Services	(88,761)	(6,714)	(339)	(95,814)
Cash Payments to Employees for Services	(3,861)	(4,368)	(313)	(8,542)
Cash Payments for Claims	(3,680)			(3,680)
Other Cash Received	414	46		460
Net Cash Provided by Operating Activities	18,693	890	384	19,967
Cash Flows from Noncapital Financing Activites:				
Transfers In		96		96
Net Cash Provided by Noncapital Financing Activities		96		96
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets		(1,351)	(6)	(1,357)
Proceeds from Sale of Capital Assets		223		223
Net Cash Used for Capital and Related Financing Activities		(1,128)	(6)	(1,134)
Cash Flows from Investing Activities:				
Purchase of Investment Securities	(175,770)			(175,770)
Proceeds from Sale and Maturities of Investment Securities	126,000			126,000
Interest and Dividends on Investments	3,691		42	3,733
Net Cash Provided by (Used for) Investing Activities	(46,079)		42	(46,037)
Net Increase (Decrease) in Cash and Cash Equivalents	(27,386)	(142)	420	(27,108)
Cash and Cash Equivalents October 1	46,477	142	624	47,243
Cash and Cash Equivalents September 30	**$ 19,091**	**$ -**	**$1,044**	**$ 20,135**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	$ 8,164	$ (500)	$ 326	$ 7,990
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	41	1,364	25	1,430
Miscellaneous Non-Operating Income	414	46		460
Decrease (Increase) in Assets:				
Accounts Receivable	18	(2)		16
Due from Other Funds	7,618	11	(1)	7,628
Due from Other Governments		(34)	14	(20)
Inventory		(146)	6	(140)
Other Current Assets	(1,131)			(1,131)
Increase (Decrease) in Liabilities:				
Accounts Payable	(428)	(148)	(4)	(580)
Accrued Liabilities	84	86	18	188
Due to Other County Funds		213		213
Estimated Liability For Insurance Claims	3,913			3,913
Total Adjustments	10,529	1,390	58	11,977
Net Cash Provided by Operating Activities	**$ 18,693**	**$ 890**	**$ 384**	**$ 19,967**
Noncash Investing, Capital, and Financing Activities:				
Change in Fair Value of Investments	**$ 22**	**-**	**-**	**$ 22**

FIDUCIARY FUNDS

Agency Funds

Revenue Collection Fund — To account for the collection and distribution of taxes and licenses for the County and other taxing bodies.

Other Agency Fund — To account for funds received and disbursed by Court Trustee, Hunting and Fishing Licenses, School Impact, Recording, Tax Certificates, Tags and Other Licenses and Building Permit Surcharge.

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

FIDUCIARY FUNDS

Combining Statement of Fiduciary Assets and Liabilities - Agency Funds

September 30, 2007

(In Thousands)

	Revenue Collection	*Other Agency*	*Sheriff Agency*	*Total*
ASSETS				
Cash and Cash Equivalents	$ 4,264	$13,586		$ 17,850
Investments	15,238			15,238
Accounts Receivable (Net)	11		$2,240	2,251
Delinquent Taxes Receivable (Net)	96,888			96,888
Due from Other Governments		37	6,754	6,791
Total Assets	**$116,401**	**$13,623**	**$8,994**	**$139,018**
LIABILITIES				
Accounts Payable	$ 5	$ 1		$ 6
Due to Other Governments	2,154	5,476	$ 804	8,434
Due to Individuals			7,958	7,958
Escrow Deposits	114,242	8,146	232	122,620
Total Liabilities	**$116,401**	**$13,623**	**$8,994**	**$139,018**

FIDUCIARY FUNDS

Combining Statement of Changes in Assets and Liabilities - Agency Funds

September 30, 2007
(In Thousands)

	Balance October 1, 2006	Additions	Deductions	Balance September 30, 2007
REVENUE COLLECTION				
ASSETS				
Cash and Cash Equivalents	$ 18,740	$ 4,607,632	$ 4,622,108	$ 4,264
Investments		15,238		15,238
Accounts Receivable (Net)	15	269	273	11
Delinquent Taxes Receivable (Net)	93,514	3,374		96,888
Total Assets	**$112,269**	**$ 4,626,513**	**$ 4,622,381**	**$116,401**
LIABILITIES				
Accounts Payable	$ 58	$2,657,696	$ 2,657,749	$ 5
Due to Other Governments	5,151	5,232,589	5,235,586	2,154
Escrow Deposits	107,060	2,312,308	2,305,126	114,242
Total Liabilities	**$112,269**	**$10,202,593**	**$10,198,461**	**$116,401**
OTHER AGENCY				
ASSETS				
Cash and Cash Equivalents	$ 23,908	$ 680,826	$ 691,148	$ 13,586
Due from Other Governments	29	102	94	37
Total Assets	**$ 23,937**	**$ 680,928**	**$ 691,242**	**$ 13,623**
LIABILITIES				
Accounts Payable	$ 26	$ 867	$ 892	$ 1
Due to Other Governments	16,528	408,806	419,858	5,476
Escrow Deposits	7,383	154,996	154,233	8,146
Total Liabilities	**$ 23,937**	**$ 564,669**	**$ 574,983**	**$ 13,623**
SHERIFF AGENCY				
ASSETS				
Cash and Cash Equivalents	$ 646	$ 240,058	$ 240,704	
Accounts Receivable (Net)	1,863	12,254	11,877	$ 2,240
Due from Other Governments	8,745	180,689	182,680	6,754
Total Assets	**$ 11,254**	**$ 433,001**	**$ 435,261**	**$ 8,994**
LIABILITIES				
Due to Other Governments	$ 1,988	$ 2,170	$ 3,354	$ 804
Due to Individuals	8,379	2,423	2,844	7,958
Escrow Deposits	887	123	778	232
Total Liabilities	**$ 11,254**	**$ 4,716**	**$ 6,976**	**$ 8,994**

continued

FIDUCIARY FUNDS

Combining Statement of Changes in Assets and Liabilities - Agency Funds, continued

September 30, 2007
(In Thousands)

	Balance October 1, 2006	Additions	Deductions	Balance September 30, 2007
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ 43,294	$ 5,528,516	$ 5,553,960	$ 17,850
Investments		15,238		15,238
Accounts Receivable (Net)	1,878	12,523	12,150	2,251
Delinquent Taxes Receivable (Net)	93,514	3,374		96,888
Due from Other Governments	8,774	180,791	182,774	6,791
Total Assets	**$147,460**	**$ 5,740,442**	**$ 5,748,884**	**$139,018**
LIABILITIES				
Accounts Payable	$ 84	$ 2,658,563	$ 2,658,641	$ 6
Due to Other Governments	23,667	5,643,565	5,658,798	8,434
Due to Individuals	8,379	2,423	2,844	7958
Escrow Deposits	115,330	2,467,427	2,460,137	122,620
Total Liabilities	**$147,460**	**$10,771,978**	**$10,780,420**	**$139,018**

SUPPLEMENTAL FINANCIAL SCHEDULES

Water and Wastewater

Schedule of Net Revenue and Debt Coverage Calculation.

Aviation

Schedule of Deposits to and Withdrawals from Special Funds and Accounts Created by Bond Resolutions.

Schedule of Bonds Issued, Paid, Purchased, Redeemed, Cancelled and Defeased.

Schedule of Revenues and Current Expenses and Calculation of Debt Coverage in Accordance with Bond Resolution Section 704 (a).

Schedule of Lien Bond Sufficiency Test

Port Everglades

Schedule of Revenues, Expenses and Debt Service Coverage

Professional Sports Facilities Bonds and First Florida Loan Agreements

Annual Disclosure Information and Debt Service Capacity Calculation.

WATER AND WASTEWATER FUND

Schedule of Net Revenue and Debt Coverage Calculation

for the fiscal year ended September 30, 2007

(Dollars In Thousands)

	Net Revenue Calculation		
Revenue:			
Water	$35,845		
Wastewater	52,169		
Other (1)	4,135		
Interest Income	2,807		
Total Revenue	**$94,956**		
Current Expenses:			
Water Transmission and Distribution	$ 8,675		
Water Source of Supply, Treatment and Pumping	9,880		
Wastewater Collection and Transmission	7,960		
Wastewater Treatment	14,896		
Customer Service	3,435		
Administrative and General	14,093		
Total Current Expenses (2)	**$58,939**		
		Actual Coverage	*Coverage Required*
Net Revenue Available for Principal and Interest Requirements	**$36,017**		
Principal and Interest Requirements on Series 1988 Bonds	**$ 2,341**		
Principal and Interest Requirements on Series 2003 A Bonds	**$ 5,063**		
Principal and Interest Requirements on Series 2003 B Bonds	**$ 8,434**		
Principal and Interest Requirements on Series 2005 Bonds	**$ 3,837**		
Coverage of Debt Service by Net Revenue	**$19,675**	**1.83**	**1.20**
Balance Available for Renewal, Replacement and Capital Expenditures	**$16,342**		

(1) Includes gross amounts of non-operating revenues allowable

(2) Expenses which can be charged directly as part of the cost of the product or service

AVIATION FUND

Schedule of Deposits to and Withdrawals from Special Funds and Accounts Created by Bond Resolutions

for the fiscal year ended September 30, 2007
(In Thousands)

	Balances October 1, 2006	Deposits	Withdrawals	Balances September 30, 2007
Revenue-Operating	$ 42,232	$206,757	$218,312	$30,677
Renewal and Replacement	23,812	8,000	5,674	26,138
Improvements	2,923	724	546	3,101
Facilities Improvements	26,002	15,297	23,655	17,644
Discretionary	12,611	692	7	13,296
Airline Fees and Charges	23,438	20,320	23,438	20,320
Restricted Sub-Account	787	3,017	2,363	1,441
Passenger Facilities Charges	96,318	51,186	46,800	100,704
Bond Reserves	50,153	2,109	0	52,262
Series E & F Principal and Interest	3,131	5,209	5,109	3,231
Series G & H Principal and Interest	9,950	14,903	13,357	11,496
Series I & J Principal and Interest	15,976	25,715	24,893	16,798
Series K Principal and Interest	17,589	18,699	17,830	18,458
Series L Principal and Interest	7,554	10,734	10,466	7,822
Series M1/M2 Principal and Interest	2,343	5,672	7,565	450
Construction Funds	193,300	55,610	73,324	175,586

Note: All ending balances include accrued interest.

AVIATION FUND

Schedule of Bonds Issued, Paid, Purchased, Redeemed, Cancelled and Defeased

for the fiscal year ended September 30, 2007
(In Thousands)

	Total
Balance Outstanding at September 30, 2006	$867,970
Bonds Paid	34,245
Balance Outstanding at September 30, 2007	$833,725

AVIATION FUND

Schedule of Revenues and Current Expenses and Calculation of Debt Coverage in Accordance with Bond Resolution Section 704 (a)

for the fiscal year ended September 30, 2007
(Dollars In Thousands)

Revenues	$171,331
Current Expenses	125,897
Net Revenues	45,434
Carryover Amount Available from Airline Fees and Charges Sub-Account	23,438
Amount Available for Debt Service	**$68,872**
Debt Service:	
Deposit to Principal Account	$30,745
Deposit to Interest Account	35,317
Transfer from Passenger Facility Charge Capital Improvement Fund	(11,819)
Total Debt Service	**$ 54,243**
Debt Service Coverage by Account Available for Debt Service	**127%**
Required Debt Service Coverage	**125%**

AVIATION FUND

Schedule of Lien Bond Sufficiency Test

for the fiscal year ended September 30, 2007
(Dollars In Thousands)

Existing Passenger Facility Charge Authority	$571,292
Amount Spent on Pay-As-You-Go Projects	22,887
Series 1998H Convertible Lien Bond Debt Service	9,125
Series 2001I Convertible Lien Bond Debt Service	2,968
Series 2004L Airport System Revenue Bonds	10,532
Series 2004M Airport System Revenue Bonds	1,288
Total for the Current Year	46,800
Total for Previous Years	185,885
Total Spent and Committed to Date	232,685
Total Available	**$338,607**
Projected Aggregate Principal and Interest Requirement	**$60,466**
Sufficiency Test	**560%**
Sufficiency Covenant Requirement	**105%**

PORT EVERGLADES FUND

Schedule of Revenues, Expenses and Debt Service Coverage

for the fiscal year ended September 30, 2007

(Dollars In Thousands)

Operating Revenues:			
Petroleum	$ 23,756		
Container	28,557		
Cruise	31,483		
Bulk	3,252		
Breakbulk/Neobulk	2,803		
Real Estate	11,109		
Other	11,540		
Subtotal	112,500		
Non-Operating-Investment	8,961		
Total Revenues	**$121,461**		
Operating Expenses	$ 72,112		
Non-Operating Expenses	451		
Total Expenses	**$ 72,563**		
Net Income Available for Debt Service - Senior Lien Bonds and Subordinate Bonds	**$ 48,898**		
		Actual Coverage	*Required Coverage*
Debt Service Requirements - Senior Lien Bonds	**$ 21,854**	**2.24**	**1.25**
Debt Service Requirements - Senior Lien Bonds	**$ 21,854**		
Principal and interest on Subordinate Bonds	**3,392**		
Debt Service Requirements - Senior Lien Bonds	**$ 25,246**	**1.94**	**1.10**

PROFESSIONAL SPORTS FACILITIES BONDS AND FIRST FLORIDA LOAN AGREEMENTS

Annual Disclosure Information and Debt Service Capacity Calculation For Covenant to Budget and Appropriate Debt Associated with the Broward County Professional Sports Facilities Tax and Revenue Bonds, Series 2006 A & B and Loan Agreements between the County and the First Florida Governmental Financing Commission

for the fiscal year ended September 30, 2007

(Dollars In Thousands)

Revenues Pledged for Repayment of the 2006 Professional Sports Facilities Bonds:

Professional Sports Franchise Facilities Tax Revenue	$ 16,576
Professional Sports Franchise State Sales Tax Rebate Receipts	2,000
County Preferred Revenue Allocation Receipts	2,421
Total of Pledged Revenues	$ 20,997
Fiscal Year 2007 Debt Service	11,410
Debt Service Coverage	1.84

Net Available Non-Ad Valorem Revenues for the Fiscal Year Ending September 30, 2007:

License and Permit Fees	$ 21,725
State Revenue Sharing	34,064
Licenses (State Revenue)	604
Local Government Half Cent Sales Tax	53,342
Utility Services Taxes and Fire Rescue Tax	12,761
Fines and Forfeitures	4,159
Interest Earnings	32,719
Charges for Services	339,626
Miscellaneous Revenue	38,240
Non-Revenue Sources/Fund Balance	179,396
Federal/State Grants	86,964
Special Assessments	1,367
Total Gross Non-Ad Valorem Revenues	804,967
Less: Operations Costs to the extent not paid by Ad Valorem Taxes	(582,787)
Total Net Available Non-Ad Valorem Revenues	**$ 222,180**

Total Outstanding Debt Secured by and Payable from Non-Ad Valorem Revenues for the Fiscal Year Ending September 30, 2007:

*2006 Professional Sports Facilities Bonds	$ 175,145
2007 First Florida	7,315
2006 First Florida	5,290
2005 First Florida	7,300
2002 First Florida	13,600
2001 First Florida	2,580
2000 First Florida, Series B	1,730
1999 First Florida	14,345
Commercial Paper	3,584
Total Non-Ad Valorem General Revenue Debt Outstanding	**$ 230,889**

(continued)

PROFESSIONAL SPORTS FACILITIES BONDS AND FIRST FLORIDA LOAN AGREEMENTS

continued

Debt Service Capacity:	*Maximum Annual Debt Service*	*Coverage Ratio*	*Coverage Required*
2007 First Florida	$ 934	2.0	$ 1,868
2006 First Florida	413	2.0	826
2005 First Florida	624	2.0	1,248
2002 First Florida	4,689	2.0	9,378
2001 First Florida	1,498	2.0	2,996
2000 First Florida, Series B	1,573	2.0	3,146
1999 First Florida	1,592	2.0	3,184
Commercial Paper	3,584	1.0	3,584
Total Debt Service Capacity			**$26,230**

Total Net Available Non-Ad Valorem Revenues	$222,180
Less Current Coverage Requirements	26,230
Subtotal	195,950
Less Coverage Factor (2.0 x Debt Service)	97,975
Total Remaining Debt Service Capacity	**$ 97,975**

* The 2006 Professional Sports Facilities Bonds are primarily secured by the three revenue sources listed at the beginning of this schedule. Because non-ad valorem revenues represent a secondary source of repayment for the 2006 Professional Sports Facilities Bonds, debt service for these bonds is not included in the debt service capacity calculations. Non-ad valorem revenues were not used as a source of repayment for those bonds in fiscal year 2007 and are not anticipated to be used as a source of repayment in fiscal year 2008.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

Copy of the Original Trust Indenture and Form of First Supplemental Trust Indenture

[THIS PAGE INTENTIONALLY LEFT BLANK]

TRUST INDENTURE

From

BROWARD COUNTY, FLORIDA

To

THE BANK OF NEW YORK, as Trustee

Dated as of May 1, 1998

Securing

BROWARD COUNTY, FLORIDA
SUBORDINATE PORT FACILITIES REFUNDING REVENUE BONDS

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

TRUST INDENTURE

This TRUST INDENTURE is dated as of May 1, 1998 (as the same may be amended or supplemented from time to time, this "Indenture"), and is from BROWARD COUNTY, FLORIDA, a political subdivision of the State of Florida (the "County") to THE BANK OF NEW YORK, a New York banking corporation, as trustee (together with any successor permitted under this Indenture, the "Trustee").

WITNESSETH:

WHEREAS, pursuant to Chapter 91-346, Laws of Florida, Chapter 94-429, Laws of Florida, and the approval by the voters of Broward County, Florida, in a referendum held on March 10, 1992, the Port Everglades District (the "District") and the Port Everglades Authority (the "Authority") were dissolved and all powers, duties, responsibilities, obligations and functions of the District and the Authority were transferred to be performed by the County and the County assumed, subject to their terms, all indebtedness of the District and the Authority; and

WHEREAS, the County now operates the Port Facilities (as hereinafter defined) through the County's Port Everglades Department (the "Department"); and

WHEREAS, under the provisions of Resolution No. 24-1989, adopted by the Authority on July 20, 1989, as supplemented and amended by Resolution No. 26-1989, adopted by the Authority on August 10, 1989, Resolution No. 21-1990, adopted by the Authority on December 6, 1990 and Resolution No. 1998-375, adopted by the County on May 5, 1998 but which became effective on June 4, 1998 (collectively, as further supplemented and amended from time to time, the "Senior Bond Resolution"), there have been issued (i) $117,454,948 Port Everglades Authority Port Facilities Refunding Revenue Bonds, Series 1989-A, of which $113,378,743.07 (including accreted value) are currently outstanding, (ii) $13,195,000 Broward County, Florida Port Facilities Refunding Revenue Bonds, Taxable Series 1998A, all of which are currently outstanding, (iii) $80,440,000 Broward County, Florida Port Facilities Refunding Revenue Bonds, Series 1998B, all of which are currently outstanding, and (iv) $72,440,000 Broward County, Florida Port Facilities Revenue Bonds, Series 1998C, all of which are currently outstanding (collectively, together with additional bonds issued under the provisions of the Senior Bond Resolution from time to time, the "Senior Bonds"); and

WHEREAS, on October 24, 1997, the County issued its $45,000,000 promissory note to Port Property Associates, L.P. (the "Promissory Note"), to fund the cost of acquiring a certain parcel of real property which constitutes part of the Port Facilities; and

WHEREAS, on March 30, 1998, the County issued its $40,000,000 Sales Tax Revenue Commercial Paper Notes, Series B (the "1998 Commercial Paper Notes"), all of which are currently outstanding, to prepay, together a temporary advance made by the County in anticipation of permanent financing in the amount of $5,000,000 (the "County Advance"), the Promissory Note; and

WHEREAS, pursuant to the Constitution and laws of the State of Florida, including without limitation, Chapter 125, Florida Statutes, Chapter 166, Florida Statutes, Chapter 315,

Florida Statutes, each as amended, and the County's home rule charter (collectively, the "Act"), the County is authorized to issue its revenue bonds to refund and defease all of the 1998 Commercial Paper Notes; and

WHEREAS, Section 7.11 of the Senior Bond Resolution permits the issuance of obligations payable in whole or in part from the Net Revenue (as hereinafter defined) which, by their terms, are subordinated to the lien on Net Revenue in favor of all Senior Bonds theretofore and thereafter issued under the provisions of the Senior Bond Resolution; and

WHEREAS, the County has determined to issue its Subordinate Port Facilities Refunding Revenue Bonds, Series 1998, in an aggregate principal amount of $49,000,000 (the "Series 1998 Bonds") under the provisions of this Indenture, for the purpose of providing funds to (i) refund and defease all of the 1998 Commercial Paper Notes, (ii) repay $4,762,815.85 of the County Advance, (iii) fund a deposit to the Debt Service Reserve Fund (as hereinafter defined) and (iv) pay certain costs of issuance and expenses relating to the Series 1998 Bonds; and

WHEREAS, all things necessary to make the Series 1998 Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the County according to the import thereof, and to constitute this Indenture a valid pledge of and grant of a lien on the Trust Estate (as hereinafter defined), subject to the provisions of this Indenture, to secure the payment of the principal of, premium, if any, and interest on the Bonds (as hereinafter defined) have been done and performed, in due form and time, as required by law; and

WHEREAS, the execution and delivery of this Indenture and the execution and issuance of the Series 1998 Bonds, subject to the terms hereof, have in all respects been duly authorized by the County;

GRANTING CLAUSES

Now, Therefore, This Indenture Witnesseth:

That in order to secure the payment of the principal of, premium, if any, and interest on all Bonds issued and to be issued under this Indenture, according to the import thereof, and to reimburse any Credit Provider and Liquidity Provider and any Reserve Facility Provider (each as hereinafter defined) for amounts owed to them under any Credit Facility, Liquidity Facility or Reserve Facility (each as hereinafter defined), respectively, but subject to the limitations set forth herein, and the performance and observance of each and every covenant and condition contained herein and in the Bonds, and for and in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the respective Owners (as hereinafter defined) thereof, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds shall be issued, authenticated, delivered, secured and accepted by all Persons (as hereinafter defined) who shall from time to time be or become Owners thereof, the County does hereby assign, pledge and grant a lien upon and a security interest in all of its right, title and interest in and to the following described

property, rights and interests (collectively, the "Trust Estate") to the Trustee and its successors in trust and assigns, to the extent provided in this Indenture:

(a) the Pledged Revenue (as hereinafter defined);

(b) all Funds, Accounts and Subaccounts (each as hereinafter defined) established pursuant to this Indenture, other than the Administrative Fund and the Rebate Fund (each as hereinafter defined), and all moneys and securities and earnings in such Funds, Accounts and Subaccounts; and

(c) Any and all other contracts, instruments, moneys, revenues or sources of revenues, securities and property furnished from time to time to the Trustee by the County or on behalf of the County or by any other Persons to be held by the Trustee as part of the Trust Estate under the terms of this Indenture;

But in trust nevertheless, for the equal and proportionate benefit and security of the Bonds issued and to be issued hereunder and secured by this Indenture, including any Bonds hereafter issued, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of any one Bond over any other or from the others by reason of priority in the issue or negotiation thereof or by reason of the date or dates of maturity thereof, or for any other reason whatsoever (except as expressly provided in this Indenture), so that each and all of the Bonds shall have the same right, lien and privilege under this Indenture and shall be equally secured hereby, with the same effect as if the same had all been made, issued and negotiated upon the delivery hereof (all except as expressly provided in this Indenture);

Provided, however, that prior to the occurrence of an Event of Default (as hereinafter defined) the lien on and pledge of the Trust Estate conferred by this Indenture in favor of the Trustee shall be subject in all respects to the provisions of this Indenture that require the application of Pledged Revenue or other moneys to the Funds created under this Indenture, including in each case any Account or Subaccount established therein, prior to the application of such Pledged Revenue or other moneys for the payment of the principal or redemption price of and the interest on the Bonds. No Owner of any Bond has the right to compel any exercise of the taxing power of any unit of government to pay the principal or Redemption Price of the Bonds or the interest thereon.

Notwithstanding the foregoing provisions of these Granting Clauses:

(i) moneys in and investments of the Administrative Fund shall not be pledged to the payment of the Bonds and shall be applied solely to the payment of Administrative Expenses or as may otherwise be provided in this Indenture;

(ii) moneys in and investments of the Rebate Fund shall not be pledged to the payment of the Bonds and shall be applied solely to the payment of rebate amounts due to the United States of America with respect to Bonds or payments in lieu thereof or as otherwise provided in this Indenture; and

(iii) upon the occurrence of an Event of Default (as hereinafter defined) the Trustee shall have a first lien on amounts held pursuant to Section 9.04.

Provided Further, however, that these presents are upon the condition that, if the County, or its successors, shall well and truly pay or cause to be paid, or provide for the payment of all principal, premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner stipulated therein and herein, then this Indenture and the rights hereby granted shall cease, terminate and be void, but shall otherwise be and remain in full force;

And it is hereby covenanted and agreed by and among the County, the Trustee and the Owners from time to time of the Bonds, that 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 the Owners thereof, and the trusts and conditions upon which the moneys and securities hereby pledged are to be held and disposed of, which trusts and conditions the Trustee hereby accepts, are as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes hereof and of any amendment hereof or supplement hereto and of the Bonds and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

"Account" shall mean any account created and maintained pursuant to this Indenture.

"Accountant" shall mean the independent certified public accountants or firm of independent certified public accountants retained by the County under the provisions of Section 7.05 to perform and carry out the duties imposed on the Accountant by this Indenture.

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond at its initial offering plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Compounding Date next preceding the date of computation or the date of computation if a Compounding Date plus, with respect to matters related to the payment upon redemption or acceleration of the Capital Appreciation Bond, if such date of computation shall not be a Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Compounding Date (or the date of original issuance if the date of computation is prior to the first Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Compounding Date, calculated based on the assumption that Accreted Value accrues during any period in equal daily amounts on the basis of a year of 360 days consisting of twelve months of 30 days each. Interest shall accrue on any Capital Appreciation Bond and be compounded periodically at such rate and at such times as provided for in any Supplemental Indenture relating to said Capital Appreciation Bond.

"Act" shall have the meaning ascribed to it in the recitals to this Indenture.

"Additional Senior Bonds" shall mean Senior Bonds hereinafter issued under Section 2.07 of the Senior Bond Resolution.

"Administrative Expenses" shall mean any administrative expenses required to be paid under the provisions of this Indenture and which are not payable as Operating Expenses under the Senior Bond Resolution, including, without limitation, fees and expenses due the Fiduciaries, the Tender Agent and the Remarketing Agent, fees and expenses due with respect to any Credit Facility, Liquidity Facility and Reserve Facility and payments required under Section 7.14 of this Indenture, as such expenses are determined to have been incurred in accordance with the method of accounting used in the preparation of the annual financial statements of the County including, to the extent so determined, expenses not annually recurring, but excluding: (i) any allowance for depreciation; and (ii) any deposits or transfers to the credit of the Funds, Accounts or Subaccounts; provided, however, that to the extent such Administrative Expenses relate, all or in part, to a future period of time they shall be prospectively determined by reference to the Annual Budget.

"Administrative Fund" shall mean the Fund of that name created and maintained pursuant to Section 5.04.

"Alternate Credit Facility" shall mean a Credit Facility provided pursuant to the terms of Section 13.03.

"Alternate Credit Facility Date" shall have the meaning ascribed to it in Section 13.03.

"Alternate Liquidity Facility" shall mean a Liquidity Facility provided pursuant to the terms of Section 13.06.

"Alternate Liquidity Facility Date" shall have the meaning ascribed to it in Section 13.06.

"Amortization Requirements" shall mean the money required to be deposited in the Sinking Fund for the purpose of the mandatory redemption or payment at maturity of any Term Bonds issued pursuant to this Indenture, the specific amounts and times of such deposits to be as provided in Section 3.01 with respect to the Series 1998 Bonds and to be determined in the Supplemental Indenture authorizing the issuance of Term Bonds of any other Series.

"Annual Budget" shall mean the annual budget, as amended or supplemented, adopted or in effect for a particular Fiscal Year as provided in Section 5.03.

"Appreciated Value" shall mean, with respect to any Capital Appreciation and Income Bond: (a) as of any date of computation prior to the Interest Commencement Date, an amount equal to the principal amount thereof on the date of original issuance plus the interest accrued on such Bond from the date of original issuance of such Bond to the Compounding Date next preceding the date of computation or the date of computation if a Compounding Date, such interest to compound periodically at the times and at the rate provided in any Supplemental Indenture authorizing the issuance of said Bond, plus, if such date of computation shall not be a Compounding Date, a portion of the difference between the Appreciated Value as of the immediately preceding Compounding Date (or the date of original issuance if the date of computation is prior to the first Compounding Date succeeding the date of original issuance) and

the Appreciated Value as of the immediately succeeding Compounding Date calculated based upon an assumption that Appreciated Value accrues during any period in equal daily amounts on the basis of a year of 360 days consisting of twelve months of 30 days each; and (b) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

"Authorized Denomination" means (a) in the case of the Series 1998 Bonds, (i) while the Series 1998 Bonds bear interest at a Daily, Weekly or Monthly Rates, $100,000 and integral multiples of $5,000 over $100,000, and (ii) while the Series 1998 Bonds bear interest at a Quarterly, Semiannual, Extended or Fixed Rate, $5,000 and integral multiples thereof, and (b) in the case of other Series of Bonds, such denominations as shall be authorized in the Supplemental Indenture authorizing the issuance of such Bonds.

"Authorized Officer" shall mean, when used with respect to the County, any of the Chair, the County Administrator, the Port Director, any Deputy Port Director and the Finance Director and any other officer of the County designated from time to time by resolution of the County.

"Average Annual Debt Service Requirement" shall mean, as of any date and with respect to a particular Series of Bonds, the arithmetic average of the Principal and Interest Requirements in the then current and each succeeding Bond Year.

"Average Rate" shall mean the rate determined by dividing the total amount of interest paid on all Variable Rate Bonds for a given period by the average principal amount of all Variable Rate Bonds Outstanding during that period.

"Board" shall mean the Board of County Commissioners of Broward County, Florida, or any successor in which the general legislative powers of the County shall be vested.

"Bond" or "Bonds" shall mean the Outstanding Series 1998 Bonds and Refunding Bonds.

"Bond Counsel" shall mean any firm of nationally recognized municipal bond attorneys selected by the County Attorney and ratified by the Board, including co-counsel to such firm, each of which shall be experienced in the issuance of municipal bonds and matters relating to the exclusion of the interest thereon from gross income for purposes of federal income taxation.

"Bond Registrar" shall mean the County or a bank or trust company, either within or without the State of Florida, designated as such by resolution of the County, which shall perform such functions as Bond Registrar as are required by this Indenture with respect to one or more Series of Bonds. Notwithstanding the preceding sentence, the Trustee shall be the initial Bond Registrar.

"Bond Year" shall mean the period commencing the first day of September in each year and ending the last day of August of the following year.

"Bondholder" (or "Owner") shall mean the registered owners of the Bonds as shown on the registration books of the Bond Registrar maintained pursuant to Section 2.04.

"Business Day" shall mean any day other than (i) Saturday or Sunday, (ii) a day on which the Trustee, any Credit Provider or any Liquidity Provider is lawfully closed, (iii) a day on which the federal reserve bank for the federal reserve district in which the Trustee or Tender Agent is located is closed; or (iv) a day on which the New York Stock Exchange is closed.

"Capital Appreciation Bonds" shall mean any Bonds as to which interest is compounded periodically on each Compounding Date and which are payable in an amount equal to the then current Accreted Value only at maturity, earlier redemption or other payment date therefor, all as designated by any Supplemental Indenture authorizing the issuance of such Bonds and which may be either Serial Bonds or Term Bonds.

"Capital Appreciation and Income Bonds" shall mean any Bonds as to which accruing interest is not paid prior to the Interest Commencement Date specified in any Supplemental Indenture authorizing the issuance of such Bonds and with respect to which, until said Interest Commencement Date, the Appreciated Value is compounded periodically on each Compounding Date.

"Chair" shall mean the Chair of the Board, or in the absence of the Chair, the Vice Chair, or the person succeeding to its principal functions.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

"Composite Principal and Interest Requirements" shall mean, for any applicable period, the sum of the Senior Principal and Interest Requirements and Principal and Interest Requirements for such period.

"Compounding Date" shall mean, with respect to any Capital Appreciation Bond and Capital Appreciation and Income Bond, the dates on which interest shall compound, as specified in any Supplemental Indenture authorizing the issuance of such Bonds.

"Construction Fund" shall mean the fund of that name created and maintained pursuant to Section 4.01 of the Senior Bond Resolution.

"Consulting Engineers" shall mean the engineer or engineering firm at the time retained by the County pursuant to Section 7.05 to carry out and perform the duties imposed on the Consulting Engineers by this Indenture.

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement dated as of May 1, 1998 with respect to the Series 1998 Bonds between the County and the Trustee.

"Conversion Date" means:

(a) When used with respect to a Fixed Rate, the date on which a Fixed Rate becomes effective pursuant to Section 2.06(m); and

(b) When used with respect to any particular Variable Rate Period, the date on which such Rate Period first becomes effective pursuant to Section 2.06.

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

"Counterparty" shall mean the Person entering into a Hedge Agreement with the County.

"County" shall have the meaning ascribed to it in the introductory paragraph to this Indenture.

"County Administrator" shall mean the County Administrator and ex-officio Clerk of the Board or its designee or the Person succeeding to its principal functions.

"County Advance" shall have the meaning ascribed to it in the recitals to this Indenture.

"County Attorney" shall mean the County Attorney of the County, its designee or the Person succeeding to its principal functions.

"Credit Facility" shall mean the Initial Credit Facility and each and every other irrevocable letter of credit, policy of municipal bond insurance, surety bond, guaranty, purchase agreement, credit agreement or similar facility in which the entity providing such facility irrevocably agrees to provide funds to make payment of the principal of and interest on Bonds when due. The term "Credit Facility" shall also include an "Alternate Credit Facility."

"Credit Provider" shall mean the Initial Credit Provider and each and every other provider of a Credit Facility, if any, with respect to any Series of Bonds.

"Daily Rate" shall mean the interest rate determined for the Bonds for a Daily Rate Period pursuant to Section 2.06(c).

"Daily Rate Period" shall mean, while the Series 1998 Bonds bear interest at the Daily Rate, the period commencing on each Business Day to but excluding the following Business Day.

"Debt Service Reserve Fund" shall mean the Fund of that name created and maintained pursuant to Section 5.04.

"Debt Service Reserve Fund Deposit Requirement" shall mean an amount in each of the twelve successive months beginning with the month following any month in which any amount shall have been withdrawn from the Debt Service Reserve Fund (or drawn under a Reserve Facility) or a deficiency is determined to exist upon valuation of the Debt Service Reserve Fund pursuant to Section 6.02, equal to one-twelfth of the deficiency created by such withdrawal (or draw under a Reserve Facility) or resulting from such valuation until such deficiency is made up.

"Debt Service Reserve Fund Requirement" shall mean, as of any date of calculation, an amount equal to the least of: (i) the maximum Principal and Interest Requirements on the Bonds

in the current or any future Bond Year; (ii) 125% of the Average Annual Debt Service Requirement for the Bonds; or (iii) 10% of the proceeds of the Bonds. The Debt Service Reserve Fund Requirement may be satisfied, in whole or in part, by the deposit of a Reserve Facility.

"Department" shall have the meaning ascribed to it in the recitals to this Indenture.

"Depositary" shall mean any bank, savings association or trust company duly authorized by law to engage in its business and to receive County funds and designated by an Authorized Officer as a depositary of moneys under the provisions of this Indenture.

"Deposit Day" shall mean the day on or before the 27th day of each month (or such other day that may be designated in a Supplemental Indenture as a "Deposit Day" in respect of a Series of Bonds) on which day a withdrawal from the General Fund and a deposit to one or more Funds, Accounts or Subaccounts is required to accomplish the payments and transfers required by this Indenture.

"Direct Participant" shall mean a participant in the DTC Book-Entry Only System on whose DTC accounts ownership interests in securities are credited.

"DTC" means The Depository Trust Company, New York New York, and its successors and assigns.

"Eligible Funds" means:

(a) Bonds proceeds deposited with the Trustee contemporaneously with the issuance and sale of Bonds (other than proceeds of sale of Bonds to the County) and which were continuously thereafter subject to the lien of this Indenture in a separate and segregated fund, account or subaccount established hereunder in which no moneys which were not Eligible Funds were at any time held while such Bond proceeds were held therein, together with the investment earnings thereon;

(b) Moneys (i) held in any Fund, Account or Subaccount in which no other moneys which are not Eligible Funds are held, and (ii) which have been on deposit with the Trustee for at least 366 consecutive days during which period no Event of Bankruptcy shall have occurred, together with the investment earnings thereon;

(c) Proceeds of a drawing under the Credit Facility or the Liquidity Facility; and

(d) Proceeds from the issuance and sale of Refunding Bonds and any other moneys deposited with the Trustee if there is delivered to the Trustee at the time of the issuance and sale of such Refunding Bonds or the deposit of such other moneys with the Trustee a written opinion of nationally recognized bankruptcy counsel to the effect that payments with such proceeds or other moneys, as the case may be, of principal of, premium, if any, or interest on the Bonds would not be avoidable transfers under the United States Bankruptcy Code should an Event of Bankruptcy hereafter occur.

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

"Escrow Deposit Agreement" shall mean an Escrow Deposit Agreement, by and between the County and an Escrow Agent, pursuant to which cash and Escrow Securities will be held by the Escrow Agent to provide for payment, in whole or in part, of all or a portion of one or more specified Series of Bonds.

"Escrow Securities" shall mean direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America.

"Event of Bankruptcy" means the filing of a petition in bankruptcy or the commencement of a proceeding under the United States Bankruptcy Code pursuant to Section 301 thereof by the County.

"Event of Default" shall have the meaning ascribed to it in Section 9.02.

"Extended Rate" shall mean the interest rate determined for the Series 1998 Bonds for an Extended Rate Period pursuant to Section 2.06(h).

"Extended Rate Period" shall mean, while the Series 1998 Bonds bear interest at the Extended Rate, the period commencing on the Extended Rate Conversion Date and on the first Business Day of the calendar month following the last day of the prior Rate Period, extending for a period of one year or integral multiples of six months in excess of one year as established by the Remarketing Agent and ending on a day which is the last day preceding the first Business Day of a calendar month.

"Fiduciary" or "Fiduciaries" shall mean the Trustee, Bond Registrar and Paying Agent, or, as the context may require, any one of them.

"Finance Director" shall mean the Director of the Department of Finance and Administrative Services of the County or its designee or the Person succeeding to its principal functions.

"Fiscal Year" shall mean the period established as the County's fiscal year, presently commencing October 1 of each year and concluding on September 30 of the following year, as the same may be amended from time to time.

"Fitch" shall mean Fitch IBCA, Inc. and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the County by written notice of an Authorized Officer to the Trustee.

"Fixed Rate" means an interest rate to be determined for the Series 1998 Bonds pursuant to Section 2.06(p).

"Fixed Rate Period" means the period of time during which the Series 1998 Bonds bear interest at a Fixed Rate.

"Fund" shall mean any fund created and maintained pursuant to this Indenture.

"General Fund" shall mean the fund of that name created and maintained pursuant to Section 5.06 of the Senior Bond Resolution.

"Gross Revenue" shall mean all fees, rentals, charges and other income, including any investment income from monies held on deposit in any of the funds or accounts created under the Senior Bond Resolution (excluding the Senior Rebate Fund and the Operation and Maintenance Fund), received by or accrued to the County in connection with or as a result of its ownership or operation of the Port Facilities, all as calculated in accordance with the method of accounting used in the official annual financial statement of the County; provided, however, Gross Revenue shall not include: (i) receipts and revenue derived from the imposition of an ad valorem tax or any other tax the County is authorized, from time to time, to levy pursuant to applicable law, including any investment income earned thereon or on funds held in the Senior Rebate Fund or Operation and Maintenance Fund; (ii) revenue derived from the operation of any Special Purpose Facilities or from investment income derived from money on deposit in any funds or accounts pledged to the payment of Special Purpose Bonds, except as may expressly be provided otherwise in any resolution authorizing the issuance of said Special Purpose Bonds; and (iii) any grants, contributions or donations, including investment interest thereon.

"Gross Revenue Fund" shall mean the fund of that name created and maintained pursuant Section 5.05 of the Senior Bond Resolution.

"Hedge Agreement" shall mean the Initial Hedge Agreement and shall also include an interest rate exchange agreement, an interest rate swap agreement, a forward purchase contract, a put option contract, a call option contract or any other financial product which is used by the County as a hedging device with respect to its obligation to pay debt service on any of the Bonds, entered into between the County and a Counterparty; provided that such arrangement shall be specifically designated in a certificate of the Finance Director as a "Hedge Agreement" for purposes of this Indenture.

"Hedge Obligations" shall mean net payments required to be made by the County under a Hedge Agreement from time to time as a result of fluctuation in hedged interest rates, or fluctuation in the value of any index of payment.

"Hedge Receipts" shall mean net payments received by the County from a Counterparty under a Hedge Agreement.

"Improvements" shall mean any extension, enlargement, improvement, equipping, construction, renovation, repair, replacement, rehabilitation or acquisition of Port Facilities.

"Indenture" shall have the meaning ascribed to it in the introductory paragraph hereof.

"Initial Counterparty" shall mean Ambac Financial Services, L.P., a limited partnership organized and existing under the laws of Delaware, or any successor thereto.

"Initial Credit Facility" shall mean the municipal bond insurance policy issued by the Initial Credit Facility Provider insuring the payment when due of the principal of and interest on the Series 1998 Bonds as provided therein.

"Initial Credit Provider" shall mean Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance company, or any successor thereto.

"Initial Hedge Agreement" shall mean the Interest Rate Swap Agreement dated as of June 4, 1998 between the County and the Initial Counterparty.

"Initial Liquidity Facility" shall mean the Standby Bond Purchase Agreement dated as of May 1, 1998 between the Trustee and the Initial Liquidity Provider, as the same may be extended, amended or supplemented from time to time in accordance with its terms.

"Initial Liquidity Provider" shall mean The Bank of Nova Scotia, acting through its New York Agency, or any successor thereto.

"Interest Commencement Date" shall mean, with respect to any particular Capital Appreciation and Income Bonds, the date specified in any Supplemental Indenture authorizing the issuance of such Bonds (which date must be prior to the maturity date for such Bonds) after which interest accruing on such Bonds shall be payable on a periodic basis, with the first such payment date being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

"Interest Payment Date" shall mean, (a) with respect to the Series 1998 Bonds:

(i) When the Series 1998 Bonds bear interest at the Daily, Weekly or Monthly Rate, the first Business Day of each calendar month commencing with the first Business Day of the calendar month following the initial issuance and delivery of the Series 1998 Bonds;

(ii) When the Series 1998 Bonds bear interest at the Quarterly Rate, the first Business Day of the third calendar month following the Quarterly Rate Conversion Date and subsequently the first Business day of each third calendar month thereafter;

(iii) When the Series 1998 Bonds bear interest at the Semiannual or Extended Rate, the first Business Day of the sixth month following the Semiannual or Extended Rate Conversion Date and subsequently the first Business Day of each sixth calendar month thereafter;

(iv) When the Series 1998 Bonds bear interest at the Fixed Rate, each March 1 and September 1 after the Fixed Rate Conversion Date; and

(v) When the Series 1998 Bonds constitute Provider Bonds, each date on which interest on the Provider Bonds is due and payable in accordance with the provisions of the Liquidity Facility or any reimbursement or similar agreement entered into between the County and the Liquidity Provider; and

(b) with respect to other Series of Bonds, the dates on which interest on such Bonds is payable as specified in the Supplemental Indenture authorizing the issuance of such Bonds.

"Investment Securities" shall mean any of the following to the extent the same are at the time legal for investment by the County pursuant to applicable law:

(1) Escrow Securities.

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

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Rural Economic Community Development Administration (formerly Farmers Home Administration)
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration
- Federal Financing Bank.

(3) 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 America:

- Senior debt obligations rated "Aaa" by Moody's and "AAA" by S&P issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System
- Senior debt obligations of other government sponsored agencies approved by the Credit Provider.

(4) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (ratings on holding companies not considered as the rating of the bank).

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

(6) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P.

(7) 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 or fund (the "escrow"), in the highest rating category of S&P and Moody's 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 Escrow Securities, which escrow may be applied only to the payment of such principal 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.

(8) General obligations of states with a rating of at least "A2/A" or higher by both Moody's and S&P.

(9) Investment agreements approved in writing by the Credit Provider and supported by appropriate opinions of counsel with notice to S&P.

(10) Other forms of investments (including repurchase agreements) approved in writing by the Credit Provider with notice to S&P.

"Liquidity Facility" shall mean the Initial Liquidity Facility and each and every other letter of credit, policy of insurance, surety bond, guaranty, purchase agreement, credit agreement or similar facility in which the entity providing such facility agrees to provide funds to pay the purchase price of, or agrees to purchase, Put Bonds upon their tender by the Owners thereof. The term "Liquidity Facility" shall also include an Alternate Liquidity Facility.

"Liquidity Provider" shall mean the Initial Liquidity Provider and each other provider of a Liquidity Facility, if any, with respect to any Series of Bonds.

"Maximum Rate" shall mean, with respect to the Series 1998 Bonds, 15%; and with respect to other Series of Bonds, the lower of the highest rate of interest allowed by law and such rate as shall be determined as the "Maximum Rate" for such Bonds in the Supplemental Indenture authorizing the issuance thereof.

"Monthly Rate" shall mean the interest rate determined for a Monthly Rate Period pursuant to Section 2.06(e).

"Monthly Rate Period" shall mean, while the Series 1998 Bonds bear interest at the Monthly Rate, the period commencing on the first Business Day of each month to but excluding the first Business Day of the following month.

"Moody's" shall mean Moody's Investors Service, Inc. and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the County by written notice of an Authorized Officer to the Trustee.

"Net Revenue" shall mean, for any period, the Gross Revenue for such period less the Operating Expenses for such period.

"1998 Commercial Paper Notes" shall have the meaning ascribed to it in the recitals to the Indenture.

"Official Statement" shall mean the Official Statement dated June 2, 1998 relating to the Series 1998 Bonds.

"Operating Expenses" shall mean the reasonable and necessary expenses of administration, maintenance, repair and operation of the Port Facilities, including, without limitation, all ordinary and usual expenses of maintenance and repair, bond registrar, paying agent, trustee or escrow agent fees and other expenses associated with the issuance of Senior Bonds, all administrative expenses, legal expenses, any taxes which may be lawfully imposed on the Port Facilities or its income or operations and reserves therefor, and any other expenses required to be paid by the County under the provisions of the Senior Bond Resolution or by law, as such expenses are determined to have been incurred in accordance with the method of accounting used in the official annual financial statement of the County including, to the extent so determined, expense not annually recurring, but excluding (i) any reserves for extraordinary maintenance or repair, (ii) any allowance for depreciation, (iii) any deposits or transfers to the credit of the funds and accounts created and maintained under the Senior Bond Resolution and (iv) any expenses of Special Purpose Facilities financed by Special Purpose Bonds; provided, however, that to the extent such Operating Expenses relate, all or in part, to a future period of time they shall be prospectively determined by reference to the Annual Budget.

"Operation and Maintenance Fund" shall mean the fund of that name created and maintained by Section 5.06 of the Senior Bond Resolution.

"Opinion of Bond Counsel" shall mean a written opinion of Bond Counsel, in form and substance satisfactory to the Trustee, and except as may be otherwise specifically set forth in this Indenture, to the effect that the action proposed to be taken is authorized or permitted by the laws of the State and this Indenture and will not adversely affect the validity of the Bonds under the laws of the State or, except to the extent that any of the Bonds shall be Taxable Bonds, the exclusion from gross income for federal income tax purposes of interest on any Bonds.

"Outstanding" shall mean, when used with reference to the Bonds or any of them, all Bonds theretofore delivered except: (a) Bonds deemed to have been paid in accordance with Section 3.05 or Section 12.01; (b) Bonds in lieu of which other Bonds have been issued pursuant to the provisions hereof relating to Bonds destroyed, mutilated, stolen or lost; (c) Bonds paid, redeemed or delivered to or acquired by the County for cancellation; and (d) for purposes of any consent or other action to be taken hereunder by the Owners of a specified percentage of principal amount of Bonds, the Bonds held by or for the account of the County.

"Owner" (or "Bondholder") shall mean the registered owners of the Bonds as shown on the registration books of the Bond Registrar maintained pursuant to Section 2.04.

"Participant" shall mean one of the entities which is a member of the Securities Depository and deposits securities, directly or indirectly in the Book-Entry Only System maintained pursuant to Section 2.10.

"Paying Agent" shall mean the County or a bank or trust company, either within or without the State of Florida, designated as such by resolution of the County, which shall perform such functions as Paying Agent as are required by this Indenture with respect to one or more Series of Bonds. Notwithstanding the preceding sentence, the Trustee shall be the initial Paying Agent for the Series 1998 Bonds.

"Person" shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof, unless the context shall otherwise indicate.

"Pledged Revenue" shall mean for any period, the portion of the Net Revenue for such period deposited to the credit of the General Fund which is legally available for the payment of obligations under this Indenture pursuant to Section 5.13 of the Senior Bond Resolution less Administrative Expenses for such period, which Net Revenue while on deposit in the General Fund shall be subject to superior liens and claims in accordance with the provisions of the Senior Bond Resolution and this Indenture.

"Port Director" shall mean the Director of the Port or its designee or the Person succeeding to its principal functions.

"Port Facilities" shall mean all structures, terminals, warehouses, docks, approaches, channels, berths, slips, railroads, roadways, quay walls, jetties, lifts, turning basins, all lands or interests therein, buildings, machinery, franchises, pipes, fixtures, equipment and other property, real or personal, tangible or intangible, and including all port facilities as defined in Chapter 315, Florida Statutes, now or hereafter owned by the County and operated by the Department, or owned by some other Person and operated by the Department, together with any and all Improvements thereto or to any part thereof.

"Principal and Interest Requirements" shall mean the respective amounts which are required in any period, as applicable, to provide:

(a) for paying the interest on all Bonds then Outstanding which is payable on each Interest Payment Date in such period (the "Interest Requirement");

(b) for paying the principal of all Serial Bonds then Outstanding which is payable upon the maturity of Serial Bonds in such period (together with clause (c) immediately below, the "Principal Requirement"); and

(c) for paying the Amortization Requirements, if any, for all Term Bonds then Outstanding for such period (together with clause (b) immediately above, the "Principal Requirement").

For purpose of computing (a), (b) and (c) above, any principal, interest or Amortization Requirements due on the first day of a period shall be deemed due in the preceding period.

The following rules shall apply in determining the amount of the Principal and Interest Requirements for any period:

(i) the interest rate on Variable Rate Bonds shall be assumed to be (A) the Average Rate of interest on all Variable Rate Bonds during the twelve months ending with the month preceding the date of calculation or such shorter period of time as such Variable Rate Bonds may have been Outstanding or, (B) in the event there were no Variable Rate Bonds Outstanding during the twelve months preceding the date of calculation, then the initial rate of interest;

(ii) in the case of Put Bonds, the date or dates on which the Owner of such Put Bonds may elect or be required to tender such Bonds for payment or purchase shall be ignored if the source for said payment or purchase is a Credit Facility or a Liquidity Facility and the stated dates for Amortization Requirements and principal payments thereof shall be used for purposes of this calculation; provided, however, that during any period of time after the Credit Provider has advanced funds under a Credit Facility or a Liquidity Provider has advanced funds under a Liquidity Facility and before such amount is repaid, Principal and Interest Requirements shall include the principal amount so advanced and interest thereon, in accordance with the principal repayment schedule and interest rate or rates specified in the reimbursement or other similar agreement relating to such Credit Facility or Liquidity Facility;

(iii) in the case of Capital Appreciation Bonds, the principal and interest portions of the Accreted Value becoming due at maturity or by virtue of an Amortization Requirement in that period's calculation shall be included;

(iv) in the case of Capital Appreciation and Income Bonds, the principal and interest portions of the Appreciated Value becoming due at maturity or by virtue of an Amortization Requirement in that period's calculation shall be included;

(v) in the case of Convertible Bonds, the calculations shall be based on the form of the Bonds as of the time of the calculation without regard to any unexercised conversion feature; and

(vi) if interest on a Series of Bonds is payable from amounts set aside irrevocably for such purpose at the time such Bonds are issued, or if principal, interest or Amortization Requirements are payable from investment earnings retained or deposited

in the Sinking Fund in accordance with Section 6.02, interest, principal and Amortization Requirements on such Series of Bonds shall be included in Principal and Interest Requirements only to the extent of the amount of interest, Principal and Amortization Requirements payable in a period from amounts other than amounts so funded to pay same.

(vii) To the extent that the County has entered into a Hedge Agreement with respect to any Bonds and notwithstanding the provisions of clauses (i) through (vi) above, while the Hedge Agreement is in effect and so long as the Counterparty has not defaulted in its obligations thereunder, for the purpose of determining the Interest Requirements the interest rate with respect to the principal amount of such Bonds equal to the "notional" amount specified in the Hedge Agreement shall be assumed to be (A) if the County's Hedge Obligations under the Hedge Agreement are computed based upon a fixed rate of interest, the actual rate of interest upon which the County's Hedge Obligations are computed under such Hedge Agreement, and (B) if the County's Hedge Obligations under the Hedge Agreement are computed based upon a variable rate of interest, the "average rate" of interest for the County's Hedge Obligations under the Hedge Agreement during the twelve months ending with the month preceding the date of calculation or such shorter period of time as the Hedge Agreement has been in effect or if the Hedge Agreement was not in effect during such period, then the initial rate of interest for the County's Hedge Obligations under the Hedge Agreement; "average rate" with respect to the County's Hedge Obligations shall mean the rate determined by dividing the total amount paid by the County under the Hedge Agreement during such period used in clause (B) hereof (without taking into account Hedge Receipts during such period) by the "notional" amount specified in the Hedge Agreement for such period.

"Project" shall mean the Improvements financed with the proceeds of Additional Senior Bonds.

"Promissory Note" shall have the meaning ascribed to it in the recitals to this Indenture.

"Provider Bonds" shall have the meaning ascribed to it in Section 3.10(d)(i)(2).

"Provider Rate" shall mean the interest rate which Provider Bonds bear, from time to time, as determined in the accordance with the provisions of the Liquidity Facility or any reimbursement or similar agreement entered into between the County and the Liquidity Provider.

"Purchase Date" means the date upon which the Tender Agent is obligated to purchase a Series 1998 Bond or Series 1998 Bonds pursuant to Article III.

"Purchase Price" of any Series 1998 Bond required to be purchased by the Tender Agent pursuant to Article III means an amount equal to the principal amount of such Series 1998 Bond plus, if the Purchase Date is other than an Interest Payment Date, accrued interest thereon, at the rate applicable to the Series 1998 Bond from the most recent Interest Payment Date and up to but excluding the Purchase Date.

"Put Bonds" shall mean all Bonds which, in accordance with this Indenture (including any Supplemental Indenture authorizing the issuance of a Series of Bonds), may be tendered for payment or purchase by or on behalf of the County prior to the stated maturities thereof.

"Quarterly Rate" shall mean the interest rate determined for the Series 1998 Bonds for any Quarterly Rate Period pursuant to Section 2.06(f).

"Quarterly Rate Period" shall mean, while the Series 1998 Bonds bear interest at the Quarterly Rate, the period commencing on the Quarterly Rate Conversion Date for the Series 1998 Bonds, and on the first Business Day of each third calendar month thereafter, to but excluding the first Business Day of the third calendar month thereafter.

"Rate Consultant" shall mean a consultant or consulting firm or corporation at the time retained by the County pursuant to Section 7.05 of this Indenture to perform and carry out the duties imposed on the Rate Consultant by this Indenture, and which may be the Consulting Engineers.

"Rate Period" or "Period" shall mean, when used with respect to any particular rate of interest applicable to the Series 1998 Bonds (whether a Daily, Weekly, Monthly, Quarterly, Semiannual, Extended or Fixed Rate), the period during which such rate of interest will remain in effect pursuant to Section 2.06.

"Rating Agencies" shall mean Fitch, Moody's and S&P, or whichever of them, or any other rating agency which, shall maintain a rating on any of the Bonds at a given time at the request of the County.

"Rebate Fund" shall mean the Fund of that name created and maintained pursuant to Section 5.04.

"Record Date" shall mean, in the case of the Series 1998 Bonds (i) the Business Day immediately prior to the Interest Payment Date in question in the case of the Daily and Weekly Rate Periods, (ii) the last Business Day at least 5 days prior to the Interest Payment Date in question in the case of the Monthly Rate Periods, and (iii) the 15th day (whether or not a Business Day) of the calendar month immediately preceding such Interest Payment Date in the case of a Quarterly, Semiannual, Extended Rate or Fixed Rate Period. "Record Date" shall mean, in the case of any other Bonds, the date fifteen days next preceding an Interest Payment Date, whether or not a Business Day, or the date otherwise designated as such in any Supplemental Indenture authorizing the issuance of such Bonds.

"Refunding Bonds" shall mean the Bonds issued pursuant to the provisions of Section 2.07 on a parity with any Outstanding Bonds.

"Refunding Senior Bonds" shall mean Senior Bonds hereafter issued under Section 2.08 of the Senior Bond Resolution.

"Remarketing Agent" means the remarketing agent appointed pursuant to Section 13.07.

"Remarketing Agreement" means the Remarketing Agreement dated as of even date herewith between the County and the Remarketing Agent.

"Renewal and Replacement Fund" shall mean the fund of that name created and maintained pursuant to Section 5.06 of the Senior Bond Resolution.

"Representation Letter" shall mean the Letter of Representation from the County to DTC dated November 16, 1995.

"Reserve Facility" shall mean any insurance policy, surety bond, irrevocable letter of credit or other credit agreement or similar facility maintained by the County in lieu of or in partial substitution for cash or securities on deposit in the Debt Service Reserve Fund.

"Reserve Facility Provider" shall mean any provider of a Reserve Facility.

"S&P" shall mean Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the County by written notice of an Authorized Officer to the Trustee.

"Securities Depository" shall mean DTC or its nominee, and its successors appointed by the County in accordance with the provisions of Section 2.10.

"Semiannual Rate" shall mean the interest rate determined for a Semiannual Rate Period pursuant to Section 2.06(g).

"Semiannual Rate Period" shall mean, while the Series 1998 Bonds bear interest at the Semiannual Rate, the period commencing on the Semiannual Rate Conversion Date and from and including the first Business Day of each sixth calendar month thereafter to but excluding the first Business Day of the sixth calendar month thereafter.

"Senior Bond Resolution" shall have the meaning ascribed to it in the recitals to this Indenture.

"Senior Bonds" shall have the meaning ascribed to it in the recitals to this Indenture.

"Senior Credit Provider" shall mean Credit Provider as defined in Section 1.04 of the Senior Bond Resolution.

"Senior Hedge Agreement" shall mean Hedge Agreement as defined in Section 1.04 of the Senior Bond Resolution.

"Senior Principal and Interest Requirements" shall mean Principal and Interest Requirements as defined in Section 1.04 of the Senior Bond Resolution.

"Senior Rebate Fund" shall mean the Rebate Fund created and maintained pursuant to Section 5.06 of the Senior Bond Resolution.

"Senior Reserve Account Credit Facility" shall mean Reserve Account Credit Facility as defined in Section 1.04 of the Senior Bond Resolution.

"Serial Bonds" shall mean the Bonds of a Series which are stated to mature in annual installments.

"Series" shall mean the Bonds delivered at any one time under the provisions of Article II.

"Series 1998 Bonds" shall mean the Broward County, Florida Subordinate Port Facilities Refunding Revenue Bonds, Series 1998, authorized to be issued pursuant to Section 2.06.

"Sinking Fund" shall mean the Fund of that name created and maintained pursuant to Section 5.06.

"Special Purpose Bonds" shall mean the bonds, notes or other evidences of indebtedness issued by the County in accordance with Section 7.10 of this Indenture.

"Special Purpose Facilities" shall mean the Port Facilities financed by Special Purpose Bonds and shall have the meaning set forth in Section 7.10 of the Senior Bond Resolution.

"Special Record Date" shall mean, with respect to any Bond the date established by the County in connection with the payment of overdue interest on the Bonds pursuant to Section 2.02.

"Special Termination Event" shall mean a termination event under a Liquidity Facility whereby the Liquidity Provider immediately terminates or suspends its obligation to purchase Series 1998 Bonds tendered for purchase.

"State" shall mean the State of Florida.

"Subaccount" shall mean any subaccount created and maintained pursuant to this Indenture.

"Subordinated Obligation" shall mean an obligation or other evidence of indebtedness described in, and complying with the provisions of, Section 7.11 of the Senior Bond Resolution.

"Supplemental Indenture" shall mean an indenture supplemental hereto or amendatory hereof entered into by the County and the Trustee pursuant to the terms hereof.

"Taxable Bond" shall mean any Bond issued under this Indenture, if in connection with such issuance there was not delivered to the County an opinion of Bond Counsel to the effect that the interest on such Bond is not included in the gross income of the Owners thereof for purposes of federal income taxation.

"Tender Agent" shall mean The Bank of New York, a New York banking corporation, or any successor or successors appointed in accordance with Section 13.09 of this Indenture.

"Tender Agent Agreement" shall mean the Tender Agent Agreement dated as of even date herewith between the County and the Tender Agent.

"Term Bonds" shall mean Bonds which shall be stated to mature on one date and for the amortization of which payment of Amortization Requirements are required to be made into the Sinking Fund.

"Trustee" shall mean The Bank of New York, a New York banking corporation, or any other bank or trust company, either within or without the State of Florida, having fiduciary powers and designated as Trustee in the manner provided in Section 8.08.

"Trust Estate" shall have the meaning ascribed to it in the recitals to this Indenture.

"Variable Rate" means, as the context requires, the Daily, Weekly, Monthly, Quarterly, Semiannual or Extended Rate applicable to the Series 1998 Bonds.

"Variable Rate Bonds" shall mean Bonds issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage for the entire term thereof at the date of issue, and which may be convertible to a fixed interest rate.

"Weekly Rate" shall mean the interest rate determined for a Weekly Rate Period pursuant to Section 2.06(d) hereof.

"Weekly Rate Period" shall mean, while the Series 1998 Bonds bear interest at the Weekly Rate, the period commencing on Thursday of each week (or in the case of the first Weekly Rate Period, on the date of original issuance and delivery of the Series 1998 Bonds) to but excluding Thursday of the following week (or in the case of the first Weekly Rate Period, the Thursday immediately following the date of original issuance and delivery of the Series 1998 Bonds), except that (a) in the case of a conversion to a Weekly Rate Period from a different Variable Rate Period, the initial Weekly Rate Period shall be from and including and including the Weekly Rate Conversion Date to but excluding Thursday of the following week, and (b) in the case of a conversion of the Series 1998 Bonds from a Weekly Rate Period to a different Rate Period, the last Weekly Rate Period shall end on and exclude the Conversion Date.

SECTION 1.02. Interpretation. (a) In this Indenture, unless the context otherwise requires:

(i) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Indenture, refer to this Indenture, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this Indenture;

(ii) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(iii) References to Articles and Sections refer to Articles and Sections of this Indenture unless the context specifically requires otherwise;

(iv) Any headings preceding the text of the several Articles and Sections of this Indenture, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect; and

(v) References to Funds shall include any and all Accounts or Subaccounts therein, unless the context otherwise requires.

(b) Whenever in this Indenture the County or the Trustee is named or referred to, it shall include, and shall be deemed to include, its respective successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the County or the Trustee contained in this Indenture shall bind and inure to the benefit of such respective successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the County or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this Indenture.

(c) Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person other than the County, the Trustee, any Credit Provider, any Liquidity Provider, any Reserve Facility Provider, including their respective agents, and the Owners, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements in this Indenture contained by or on behalf of the County shall be for the sole benefit of the County, the Trustee, any Credit Provider, any Liquidity Provider, any Reserve Facility Provider, including their respective agents and the Owners.

ARTICLE II

AUTHORIZATION, DETAILS, EXECUTION, DELIVERY AND REGISTRATION OF BONDS

SECTION 2.01. Authorization of Bonds. The County shall not issue any Bonds while this Indenture is in effect except in accordance with the provisions of this Article II. Bonds may be issued in one or more Series only for purposes permitted under this Article II. The total principal amount of Bonds that may be issued and Outstanding under this Indenture is unlimited. Any two or more Series may be consolidated for purposes of sale in such manner as may be provided herein or in the Supplemental Indenture authorizing the issuance of the Bonds of such Series. The principal of, redemption premium, if any, and interest on all Bonds shall be payable solely from the Trust Estate.

Upon the issuance of a Series of Bonds under the terms, limitations and conditions herein provided, the County shall provide for the funding of the Debt Service Reserve Fund in an amount equal to the Debt Service Reserve Fund Requirement, all as set forth herein with respect to the Series 1998 Bonds and in the Supplemental Indenture authorizing the issuance of any other Series of Bonds. The County may establish a separate Account in the Debt Service

Reserve Fund for each Series of Bonds, including those secured by a Reserve Facility, and the Owners of Bonds secured by such separate account shall not be secured by any other Account or Reserve Facilities in the Debt Service Reserve Fund.

SECTION 2.02. Details of Bonds. The Bonds of each Series issued under the provisions of this Indenture shall be designated "Broward County, Florida Subordinate Port Facilities Refunding Revenue Bonds, Series ____", and may be further designated as "Taxable", as the County may determine to be appropriate, in each case inserting the year of issuance and any identifying series letter after the word "Series", subject to such variations or changes as may be determined necessary or appropriate by the County and specified as hereinafter provided with respect to the Series 1998 Bonds or in a Supplemental Indenture authorizing the issuance of the Bonds of any other Series. The Bonds shall be in such amounts, if any, of Serial Bonds and/or Term Bonds and in the form of Capital Appreciation Bonds, Capital Appreciation and Income Bonds, Convertible Bonds, Put Bonds, Variable Rate Bonds or such other form of Bonds which may be marketable from time to time, or any combination thereof, as the County may determine. Except as otherwise provided in a Supplemental Indenture authorizing the issuance of a Series of Bonds, the Bonds of such Series shall be in fully registered form as to principal and interest, without coupons. Except as otherwise provided in a Supplemental Indenture authorizing the issuance of a Series of Bonds, both the principal of and the interest on the Bonds of such Series shall be payable in any coin or currency of the United States of America, or by check or wire payment in such currency, as, at the respective times of payment, is legal tender for the payment of public and private debts.

Payment of interest on any Interest Payment Date with respect to the Bonds, other than Capital Appreciation Bonds and interest on Capital Appreciation and Income Bonds that accrues prior to the Interest Commencement Date, shall be made to the Person appearing on the registration books of the County maintained pursuant to Section 2.04, as of the close of business on the Record Date. Such interest shall be payable by check or draft drawn on a Paying Agent and shall be mailed on the Interest Payment Date to each Owner as of the Record Date, at its address as it appears on said registration books, or in the case of an Owner of $1,000,000 or more of Bonds, by wire transfer to a domestic bank account specified in writing by such Owner to the Trustee and Paying Agent at least 15 days prior to an Interest Payment Date.

If and to the extent that the County shall fail to make a required payment or provision for payment of interest on any Bond on any Interest Payment Date, that interest shall cease to be payable to the Person who was the Owner of that Bond as of the applicable Record Date. When moneys become available for payment of interest on such Bond, the Trustee shall establish a Special Record Date for the payment of that interest which shall not be more than twenty, nor fewer than ten, days prior to the date of the proposed payment. Not fewer than ten days prior to the Special Record Date, notice of the proposed payment and of the Special Record Date therefor shall be mailed to each Owner of record on the fifth day prior to such mailing at its address as it appears on the registration books of the County maintained pursuant to Section 2.04. Thereafter, such interest shall be payable to the Owners of such Bonds at the close of business on the Special Record Date.

The principal of, and redemption premium, if any, on the Bonds, the Accreted Value of Capital Appreciation Bonds and the Appreciated Value of Capital Appreciation and Income

Bonds shall be payable to or upon the order of the Owner or its duly authorized attorney or legal representative, as the same falls due, upon the presentation and surrender of such Bonds at the designated corporate trust office of the Paying Agent.

Each Series of Bonds (other than the Series 1998 Bonds) shall be authorized by a Supplemental Indenture which shall establish or provide a means of establishing the following:

(a) the purpose for which such Bonds are to be issued, which shall be a purpose permitted under this Article II;

(b) the manner in which the proceeds of the sale of such Bonds are to be applied, including any required deposits to the Funds, Accounts and Subaccounts;

(c) whether such Bonds shall be issued as Serial Bonds, Term Bonds, or a combination of the foregoing and whether such Bonds shall be in the form of Capital Appreciation Bonds, Capital Appreciation and Income Bonds, Convertible Bonds, Put Bonds, Variable Rate Bonds or any other form of Bond which may become marketable from time to time, or any combination of such forms as determined by the County;

(d) the Authorized Denominations in which such Bonds are issuable;

(e) the amount or amounts, date or dates, maturity date or dates (not exceeding the maximum number of years after the date of original issuance as is permitted by law), and interest rate or rates (not exceeding the maximum rate permitted by law) with respect to such Bonds;

(f) the Interest Payment Dates for such Bonds;

(g) the redemption and tender provisions, if any, for such Bonds;

(h) the appointment of the Paying Agent and Bond Registrar for such Bonds and any remarketing agent, Credit Provider, Liquidity Provider or Reserve Facility Provider to be appointed in connection with the issuance of such Bonds and the authority to execute agreements relating to the functions to be performed by any such Person, to the extent applicable to any of such Bonds;

(i) the creation of any additional Funds, Accounts and Subaccounts applicable to such Bonds and the designation of any such additional Funds, Accounts and Subaccounts as being established with respect to such Bonds;

(j) the manner in which the County shall ensure that the Debt Service Reserve Fund Requirement shall be satisfied at the time of issuance of such Bonds;

(k) the designated corporate trust office of the Bond Registrar and Paying Agent for such Bonds; and

(l) such other matters as required by this Indenture to be established in a Supplemental Indenture or otherwise deemed appropriate by the County to be included therein and not inconsistent with the provisions of this Indenture.

SECTION 2.03. Execution, Authentication; Bond Form. Except as otherwise permitted or required by the Act or applicable law, the Bonds shall be signed by, or bear the facsimile signature of, the Chair. The official seal of the County or a facsimile thereof shall be imprinted or impressed on the Bonds. Such official seal shall be attested by the signature or facsimile signature of the County Administrator. In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds shall cease to be such officer before such Bonds have been authenticated and transferred by the Bond Registrar or delivered by the County, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such authentication and transfer or delivery occurred. In addition, any Bond may bear the facsimile signature of, or may be signed by, such Persons as at the actual time of the execution of the Bond shall be the proper officers to execute such Bond although at the date of the Bond such Persons may not have been such officers.

Only such Bonds as have endorsed thereon a certificate of authentication as set forth in the form of Bond authorized by this Indenture, in the case of the Series 1998 Bonds, or a Supplemental Indenture authorizing the issuance of any other Series of Bonds, duly executed by the Bond Registrar, shall be entitled to any benefit or security under this Indenture. No Bonds shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Bond has been duly executed by the Bond Registrar, and such certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized signatory of the Bond Registrar, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. The Series 1998 Bonds shall be substantially in the form attached as Exhibit A hereto. Each other Series of Bonds shall be substantially in the form set forth in the Supplemental Indenture authorizing the issuance of such Bonds.

SECTION 2.04. Bond Registrar; Registration, Transfer and Exchange. The County shall cause books for the registration and transfer of Bonds to be kept by the Bond Registrar. Unless otherwise provided with respect to a Series of Bonds in the Supplemental Indenture authorizing the issuance of the Bonds of such Series, all Bonds shall be registered in such books upon issuance thereof, who shall make notation of such registration thereon and shall not be registered to bearer. Bonds shall thereafter be transferred only by the Owner of such Bonds, in person or by its duly authorized attorney or legal representative, upon the surrender thereof together with a written assignment duly executed by the Owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. The registration of such transfer shall be made on such registration books and endorsed on the Bond by the Bond Registrar. Upon the transfer of any Bond, the Bond Registrar shall cause to be issued in the name of the transferee a new Bond or Bonds.

Upon surrender at the designated corporate trust office of the Bond Registrar with a written instrument of transfer duly executed by the Owner or its duly authorized attorney or legal

representative, in such form as shall be satisfactory to the Bond Registrar, Bonds may be exchanged for a like aggregate principal amount of Bonds of other Authorized Denominations of the same Series, interest rate and maturity. The County shall execute, and the Bond Registrar shall authenticate and deliver such Bonds as the Owner making the exchange is entitled to receive.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the County shall execute and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Bond Registrar and canceled by the Bond Registrar in the manner provided in Section 2.05.

No charge shall be made to any Bondholder for the privilege of registration, transfer or exchange hereinabove granted, but any Bondholder requesting any such registration, transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto. The County and Bond Registrar shall not be required to execute, transfer or exchange any Bond during the period beginning at the close of business on a Record Date (or Special Record Date) and ending at the close of business on the next Interest Payment Date (or date set for payment of interest for which the Special Record Date was set). The County and Bond Registrar shall not be required to transfer or exchange any Bond: (a) during the 15 days immediately preceding the date of mailing of notice of the redemption of such Bond; or (b) after such Bond has been selected for redemption or has matured.

Each Bond delivered pursuant to any provision of this Indenture in exchange or substitution for, or upon the transfer of the whole or any part of, one or more other Bonds, shall carry all of the right to interest which is accrued and unpaid, and which is to accrue, on the whole or part of the Bonds previously carried, and notwithstanding anything contained in this Indenture, such newly delivered Bond shall be dated or bear such notation so that neither gain nor loss in interest the payment of which is not in default shall result from any exchange, substitution or transfer.

The County, the Trustee, the Paying Agent and the Bond Registrar may deem and treat the Person in whose name any Bond is registered on the books maintained pursuant to this Section 2.04 as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and none of the County, the Paying Agent or the Bond Registrar shall be affected by any notice to the contrary. All such payments shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. Notwithstanding anything to the contrary in this Indenture, the County may authorize the use of a book entry only system of beneficial ownership with respect to any Series of Bonds.

SECTION 2.05. Cancellation of Bonds. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Paying Agent when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the County and delivered to the Paying Agent for cancellation, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Paying Agent, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers, describing the Bonds so destroyed, and one executed certificate shall be filed with the Bond Registrar and the other executed certificate shall be kept by the Paying Agent.

SECTION 2.06. Authorization of Series 1998 Bonds.

(a) General Terms and Provisions.

(i) Terms of Series 1998 Bonds. The Series 1998 Bonds: (A) shall be issued in the initial aggregate principal amount of $49,000,000; (B) shall be dated the date of the issuance thereof; (C) shall mature on September 1, 2027; (D) shall be substantially in the form attached as Exhibit A hereto; (E) shall be payable as to interest on each Interest Payment Date established therefor at the rate per annum determined as provided in the form thereof and in this Section 2.06; (F) shall be subject to redemption, to optional and mandatory tender for purchase, and to remarketing, all as provided in the form thereof and in Article III; and (G) shall be considered Bonds for all purposes of this Indenture. Interest on Series 1998 Bonds bearing interest at the Daily Rate, Weekly Rate, Monthly Rate and Quarterly Rate will be calculated based on the actual days elapsed and a year of 365 or 366 days, as applicable, and interest on the Series 1998 Bonds bearing interest at the Semiannual Rate, Extended Rate or Fixed Rate will be calculated based on a year of 360 days consisting of twelve 30-day months.

(ii) Purposes of Series 1998 Bonds. The Series 1998 Bonds shall be issued for the purposes of providing funds to (A) refund and defease all of the 1998 Commercial Paper Notes, (B) repay $4,762,815.85 of the County Advance, (C) fund the Debt Service Reserve Fund Requirement in respect of the Series 1998 Bonds, and (D) paying certain costs of issuance and expenses relating to the Series 1998 Bonds.

(iii) Application of Proceeds. The proceeds of the Series 1998 Bonds shall be applied as follows:

(1) $40,165,325.34 shall be immediately paid to U.S. Bank Trust National Association, as Trustee for the 1998 Commercial Paper Notes, to refund and defease the 1998 Commercial Paper Notes;

(2) $4,762,815.85 shall be immediately applied to repay an equal amount of the County Advance;

(3) $3,393,588.20, an amount equal to the Debt Service Reserve Fund Requirement in respect of the Series 1998 Bonds, shall be delivered to the Trustee for deposit to the credit of the Debt Service Reserve Fund; and

(4) $592,293.31 shall be applied, or deposited to the credit of a special account established by the County to be applied, to the payment of the costs of issuance and expenses relating to the issuance of the Series 1998 Bonds, including, but not limited to, financial advisory, accounting and legal fees, rating agency fees, printing costs, initial Bond Registrar fees, initial Paying Agent fees, initial Trustee fees, Credit Facility and Liquidity Facility fees and expenses, and any other expenses relating to the issuance of the Series 1998 Bonds.

(iv) Conditions Precedent to Issuance of Series 1998 Bonds. The Series 1998 Bonds shall be authenticated by the Bond Registrar and delivered by the Trustee in such manner as shall be specified in writing by an Authorized Officer, but only after the Series 1998 Bonds shall have been executed as provided in this Indenture and there shall have been delivered the following:

(A) to the Trustee, fully executed copies of this Indenture, the Initial Credit Facility, the Initial Liquidity Facility, the Initial Hedge Agreement, the Remarketing Agreement and the Tender Agent Agreement;

(B) to the Trustee, separate written opinions of Bond Counsel in the form included as Appendix F to the Official Statement; and

(C) to, or for the account of, the County, $48,914,022.70, in immediately available funds, constituting the purchase price for the Series 1998 Bonds upon their initial issuance and delivery.

(b) Variable Rate; Determination by Remarketing Agent; Notice of Rates Determined.

The Series 1998 Bonds shall initially bear interest at the Weekly Rate until converted to another Rate Period as provided herein. Subject to the further provisions of this Article II with respect to particular Variable Rates or conversions between Rate Periods, and subject to the provisions of the Series 1998 Bonds, the Variable Rate to be applicable to Series 1998 Bonds during any Variable Rate Period shall be determined by the Remarketing Agent as provided in this Section 2.06 and notice thereof shall be given as follows:

(i) Notice of each preliminary Variable Rate and Variable Rate shall be given as follows:

(A) By the Remarketing Agent to the Trustee, the Bond Registrar and the Tender Agent by telephone (followed by notice in writing by an authorized officer of the Remarketing Agent) not later than 5:00 p.m., New York City time, (10:00 a.m., New York City time, with respect to Daily Rates) on the date of determination; and

(B) On the last Business Day of each month or more frequently upon the Credit Provider's or Liquidity Provider's written request, the Tender Agent shall provide written notice thereof to the Credit Provider and the Liquidity Provider.

Notice of each preliminary Monthly, Quarterly, Semiannual and Extended Rate, and of each Monthly, Quarterly, Semiannual and Extended Rate, shall be given by the Bond Registrar by sending notice in writing to the Owners of the Series 1998 Bonds and the Trustee not later than 5:00 p.m., New York City time, on the third Business Day following the date of determination. The Tender Agent shall inform the Owners of the Series 1998 Bonds and the Trustee of the Daily and Weekly Rates upon request.

(ii) The preliminary Variable Rate or the Variable Rate so to be determined shall be the lowest rate of interest which, in the judgment of the Remarketing Agent, would

cause the Series 1998 Bonds to have a market value equal to the principal amount thereof, plus accrued interest, under prevailing market conditions as of the date of determination of such preliminary Variable Rate or Variable Rate. The preliminary Variable Rate is intended to serve only as an indication of the lowest interest rate that would cause the Series 1998 Bonds to have a market value equal to par under market conditions on the date on which such preliminary Variable Rate is determined. The Variable Rate determined after the preliminary Variable Rate is determined may be higher, lower or the same as such preliminary Variable Rate. Notwithstanding the foregoing, in no event shall the preliminary Variable Rate or the Variable Rate for any Variable Rate Period exceed the Maximum Rate.

(iii) All determinations of Variable Rates pursuant to this Section shall be conclusive and binding upon the County, the Trustee, the Bond Registrar, the Tender Agent, the Credit Provider, the Liquidity Provider, and the Owners of the Series 1998 Bonds. The County, the Trustee, the Bond Registrar, the Tender Agent and the Remarketing Agent shall not be liable to the Owner of any Series 1998 Bond for failure to give any notice required above or for failure of the Owner of any Series 1998 Bond to receive any such notice.

(c) Daily Rates.

(i) Daily Rate Periods shall be from each Business Day to but excluding the following Business Day.

(ii) The Daily Rate for each Daily Rate Period shall be determined by the Remarketing Agent not later than 10:00 a.m., New York City time, on the commencement date of the Daily Rate Period to which it relates.

(d) Weekly Rates.

(i) The first Weekly Rate Period shall commence on the date of original issuance and delivery of the Series 1998 Bonds and shall run to but excluding the next succeeding Thursday. Weekly Rate Periods thereafter shall be from Thursday of each week to but excluding Thursday of the following week; except that (A) in the case of a conversion to a Weekly Rate Period from a different Variable Rate Period, the initial Weekly Rate Period for the Series 1998 Bonds shall be from and including the Weekly Rate Conversion Date to but excluding Thursday of the following week; and (B) in the case of a conversion of the Series 1998 Bonds from a Weekly Rate Period to a different Rate Period, the last Weekly Rate Period shall end on and exclude the Conversion Date.

(ii) The Weekly Rate for each Weekly Rate Period shall be determined not later than 4:00 p.m., New York City time, on Wednesday or, if such Wednesday is not a Business Day, the last Business Day which is immediately prior to the commencement date of the Weekly Rate Period to which it relates.

(e) Monthly Rates.

(i) Monthly Rate Periods shall be from and including the first Business Day of each calendar month to but excluding the first Business Day of the following month.

(ii) The Monthly Rate for each Monthly Rate Period shall be determined as follows:

(A) A preliminary Monthly Rate for each Monthly Rate Period shall be determined not later than 4:00 p.m., New York City time, on the last Business Day which is at least 8 days immediately preceding the commencement date of such period; and

(B) The actual Monthly Rate for each Monthly Rate Period shall be determined not later than 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of such period.

(f) Quarterly Rates.

(i) Quarterly Rate Periods shall be (A) from and including the Quarterly Rate Conversion Date for the Series 1998 Bonds and from and including the first Business Day of each third calendar month thereafter; (B) to but excluding the first Business Day of the third calendar month thereafter.

(ii) The Quarterly Rate for each Quarterly Rate Period shall be determined as follows:

(A) A preliminary Quarterly Rate for each Quarterly Rate Period shall be determined not later than 4:00 p.m., New York City time, on the last Business Day which is at least 15 days preceding the commencement date of such period; and

(B) The actual Quarterly Rate for each Quarterly Rate Period shall be determined not later than 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of such period.

(g) Semiannual Rates.

(i) Semiannual Rate Periods shall be (A) from and including the Semiannual Rate Conversion Date for the Series 1998 Bonds and from and including the first Business Day of each sixth calendar month thereafter; (B) to but excluding the first Business Day of the sixth month thereafter.

(ii) The Semiannual Rate for each Semiannual Rate Period shall be determined as follows:

(A) A preliminary Semiannual Rate for each Semiannual Rate Period shall be determined not later than 4:00 p.m., New York City time, on the last Business Day which is at least 30 days immediately preceding the commencement date of such period;

(B) The actual Semiannual Rate for each Semiannual Rate Period shall be determined not later than 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of such period.

(h) Extended Rates.

(i) Extended Rate Periods shall commence initially on the Extended Rate Conversion Date for the Series 1998 Bonds, and subsequently on the first Business Day of the calendar month following the last day of the prior Rate Period and extend for a period of one year or integral multiples of six months in excess of one year set by the Remarketing Agent, and end on a day which is the last day preceding the first Business Day of a calendar month.

(ii) The Extended Rate for each Extended Rate Period shall be determined as follows:

(A) A preliminary Extended Rate for each Extended Rate Period shall be determined not later than 4:00 p.m., New York City time, on the last Business Day which is at least 30 days immediately preceding the commencement date of such period;

(B) The actual Extended Rate for each Extended Rate Period shall be determined not later than 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of such period.

(i) Limitation on Rate Periods. None of the Variable Rate Periods may extend beyond the scheduled expiration date of the Credit Facility or the Liquidity Facility.

(j) Conversion between Variable Rate Periods. At the option of the County and upon delivery of an Opinion of Bond Counsel to the Trustee and the County, the Series 1998 Bonds may be converted from one Variable Rate Period to another as provided in this clause (j). In the case of conversion from one Variable Rate Period to a different Variable Rate Period, the Conversion Date shall be an Interest Payment Date for the Variable Rate Period from which the conversion is to be made; provided, however, that in the case of a conversion from an Extended Rate Period, the Conversion Date shall be limited to an Interest Payment Date on which a new Extended Rate Period for the Series 1998 Bonds would otherwise have commenced pursuant to Section 2.06(h). At the direction of the County, the Remarketing Agent shall give written notice of any conversion pursuant to this Section to the Trustee, the Bond Registrar, the Tender Agent, the County, the Credit Provider and the Liquidity Provider not less than five Business Days prior to the date on which the Tender Agent is required to notify the Owners of the conversion in the manner provided in this clause (j). Such notice shall specify the Conversion Date and the Rate Period to which the conversion will be made. Not less than 30 days prior to any Conversion Date, the Tender Agent shall mail or cause the Bond Registrar to mail a written notice of the conversion to the County, the Trustee, the Credit Provider, the Liquidity Provider and all of the Owners of the Series 1998 Bonds. Such notice shall set forth (A) the information contained in the notice from the Remarketing Agent pursuant to this clause (j) above, (B) the Interest Payment Dates for the new Rate Period, (C) the dates on which the Remarketing Agent will determine and the Tender Agent will notify the Owners of the preliminary Variable Rate (if applicable) and the Variable Rate for the Variable Rate Period commencing on the Conversion Date, and (D) the matters required to be stated pursuant to Section 3.08(b) with respect to purchases of Series 1998 Bonds which are governed by such Section.

(k) Determination of Variable Rate Effective on Conversion Date. The preliminary Variable Rate (if applicable) and the Variable Rate for the Variable Rate Period commencing on the Conversion Date shall be determined by the Remarketing Agent in the manner and on the dates provided in this Section 2.06. In addition to determining the Variable Rate for the Rate Period to which conversion is to be made, the Remarketing Agent shall determine a Weekly Rate at the time specified in Section 2.06(d), and give notice thereof to the Tender Agent, the Bond Registrar and the Trustee, which Weekly Rate shall take effect, if needed, pursuant to clause (l) below.

(l) Conditions on which Conversion Ineffective. Notwithstanding the delivery of notice of conversion pursuant to clause (j) above, conversion to a new Variable Rate Period shall not take effect as to the Series 1998 Bonds if:

(i) The Remarketing Agent fails to determine a Variable Rate for the Rate Period to which the conversion is to be made;

(ii) Any notice required by Section 2.06(j) is not given when required;

(iii) There is not delivered to the County and the Trustee an Opinion of Bond Counsel, dated as of the Conversion Date;

(iv) Such notice of conversion is rescinded by the County by written notice of such rescission to the Trustee and the Remarketing Agent which written notice is delivered prior to the applicable Conversion Date. If the Trustee receives notice of such rescission prior to the time the Trustee has given notice to the Owners of the Series 1998 Bonds, then such notice of conversion shall be of no force and effect. If the Trustee receives notice of such rescission after the Trustee has given notice to the Owners of the Series 1998 Bonds, then the Series 1998 Bonds shall automatically adjust to a Weekly Rate Period. Any purchases of Series 1998 Bonds scheduled or required to take place on the proposed effective date of any Rate Period (being also the effective date of the automatic adjustment to a Weekly Rate Period as in this Section 2.06(l) provided) shall take place on such date. No Opinion of Bond Counsel shall be required in connection with any automatic adjustment to a Weekly Rate Period as in this Section 2.06(l) provided; or

(v) There is not delivered to the Trustee written evidence from the Rating Agencies that any such conversion to a Quarterly Rate, Semiannual Rate or Extended Rate will not, of itself, cause a reduction or withdrawal of any rating then assigned to the Series 1998 Bonds.

Except as specifically provided in (iv) above, in any such event, the Series 1998 Bonds which were to be converted shall automatically be converted to a Weekly Rate Period on the date such conversion was to be made, provided that any mandatory or optional tender for purchase on the Conversion Date shall nevertheless be carried out. No cancellation of a conversion pursuant to this subsection shall constitute an Event of Default hereunder. Upon the occurrence of an event described in (i) above, the Weekly Rate for the Series 1998 Bonds shall be the per annum rate of interest determined on each Thursday (or if such day is not a Business Day, the immediately

preceding Business Day) by the Trustee which is equal to the lesser of the Maximum Rate and a rate equal to "The Bond Market Association Municipal Swap Index" (or a comparable index, if such index is no longer published) most recently published, plus 50 basis points.

(m) Conversion to Fixed Rate. The Series 1998 Bonds shall be converted to bear interest at a Fixed Rate upon request of the County as provided in this clause (m). The Fixed Rate Conversion Date shall be:

(i) In the case of a conversion from a Variable Rate Period other than an Extended Rate Period, an Interest Payment Date for the Series 1998 Bonds on which interest is payable for the Variable Rate Period from which the conversion is to be made; and

(ii) In the case of a conversion from an Extended Rate Period, an Interest Payment Date for the Series 1998 Bonds on which a new Extended Rate Period would otherwise have commenced pursuant to Section 2.06(h).

Not less than 45 days (or such shorter period approved by the parties to receive the same) prior to the Fixed Rate Conversion Date, the County shall give written notice to the Trustee, the Bond Registrar, the Tender Agent, the Remarketing Agent, the Credit Provider and the Liquidity Provider, setting forth (A) the election to convert the Series 1998 Bonds to a Fixed Rate, and (B) the proposed Fixed Rate Conversion Date. As a condition of any such conversion, the Trustee, the Credit Provider, the Liquidity Provider and the Remarketing Agent shall receive, concurrently with the notice, an Opinion of Bond Counsel.

(n) Preliminary Determination of Terms of Series 1998 Bonds while Bearing Interest at the Fixed Rate. The Remarketing Agent shall make a preliminary determination of the Fixed Rate or Fixed Rates for the Series 1998 Bonds and the maturities of the Series 1998 Bonds in the same manner as is provided for the final determination of rates pursuant to Section 2.06(p). Such preliminary determination shall be made on a Business Day which is at least 35 days prior to the Fixed Rate Conversion Date. On the date of the preliminary determination, the Remarketing Agent shall notify the Tender Agent and the Tender Agent shall notify the County, the Trustee, the Bond Registrar, the Credit Provider and the Liquidity Provider, by telephone (promptly confirmed in writing), telegram, telecopy, telex or other similar means of communication of the preliminary Fixed Rate or Rate or Rates so determined.

(o) Notice of Conversion to Fixed Rate. The Tender Agent shall mail or cause the Bond Registrar to mail a notice of the proposed conversion to the County, the Bond Registrar, the Trustee, the Credit Provider, the Liquidity Provider and the Owners of all Series 1998 Bonds to be converted. Such notice shall be mailed not less than 30 days prior to the proposed Fixed Rate Conversion Date. Such notice shall set forth the proposed Fixed Rate Conversion Date and state:

(i) that the Series 1998 Bonds are subject to mandatory tender for purchase (without the right to retain) on the Fixed Rate Conversion Date at a Purchase Price of par plus accrued interest; and

(ii) that the Series 1998 Bonds shall be deemed purchased on the Fixed Rate Conversion Date, and thereafter the Owner shall have no further rights hereunder except to receive such Purchase Price.

(p) Determination of Fixed Rate. The Remarketing Agent shall determine the Fixed Rate or Fixed Rates for the Series 1998 Bonds by not later than 3:30 p.m., New York City time, on the last Business Day that is at least 5 days prior to the Fixed Rate Conversion Date for the Series 1998 Bonds. The Fixed Rate or Fixed Rates shall be the lowest rate or rates of interest per annum (not in excess of the maximum rate of interest allowed by law) which, in the judgment of the Remarketing Agent as of the date of determination and under prevailing market conditions, would cause the Fixed Rate Series 1998 Bonds to have a market value equal to the principal amount thereof, plus accrued interest; provided, however, that, at the request of the County, the Fixed Rate or Fixed Rates can be such lower rate or rates of interest which, in the judgment of the Remarketing Agent as of the date of determination and under prevailing market conditions, would cause the Fixed Rate Series 1998 Bonds to have a market value of less than the principal amount thereof, plus accrued interest, but not less than 95% of the principal amount thereof, upon delivery of an Opinion of Bond Counsel to the Trustee, the Credit Provider, the Liquidity Provider and the Remarketing Agent. If necessary or desirable to achieve the lowest Fixed Rate or Fixed Rates on the Series 1998 Bonds, the Remarketing Agent may determine that some or all of the Series 1998 Bonds shall be converted to Serial Bonds maturing in years for which Amortization Requirements have been established for the Series 1998 Bonds and maturing in aggregate principal amounts that correspond to such Amortization Requirements. Not later than 4:00 p.m., New York City time, on the date of determination of the Fixed Rate, the Remarketing Agent shall notify the Tender Agent of the Fixed Rate or Fixed Rates and of any serialization of the maturities of the Series 1998 Bonds by telephone (promptly confirmed in writing). Such determination shall be conclusive and binding upon the County, the Trustee, the Tender Agent, the Credit Provider, the Liquidity Provider and the Owners of the Series 1998 Bonds. The Tender Agent shall make such Fixed Rate and serialization of the maturities of the Series 1998 Bonds available upon request by telephone (promptly confirmed in writing), telegram, telecopy, telex or other similar communication to the County, the Trustee, the Credit Provider and the Liquidity Provider. In addition to determining a Fixed Rate, the Remarketing Agent shall determine a Weekly Rate pursuant to Section 2.06(d) and give notice thereof to the Tender Agent, the Bond Registrar, the Trustee, the Credit Provider and the Liquidity Provider, which Weekly Rate shall take effect if needed pursuant to Section 2.06(q).

(q) Conditions on which Conversion to Fixed Rate Ineffective. Notwithstanding the delivery of notice of a Fixed Rate conversion pursuant to Section 2.06(o) above, conversion of Series 1998 Bonds to a Fixed Rate Period shall not take effect:

(i) if the County withdraws such notice of conversion not later than the Business Day preceding the date on which the Fixed Rate is to be determined;

(ii) if the Remarketing Agent fails to determine a Fixed Rate;

(iii) if any notice required by Section 2.06(o) is not given when required; or

(iv) if upon the conversion, any Fixed Rate Series 1998 Bonds would be Provider Bonds unless the Liquidity Provider consents.

In any of such events, the Series 1998 Bonds shall automatically be converted to a Weekly Rate for a Weekly Rate Period which shall commence on the date the Fixed Rate conversion was to be made, provided that the mandatory tender for purchase pursuant to Sections 3.08 and 3.09 shall nevertheless be carried out if notice of the Fixed Rate conversion had been given to the Owners of the Series 1998 Bonds. Withdrawal of a conversion notice shall be given by the County to the Trustee, the Tender Agent, the Bond Registrar, the Remarketing Agent, the Credit Provider and the Liquidity Provider, by telephone, promptly confirmed in writing. No cancellation of a Fixed Rate conversion pursuant to this subsection shall constitute an Event of Default hereunder. If the Series 1998 Bonds are converted to a Weekly Rate, and the Remarketing Agent fails to set a Weekly Rate, the Weekly Rate shall be the per annum rate of interest determined on each Thursday (or if such day is not a Business Day, the immediately preceding Business Day) by the Trustee which is equal to the lesser of the Maximum Rate and a rate equal to "The Bond Market Association Municipal Swap Index" (or a comparable index, if such index is no longer published) most recently published, plus 50 basis points.

(r) Effect of Conversion to Fixed Rate. Once the County has effectively exercised its option to convert the Series 1998 Bonds to a Fixed Rate pursuant to this Section 2.06, the County shall have no further options to convert the Series 1998 Bonds to any other Rate Period, and the Series 1998 Bonds shall no longer be payable from or secured by the Liquidity Facility or subject to tender for purchase.

(s) Provider Bonds. Notwithstanding anything to the contrary contained in this Indenture, Provider Bonds shall bear interest at the Provider Rate payable on the Interest Payment Dates, all in accordance with the provisions of the Liquidity Facility or any reimbursement or similar agreement entered into between the County and the Liquidity Provider.

SECTION 2.07. Refunding Bonds.

(a) General. In addition to the Series 1998 Bonds authorized under the provisions of Sections 2.06, Refunding Bonds may be issued pursuant to this Section 2.09 and secured by this Indenture from time to time on a parity with any other Outstanding Bonds, subject to the conditions hereinafter provided in this Section 2.07, for the purpose of providing funds, together with other legally available funds, for refunding all or any portion of the Outstanding Bonds of any one or more Series issued under the provisions of this Indenture, including the payment of all amounts necessary to defease the Outstanding Bonds to be refunded in accordance with the provisions hereof, and, as shall be specified in the Supplemental Indenture authorizing the issuance of a Series of Refunding Bonds, to make deposits to the Funds and Accounts and pay other costs of issuance and expenses relating thereto.

(b) Application of Proceeds. The proceeds (including accrued interest) of the Refunding Bonds, as applicable, shall be applied by an Authorized Officer as follows (or in such other manner as shall be set forth in the Supplemental Indenture authorizing the issuance of such Series of Refunding Bonds):

(i) the amount, if any, received as accrued interest on the Refunding Bonds shall be delivered to the Trustee for deposit to the credit of Sinking Fund;

(ii) the amount estimated by an Authorized Officer to be sufficient for that purpose shall be deposited to the credit of a special account established by the County and applied to the payment of the costs of issuance and expenses relating to the Refunding Bonds, including, but not limited to, financial advisory, accounting and legal fees, rating agency fees, printing costs, initial Bond Registrar fees, initial Paying Agent fees, initial Trustee fees, Credit Facility and Liquidity Facility fees and expenses, if any, and any other miscellaneous expenses relating to the issuance of such Bonds;

(iii) the amount necessary to make the amount on deposit therein equal to the Debt Service Reserve Fund Requirement shall be delivered to the Trustee for deposit to the credit of the Debt Service Reserve Fund; and

(iv) the balance of the proceeds of the Refunding Bonds remaining after the deposits made pursuant to clauses (i) through (iii) above have been made shall be applied to pay or provide for the payment of the Bonds to be refunded thereby in such manner as shall satisfy the conditions of Article XII to the release of the lien of the Trust Estate and this Indenture in favor of such Bonds.

(c) Conditions Precedent to Issuance of Refunding Bonds. Refunding Bonds shall be authenticated by the Bond Registrar and delivered by the Trustee in such manner as shall be specified in writing by an Authorized Officer, but only after such Bonds shall have been executed as provided in this Indenture and there shall have been obtained and delivered to the Trustee, the following:

(i) a copy of this Indenture, including all Supplemental Indentures entered into prior to this issuance of such Refunding Bonds and particularly the Supplemental Indenture authorizing the issuance of such Refunding Bonds;

(ii) a written opinion or opinions of Bond Counsel stating that it is of the opinion that the issuance of such Refunding Bonds has been duly authorized and that this Indenture creates a valid and enforceable pledge of the Trust Estate;

(iii) a certificate of an Authorized Officer to the effect that no Event of Default has occurred and is continuing as of the date of issuance of such Refunding Bonds (except any Event of Default that may be cured by application of the proceeds of such Bonds);

(iv) an amount equal to that amount which the County shall have determined to be the purchase price for such Bonds; and

(v) either

(A) a certificate signed by an Authorized Officer, confirming that the annual Principal and Interest Requirements for each Bond Year in which the Bonds to be refunded would be Outstanding but for such refunding for all

Outstanding Bonds following issuance of the Refunding Bonds with respect to which the certificate is made (excluding any Bonds being defeased by proceeds of the Refunding Bonds and including the Refunding Bonds with respect to which the certificate is made) is not greater than the annual Principal and Interest Requirements for each Bond Year for all Outstanding Bonds prior to issuance of such Refunding Bonds, or

(B) a certificate of the Rate Consultant demonstrating that the Pledged Revenue and investment income on funds on deposit in the Sinking Fund and the Debt Service Reserve Fund projected by the Rate Consultant for each Bond Year from issuance of the Refunding Bonds through the fifth Bond Year after the Bond Year in which the Refunding Bonds are issued is equal to not less than 110% of the annual Principal and Interest Requirements in each of such Bond Years for all Bonds then Outstanding, excluding any Bonds being defeased by proceeds of the Refunding Bonds and including the Refunding Bonds with respect to which the certificate is made.

SECTION 2.08. Preparation of Definitive Bonds; Temporary Bonds. The definitive Bonds of each Series shall be lithographed or printed with or without steel engraved borders. Until the definitive Bonds of any Series are ready for delivery, there may be executed, and an Authorized Officer may deliver, or cause the Bond Registrar to deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, except as to identifying numbers, temporary printed, engraved, lithographed or typewritten Bonds in Authorized Denominations substantially of the tenor hereinabove set forth, and with appropriate omissions, insertions and variations as may be required. The County shall cause the definitive Bonds to be prepared and to be executed, endorsed and delivered to the Bond Registrar, on behalf of the Authorized Officer, and the Bond Registrar, upon presentation to it of any temporary Bond, shall cancel the same and authenticate and deliver, in exchange therefor, at the place designated by the Owner, without expense to the Owner, a definitive Bond or Bonds of the same Series and in the same aggregate principal amount, maturing on the same date and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects, including the privilege of registration if so provided, be entitled to the same benefit of this Indenture as the definitive Bonds to be issued and authenticated hereunder. The Bond Registrar shall promptly destroy all temporary Bonds that have been canceled and shall submit a certificate to the Finance Director certifying that such temporary Bonds have been canceled and destroyed. Notwithstanding the foregoing, the definitive Series 1998 Bonds may be issued in typewritten form and a Supplemental Indenture authorizing the issuance of a Series of Bonds may provide for the definitive Bonds of a Series to be in typewritten form or in such other form as provided therein.

SECTION 2.09. Mutilated, Destroyed, Stolen or Lost Bonds. In case any Bonds secured hereby shall become mutilated or be destroyed, stolen or lost, the County may cause to be executed, and the Bond Registrar shall authenticate and deliver, a new Bond of like series, date, maturity, denomination and interest rate in exchange and substitution for and upon the cancellation of, such mutilated Bond or in lieu of and in substitution for such Bond destroyed, stolen, or lost, upon the Owner's paying the reasonable expenses and charges of the County in connection therewith and, in the case of a Bond destroyed, stolen or lost, its filing with the

County and Bond Registrar evidence satisfactory to them that such Bond was destroyed, stolen or lost, and of its ownership thereof, and furnishing the County and Bond Registrar with indemnity satisfactory to them. In the event any such Bond shall be about to mature or has matured or been called for redemption, instead of issuing a duplicate Bond, the County may direct the Paying Agent to pay the same without surrender thereof. Any Bond surrendered for replacement shall be canceled in the same manner as provided in Section 2.05.

Any such duplicate Bonds issued pursuant to this Section 2.09 shall constitute additional contractual obligations on the part of the County and the Trustee, whether or not the lost, stolen or destroyed Bonds are at any time found, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the Pledged Revenue and moneys on deposit in the Funds and Accounts with all other Bonds issued hereunder.

SECTION 2.10. Book-Entry Only System for Series 1998 Bonds. The Series 1998 Bonds shall be initially issued in the name of Cede & Co., as nominee for DTC as the initial Securities Depository and Owner of the Series 1998 Bonds, and may be held in the custody of or by the Trustee for the account of the Securities Depository. A single certificate will be issued and delivered to the Securities Depository for each maturity of the Series 1998 Bonds (except as otherwise required by DTC). The ultimate purchasers of ownership interests in the Series 1998 Bonds (the "Beneficial Owners") will not receive physical delivery of Series 1998 Bond certificates except as provided herein. For so long as the Securities Depository shall continue to serve as securities depository for the Series 1998 Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Series 1998 Bonds is to receive, hold or deliver any Bond certificate.

The County and the Fiduciaries shall treat the Securities Depository (or its nominee) as the sole and exclusive Owner of the Series 1998 Bonds registered in its name for the purposes of payment of the principal of and interest on or redemption price, if any, of the Series 1998 Bonds or portion thereof to be redeemed, and of giving any notice permitted or required to be given to Series 1998 Bondholders under this Indenture and neither the County nor the Fiduciaries shall be affected by any notice to the contrary. Neither the County nor the Trustee shall have any responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other Person which is not shown on the bond registration books maintained by the Bond Registrar, with respect to the accuracy of any records maintained by the Securities Depository or any Participant; the payment by the Securities Depository or any Participant of any amount in respect of the principal of and interest on the Series 1998 Bonds; any notice which is permitted or required to be given to Series 1998 Bondholders under this Indenture; the selection by the Securities Depository or any Participant of any Person to receive payment in the event of a partial redemption of the Series 1998 Bonds; or any consent given or other action taken by the Securities Depository as a Series 1998 Bondholder. The Trustee shall pay all principal of and interest on or redemption price, if any, of the Series 1998 Bonds registered in the name of Cede & Co. only to or "upon the order of" the Securities Depository, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to the principal of and interest on or redemption price, if any, of such Series 1998 Bonds to the extent of the sum or sums so paid.

The County and the Fiduciaries covenant and agree, so long as DTC shall continue to serve as Securities Depository for the Series 1998 Bonds, to meet the requirements of DTC, including those contained in the Representation Letter.

The County and the Fiduciaries may rely conclusively upon (i) a certificate of the Securities Depository as to the identity of the Participants in the Book-Entry Only System with respect to the Series 1998 Bonds and (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Series 1998 Bonds beneficially owned by, the Beneficial Owners.

Whenever, during the term of the Series 1998 Bonds, the beneficial ownership thereof is determined by a book-entry at the Securities Depository, the requirements in this Indenture of holding, delivering or transferring Series 1998 Bonds shall be deemed modified to require the appropriate Person to meet the requirements of the Securities Depository as to registering or transferring the book-entry to produce the same effect. Any provision hereof permitting or requiring delivery of Series 1998 Bonds shall, while the Series 1998 Bonds are in a Book-Entry Only System, be satisfied by the notation on the books of the Securities Depository in accordance with the law of the State.

The Trustee and the County, at the direction and expense of the County, may from time to time appoint a successor Securities Depository and enter into an agreement with the Securities Depository, to establish procedures with respect to the Series 1998 Bonds not inconsistent with the provisions of this Indenture. Any successor Securities Depository shall be approved by the Trustee and shall be a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended.

The Trustee and the County, at the direction and expense of the County, will cause the delivery of bond certificates to each Beneficial Owner, registered in the name of such Beneficial Owner, under the following circumstances:

(a) The Securities Depository determines to discontinue providing its service with respect to the Series 1998 Bonds and no successor Securities Depository is appointed as described above. Such a determination may be made at any time by giving 30 days' written notice to the County and the Trustee and discharging its responsibilities with respect thereto under applicable law; or

(b) The County determines not to continue the Book-Entry Only System through a Securities Depository.

The Trustee is hereby authorized to make such changes to the form of Bonds attached hereto as Exhibit A which are not inconsistent with this Indenture and which are necessary or appropriate upon the appointment of a successor Securities Depository or while the Book-Entry Only System is not in effect.

If at any time, the Securities Depository ceases to hold the Series 1998 Bonds, thereafter all references herein to the Securities Depository shall be of no further force or effect.

ARTICLE III

REDEMPTION AND TENDER FOR PURCHASE OF BONDS

SECTION 3.01. Redemption Dates and Prices. Bonds other than the Series 1998 Bonds shall be subject to redemption in the manner set forth, if any, in the Supplemental Indenture authorizing the issuance of such Bonds. The Series 1998 Bonds may not be called for redemption by the County except as provided below:

(a) Optional Redemption. (i) The Series 1998 Bonds bearing interest at Daily, Weekly, Monthly, Quarterly, Semiannual or Extended Rates (but only if the Extended Rate Period is one year in duration) are subject to optional redemption from Eligible Funds prior to their stated maturity upon request of the County in whole or in part at any time at a price equal to the principal amount thereof, without premium, plus accrued interest thereon to the redemption date.

(ii) The Series 1998 Bonds bearing interest at Extended Rates (but only if the Extended Rate Period is more than one year in duration) or the Fixed Rate are subject to optional redemption from Eligible Funds (or from moneys that are not Eligible Funds if there shall not be a Credit Facility in place at the time of such redemption or if the Credit Facility in place at the time of such redemption is a policy of municipal bond insurance) prior to their stated maturity upon request of the County in whole or in part at the times and at the prices set forth below, and in such amounts and of such maturities as the County shall direct, plus accrued interest thereon to the redemption date:

Years Remaining from Conversion Date until end of Extended Rate Period or Final Maturity of Bonds in the Fixed Rate Period	First Day of Redemption Period	Redemption Price
More than fifteen	Tenth anniversary of Conversion Date	102% declining by 1% on each succeeding anniversary of the tenth anniversary of the Conversion Date until reaching 100% and thereafter at 100%
More than seven but not more than fifteen	Seventh anniversary of Conversion Date	102% declining by 1% on each succeeding anniversary of the seventh anniversary of the Conversion Date until reaching 100% and thereafter at 100%

Years Remaining from Conversion Date until end of Extended Rate Period or Final Maturity of Bonds in the Fixed Rate Period	First Day of Redemption Period	Redemption Price
More than five but not more than seven	Fourth anniversary of Conversion Date	101% declining by 1% on the next anniversary after the fourth anniversary of the Conversion Date and thereafter at 100%
Five or fewer	Not callable	

Notwithstanding any provision in this Indenture or the Series 1998 Bonds to the contrary, this Indenture and the Bonds may be amended as of the Conversion Date upon the request of the County, without the consent of any of the Bondholders, to change the redemption provisions applicable during an Extended Rate Period or the Fixed Rate Period to such redemption provisions as are acceptable to the County provided the County provides an Opinion of Bond Counsel to the Trustee.

(iii) Prior to notice being given to the Owners of affected Series 1998 Bonds of any optional redemption of Series 1998 Bonds under this Section 3.01(a), either (A) there shall be deposited with the Trustee an amount sufficient to pay the principal amount of the Series 1998 Bonds subject to redemption, plus accrued interest to the redemption date, plus any premium applicable to such redemption, or (B) such notice shall state that the redemption is conditioned on the receipt of moneys for such redemption by the Trustee on or prior to the redemption date. In the event that a conditional notice of redemption is given and such moneys are not timely received, the redemption for which such notice was given shall not be undertaken. Amounts deposited pursuant to this paragraph shall be kept by the Trustee in a trust account separate and segregated from all other moneys deposited under this Indenture and shall be held uninvested unless invested at the direction of an Authorized Officer only in Escrow Securities that mature on or before the redemption date. If the redemption price is required to be paid with Eligible Funds as specified in Section 3.01(a)(i) or (ii), the Trustee shall cancel the redemption of the Series 1998 Bonds if it determines that sufficient Eligible Funds will not be available on the redemption date. It is understood that the Initial Credit Facility and the Initial Liquidity Facility are not available to provide Eligible Funds for the payment of any redemption under this Section.

(b) Provider Bonds are subject to redemption prior to maturity (i) at the option of the County as a whole or in part in such amounts and of such maturities as the County may direct on any date at the principal amount thereof, without premium, plus interest accrued thereon to the redemption date and (ii) otherwise as provided in the Liquidity Facility or other reimbursement or similar agreement entered into between the County and the Liquidity Provider.

(c) Mandatory Redemption. The Series 1998 Bonds are also subject to redemption prior to maturity at a redemption price equal to the principal amount thereof, plus accrued

interest, by application by the Trustee of funds on deposit to the credit of the Sinking Fund on September 1 in the years and in the principal amounts as follows:

YEAR	AMOUNT	YEAR	AMOUNT
2003	$1,060,000	2016	$1,940,000
2004	1,115,000	2017	2,035,000
2005	1,165,000	2018	2,130,000
2006	1,220,000	2019	2,235,000
2007	1,280,000	2020	2,340,000
2008	1,340,000	2021	2,450,000
2009	1,405,000	2022	2,565,000
2010	1,470,000	2023	2,690,000
2011	1,540,000	2024	2,815,000
2012	1,615,000	2025	2,950,000
2013	1,690,000	2026	3,090,000
2014	1,770,000	2027*	3,235,000
2015	1,855,000		

*By operation of maturity.

(d) If less than all of the Bonds of any one maturity of a Series shall be called for redemption, the particular Bonds to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion deems fair and appropriate except to the extent otherwise provided in the Supplemental Indenture authorizing the Bonds of such Series.

SECTION 3.02. Notice of Redemption. Except as otherwise provided with respect to a Series of Bonds in the Supplemental Indenture authorizing the issuance of the Bonds of such Series, at least 30 days, but not more than 45 days, before the redemption date of any Bonds, the Trustee shall cause a notice of such redemption to be: (a) filed with any Paying Agent; (b) sent by telefacsimile followed by first class mail to registered securities depositories and to national information services that disseminate redemption notices; and (c) mailed, postage prepaid, to all Owners of Bonds to be redeemed in whole or in part at their addresses as they appear on the registration books herein provided for. Failure to file any such notice with any Paying Agent or to mail any such notice to any Bondholder or to any securities depository or national information service or any defect therein shall not affect the validity of the proceedings for redemption, except to the extent a Bondholder is prejudiced thereby, and then, only with respect to such Bondholder. Except as otherwise provided with respect to a Series of Bonds in the Supplemental Indenture authorizing the issuance of the Bonds of such Series, each such notice shall set forth: (1) the date fixed for redemption; (2) the redemption price to be paid; (3) the CUSIP numbers and the certificate numbers of the Bonds to be redeemed; (4) the name and address of the Paying Agent for the Bonds; (5) the dated date, interest rate and maturity date of the Bonds; and (6) if less than all of the Bonds of a Series then Outstanding shall be called for redemption, the amounts of each of the Bonds to be redeemed; and (7) the name, address and telephone number of a contact for such redemption.

SECTION 3.03. **[Reserved]**

SECTION 3.04. Redemption of Portions of Bonds. Except as provided in Section 2.10, any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Bond Registrar duly executed by the Owner thereof or its duly authorized attorney or legal representative in writing) and the County shall execute and the Bond Registrar shall authenticate and deliver to the Owner of such Bond, without charge, other than any applicable tax or other governmental charge, a new Bond or Bonds, of any Authorized Denomination, as requested by such Owner in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

SECTION 3.05. Effect of Call for Redemption. On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor. If money or Escrow Securities, or a combination of both, sufficient to pay the redemption price of the Bonds to be redeemed are held by the Trustee in trust for the Owners of Bonds to be redeemed on the date fixed for redemption, then interest on the Bonds called for redemption shall cease to accrue; such Bonds shall cease to be entitled to any benefits or security under this Indenture or to be deemed Outstanding, and the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. Bonds and portions of Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption at the redemption date have been given to the Trustee in form satisfactory to it shall not thereafter be deemed to be Outstanding under this Indenture and shall cease to be entitled to the security of or any rights under this Indenture, other than rights to receive payment of the redemption price thereof, to be given notice of redemption in the manner provided in Section 3.02, and, to the extent hereinafter provided, to receive Bonds for any unredeemed portions of Bonds, if money or Escrow Securities, or a combination of both, sufficient to pay the redemption price of such Bonds or portions thereof, are held in separate accounts by the Trustee in trust for the Owners of such Bonds. All money held by the Trustee under this Section 3.05 for the redemption of Bonds after the redemption date shall be held uninvested or invested at the written direction of the County in Escrow Securities that mature on or before the redemption date.

For purposes of this Article III, Escrow Securities shall be deemed to be sufficient to redeem Bonds on a specified date if the principal of and the interest on such Escrow Securities, when due, will be sufficient to pay on such date the redemption price of such Bonds to such date.

If a portion of an Outstanding Bond shall be selected for redemption, the Owner thereof or its attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the redemption price of the portion thereof called for redemption, and the County shall execute and the Bond Registrar shall authenticate and deliver to or upon the order of such Owner or its legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond of the same stated maturity and bearing interest at the same rate.

SECTION 3.06. Expenses of Redemption. The expenses of any redemption of Bonds pursuant to this Article shall be paid from the Administrative Fund.

SECTION 3.07. Optional Tenders by Owners During Variable Rate Periods.

(a) Purchase Dates. During any Variable Rate Period a beneficial owner of the Series 1998 Bonds (other than Provider Bonds) may elect to have its Series 1998 Bonds (or portions thereof in Authorized Denominations) purchased at the Purchase Price, on the following Purchase Dates by causing the Direct Participant through whom such beneficial owner owns such Series 1998 Bond to give the following irrevocable telephonic or written notices meeting the further requirements of subsection (b) of this Section 3.07 and upon transfer on the registration books of DTC on the same day such notice is given of the beneficial ownership interest in such Series 1998 Bonds to the account of the Trustee, "free delivery" for settlement on the Purchase Date:

(i) Series 1998 Bonds bearing interest at Daily Rates may be tendered for purchase on any Business Day upon telephonic notice of tender given to the Trustee and the Remarketing Agent not later than 10:30 a.m., New York City time, on the Purchase Date;

(ii) Series 1998 Bonds bearing interest at Weekly Rates may be tendered for purchase on any Business Day upon delivery of a written notice of tender to the Trustee (with a copy thereof to the Remarketing Agent) not later than 5:00 p.m., New York City time, on a Business Day not less than 7 days prior to the Purchase Date;

(iii) Series 1998 Bonds bearing interest at Monthly, Quarterly or Semiannual Rates may be tendered for purchase on any Interest Payment Date upon delivery of a written notice of tender to the Trustee not later than 5:00 p.m., New York City time, on a Business Day which is not less than 7 days prior to the Interest Payment Date in the case of Series 1998 Bonds bearing interest at Monthly and Quarterly Rates, or 15 days prior to the Interest Payment Date in the case of Series 1998 Bonds bearing interest at Semiannual Rates; and

(iv) Series 1998 Bonds bearing interest at Extended Rates may be tendered for purchase on the commencement date of any Extended Rate Period (other than the Extended Rate Conversion Date) upon delivery of a written notice of tender to the Trustee not later than 5:00 p.m., New York City time, on a Business Day which is not less than 15 days prior to the Purchase Date.

(b) Notice of Tender. Each notice of tender:

(i) shall, in the case of a written notice, be delivered to the Trustee and, in the case of Series 1998 Bonds bearing interest at Weekly Rates, a copy thereof delivered to the Remarketing Agent, at their respective principal offices and be substantially in the form attached as Exhibit B hereto;

(ii) shall state, whether delivered in writing or by telephone (A) the principal amount of the Series 1998 Bond or portion of the Series 1998 Bond to be purchased, (B) that the Owner irrevocably demands purchase of such Series 1998 Bond or portion thereof, (C) the date on which such Series 1998 Bond or portion is to be purchased, (D) payment instructions, and (E) the DTC number of such Direct Participant; and

(iii) shall automatically constitute, whether delivered in writing or by telephone (A) an irrevocable offer to sell the Series 1998 Bond or portion to which the notice relates on the Purchase Date to any purchaser selected by the Remarketing Agent, at the Purchase Price, (B) an irrevocable authorization and instruction to the Series 1998 Bond Registrar to effect transfer of such Series 1998 Bond or portion upon payment of such price to the Trustee on the Purchase Date, (C) an irrevocable authorization and instruction to the Tender Agent to effect the exchange of the Series 1998 Bond to be purchased in whole or in part for other Series 1998 Bonds of the same maturity in an equal aggregate principal amount so as to facilitate the sale of such Series 1998 Bond or portion, and (D) an acknowledgment that such Owner will have no further rights with respect to such Series 1998 Bond or portion thereof upon payment of the Purchase Price by the Trustee on the Purchase Date to the Direct Participant from whom the notice of tender is received, except for the right of such Owner to receive such Purchase Price upon surrender of such Series 1998 Bond to the Tender Agent.

The determination of the Trustee as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the Owner. The Trustee shall hold beneficial ownership interests of Series 1998 Bonds delivered to it pursuant to this Section pending settlement in trust for the benefit of the direct participant from whom the beneficial interests in the Series 1998 Bonds are received and shall remit any interest payments received with respect to such Series 1998 Bonds for the period prior to the Purchase Date to such Direct Participant.

(c) Series 1998 Bonds to be Remarketed. Not later than 4:30 p.m., New York City time, on the Business Day immediately following the date of receipt of any notice of tender (or immediately upon such receipt, in the case of Series 1998 Bonds bearing interest at Daily Rates), the Trustee shall notify the Tender Agent, if other than the Trustee, and the Remarketing Agent of the principal amount of Series 1998 Bonds or portions thereof to be tendered and remarketed and the date they are to be tendered and remarketed. Such notices shall be given by telephone, telegram, telecopy, telex or other similar communication and shall be promptly confirmed in writing.

(d) Remarketing of Tendered Series 1998 Bonds. The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for all Series 1998 Bonds or portions thereof properly tendered. All Series 1998 Bonds shall be at all times remarketed at the Purchase Price. Notwithstanding the foregoing, the Remarketing Agent shall not offer for sale any Series 1998 Bond if notice of (i) any optional or mandatory redemption, (ii) any conversion from one Variable Rate Period to another or to a Fixed Rate Period has been given to the Owners of the Series 1998 Bonds pursuant to the provisions of this Indenture, or (iii) any defeasance in accordance with the provisions of Article XII has occurred, unless the Remarketing Agent has advised the Person in writing to whom the offer is made of such occurrence and the effect of the same on the rights of such Owners including, but not limited to, the rights of such Owners to tender their Series 1998 Bonds, as described in the conversion notice from the Tender Agent to the Owners of the Series 1998 Bonds.

SECTION 3.08. Mandatory Tenders Upon Variable Rate Conversion.

(a) Purchase Dates. In the case of any conversion from one Variable Rate Period to another Variable Rate Period (except a conversion between a Daily Rate Period and a Weekly Rate Period), the Series 1998 Bonds to be converted are subject to mandatory tender for purchase on the Conversion Date at the Purchase Price.

(b) Notice to Owners. Any notice of a conversion given to Bondholders pursuant to Section 2.06(j) shall, in addition to the requirements of such Section, specify that the Series 1998 Bonds to be converted will be subject to mandatory tender for purchase on the Conversion Date and the time at which Series 1998 Bonds are to be tendered for purchase.

(c) Remarketing. At or before 4:00 p.m., New York City time, on the fifth Business Day immediately preceding the conversion to a Daily, Weekly or Monthly Rate Period or on the seventh calendar day (or, if such day is not a Business Day, on the next succeeding Business Day) preceding the conversion to a Quarterly Rate Period or on the fifteenth calendar day (or, if such day is not a Business Day, on the next succeeding Business Day) preceding the conversion to a Semiannual or Extended Rate Period, the Tender Agent shall notify the Trustee, the Credit Provider, the Liquidity Provider and the Remarketing Agent, by telephone, telegram, telecopy, telex or other similar communication, of the aggregate principal amount of Series 1998 Bonds to be tendered for purchase on the Conversion Date or the Purchase Date. The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for the Series 1998 Bonds to be tendered. All Series 1998 Bonds shall be at all times remarketed at the Purchase Price.

SECTION 3.09. Mandatory Tenders Upon Expiration, Substitution or Termination of Credit Facility or Liquidity Facility.

(a) Purchase Dates. Prior to the Fixed Rate Conversion Date of the Series 1998 Bonds, the Series 1998 Bonds shall be subject to mandatory tender for purchase at the Purchase Price:

(i) on a Business Day which is at least five days prior to the date on which the Credit Facility or Liquidity Facility is to be canceled in connection with replacement by an Alternate Credit Facility pursuant to Section 13.03 or an Alternate Liquidity Facility pursuant to Section 13.06, as the case may be; or

(ii) on a Business Day which is at least five days prior to the expiration of the Credit Facility or the Liquidity Facility; or

(iii) on a Business Day which is at least five days prior to the termination of the Credit Facility or the Liquidity Facility, other than as a result of the occurrence of a Special Termination Event.

(b) **[**RESERVED**]**

(c) Notice to Owners. Notice of mandatory tender of Series 1998 Bonds shall be given by mail by the Bond Registrar at the direction of the Trustee to the Owners of said Series 1998 Bonds by first class mail not less than 30 days prior to the mandatory tender date. A copy of such notice shall be sent to the County and the Trustee. Notice having been so given, such mandatory tender shall occur on the date provided in such notice whether or not an Alternate Credit Facility or Liquidity Facility, as the case may be, is provided after such initial notice has been given.

(d) Remarketing. On the Business Day on which the first notice is mailed pursuant to 3.09(c), the Trustee shall notify the Tender Agent and the Remarketing Agent by telephone, telegram, telecopy, telex or other similar communication of the aggregate principal amount of Series 1998 Bonds to be tendered for purchase on the mandatory tender date.

The Remarketing Agent shall offer for sale at par and use its best efforts to find purchasers for the Series 1998 Bonds to be tendered pursuant to Section 3.09(a) and advise them whether the Credit Facility or the Liquidity Facility will be replaced. In the case of replacement of the Credit Facility or Liquidity Facility, the Remarketing Agent shall inform prospective purchasers of the identity of the new Credit Provider or Liquidity Provider and the ratings to be in effect on the Series 1998 Bonds following such replacement. All Series 1998 Bonds shall be at all times remarketed at the Purchase Price.

SECTION 3.10. Purchase of Tendered Series 1998 Bonds.

(a) Notices. At or before 3:30 p.m., New York City time, on the Business Day immediately preceding the Purchase Date (or 11:00 a.m., New York City time, on the Purchase Date in the case of Series 1998 Bonds bearing interest at Daily Rates), the Remarketing Agent shall give notice by telephone, telegram, telecopy, telex or other similar communication to the Trustee of the principal amount of tendered Series 1998 Bonds which have been remarketed and of the names, addresses and taxpayer identification numbers of the purchasers and the denominations of remarketed Series 1998 Bonds to be delivered to each purchaser. On the Purchase Date, the Trustee shall draw on the Liquidity Facility to the extent necessary to timely pay the Purchase Price with regard to the Series 1998 Bonds for which remarketing proceeds (other than proceeds of sale to the County) have not been paid to the Trustee. In the case of the Initial Liquidity Facility, such draw shall be made not later than 12:00 noon, New York City time, on the Purchase Date. In the event that the Trustee does not receive from the Remarketing Agent the notice described in this Section, on the Purchase Date the Trustee shall draw on the Liquidity Facility to the extent necessary to timely pay the Purchase Price of all Series 1998 Bonds subject to tender for purchase on such Purchase Date. In the case of the Initial Liquidity Facility, such draw shall be made not later than 12:00 noon, New York City time, on the Purchase Date.

Notwithstanding anything to the contrary contained in this Indenture, the Trustee may not draw on the Liquidity Facility after the occurrence of a Special Termination Event.

(b) Sources of Payment. The Remarketing Agent shall pay to the Trustee, on the Purchase Date, all amounts representing proceeds of the remarketing of tendered Series 1998 Bonds, such payments to be made in the manner and at the time specified in Sections 3.07(d), 3.08(c), 3.09(d), 3.10(d) and 3.12(c), as applicable. All such proceeds, the proceeds of a draw upon the Liquidity Facility and all other Eligible Funds shall be held by the Trustee in trust in a separate segregated account solely for the benefit of the Series 1998 Bonds. The Initial Liquidity

Provider has agreed under the Initial Liquidity Facility to pay, on or before 3:00 p.m., New York City time, on the Purchase Date, the Purchase Price to the Trustee of such Series 1998 Bonds that have not been remarketed.

(c) Payments by the Trustee. Before 4:00 p.m., New York City time, on the Purchase Date and upon receipt by the Trustee of 100% of the aggregate Purchase Price of the tendered Series 1998 Bonds, the Trustee shall pay the Purchase Price of such Series 1998 Bonds to the Owners thereof (or as otherwise provided in Section 3.07) at its principal office or by bank wire transfer. Such payments shall be made in immediately available funds. Payments of such Purchase Price are to be made from the following sources in the order of priority indicated:

(i) The proceeds of the sale of the Series 1998 Bonds which have been remarketed by the Remarketing Agent (other than proceeds of a sale of the Series 1998 Bonds to the County); and

(ii) The proceeds of the sale of the Series 1998 Bonds which have been purchased by the Liquidity Provider pursuant to the Liquidity Facility or other proceeds received under or pursuant to a Liquidity Facility;

(iii) Moneys paid by the County for such purpose that are Eligible Funds; and

(iv) Other moneys paid by the County for such purpose.

(d) Registration and Delivery of Tendered or Purchased Series 1998 Bonds.

(i) Subject to the requirements of clauses (ii) and (iii) immediately below, on the Purchase Date, the Bond Registrar shall register and deliver (or hold) all Series 1998 Bonds purchased on any Purchase Date as follows:

(1) Series 1998 Bonds purchased or remarketed by the Remarketing Agent shall be registered in accordance with the instructions of the Remarketing Agent and made available for delivery to the Remarketing Agent; and

(2) Series 1998 Bonds purchased with funds made available under or pursuant to the Liquidity Facility shall be registered in the name of the Liquidity Provider or its nominee, designee or assignee and shall be held by the Trustee in trust for the benefit of the Liquidity Provider or its nominee, designee or assignee or shall be delivered to or to the order of the Liquidity Provider, all in accordance with the provisions of the Liquidity Facility. While so registered, such Series 1998 Bonds shall constitute Provider Bonds.

(ii) While the DTC Book-Entry Only System is in effect for the Series 1998 Bonds, the Trustee shall deliver Series 1998 Bonds purchased or remarketed by the Remarketing Agent by transfer of beneficial ownership of such Series 1998 Bonds on the registration books of DTC to or upon the order of the Remarketing Agent.

(iii) While the DTC Book-Entry Only System is in effect for the Series 1998 Bonds, the Trustee shall cause Series 1998 Bonds purchased with funds made available under or

pursuant to the Liquidity Facility to be registered in the name of the Liquidity Provider or its designee, nominee or assignee on the registration book of DTC. Notwithstanding the foregoing, to the extent required by the Liquidity Facility, the Trustee shall withdraw Provider Bonds from the DTC Book-Entry Only System and shall prepare and authenticate physical Series 1998 Bonds representing such Provider Bonds. While the DTC Book-Entry Only System is in effect for the Series 1998 Bonds, in the event that Provider Bonds which are not held under the DTC Book-Entry Only System are subsequently remarketed pursuant to the terms of this Article III and the Liquidity Facility, the Trustee shall take such action as shall be necessary to reinstate the DTC Book-Entry Only System for such Series 1998 Bonds and shall transfer beneficial ownership thereof on the books of DTC to or upon the order of the Remarketing Agent.

(e) Delivery of Series 1998 Bonds; Effect of Failure to Surrender Series 1998 Bonds.

(i) All Series 1998 Bonds to be purchased on any date shall be required to be delivered to the designated corporate trust office of the Tender Agent at or before 11:30 a.m., New York City time, on the Purchase Date, except that Series 1998 Bonds bearing interest at Semiannual or Extended Rates being tendered for purchase at the election of the Owner pursuant to Section 3.07 shall be delivered to the designated corporate trust office of the Tender Agent along with the notice of tender.

(ii) If the Owner of any Series 1998 Bond (or portion thereof) that is subject to purchase pursuant to this Article III fails to surrender such Series 1998 Bond to the Tender Agent for purchase on the Purchase Date, and if the Trustee is in receipt of the Purchase Price therefor, such Series 1998 Bond (or portion thereof) shall nevertheless be deemed purchased on the Purchase Date and ownership of such Series 1998 Bond (or portion thereof) shall be transferred to the purchaser thereof as provided in subsection (d) of this Section 3.10. Any Owner who fails to deliver a Series 1998 Bond for purchase as required above shall have no further rights thereunder except the right to receive the Purchase Price thereof upon presentation and surrender of said Series 1998 Bond to the Tender Agent. The Tender Agent shall promptly notify the Trustee of any such failure to deliver a Series 1998 Bond to the Tender Agent, and the Trustee shall be entitled to conclusively rely on such notification.

(f) Investment of Funds. All money held by the Trustee for the payment of the Purchase Price of Series 1998 Bonds from whatever source derived, including remarketing proceeds and draws upon the Liquidity Facility, shall be held in a separate segregated account and shall be held uninvested.

(g) Exception for Bonds Owned by County. Notwithstanding anything in this Agreement to the contrary, the Liquidity Provider shall not be required to purchase Series 1998 Bonds subject to optional or mandatory tender for purchase under this Indenture that are beneficially held (or held in certificated form) by or on behalf of the County or any affiliate of the County.

SECTION 3.11. Series 1998 Bonds Purchased Under Liquidity Facility. In the event that any Series 1998 Bonds are Provider Bonds, such Series 1998 Bonds shall be held in accordance with Section 3.10(d) hereof and the Remarketing Agent shall continue to offer for sale and use its best efforts to sell such Series 1998 Bonds at the Purchase Price. While the

Liquidity Facility is effective, Series 1998 Bonds purchased with funds made available under the Liquidity Facility shall not be delivered upon remarketing unless the Liquidity Facility is reinstated for the principal amount of the outstanding Series 1998 Bonds and interest thereon in accordance with its terms and the Remarketing Agent, the Bond Registrar, the Tender Agent, any designee of the Liquidity Provider then holding Provider Bonds and the Trustee have been advised in writing by the Liquidity Provider that it has elected to reinstate the Liquidity Facility in full.

SECTION 3.12. Mandatory Tenders Upon Conversion to Fixed Rate.

(a) Purchase Date. In the case of any conversion from a Variable Rate Period to the Fixed Rate Period, the Series 1998 Bonds to be converted are subject to mandatory tender for purchase on the Conversion Date at the Purchase Price.

(b) Notice to Owners. Any notice of a conversion given to Bondholders pursuant to Section 2.06(o) shall, in addition to the requirements of such Section, specify that the Series 1998 Bonds to be converted will be subject to mandatory tender for purchase on the Conversion Date and the time at which Series 1998 Bonds are to be tendered for purchase.

(c) Remarketing. At or before 4:00 p.m., New York City time, on the fifteenth calendar day (or, if such day is not a Business Day, on the next succeeding Business Day) preceding the conversion to a Fixed Rate Period, the Tender Agent shall notify the Trustee, the Credit Provider, the Liquidity Provider and the Remarketing Agent, by telephone, telegram, telecopy, telex or other similar communication, of the aggregate principal amount of Series 1998 Bonds to be tendered for purchase on the Conversion Date or the Purchase Date. The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for the Series 1998 Bonds to be tendered.

SECTION 3.13. Insufficient Funds for Purchases. If the moneys available for purchase of Series 1998 Bonds pursuant to this Article are inadequate for the purchase of all Series 1998 Bonds which are tendered on any Purchase Date, all Series 1998 Bonds subject to such purchase shall continue to bear interest at the same rate as in effect on the day prior to the Purchase Date to the date on which the earliest of the following occurs:

(i) The Fixed Rate Conversion Date for the Series 1998 Bonds;

(ii) The date on which any default by the Liquidity Provider under the terms of the Liquidity Facility has been cured; or

(iii) The fifth day after the date on which an Alternate Liquidity Facility meeting the requirements of Section 13.06 becomes effective.

If the preceding paragraph becomes applicable, (i) the Tender Agent shall immediately (but no later than the end of the next succeeding Business Day) return all tendered Series 1998 Bonds to the Owners thereof and notify all Owners of Series 1998 Bonds in writing of the interest rate to be effective pursuant to the preceding paragraph and (ii) the Trustee shall return all moneys received for the purchase of such Series 1998 Bonds to the Persons who provided such moneys; provided, however, that subject to Section 3.16 of this Indenture, the Owners shall retain all rights to tender the Series 1998 Bonds pursuant to the provisions of this Indenture and the obligation of the County to honor such tenders shall remain in effect until payment therefor has been provided in accordance with the provisions of this Indenture.

SECTION 3.14. Book-Entry Tenders. Notwithstanding any other provision of this Article III to the contrary, all tenders for purchase during any period in which the Series 1998 Bonds are registered in the name of Cede & Co. (or the nominee of any successor securities depository) shall be subject to the terms and conditions set forth in the Representation Letter and any notes and regulations promulgated by DTC.

SECTION 3.15. Duties of Trustee with Respect to Purchase of Series 1998 Bonds. The Trustee agrees, with respect to any optional or mandatory tender of the Series 1998 Bonds:

(a) to hold all moneys, other than moneys delivered to it by or on behalf of the County for the purchase of Series 1998 Bonds, delivered to it hereunder for the purchase of Series 1998 Bonds as agent and bailee of and in escrow for the benefit of, the Person or entity which shall have so delivered such moneys until the Series 1998 Bonds purchased with such moneys shall have been delivered to or for the account of such Person or entity; and

(b) to hold all moneys delivered to it hereunder by or on behalf of the County for the purchase of Series 1998 Bonds as agent and bailee of, and in escrow for the benefit of, the Owners who shall deliver Series 1998 Bonds to it for purchase until the Series 1998 Bonds purchased with such moneys shall have delivered to or for the account the County.

SECTION 3.16 No Tender Upon Special Termination Event. Notwithstanding anything to the contrary contained in this Indenture, the Series 1998 Bonds shall no longer be subject to optional tender for purchase or, except for Provider Bonds in accordance with Section 3.17 hereof, to mandatory tender for purchase as provided in this Article III if there shall have occurred a Special Termination Event. If a Special Termination Event occurs, the Trustee, upon receipt of written notice from the Liquidity Provider of the occurrence of such Special Termination Event, shall give or cause the Bond Registrar to give notice by first class mail to the Owners of the Series 1998 Bonds (i) of the occurrence of such Special Termination Event and the termination or suspension, as the case may be, of the obligation of the Liquidity Provider to purchase Series 1998 Bonds and (ii) that the Series 1998 Bonds are no longer subject to optional tender for purchase or mandatory tender for purchase.

If, after the occurrence of a Special Termination Event, the County shall provide an Alternate Liquidity Facility or if the Liquidity Facility shall be reinstated, in each case so that a Liquidity Facility is in effect that will provide funds to pay the Purchase Price of the Series 1998 Bonds tendered or deemed for purchase in accordance with the provisions of this Indenture, the optional and mandatory tender for purchase provisions of this Indenture will be reinstated. The Trustee, upon receipt of such Alternate Liquidity Facility or written notice of reinstatement of the Liquidity Facility, shall give or cause the Bond Registrar to give written notice by first class mail to the Owners of the Series 1998 Bonds (i) of the occurrence of such event and (ii) the reinstatement of the optional and mandatory tender for purchase provisions of this Indenture.

SECTION 3.16. Tender of Provider Bonds. Provider Bonds shall be subject to tender for purchase in accordance with the provisions of the Liquidity Facility or other reimbursement or similar agreement entered into between the County and the Liquidity Provider.

ARTICLE IV

ISSUANCE OF SENIOR BONDS

SECTION 4.01. Issuance of Additional Senior Bonds. The County shall only issue Additional Senior Bonds under Section 2.07 of the Senior Bond Resolution upon compliance with the requirements of said Section 2.07 and upon filing with the Trustee either:

(i) a certificate signed by the Finance Director demonstrating that the "Adjusted Net Revenue" (as hereafter defined) for the immediately preceding Fiscal Year or for any twelve consecutive months in the eighteen months immediately preceding the date of issuance of the Additional Senior Bonds with respect to which the certificate is made ("Test Period"), as selected by the Finance Director, is equal to not less than 110% of the maximum Composite Principal and Interest Requirements in the current or any future Bond Year for all Senior Bonds then outstanding under the provisions of the Senior Bond Resolution, including the Additional Senior Bonds with respect to which the certificate is made, and for all Bonds then Outstanding. Adjusted Net Revenue shall mean, for the purposes hereof, the Net Revenue during the Test Period, as determined by the Accountant (excluding investment income on funds on deposit in the Construction Fund), adjusted by the Finance Director to reflect (x) 100% of the additional Net Revenue which, in the opinion of the Rate Consultant, would have been received by the County from increases in tariffs, rates, fees, rentals and other charges for the use of Port Facilities or the services furnished by the County if such increases had been implemented and in effect during such Test Period, provided that such increases must be adopted as of the date the certification required by this Section 4.01 is made and such increase must be effective on, or scheduled to become effective no later than six months from, the date on which such certificate is made; and (y) 100% of the additional Net Revenue which, in the opinion of the Rate Consultant, would have been realized during such Test Period but for the inclusion, in Operating Expenses during such Test Period, of specified sums of extraordinary, non-recurring, expenditures which materially and adversely distort Net Revenue during the Test Period as a fair basis upon which to project future Net Revenue; or

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

SECTION 4.02. Issuance of Refunding Senior Bonds. The County shall only issue Refunding Senior Bonds under Section 2.08 of the Senior Bond Resolution upon compliance

with the requirements of said Section 2.08 and, if the certification described in clause (c)(iv) of said Section 2.08 is being delivered, upon filing with the Trustee a certificate signed by the Finance Director confirming that the Net Revenue (excluding investment income on funds on deposit in the Construction Fund) projected by the Rate Consultant, in writing, for each Bond Year from issuance of the Refunding Senior Bonds through the fifth Bond Year after the Bond Year in which the Refunding Senior Bonds are issued is equal to not less than 110% of the annual Composite Principal and Interest Requirements in each of such Bond Years for all Senior Bonds then outstanding under the provisions of the Senior Bond Resolution, excluding any Senior Bonds being defeased by proceeds of the Refunding Senior Bonds and including the Refunding Senior Bonds with respect to which the certificate is made, and for all Bonds then Outstanding.

ARTICLE V

REVENUE AND FUNDS

SECTION 5.01. Pledge of Pledged Revenue. The County hereby pledges and imposes a lien upon the Pledged Revenue and any and all other monies on deposit in the Funds and Accounts, other than the Administrative Fund and the Rebate Fund, including, without limitation, the investment earnings thereon, to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds and the performance by the County of its other obligations under this Indenture.

The Bonds issued under the provisions of this Indenture constitute Subordinate Obligations under the Senior Bond Resolution and are subordinate in all respects to the lien on Net Revenue in favor of all Senior Bonds heretofore or hereafter issued under the provisions of the Senior Bond Resolution and any other superior liens created from time to time in accordance with the provisions of the Senior Bond Resolution and this Indenture.

SECTION 5.02. Rate Covenants. The County covenants:

(a) that it will continue in effect the present tariff of rates and fees for, and the present rentals and other charges for the use of, the Port Facilities and the services furnished by the County until the same shall be revised as hereinafter provided,

(b) that it will not change, revise or reduce any such rates, fees, rentals and other charges if such change, revision or reduction will result in producing less Gross Revenue unless such rates, fees, rentals and other charges as so changed, revised or reduced will produce sufficient Gross Revenue to comply with subsection (c) of this Section, and

(c) that, subject to the foregoing provisions of this Section 5.02, from time to time and as often as it shall appear necessary it will revise the rates, fees, rentals and other charges for the use of the Port Facilities and for the services furnished by the County as may be necessary or proper in order that the Gross Revenue (excluding investment income on funds on deposit in the Construction Fund) and investment income on funds on deposit in the Sinking Fund and the Debt Service Reserve Fund will at all times be sufficient in each Fiscal Year to provide an amount at least equal to the sum of:

(i) 100% of the amounts required under clauses (i), (iii) and (iv) of Section 5.02(c) of the Senior Bond Resolution for the current Fiscal Year,

(ii) 100% of the Administrative Expenses for the current Fiscal Year,

(iii) 110% of the Composite Principal and Interest Requirements for the current Fiscal Year, and

(iv) 100% of the Debt Service Reserve Fund Deposit Requirement for the current Fiscal Year.

The deposit to the credit of the Sinking Fund in any Fiscal Year of an amount in excess of the amounts required under this Indenture for such Fiscal Year shall be taken into account in adjusting the rates, fees, rentals and other charges for any subsequent Fiscal Years. Any deficiency in the amounts deposited to the credit of the Sinking Fund or the Debt Service Reserve Fund in any Fiscal Year shall, as promptly as may be practicable, be added to the amounts referred to above for the remaining Fiscal Years in adjusting such rates, fees, rentals and other charges.

The County covenants that if at any time the total amount of Gross Revenue and investment income on funds on deposit in the Sinking Fund and the Debt Service Reserve Fund realized in any Fiscal Year shall be less than the amounts referred to above for such Fiscal Year, it will, before the 45th day of the following Fiscal Year, request (i) the Rate Consultant to make its recommendations as to a revision of the rates, fees, rentals and other charges and (ii) the Rate Consultant or the Consulting Engineers to make its recommendations as to any changes in methods of operation. The copies of such requests and of the recommendations of the Rate Consultant and Consulting Engineers shall be filed with the Trustee and the Finance Director.

Anything in this Indenture to the contrary notwithstanding, if the County shall comply with all above recommendations of the Rate Consultant and the Consulting Engineers, the failure to meet the requirements of clause (c) above in any Fiscal Year will not constitute an Event of Default under the provisions of this Indenture if Pledged Revenue is sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds payable in such Fiscal Year.

Notwithstanding any of the foregoing provisions of this Section 5.02, leases and other agreements and contracts for the use of Port Facilities in effect on the date of the execution of this Indenture shall not be subject to revisions except in accordance with their terms, and the County may enter into new leases or other agreements or contracts for the use of Port Facilities on such terms and for such periods of time as it shall determine to be proper.

SECTION 5.03. Annual Budget. The County covenants that on or before the first day of each Fiscal Year it will adopt a budget for such Fiscal Year. Copies of the Annual Budget shall be filed with the Finance Director.

If for any reason the County shall not have adopted the Annual Budget before the first day of any Fiscal Year, the Annual Budget for the preceding Fiscal Year shall, until the adoption of the Annual Budget, be deemed to be in full force and shall be treated as the Annual Budget under the provisions of this Article.

The County may at any time adopt an amended or supplemental Annual Budget for the remainder of the then current Fiscal Year, and the Annual Budget so amended or supplemented shall be treated as the Annual Budget under the provisions of this Article. Copies of any such amended or supplemental Annual Budget shall be filed with the Finance Director.

The County further covenants that the amount expended for Operating Expenses and Administrative Expenses in any Fiscal Year will not exceed the reasonable and necessary amount thereof, except that in the event of an emergency such amounts may be expended in excess of the Annual Budget as are subsequently ratified by the County. Nothing contained herein shall limit the amount which the County may expend for Operating Expenses and Administrative Expenses in any Fiscal Year provided any amounts expended therefor in excess of the total amount provided in the Annual Budget shall be received by the County from a source other than Gross Revenue in such Fiscal Year.

SECTION 5.04. Sinking Fund; Additional Funds and Accounts. A special fund is hereby created and designated "Broward County, Florida Subordinate Port Facilities Refunding Revenue Bonds Sinking Fund" (herein called "Sinking Fund"). Three additional special funds are hereby created and designated "Broward County, Florida Subordinate Port Facilities Refunding Revenue Bonds Debt Service Reserve Fund" (herein called the "Debt Service Reserve Fund"), "Broward County, Florida Subordinate Port Facilities Refunding Revenue Bonds Administrative Fund" (herein called the "Administrative Fund") and "Broward County, Florida Subordinate Port Facilities Refunding Revenue Bonds Rebate Fund" (herein called the "Rebate Fund").

The moneys in the Administrative Fund and Rebate Fund shall be held by the County in trust and applied as hereinafter provided. The moneys in the Sinking Fund and the Debt Service Reserve Fund shall be held by the Trustee in trust and applied as hereinafter provided and, pending such application, shall be subject to a lien and charge in favor of the Owners of the Bonds issued and Outstanding under this Indenture and for the further security of such Owners until paid out or transferred as herein provided.

SECTION 5.05. Flow of Funds. The Finance Director shall transfer, to the extent legally available, from the General Fund to the Rebate Fund the amounts required to be transferred in order to comply with the rebate covenants set forth in Section 7.14 hereof, when such amounts are required to be transferred.

Thereafter, the Finance Director shall, not later than the 27th day of the month next succeeding the month in which Bonds are issued under the provisions of this Indenture and in each month thereafter, withdraw and transfer, to the extent legally available, an amount from the General Fund to the Administrative Fund so that thereafter the amount on deposit in the Administrative Fund equals the amount necessary for Administrative Expenses payable therefrom during the next month; provided, however, that such transfer shall not be required to be made to the extent that sufficient money is on deposit in the Administrative Fund.

The Finance Director shall promptly thereafter withdraw, to the extent legally available, from the General Fund amounts sufficient to transfer to the Trustee or pay, as applicable, the following amounts in the following order of priority:

(a) first, deposit to the credit of the Sinking Fund, such amount (or the entire sum so withdrawn if less than the required amount) as shall equal the sum of

(i) an amount that, together with an equal amount assumed to be deposited on one Deposit Day of each succeeding calendar month prior to the next Interest Payment Date, shall equal (or shall be estimated to equal during a Daily Rate Period or Weekly Rate Period) the Interest Requirements of the Bonds payable on the next Interest Payment Date, and

(ii) an amount that, together with an equal amount assumed to be deposited on one Deposit Day of each succeeding calendar month prior to the next principal payment date (including any date established for the payment of Amortization Requirements) for the Bonds occurring within one year of the date of such deposit, shall equal the Principal Requirements of the Bonds payable on such next principal payment date (or date established for the payment of Amortization Requirements);

provided that in making such transfer to the Trustee, the Trustee shall take into account any accrued interest deposited from the proceeds of a Series of Bonds and any amounts specified in a certificate of an Authorized Officer delivered to the Trustee prior to such Deposit Day as credited to the Sinking Fund and anticipated to be available to pay interest on Bonds on the next Interest Payment Date; provided further, that, in making such transfer, the Trustee shall take into account any investment income realized by the County from the investment of moneys to the credit of the Sinking Fund and the Debt Service Reserve Fund (or any other excess in the Debt Service Reserve Fund transferred or then transferable to the Sinking Fund pursuant to Section 5.08(b)) since the Deposit Day next preceding the Interest Payment Date last occurring prior to such Deposit Day; and provided further that, in the event the County has entered into any Hedge Agreement pursuant to the provisions of this Indenture, amounts shall be deposited in the Sinking Fund at such other times and/or in such other amounts or transferred to such other parties as necessary to pay the Hedge Obligations due under the Hedge Agreement on a parity with interest due on the Bonds. Notwithstanding the foregoing, the County shall remain obligated to cure any deficiency in the amount so deposited for the payment of interest on Variable Rate Bonds on or prior to the applicable Interest Payment Date, and the Finance Director shall withdraw and transfer to the Trustee from the General Fund, to the extent legally available, the amount necessary to cure any such deficiency on or prior to such Interest Payment Date; and

(b) second, to the credit of the Debt Service Reserve Fund, such amount, if any, remaining after the deposits under clause (a) above (or the entire balance if less than the required amount) as shall equal the Debt Service Reserve Fund Deposit Requirement; provided, however, that if the Debt Service Reserve Fund Deposit Requirement is being satisfied by the reinstatement of a Reserve Facility, there shall be paid to the Reserve Facility Provider such amount, if any, remaining after making the deposit under clause (a) above (or the entire balance if less than the required amount), as may be required to cause the Debt Service Reserve Fund Deposit Requirement to be satisfied.

(c) third, to pay other amounts due Credit Providers, Liquidity Providers, Reserve Facility Providers, Fiduciaries, Counterparties and others which are not payable as Administrative Expenses or pursuant to clauses (a) and (b) above;

The payments and deposits required pursuant to this Section shall be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be paid or deposited in each month thereafter until such time as such deficiency shall have been made up.

Notwithstanding the foregoing provisions of clause (a), if there shall be to the credit of the Sinking Fund on a Deposit Day the amount required to be on deposit to the credit of such Fund on the next Interest Payment Date and the next principal payment date, no further deposit into such Fund on account of the requirements of said clause shall then be required.

In the event that with respect to any Series of Bonds, the periods to elapse between Interest Payment Dates for the purposes of clause (a)(i) above or between the date of delivery of the Bonds and the next principal payment date for the purposes of clause (a)(ii) above will be other than six months or twelve months, respectively, then such monthly payments shall be increased or decreased accordingly, in sufficient amounts to provide, as to such Series, the required interest or principal amount maturing on the next Interest Payment Date or principal payment date, as applicable.

SECTION 5.06. Application of Monies in Administrative Fund. Money held in the Administrative Fund shall be applied toward payment of Administrative Expenses as the same are due and payable.

SECTION 5.07. Application of Moneys in Sinking Fund.

(a) The Trustee shall, on or before the Business Day immediately preceding each Interest Payment Date, withdraw from the Sinking Fund and transfer to the Paying Agent, and the Paying Agent shall (1) remit by mail to each Owner of Bonds the amounts required for paying the interest on such Bonds as such interest becomes due and payable and (2) set aside or deposit in trust with the Paying Agent, the amounts required for paying the principal of such Bonds as such principal becomes due and payable.

(b) Except in the case of any Bonds that constitute Variable Rate Bonds or Put Bonds, the County may direct the Trustee to purchase Bonds identified by the County prior to maturity at the most advantageous price obtainable with reasonable diligence by the County, such price not to exceed the principal of such Bonds. The Trustee shall pay the purchase price and the interest accrued on such Bonds to the date of settlement therefor from the Sinking Fund; provided, however, that money in the Sinking Fund may be used by the Trustee to purchase Bonds for cancellation only to the extent said moneys are in excess of the amount required for payment of the Bonds theretofore matured and the total amount of interest and principal on the Bonds scheduled to become due on the next succeeding Interest Payment Date or Principal Payment Date, respectively.

(c) In the case of Bonds secured by a Credit Facility or Liquidity Facility, amounts on deposit in the Sinking Fund may be applied to reimburse the Credit Provider or Liquidity Provider for amounts drawn under such Credit Facility or Liquidity Facility to pay the principal or Purchase Price of and premium, if any, and interest on such Bonds, as appropriate.

(d) In the case of Bonds with respect to which the County has entered into a Hedge Agreement, amounts on deposit in the Sinking Fund may be applied to pay Hedge Obligations.

SECTION 5.08. Use of Moneys in Debt Service Reserve Fund.

(a) Moneys held for the credit of the Debt Service Reserve Fund shall be transferred to the credit of the Sinking Fund and used for the purpose of paying the principal and interest of all Bonds whenever and to the extent that the moneys held for the credit of the Sinking Fund shall be insufficient for such purpose. If the amount transferred from the Debt Service Reserve Fund to the Sinking Fund pursuant to the preceding sentence shall be less than the amount required to be transferred thereunder, any amount thereafter deposited to the credit of the Debt Service Reserve Fund shall be immediately transferred to the Sinking Fund as and to the extent required to make up such deficiency.

(b) If on the Deposit Day immediately preceding each Interest Payment Date and/or principal payment date the moneys held for the credit of the Debt Service Reserve Fund shall exceed an amount equal to the Debt Service Reserve Fund Requirement, the Trustee shall transfer such excess to the credit of the Sinking Fund.

(c) Whenever the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement, the Trustee shall notify the County of the amount of the deficiency. Upon such notification, the Finance Director shall withdraw and transfer to the Trustee, from legally available moneys in the General Fund, on the Deposit Day in each month thereafter an amount not less than Debt Service Reserve Fund Deposit Requirement until such deficiency is remedied.

(d) The County may satisfy all or a portion of the Debt Service Reserve Fund Requirement by the deposit with the Trustee of a Reserve Facility. A Reserve Facility shall be payable (upon the giving of notice as required thereunder) on any Interest Payment Date or redemption or principal payment date on which a deficiency exists for the Bonds or the Series of Bonds for which such Reserve Facility was issued, which cannot be cured by moneys in the Debt Service Reserve Fund or any other Fund, Account or Subaccount held pursuant to this Indenture and available for such purpose.

If any such Reserve Facility is substituted for moneys on deposit in the Debt Service Reserve Fund, the excess moneys in the Reserve Account shall be applied to satisfy any such deficiency in any of the Funds, Accounts or Subaccounts under this Indenture, and any remaining balance shall be deemed surplus, shall be released from the lien of this Indenture and may be used by the County for any lawful purpose. If a disbursement is made from a Reserve Facility, the County shall be obligated, in accordance with Section 5.05(b), to either reinstate the maximum limits of such Reserve Facility following such disbursement or deposit into Debt Service Reserve Fund the amount of the disbursement made under such Reserve Facility, or to undertake a combination of such alternatives.

In the event that upon the occurrence of any deficiency in the Sinking Fund, the Debt Service Reserve Fund is then funded with one or more Reserve Facilities, the Trustee, pursuant to the provisions of any such facilities, shall, on the Interest Payment Date or principal payment date or redemption date to which such deficiency relates, draw upon or cause to be paid under such facilities, on a pro-rata basis thereunder, an amount sufficient to remedy such deficiency, in accordance with the terms and provisions of such facilities and any corresponding reimbursement or other agreement governing such facilities; provided however, that if at the time of such deficiency the Debt Service Reserve Fund is only partially funded with one or more Reserve Facilities, prior to drawing on such facilities or causing payments to be made thereunder, there shall first be applied any cash and securities on deposit in the Debt Service Reserve Fund to remedy the deficiency and, if after such application a deficiency still exists, the shall make up the balance of the deficiency by drawing on such facilities or causing payments to be made thereunder, as provided in this paragraph. Amounts drawn or paid under a Reserve Facility shall be applied as set forth in clause (a) of this Section 5.08. Any amounts drawn or paid under a Reserve Facility shall be reimbursed to the issuer thereof in accordance with the terms and provisions of the reimbursement or other agreement governing such facility.

SECTION 5.09. Moneys Set Aside to be Held in Trust. All moneys that the Trustee shall have withdrawn from the Sinking Fund or shall have received from any other source and set aside, or deposited with the Bond Registrar or Paying Agents, for the purpose of paying any of the Bonds hereby secured at the maturity thereof shall be held in trust for the respective Owners of such Bonds. But any moneys that shall be so set aside or deposited and that shall remain unclaimed by the Owners of such Bonds for the period of two years after the date on which such Bonds shall have become due and payable shall upon request in writing be paid to the County or to such officer, board or body as may then be entitled by law to receive the same, and thereafter the Owners of such Bonds shall look only to the County or to such officer, board or body, as the case may be, for payment and then only to the extent of the amounts so received without any interest thereon, and the Trustee, the Bond Registrar, the Trustee and the Paying Agent shall have no responsibility with respect to such moneys.

SECTION 5.10. Separate Accounts. Except as provided in Section 3.10(b) hereof, the moneys required to be accounted for in each of the Funds, Accounts and Subaccounts established herein by the County and the Trustee, respectively, may be deposited by the County or the Trustee, as applicable, in a single bank account, and may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such Funds, Accounts and Subaccounts as herein provided.

The designation and establishment of the various Funds, Accounts and Subaccounts in and by this Indenture shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenue for certain purposes and to establish certain priorities for application of such revenue as herein provided.

ARTICLE VI

DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENTS OF FUNDS

SECTION 6.01. Security for Deposits. All moneys received by or on behalf of the County, subject to the provisions of this Indenture, including all such moneys delivered to the Trustee, shall be held in accordance herewith by the County or the Trustee, as applicable; provided, however, that moneys held by the County shall be deposited with a Depositary or Depositaries. All such moneys shall be held in trust, shall be applied only in accordance with the provisions of this Indenture and shall not be subject to lien or attachment by any creditor of the County or Trustee except as otherwise provided in this Indenture.

All moneys held by the Trustee or a Depositary hereunder in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured in such manner as may then be provided by applicable State or federal laws or regulations regarding the security for, or granting a preference in the case of, the deposit of public funds; provided, however, that it shall not be necessary for the Paying Agent to give security for the deposits of any moneys with them for the payment of the principal of or the redemption premium or the interest on any Bonds issued hereunder or for the County to give security for any moneys which shall be represented by obligations purchased under the provisions of this Article as an investment of such money.

SECTION 6.02. Investment of Moneys. Moneys held for the credit of the Sinking Fund, the Debt Service Reserve Fund, the Administrative Fund and the Rebate Fund shall, as nearly as may be practicable, be continuously invested and reinvested with respect to the Administrative Fund and the Rebate Fund, by the Finance Director, and with respect to the Sinking Fund and the Debt Service Reserve Fund, by the Trustee, only upon written direction or telephonic direction promptly followed by written direction of an Authorized Officer to the Trustee, in Investment Securities which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when moneys held for the credit of said Funds will be estimated by an Authorized Officer to be required for the purposes intended (which Investment Securities, in the case of the Debt Service Reserve Fund, may be as late as the final maturity of the Bonds). Any and all such investments shall comply with any requirements set forth in any certificate or other instrument of the County with respect to preventing any Series of Bonds from being characterized as "arbitrage bonds" within the meaning of Section 148 of the Code or any successor provision thereto. The Trustee shall assume that any Investment Security in which the County has directed it to invest is a lawful investment for the County.

Investment Securities so purchased as an investment of moneys in any Fund, Account or Subaccount shall be deemed at all times to be part of such Fund, Account or Subaccount. The interest accruing thereon and any gain realized from such investment shall be credited to, and any loss resulting from such investment shall be charged to, the respective Fund, Account or Subaccount. The Finance Director or the Trustee, upon direction of an Authorized Officer, as applicable, shall sell or present for payment or redemption any Investment Securities so acquired whenever it shall be necessary to do so in order to provide moneys to meet any payment from

such Fund, Account or Subaccount. Neither the County, the Trustee nor any agent thereof shall be liable, or responsible, for any loss resulting from any such investment.

Any and all income received from the investment of moneys in the Sinking Fund shall be retained therein.

Any and all income earned on investments in the Debt Service Reserve Fund shall be transferred to the Sinking Fund; provided, however, such income in the Debt Service Reserve Fund shall be retained in Debt Service Reserve Fund in the event that amounts on deposit therein are less than the Debt Service Reserve Fund Requirement.

Any income received from the investment of moneys in the Administrative Fund and the Rebate Fund shall remain therein.

The Trustee shall value Investment Securities credited to the Sinking Fund or Debt Service Reserve Fund upon request of the County or the Credit Provider, but, in any event, not less often than annually, as follows:

(a) As to Investment Securities 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 Investment Securities so published on or most recently prior to such time of determination;

(b) As to Investment Securities 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 Investment Securities by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such Investment Securities or the bid price published by a nationally recognized pricing service;

(c) As to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(d) As to any Investment Securities not specified above: the value thereof established by prior agreement between the County, the Trustee and the Credit Provider.

ARTICLE VII

PARTICULAR COVENANTS

SECTION 7.01. Payment of Principal, Interest and Premium; Limited and Subordinated Obligations. The County covenants that it will promptly pay the principal of and the interest on the Bonds, and any premium required for the retirement of said Bonds by purchase or redemption, at the places, on the dates and in the manner specified herein and in said Bonds.

Except as otherwise provided in this Indenture, the principal, interest and premium on the Bonds are payable solely from the Pledged Revenue which is hereby pledged to the payment thereof and the moneys on deposit from time to time in the Funds, Accounts and Subaccounts,

other than the Administrative Fund and the Rebate Fund, in the manner and to the extent hereinabove particularly specified, and nothing in the Bonds or in this Indenture shall be construed as obligating the County to pay the principal, the interest and premium, if any, thereon except from the Pledged Revenue and the moneys on deposit from time to time in the Funds, Accounts and Subaccounts, other than the Administrative Fund and the Rebate Fund, or as pledging the full faith and credit of the County or as obligating the County, directly or indirectly or contingently, to levy or to pledge any form of taxation whatever therefor.

The Bonds issued under the provisions of this Indenture constitute Subordinate Obligations under the Senior Bond Resolution and are subordinate in all respects to the lien on Net Revenue in favor of all Senior Bonds heretofore or hereafter issued under the provisions of the Senior Bond Resolution and any other superior liens created from time to time in accordance with the provisions of the Senior Bond Resolution and this Indenture.

SECTION 7.02. Covenants Regarding Senior Bond Resolution.

(a) The County covenants that (i) it will deposit and apply the Gross Revenue in accordance with the provisions of Article V of the Senior Bond Resolution, (ii) it will apply in each month moneys on deposit in the General Fund which, under the provisions of Section 5.13 of the Senior Bond Resolution are legally available for such purpose, to the payment of the County's obligations under this Indenture prior to application to any other purposes permitted under Section 5.13 of the Senior Bond Resolution, other than those purposes which under Section 5.13 of the Senior Bond Resolution have priority over the County's obligations under this Indenture, and (iii) it will continue to comply with the provisions of clauses (i) and (ii) above notwithstanding the discharge and release of the Senior Bond Resolution in accordance with its terms.

(b) The County further covenants that it will comply with all of its covenants and agreements under the Senior Bond Resolution and that it will not adopt a supplemental resolution under the provisions of Article X of the Senior Bond Resolution which shall have a material adverse effect upon the Owners of the Bonds.

SECTION 7.03. Operation of the Port Facilities. The County covenants that it will establish and enforce reasonable rules and regulations governing the use and operation of the Port Facilities, that all compensation, salaries, fees and wages paid by it in connection with the maintenance, repair and operation of the Port Facilities will be reasonable, that no more persons will be employed by it than are necessary, that it will maintain and operate the Port Facilities in an efficient and economical manner and that, from the Gross Revenue thereof, it will at all times maintain the Port Facilities in good repair and in sound operating condition and will make all necessary repairs, renewals and replacements.

SECTION 7.04. Covenant Against Encumbrances. The County covenants that, from Gross Revenue, it will pay, as part of Operating Expenses, all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon or in respect of the Port Facilities or upon any part thereof or upon any Gross Revenue when the same shall become due and payable by the County. Except to the extent permitted in the Senior Bond Resolution and this Indenture, the County will not create or suffer to be created any lien or charge upon the Port

Facilities or any part thereof or upon the Pledged Revenue ranking equally with or prior to the Bonds except (i) in connection with Senior Bonds, the lien for the benefit of Senior Bonds and liens for the benefit of any Senior Credit Provider, any provider of a Senior Reserve Account Credit Facility or any provider of a Senior Hedge Agreement and (ii) in connection with Bonds, liens for the benefit of any Credit Provider, Liquidity Provider or Counterparty. The County will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty days after the same shall accrue, all lawful claims and demands against the County for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Port Facilities or any part thereof or upon the Gross Revenue; provided, however, that nothing contained in this Section 7.04 shall require the County to pay or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

SECTION 7.05. Retention of Consulting Engineers, Accountants and Rate Consultant; Appointment of Officers. The County covenants that (i) it will, for the purpose of performing and carrying out the duties imposed on the Consulting Engineers by the Senior Bond Resolution and this Indenture, retain an independent engineer or engineering firm or corporation of nationally recognized ability and standing, (ii) it will, for the purpose of performing and carrying out the duties imposed on the Accountants by the Senior Bond Resolution and this Indenture, retain an independent certified public accountant or firm of certified public accountants of nationally recognized ability and standing and (iii) it will, from time to time as necessary, for the purpose of performing and carrying out the duties imposed on the Rate Consultant by the Senior Bond Resolution and this Indenture, retain an independent consultant or consulting firm or corporation of nationally recognized ability and standing. Except for any fees and expenses incurred under the provisions of Section 4.03 of the Senior Bond Resolution, the cost of retaining Consulting Engineers, Accountants and the Rate Consultant shall be treated as part of Operating Expenses. The County covenants that it will appoint and maintain a Finance Director and such other Authorized Officers as it deems appropriate, and delegate to such persons the duties imposed or permitted to be imposed upon them by the Senior Bond Resolution and this Indenture.

SECTION 7.06. Insurance. The County covenants that it will maintain a practical insurance program, including property and comprehensive liability insurance, with reasonable terms, conditions, provisions and costs, which the Finance Director determines, with the recommendations of the Consulting Engineers, will afford adequate protection against loss, including loss of Gross Revenue, caused by damage to or destruction of the Port Facilities or any part thereof and for bodily injury and property damage. All such insurance policies shall be carried with a responsible insurance company or companies satisfactory to the Finance Director and authorized and qualified under the laws of the State of Florida to assume the risks thereof.

The proceeds of all such insurance covering damage to or destruction of the Port Facilities shall be deposited with the Finance Director and shall be available for and shall, to the extent necessary, be applied to the repair, replacement or reconstruction of the damaged or destroyed property, and shall be paid out in the manner provided in the Senior Bond Resolution for payments from the Construction Fund. If such proceeds are more than sufficient for such purpose, the balance remaining shall be deposited to the credit of the Gross Revenue Fund. If such proceeds shall be insufficient for such purpose, the deficiency may be supplied out of any

monies in the Renewal and Replacement Fund and then from the Gross Revenue Fund. The proceeds of all insurance covering loss of Gross Revenue shall be deposited to the credit of the Gross Revenue Fund.

Notwithstanding the foregoing provisions of this Section, the County may institute and maintain self-insurance programs with regard to such risks as shall be consistent with the recommendations of the Consulting Engineers.

SECTION 7.07. Use of Gross Revenue. The County covenants and agrees that none of the Gross Revenue will be used for any purpose other than as provided in the Senior Bond Resolution and this Indenture. The County further covenants that it will adopt such resolutions and such rules and regulations as may be necessary or appropriate to carry out the obligations of the County under the provisions of the Senior Bond Resolution and this Indenture.

SECTION 7.08. Records, Accounts and Audits. The County covenants that it will keep accurate records and accounts of all items of cost and all expenditures relating to the Department and of the Gross Revenue earned and the application of such Gross Revenue. All expenditures must be accounted for by proper invoices or approved charge documents prior to any such expenditure.

The County further covenants that at least quarterly it will cause to be filed with the Finance Director a report signed by the Finance Director setting forth financial statements prepared in accordance with generally accepted accounting principles applicable to the operations of the Department (i) for all months of the current Fiscal Year including the month in which said report is given, and (ii) for the same months of the preceding Fiscal Year.

The County further covenants that it will, at the end of each Fiscal Year, prepare financial statements in accordance with generally accepted accounting principles applicable to operations of the Department and that it will cause an audit of the financial statements to be made by the Accountant, which may be part of the County's Comprehensive Annual Financial Report. Such audit will be conducted in accordance with generally accepted auditing standards applicable to operations of the County. The audit will be completed within one hundred eighty days after the end of the Fiscal Year. Within a reasonable time thereafter reports of such audit and copies of each report shall be filed with the Finance Director and copies of such reports shall be mailed by the County to the Trustee and the Consulting Engineers. The scope of the Accountant's audit will be sufficient to enable it to report as to compliance by the County with the rate covenant of this Indenture and any material non-compliance by the County of the conditions and covenants under this Indenture.

The County further covenants that it will cause any additional reports relating to the County to be made as required by law. The cost of such audits and reports shall be treated as a part of the Operating Expenses.

All of the reports described in this Section 7.08 shall be made available by the County to any Bondholder that requests same.

SECTION 7.09. Sale or Disposal of Port Facilities. The County covenants that, except as permitted by this Section 7.09 and as in this Indenture otherwise permitted, it will not sell or

otherwise dispose of or encumber the Port Facilities or any part thereof. The foregoing shall not prohibit the County from entering into any lease of Port Facilities permitted by the Act. The County may, from time to time sell any machinery, fixtures, apparatus, tools, instruments or other property acquired by the County in connection with the Port Facilities and materials used in connection therewith, if the Port Director shall determine that such property is no longer needed or is no longer useful in connection with the construction or operation or maintenance of the Port Facilities. The proceeds of any such sale shall be applied to the replacement of the property so sold or disposed of and any property so acquired as such replacement shall become a part of the Port Facilities subject to this Indenture or such proceeds shall be deposited as provided in Section 7.09 of the Senior Bond Resolution (notwithstanding the discharge and release of the Senior Bond Resolution in accordance with its terms). Notwithstanding the foregoing, the County may from time to time permanently abandon the use of, sell or trade any property forming a part of the Port Facilities, but only if there shall be filed with the Finance Director prior to such abandonment, sale or trade, a certificate of the Consulting Engineers, stating:

(a) that the County is not then in default in the performance of any of the material covenants, conditions, agreements or provisions contained in the Senior Bond Resolution and this Indenture; and

(b) that the Gross Revenue for the next succeeding twelve months, after giving effect to such abandonment, sale or trade and any replacement, and after adjustment to reflect changes in the rate schedule in effect on the date of such certificate, are anticipated to be sufficient in all respects to comply with Section 5.02 of this Indenture; and

(c) that such abandonment, sale or trade considering the use the County has stated it intends to make with any proceeds derived therefrom, and after consideration of all other benefits and detriments anticipated to result therefrom, will not have a material adverse impact on future Pledged Revenue and is consistent with the County's business and purpose.

The proceeds of any disposition authorized by the Consulting Engineers' certificate as aforedescribed shall be applied as stated therein or, if not so stated, the proceeds of the sale of any property shall either be deposited by the County as provided in Section 7.09 the Senior Bond Resolution, or shall be applied to the replacement of the property so sold, and any property acquired as such replacement shall become a part of the Port Facilities subject to the provisions of this Indenture.

SECTION 7.10. Special Purpose Bonds. Notwithstanding any other provision of this Indenture, the County may issue Special Purpose Bonds in accordance with the provisions of Section 7.10 of the Senior Bond Resolution, provided, however, that to the extent the same shall constitute a Subordinated Obligation, payment therefor shall be subordinate to the payment of principal of and interest on the Bonds.

SECTION 7.11. Subordinated Obligations. Subject to the provisions of Section 7.04 of this Indenture, the County may issue additional Subordinated Obligations.

SECTION 7.12. Other Indebtedness. Nothing in this Indenture shall be construed as in any way prohibiting or limiting the power of the County to enter into agreements, including interest rate swaps, incur obligations, undertake indebtedness or otherwise enter into any financing transactions to the extent such agreements, obligations, indebtedness or financing transactions do not impose any lien upon the Net Revenue or the Pledged Revenue and are payable from sources other than Gross Revenue. The foregoing shall include bond or revenue anticipation notes, including notes anticipated to be paid from proceeds of Bonds issued hereunder, and any other obligations of the County that are payable from funds other than Gross Revenue.

SECTION 7.13. Investments and Use of Proceeds to Comply with Code; Taxable Bonds.

(a) The County covenants with the Owners of each Series of Bonds (other than Taxable Bonds), that it shall comply with the requirements of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, including the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code, and, in particular, that it shall not make or direct the making of any investment or other use of proceeds of such Series of Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the interest on such Series of Bonds to be or become subject to federal income taxation, nor shall it fail to do any act which is necessary to prevent such interest from becoming subject to federal income taxation.

(b) The County covenants with the Owners of each Series of Bonds (other than Taxable Bonds) that neither the County nor any other person under its control or direction will make any investment or other use of the proceeds of such Series of Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Series of Bonds to be "private activity bonds" as that term is defined in Section 141 of the Code (or any successor provision thereto), except as to any Series so categorized at the time of issuance, or "arbitrage bonds" as that term is defined in Section 148 of the Code (or any successor provision thereto) and that it will comply with such sections of the Code throughout the term of the Bonds.

(c) The County may, if it so elects, issue one or more Series of Taxable Bonds, the interest on which is (or may be) includable in the gross income of the Owners thereof for federal income tax purposes, provided that the issuance thereof will not cause the interest on any other Bonds theretofore issued hereunder to be or become subject to federal income taxation.

(d) Notwithstanding anything to the contrary contained in subparagraphs (a) through (c) hereof, the County hereby elects to issue the Series 1998 Bonds and may, if it so elects, issue other Series of Bonds as "private activity bonds," as that term is defined in Section 141 (or any successor provision thereto) of the Code and which are "qualified bonds," as that term is defined in Section 141 (or any successor provision thereto) of the Code and the County covenants that it will not make or direct the making of any investment nor will it use the proceeds of any such Series in a manner which would make such Bonds not "qualified bonds."

SECTION 7.14. Arbitrage Rebate Covenants. Prior to the issuance of each Series of Bonds other than any Series of Taxable Bonds, the County shall execute and deliver a certificate or agreement containing arbitrage rebate covenants (the "Rebate Covenants") as to said Series of

Bonds. The County shall make or cause to be made payments from the Rebate Fund of amounts required to be deposited therein to the United States of America in the amounts and at the times required by the Rebate Covenants. The County covenants for the benefit of the Bondholders that it will comply with the requirements of the Rebate Covenants. There shall be excluded from the pledge and lien of this Indenture the Rebate Fund, together with all moneys and securities from time to time held therein and all investment earnings derived therefrom. The County shall not be required to comply with the requirements of this Section 7.14, or with the Rebate Covenants, in the event that the County obtains an Opinion of Bond Counsel that: (a) such compliance is not required in order to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes; and/or (b) compliance with some other requirement is necessary to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes or is a permissible substitute for any deleted requirement. The County shall enter into a Supplemental Indenture, or amend the Rebate Covenants, as may be applicable, to reflect the deletion or substitution of any such requirement.

SECTION 7.15. Covenants with Credit Providers and Liquidity Providers.

(a) The County may make such covenants as it may, in its sole discretion, determine to be appropriate with any Credit Provider, Liquidity Provider or other financial institution that shall agree to provide for Bonds of any one or more Series a Credit Facility or Liquidity Facility that shall enhance the security or the value of such Bonds; provided, however, such covenants may not impair the rights of any existing Bondholders in any manner that, pursuant to Section 11.02, would require such Bondholder's consent, without first obtaining such consent.

(b) For so long as the Initial Credit Facility is in effect and the Initial Credit Provider has not defaulted in its obligations thereunder, and notwithstanding any provisions to the contrary contained in this Indenture, the County, the Trustee, the Bond Registrar and the Paying Agent, as applicable, covenant and agree, but solely for the benefit of the Initial Credit Provider, as follows:

(1) Consent of the Initial Credit Provider.

Any provision of this Indenture expressly recognizing or granting rights in or to the Initial Credit Provider may not be amended in any manner which affects the rights of the Initial Credit Provider without the prior written consent of the Initial Credit Provider.

(2) Consent of the Initial Credit Provider in Lieu of Bondholder Consent.

The Initial Credit Provider's consent shall be required in lieu of the consent of the Owners of the Series 1998 Bonds, when required, for the following purposes: (i) execution and delivery of any amendment or change to or modification of this Indenture; (ii) removal of the Trustee or Paying Agent and selection and appointment of any successor Trustee or Paying Agent; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires consent of the Owners of the Series 1998 Bonds.

(3) Consent of the Initial Credit Provider in the Event of Insolvency.

Any reorganization or liquidation plan with respect to the Department must be acceptable to the Initial Credit Provider. In the event of any reorganization or liquidation, the Initial Credit Provider shall have the right to vote on behalf of all Owners of the Series 1998 Bonds but shall in no event vote to reduce the principal amount of Series 1998 Bonds Outstanding or to reduce the interest rate which the Series 1998 Bonds bear.

(4) Rights of the Initial Credit Provider Upon Default.

Anything in this Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, the Initial Credit Provider shall be deemed the Owner of all the Series 1998 Bonds for purposes of exercising all rights and remedies granted to the Owners of the Series 1998 Bonds under this Indenture.

(5) Notices to the Initial Credit Provider; Accountings.

(A) The County or the Trustee, as applicable, shall furnish to the Initial Credit Provider:

(i) as soon as practicable after filing thereof, a copy of any financial statement of the Department and a copy of any audit and annual report of the Department;

(ii) a copy of any notice to be given to the Owners of the Series 1998 Bonds, including, without limitation, notice of any redemption of or defeasance of Series 1998 Bonds, and any certificate rendered pursuant to this Indenture relating to the security for the Series 1998 Bonds; and

(iii) such additional information it may reasonably request.

(B) The Trustee or the County, as applicable, shall notify the Initial Credit Provider of any failure of the County to provide relevant notices or certificates.

(C) The County will permit the Initial Credit Provider to discuss the affairs, finances and accounts of the Department or any information the Initial Credit Provider may reasonably request regarding the security for the Series 1998 Bonds with appropriate officers of the County. The Trustee and the County will permit the Initial Credit Provider to have access to and to make copies of all books and records relating to the Series 1998 Bonds at any reasonable time.

(D) The Initial Credit Provider shall have the right to direct an accounting of the Department 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 the Initial Credit Provider shall be deemed as 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, but only if such extension

would not materially adversely affect the interests of any Owner of the Series 1998 Bonds.

(E) Notwithstanding any other provision of this Indenture, the Trustee or the County, as applicable, shall immediately notify the Initial Credit Provider if at any time there are insufficient moneys to make any payments of principal of and/or interest on the Series 1998 Bonds as required and immediately upon the occurrence of any Event of Default under this Indenture.

(F) The County agrees to provide to the Initial Credit Provider copies of all information and notices required to be provided under the Continuing Disclosure Agreement at the same time as such information and notices are provided thereunder.

(6) Series 1998 Bonds Outstanding.

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Series 1998 Bonds shall be paid by Initial Credit Provider pursuant to the Initial Credit Facility, the Series 1998 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 Trust Estate and all covenants, agreements and other obligations of the County to the Owners shall continue to exist and shall run to the benefit of the Initial Credit Provider, and the Initial Credit Provider shall be subrogated to the rights of such Owners.

(7) Payment Procedure Pursuant to the Initial Credit Facility.

(A) At least one (1) day prior to all Interest Payment Dates the Trustee will determine whether there will be sufficient funds in the Funds and Accounts available therefor to pay the principal of or interest on the Series 1998 Bonds on such Interest Payment Date. If the Trustee determines that there will be insufficient funds in such Funds or Accounts, the Trustee shall so notify the Initial Credit Provider. Such notice shall specify the amount of the anticipated deficiency, the Series 1998 Bonds to which such deficiency is applicable and whether such Series 1998 Bonds will be deficient as to principal or interest, or both. If the Trustee has not so notified the Initial Credit Provider at least one (1) day prior to an Interest Payment Date, the Initial Credit Provider will make payments of principal or interest due on the Series 1998 Bonds on or before the first (1st) day next following the date on which the Initial Credit Provider shall have received notice of nonpayment from the Trustee.

(B) The Bond Registrar shall, after the giving of notice by the Trustee to the Initial Credit Provider as provided in (A) above, make available to the Initial Credit Provider and, at the Initial Credit Provider's direction, to the United States Trust Company of New York, as insurance trustee for the Initial Credit Provider or any successor insurance trustee (the "Insurance Trustee"), the registration books of the County maintained by the Bond Registrar, and the County shall make available to the Initial Credit Provider and to the Insurance Trustee all records relating to the Funds and Accounts.

(C) The Bond Registrar shall provide the Initial Credit Provider and the Insurance Trustee with a list of Owners of Series 1998 Bonds entitled to receive principal or interest payments from the Initial Credit Provider under the terms of the Initial Credit Facility, and the Paying Agent shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the Owners of Series 1998 Bonds entitled to receive full or partial interest payments from the Initial Credit Provider and (ii) to pay principal upon Series 1998 Bonds surrendered to the Insurance Trustee by the Owners of Series 1998 Bonds entitled to receive full or partial principal payments from the Initial Credit Provider.

(D) The Trustee shall, at the time it provides notice to the Initial Credit Provider pursuant to (A) above, notify Owners of Series 1998 Bonds entitled to receive the payment of principal or interest thereon from the Initial Credit Provider (i) as to the fact of such entitlement, (ii) that the Initial Credit Provider will remit to them all or a part of the interest payments next coming due upon proof of Bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the Owner's right to payment, (iii) that should they be entitled to receive full payment of principal from the Initial Credit Provider, they must surrender their Series 1998 Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Series 1998 Bonds to be registered in the name of the Initial Credit Provider) for payment to the Insurance Trustee, and not the Paying Agent and (iv) that should they be entitled to receive partial payment of principal from the Initial Credit Provider, they must surrender their Series 1998 Bonds for payment thereon first to the Paying Agent who shall note on such Series 1998 Bonds the portion of the principal paid by the Paying Agent and then, along with an appropriate instrument of assignment in 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 1998 Bond which has become Due for Payment (as defined in the Initial Credit Facility) and which is made to a Bondholder by or on behalf of the County has been deemed a preferential transfer and theretofore recovered from its Owner 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 the Initial Credit Provider is notified pursuant to (A) above, notify all Owners that in the event that any Owner's payment is so recovered, such Owner will be entitled to payment from the Initial Credit Provider to the extent of such recovery if sufficient funds are not otherwise available, and the Paying Agent shall furnish to the Initial Credit Provider its records evidencing the payments of principal of and interest on the Series 1998 Bonds which have been made by the Paying Agent and subsequently recovered from Owners and the dates on which such payments were made.

(F) In addition to those rights granted the Initial Credit Provider under this Indenture, the Initial Credit Provider shall, to the extent it makes payment of principal of or interest on Series 1998 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Initial Credit Facility, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Bond

Registrar shall note the Initial Credit Provider's rights as subrogee on the registration books of the County maintained by the Bond Registrar upon receipt from the Initial Credit Provider of proof of the payment of interest thereon to the Owners of the Series 1998 Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Bond Registrar shall note the Initial Credit Provider's rights as subrogee on the registration books of the County maintained by the Bond Registrar upon surrender of the Series 1998 Bonds by the Owners thereof together with proof of the payment of principal thereof.

(8) Fiduciaries Related Provisions.

(A) The Trustee or the Paying Agent may be removed at any time, at the request of the Initial Credit Provider, for any breach of the trusts set forth in this Indenture.

(B) The Initial Credit Provider shall receive prior written notice of any Trustee or Paying Agent resignation.

(C) Any successor Paying Agent with respect to the Series 1998 Bonds shall not be appointed unless the Initial Credit Provider approves such successor in writing.

(D) Notwithstanding any other provisions of this Indenture, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Indenture, the Trustee shall consider the effect on the Bondholders as if there were no Initial Credit Facility.

(E) Notwithstanding any other provisions of this Indenture, no removal, resignation or termination of the Trustee or Paying Agent shall take effect until a successor, acceptable to the Initial Credit Provider, shall be appointed.

(9) Interested Parties.

(A) To the extent that this Indenture confers upon or gives or grants to the Initial Credit Provider any right, remedy or claim thereunder, the Initial Credit Provider is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted thereunder.

(B) Nothing in this Section 7.15(b) expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the County, the Initial Credit Provider, the Trustee, the Bond Registrar and the Paying Agent, any right, remedy or claim under or by reason of any covenant, condition or stipulation of this Section 7.15(b), and all covenants, stipulations, promises and agreements in this Section 7.15(b) contained by and on behalf of the County shall be for the sole and exclusive benefit of the County, the Initial Credit Provider, the Trustee, the Bond Registrar and the Paying Agent.

ARTICLE VIII

CERTAIN MATTERS RELATING TO THE TRUSTEE, BOND REGISTRAR AND PAYING AGENT

SECTION 8.01. Certain Matters Relating to the Trustee, Bond Registrar and Paying Agent.

(a) The Trustee, Bond Registrar and Paying Agent (hereinafter sometimes referred to collectively as the "Fiduciaries") will signify the acceptance of the duties and obligations imposed upon them by this Indenture and any other agreements with the County by executing and delivering to the County a written acceptance thereof, and by executing such acceptance, each Fiduciary shall be deemed to have accepted such duties and obligations with respect to the Bonds, upon and subject to the provisions set forth in this Article VIII.

(b) Except during the continuance of an Event of Default, (i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; (b) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. In case the Trustee has actual notice that an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in the exercise of such rights and powers, as a prudent man would exercise or use under the circumstances in the conduct of its own affairs. The Trustee may consult with counsel, including counsel who rendered the approving opinion on the Bonds, and the written advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

SECTION 8.02. Responsibilities of Fiduciaries. The statements contained herein and in the Bonds shall be taken as the statements of the County and the Fiduciaries assume no responsibility for the correctness of same. The Fiduciaries make no representation as to the validity or sufficiency of this Indenture or as to the security afforded by this Indenture and each Fiduciary shall incur no liability with respect thereof. The Bond Registrar shall, however, be responsible for its representation contained in its certificate of authentication on the Bonds. The Fiduciaries shall not be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciaries in accordance with the provisions of this Indenture to or upon the order of the County or to any other Fiduciary. The Fiduciaries shall not be under any obligation or duty to perform any act which would involve them in expense or liability or to institute or defend any suit with respect thereof, or to advance any of their own moneys, unless indemnified to their satisfaction. Subject to the provisions of the following paragraph, the Fiduciaries shall not be liable in connection with the performance of their duties hereunder except for their own negligence or willful default.

SECTION 8.03. Evidence on Which Fiduciaries May Act. The Fiduciaries, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper

or document furnished to them pursuant to any provision of this Indenture shall examine such instrument to determine whether it conforms to the requirements of this Indenture and shall be protected in acting upon any such instrument believed by them to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may reasonably consult with counsel and certified public accounting firms, who may or may not be counsel to, or accountants for, the County, and the opinion of such counsel or accountants shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Indenture in good faith and in accordance therewith.

Whenever a Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matters (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith based thereon; but in its discretion, a Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as may seem reasonable to it.

Except as otherwise expressly provided this Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the County to a Fiduciary shall be sufficiently executed in the name of the County by an Authorized Officer.

The Trustee shall not be presumed to have knowledge of any Event of Default other than those Events of Default described in Section 9.02(a), (b) and (c), unless the Trustee receives written notice specifying such Event of Default from the County or the Owners of ten percent (10%) or more in aggregate principal amount of Outstanding Bonds.

SECTION 8.04. Compensation. Prior to its appointment, each Fiduciary shall file with the County a negotiated schedule of anticipated fees and charges for services to be performed pursuant to this Indenture. The County shall pay to such Fiduciary from time to time pursuant to such schedule reasonable compensation for all services rendered, and all reasonable expenses, charges, counsel fees and expenses and other disbursements, including those of its attorneys, agents, and other Persons not regularly in its employ, incurred in and about the performance of its powers and duties under this Indenture. To the extent permitted by law, the County hereby agrees to indemnify each Fiduciary and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity brought by third parties, or any other expenses, fees or charges of any character or nature which it may incur or with which it may be threatened by reason of such third party threats or proceedings, except in the case of such Fiduciary's own negligence or willful default, and in connection therewith to indemnify such Fiduciary against any and all expenses, including attorneys' fees and expenses and the costs of defending any action, suit or proceeding or resisting any claim, including appellate proceedings. Notwithstanding anything in this Indenture to the contrary, no Fiduciary shall be entitled to payment from or have any claim or lien on moneys paid under a Credit Facility or a Liquidity Facility or on moneys representing the proceeds of remarketing of Bonds under Article III of this Indenture.

SECTION 8.05. Certain Permitted Acts. A Fiduciary may become the Owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by

law, a Fiduciary may act as Depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

SECTION 8.06. Resignation of Trustee. The Trustee may at any time resign and be discharged from the duties and obligations created by this Indenture by giving not less than 90 days' written notice to the County and the Credit Provider, and sending notice thereof by first-class, postage prepaid mail to the Bondholders. Such resignation shall take effect upon the date in such notice unless previously a successor Trustee shall have been appointed by the County or the Bondholders as provided in Sections 8.07 and 8.08, in which event such resignation shall take effect immediately on the appointment of such successor; provided that no resignation shall become effective until the appointment of a successor Trustee.

SECTION 8.07. Removal of Trustee. The Trustee may be removed at any time with or without cause by any instrument or concurrent instruments in writing, filed with the Trustee and the Credit Provider, and signed by the Owners of a majority in principal amount of the Bonds then Outstanding or their duly authorized attorneys or legal representatives. So long as no Event of Default or an event which with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time with or without cause by resolution of the County filed with the Trustee and the Credit Provider. No removal shall become effective until the appointment of a successor Trustee. Notwithstanding anything to the contrary contained herein or in this Indenture, the County shall pay to the Trustee all fees, charges and expenses owing to the Trustee together with all fees and expenses (including reasonable attorneys' fees and expenses) reasonably incurred by the Trustee in connection with its removal by the County.

SECTION 8.08. Appointment of Successor Trustee. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor shall be appointed by the County by a duly executed written instrument signed by an Authorized Officer. The County shall give notice of any such appointment made by it by mailing written notice of such appointment by first-class mail, postage prepaid, to the Credit Provider and to the Owners of the Bonds as their names and addresses appear in the books kept by the Bond Registrar, such notice to be given within 30 days after such appointment.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 8.08 within 45 days after the Trustee shall have resigned or been removed or after a vacancy in the office of the Trustee shall have occurred, the Trustee or the Owner of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee. The County shall pay the Trustee all fees and expenses, including reasonable attorneys' fees and expenses and the costs of bringing such proceedings (including appellate proceedings) incurred by the Trustee in connection with obtaining such court appointment of a successor Trustee.

Any Trustee appointed under the provisions of this Section 8.08 shall be a subsidiary of, or under common control with, a bank with trust powers, a trust company or a national banking association with trust powers, having capital stock, surplus and undivided earnings aggregating at least $50,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture. Any such bank or trust company shall be organized and existing under the laws of a state of the United States.

SECTION 8.09. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the County, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee. The Trustee ceasing to act shall nevertheless, on the written request of the County, or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Indenture, and shall pay over and assign to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the County be reasonably required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, power and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the County.

SECTION 8.10. Merger or Consolidation of Fiduciary. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank with trust powers, a trust company or a national banking association with trust powers and shall be authorized by law to perform all duties imposed upon it by this Indenture, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act. Any such bank or trust company shall be organized and existing under the laws of a state of the United States.

SECTION 8.11. Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Bond Registrar may adopt the certificate of authentication of any predecessor Bond Registrar so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the Bonds shall not have been authenticated, any successor Bond Registrar may authenticate such Bonds in the name of, but as successor to, the predecessor Bond Registrar, or in the name of the successor Bond Registrar; and, in all such cases, such certificate shall be given full force and effect.

SECTION 8.12. Resignation or Removal of Paying Agent and Appointment of Successor. The Paying Agent may, at any time, resign and be discharged of the duties and obligations created by this Indenture by giving 90 days' written notice to the County, the Credit

Provider and the Trustee. So long as no Event of Default or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Paying Agent may be removed at any time by an instrument filed with such Paying Agent, the Credit Provider and the Trustee and signed by an Authorized Officer. Any successor Paying Agent shall be appointed by the County and shall either be the County or a bank with trust powers, a trust company or a national banking association with trust powers willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture. Any such bank or trust company shall be organized and existing under the laws of a state of the United States. The County shall give written notice of such appointment to the Credit Provider.

In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

SECTION 8.13. Resignation and Removal of Bond Registrar and Appointment of Successor. The Bond Registrar may, at any time, resign and be discharged of the duties and obligations created by this Indenture by giving at least 90 days' written notice to the County, the Credit Provider and the Trustee. So long as no Event of Default or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Bond Registrar may be removed at any time by an instrument filed with such Bond Registrar, the Credit Provider and Trustee and signed by an Authorized Officer. Any successor Bond Registrar shall be appointed by the County and shall either be the County or a bank with trust powers, a trust company or a national banking association with trust powers willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed by this Indenture. Any such bank or trust company shall be organized and existing under the laws of a state of the United States. The County shall give written notice of such appointment to the Credit Provider. In the event of the resignation or removal of the Bond Registrar, such Bond Registrar shall assign and deliver the books for registration and transfer of Bonds maintained by it to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Bond Registrar, the Trustee shall act as such Bond Registrar.

ARTICLE IX

EVENTS OF DEFAULT; REMEDIES

SECTION 9.01. Extension of Interest Payment. In case the time for the payment of interest on any Bond shall be extended by operation of law, whether or not such extension be by or with the consent of the County, such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Indenture except subject to the prior payment in full of the principal of all Bonds then Outstanding and of all interest the time for the payment of which shall not have been extended.

SECTION 9.02. Events of Default. Each of the following events is hereby declared an "Event of Default":

(a) payment of the principal or Purchase Price of and the redemption premium, if any, on any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable; or

(c) redemption of Term Bonds in accordance with an Amortization Requirement shall not be made as required; or

(d) the County admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for all or a substantial part of the Port Facilities; or

(e) the County is adjudged insolvent by a court of competent jurisdiction, or is adjudged a bankrupt or a petition in bankruptcy is filed against the County, or an order, judgment or decree is entered by a court of competent jurisdiction appointing, without the consent of the County, a receiver or trustee of the County or of the whole or any part of its property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety days from the date of entry thereof; or

(f) the County shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(g) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the County or of the whole or any substantial part of its property, and such custody or control shall not be terminated within ninety days from the date of assumption of such custody or control; or

(h) the County shall default in its obligation to duly and punctually perform any other of the material covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture and such default shall continue for thirty days after written notice specifying such default and requiring same to be remedied shall have been given to the County by the Trustee or the Owners of not less than ten percent in aggregate principal amount of the Bonds then Outstanding; or

(i) written notice shall have been received by the County from a Credit Provider or Liquidity Provider that an event of default has occurred under the agreement underlying a Credit Facility or Liquidity Facility; or

(j) an event of default shall have occurred under the Senior Bond Resolution.

In determining whether an Event of Default has occurred or is continuing under Section 9.02 (a), (b) or (c), no effect shall be given to payments made under a Credit Facility.

The Trustee shall provide to the County, the Credit Provider, the Liquidity Provider, the Reserve Facility Provider and the Remarketing Agent immediate notice of any default under Section 9.02 (a), (b) or (c) and notice of any other Event of Default known to the Trustee (as provided in Section 8.03) within 10 days after the Trustee has acquired knowledge thereof. The Trustee shall provide to the Owners of the Bonds prompt written notice of the occurrence and continuance of any Event of Default after the Trustee has acquired knowledge thereof (as provided in Section 8.03).

SECTION 9.03. Enforcement of Remedies by Trustee. Upon the happening and continuance of any Event of Default, the Trustee, on behalf of the Owners of the Bonds, may, but shall not be obligated to, and shall, if directed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding and if the conditions precedent hereinafter described are satisfied, exercise all rights granted to Bondholders pursuant to this Article IX in the manner and to the extent specified in this Indenture. Neither the Bonds nor this Indenture confers any right to accelerate the maturity of any of the Bonds. The Owners of the Bonds shall have no right to enforce any remedies upon an Event of Default, except as herein provided. In the event that the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have given to the Trustee written notice of an Event of Default on account of which a suit, action or proceeding is to be taken, have made written request of the Trustee to proceed with same, have afforded the Trustee a reasonable opportunity to institute such suit, action or proceeding in its or their name, and shall have offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities, including attorneys' fees and expenses, that may be incurred in connection therewith, the foregoing written notifications, requests and offers of indemnity being conditions precedent to the obligation of the Trustee to pursue any remedy hereunder, and notwithstanding compliance with such conditions precedent the Trustee shall have refused or neglected to comply with such request within a reasonable time, then any Owner of the Bonds may institute any suit, action, mandamus or other proceeding in equity or at law for the enforcement of any right under this Indenture. In addition, upon providing the Trustee with reasonable security and indemnity against costs, expenses and liabilities as aforedescribed, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding may, by written notice delivered to the Trustee, direct the method and place of conducting all remedial proceedings to be taken by the Trustee, provided such direction shall not be contrary to provisions of law and this Indenture and, provided further, the Trustee shall have the right to decline to follow any such direction which, in the opinion of the Trustee, would be unjustly prejudicial to Owners of the Bonds not parties to such direction. In the absence of such direction from Bondholders, the Trustee may proceed in the manner it deems appropriate in accordance with the terms and conditions hereof. The Trustee may, in its discretion, notwithstanding the failure of the Owners of the Bonds to provide the indemnity required by the conditions precedent heretofore described, nevertheless bring such suits, actions or proceedings or take such other action as, in its judgment, is proper to be done by it as Trustee, without indemnity, in which event the County shall reimburse the Trustee, from moneys legally available in the General Fund, for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. Upon an Event of Default the Trustee may exercise all rights and powers granted to the County pursuant to Section 9.03 subject, however, to the Trustee's right to reimburse itself for the costs, expenses and liabilities for which it is indemnified pursuant to this Indenture, prior to application of any money in the Sinking Fund for the benefit of the Owners of the Bonds. Upon the occurrence of an Event of

Default and the continuance of such Event of Default, the Trustee shall give by first-class, postage prepaid mail to all Bondholders, as their names and addresses appear in the books kept by the Bond Registrar, notice of such Event of Default known to the Trustee, unless such Event of Default shall have been cured; provided, however, that except in the case of an Event of Default described in Sections 9.02(a), (b) or (c), the Trustee shall be protected in withholding such notice so long as the Trustee in good faith determines that such Event of Default is not materially adverse to the interest of Bondholders.

SECTION 9.04. Pro Rata Application of Funds. Anything in this Indenture to the contrary notwithstanding, if at any time during the continuance of an Event of Default the moneys in the Sinking Fund and the Debt Service Reserve Fund when applied in accordance with Article V, shall not be sufficient to pay the principal of, the premium, if any, or the interest on the Bonds as the same are then due and payable, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied by the Trustee as follows:

First: to the payment to the Fiduciaries of the amount necessary to compensate the Fiduciaries in accordance with the provisions of this Indenture;

Second: to the payment of the Persons entitled thereto of all installments of interest then due and payable on the Bonds, in the order in which such installments become due and payable on the Bonds, and, if the amount available shall not be sufficient to pay in full any particular installment on the Bonds, then the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds;

Third: to the payment of the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which sufficient moneys are held pursuant to the provisions of this Indenture), in the order in which such principal became due, with interest thereon at the respective rates specified therein from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full the principal of Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds;

Fourth: to the payment of the interest on and principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of Article V; and

Fifth: to the County for any lawful purpose.

The provisions of this Section are in all respects subject to the provisions of Section 9.01.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Paying Agent or otherwise setting aside such moneys in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to any Bondholder, Credit Provider, Liquidity Provider or to any other Person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application. Whenever the Trustee shall exercise such discretion in applying such funds it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the Owner of any Bond until such Bond shall be surrendered to it for appropriate endorsement.

SECTION 9.05. Effect of Discontinuance of Proceedings. In case any proceeding taken by the Trustee or any Bondholder on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case, the County, the Trustee and the Bondholder shall be restored to their former positions and rights hereunder, respectively, and all rights and remedies of the County, the Trustee and the Bondholders shall continue as though no such proceeding had been taken.

SECTION 9.06. Restriction on Individual Bondholder Actions. No Owner of any of the Bonds hereby secured shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the benefit of all Owners of such Bonds.

SECTION 9.07. No Remedy Exclusive. No remedy herein conferred upon the Bondholders is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder.

SECTION 9.08. Delay Not a Waiver. No delay or omission of the Trustee or a Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee and the Bondholders may be exercised from time to time and as often as may be deemed expedient.

SECTION 9.09. Right to Enforce Payment of Bonds. Nothing in this Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of, premium, if any, and interest on its Bond, or the obligation of the County to pay the principal of, premium, if any, and interest on each Bond to the Owners thereof at the time and place in said Bond expressed.

SECTION 9.10. Rights of Credit Provider. In the event that, following an Event of Default, a Credit Provider honors its obligation under a Credit Facility to make payments on a Series of Bonds, said Credit Provider shall be entitled to exercise the rights of the Owners of the said Bonds for the purposes of this Article.

Anything in this Indenture to the contrary notwithstanding, while an Event of Default has occurred and is continuing hereunder, any Credit Provider, on behalf of the Owners of Bonds secured by such Credit Provider, or Owners of a majority in principal amount of the Bonds then Outstanding hereunder shall have the right, by an instrument in writing executed and delivered to the County and the Trustee, to direct the time and method of conducting all proceedings available under this Indenture or exercising any trust or power conferred by this Indenture in accordance with the provisions of this Indenture; provided, however, that the Credit Provider shall have no such rights if it has defaulted under its obligations under a Credit Facility. In the event of a conflict between the directions of any Credit Provider and those of the Owners of such Bonds, with respect to an Event of Default described in Section 9.02(i), the directions of such Credit Provider shall prevail, and with respect to any other Event of Default the directions of the Owners of the Bonds shall prevail.

The Trustee shall accept notice from the Credit Provider as to the occurrence or continuance of any Event of Default.

ARTICLE X

EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS

SECTION 10.01. Execution of Instruments by Bondholders and Proof of Ownership of Bonds. Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders or their duly authorized attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the County and the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a Person other than an individual such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

(b) Ownership of Bonds should be proved by registration books of the County, or the Bond Registrar on behalf of the County, maintained as provided in this Indenture.

Nothing contained in this Indenture shall be construed as limiting the County or the Trustee to such proof, it being intended that the County and the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond in respect of anything done by the County or the Trustee pursuant to such request or consent.

ARTICLE XI

SUPPLEMENTS AND AMENDMENTS

SECTION 11.01. Supplemental Indenture Without Bondholders' Consent. The County and the Trustee, from time to time and at any time, without obtaining consent from Bondholders, may enter into Supplemental Indentures that are not inconsistent with the terms and provisions hereof (which Supplemental Indentures shall thereafter form a part of the Indenture):

(a) to cure any ambiguity or defect or omission or to correct any inconsistent provisions in this Indenture; or

(b) to grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders; or

(c) to add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Indenture other conditions, limitations and restrictions thereafter to be observed; or

(d) to add to the covenants and agreements of the County in this Indenture other covenants and agreements thereafter to be observed by the County or to surrender any right or power herein reserved to or conferred upon the County; or

(e) to permit the issuance of Bonds, the interest on which is intended to be exempt from federal income taxation, in coupon form, if as a condition precedent to the enactment of such supplemental resolution, there shall be delivered to the County an Opinion of Bond Counsel; or

(f) to qualify the Bonds or any of the Bonds for registration under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended; or

(g) to qualify this Indenture as an "indenture" under the Trust Indenture Act of 1939, as amended; or

(h) to make such changes as may be necessary to adjust the terms hereof so as to facilitate the issuance of Variable Rate Bonds, Capital Appreciation Bonds, Capital Appreciation and Income Bonds, Convertible Bonds, Put Bonds and such other forms of Bonds as may be marketable from time to time; or

(i) to make such changes as may be necessary to maintain the exclusion of interest on any Series of Bonds from gross income for federal income tax purposes as said exclusion was intended to exist, if at all, at the time of issuance of such Series; or

(j) to make such changes as may evidence the right and interest herein of a Credit Provider, Liquidity Provider or Reserve Facility Provider; or

(k) to make such changes as may be necessary in order to obtain or maintain a rating or ratings on any Series of Bonds from one or more nationally recognized rating agencies; or

(l) to authorize and provide for the issuance of Refunding Bonds in accordance with the provisions of Section 2.07 and to specify and determine the matters and things referred to in Sections 2.07 and any other matters and things relative to such Bonds which are not contrary to or inconsistent with this Indenture as theretofore in effect; or

(m) to amend, modify or rescind any provision in this Indenture at any time prior to the first delivery of such Bonds; or

(n) to make any other change, except those set forth in clauses (a) through (e) of Section 11.02, which is necessary to be made to permit the County to proceed with a transaction or activity that, in the written opinion of the Consulting Engineers as filed with the County, is in the best interests of the County to pursue, if there shall first be delivered an Opinion of Bond Counsel; provided that no Supplemental Indenture shall be entered into for this purpose unless the Credit Provider shall have provided its written consent thereto.

At least 30 days prior to the proposed entry by the County and the Trustee into a Supplemental Indenture for any of the purposes of this Section 11.01, the County shall cause a notice of such Supplemental Indenture to be mailed, postage prepaid, to the Credit Provider, the Trustee and all Owners of Bonds at their addresses as they appear on the registration books of the County maintained by the Bond Registrar and to the Rating Agencies. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the offices of the County for inspection by all Bondholders. A failure on the part of the County to mail the notice required by this Section 11.01 shall not affect the validity of the Supplemental Indenture. The County shall provide the Credit Provider with an executed copy of such Supplemental Indenture, together with a transcript of all proceedings of the County relating thereto.

SECTION 11.02. Supplemental Indenture with Bondholders' Consent. Subject to the terms and provisions contained in this Section 11.02 and in Section 11.01, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve any Supplemental Indenture as shall be deemed necessary or desirable by the County for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture;

provided, however, that nothing herein contained shall permit, or be construed as permitting: (a) an extension of the maturity of the principal of or the interest on any Bond issued hereunder; or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or (c) the creation of a lien upon or a pledge of Net Revenue or Pledge Revenue other than the liens and pledges created by the Senior Bond Resolution and this Indenture or permitted to be created by the Senior Bond Resolution and this Indenture; or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds except as permitted by this Indenture; or (e) a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Indenture. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any Supplemental Indenture as authorized in Section 11.01.

If at any time the County shall determine that it is necessary or desirable to enter into any Supplemental Indenture for any of the purposes of this Section, an Authorized Officer shall cause notice of the proposed Supplemental Indenture to be mailed not less than 15 days prior to the date on which it is proposed that such Supplemental Indenture take effect, postage prepaid, to the Trustee, the Credit Provider and all Owners of Bonds at their addresses as they appear on the registration books and to all Rating Agencies. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the registered office of the County for inspection by all Bondholders. The County shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 11.02 to be mailed and any such failure shall not affect the validity of such Supplemental Indenture when consented to and approved as provided in this Section 11.02. A subsequent resolution of the County may provide that the form and manner of providing notice to Bondholders be in some different form if so determined by the County.

Whenever the County shall deliver to the Finance Director an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture and shall specifically consent to and approve the enactment thereof in substantially the form thereof referred to in such instrument, thereupon, but not otherwise, the County may enter into such Supplemental Indenture in substantially such form, without liability or responsibility to any Owner of any Bond, whether or not such Owner shall have consented thereto. Notwithstanding the foregoing, the County may enter into the proposed Supplemental Indenture prior to receiving the requisite consents provided the effective date of said Supplemental Indenture, by its terms, is delayed until, and conditioned upon, receipt of the required consents.

If the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the entry into (or effective date of) such Supplemental Indenture shall have consented to and approved such Supplemental Indenture as herein provided, no Owner of any Bond shall have any right to object to the enactment of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the County from adopting the same or from taking any action pursuant to the provisions thereof.

Any consent given by a Bondholder shall be binding with respect to all Bonds owned by said Bondholder on the date consent is given, and shall bind all future Owners of said Bonds, so that said future Owners shall have been deemed to consent to the proposed Supplemental Indenture with the same force and effect as if they had executed a consent as of the effective date thereof.

The consent of the Owners of any Series of Bonds to be issued hereunder shall be deemed given if the underwriters or initial marketing group consent in writing to such Supplemental Indenture and the substance of such Supplemental Indenture is disclosed in the official statement or other offering document pursuant to which such Series of Bonds are offered and sold to the public.

Notwithstanding anything in this Indenture to the contrary, whenever the consent, approval or direction of the Owners of any Bonds shall be required under this Indenture, each Credit Provider, if any, shall be deemed for all purposes under this Indenture to be the Owner of all Bonds with respect to which it shall have provided a Credit Facility, for so long as such Credit Facility remains in full force and effect and shall not have been dishonored or disavowed by such Credit Provider. The County shall provide the Credit Provider with an executed copy of such Supplemental Indenture, together with a transcript of all proceedings of the County relating thereto.

Upon the entry into any Supplemental Indenture pursuant to the provisions of this Section, this Indenture shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the County and all Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Indenture as so modified and amended.

SECTION 11.03. Supplemental Indentures Part of Indenture. Any Supplemental Indenture entered in accordance with the provisions of this Indenture shall thereafter form a part of this Indenture, and all of the terms and conditions contained in any such Supplemental Indenture as to any provisions authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. In case of the entry into any Supplemental Indenture, express reference may be made thereof in the text of any Bonds issued thereafter, if deemed necessary or desirable by the County.

SECTION 11.04. Opinion of Bond Counsel Required. Notwithstanding anything in this Indenture to the contrary, the Trustee shall have no obligation to enter into any Supplemental Indenture unless it shall have been first provided an Opinion of Bond Counsel with respect thereto.

ARTICLE XII

DEFEASANCE

SECTION 12.01. Defeasance. If (a) all the Outstanding Bonds shall have been paid as provided below, and (b) the County shall pay or cause to be paid to the Trustee, Paying Agent and Bond Registrar and any other agents and other parties designated by a Supplemental

Indenture, all sums of money due or to become due according to the provisions hereof and such other instruments as may be entered into with such agents and parties, then and in only that case the right, title and interest of the Bondholders hereunder shall cease, terminate and become void, and such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture. In such event, this Indenture shall be discharged and released and amounts held in the Funds, Accounts and Subaccounts created hereunder shall be released to the County for its own purposes.

Any Bond shall be deemed to have been paid within the meaning and with the effect expressed in this Section 12.01 when the whole amount of the principal of and interest on such Bond shall have been paid or when: (a) there shall have been deposited with the Paying Agent or other appropriate Escrow Agent solely for the Owner of such Bond and other Bonds being defeased and specifically designated for the purpose of defeasance either moneys, Escrow Securities, or any combination thereof, in an amount which shall be verified by an Accountant as sufficient, with interest earnings thereon, to pay when due the principal of and premium, if any, and interest due and to become due on such Bonds on or prior to the redemption date or maturity date thereof, as the case may be; and (b) in the event such Bond does not mature and is not to be redeemed within the next succeeding 60 days, the County shall have notified, as soon as practicable, the Owner of such Bond, in the manner set forth in Article III, stating that the deposit of moneys and/or Escrow Securities required by clause (a) of this paragraph has been made with the Paying Agent or other Escrow Agent solely for the Owner of such Bond and other Bonds being defeased, and that such Bond is deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of and premium, if any, and interest on such Bond.

Except as hereinafter provided, neither the moneys nor Escrow Securities deposited with the Paying Agent or other Escrow Agent pursuant to this Section 12.01 nor principal or interest payments on any such obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest on said Bonds. Moneys and Escrow Securities held by an Escrow Agent may be substituted for other moneys and Escrow Securities to the extent permitted by an Escrow Deposit Agreement.

As to Variable Rate Bonds, the amount required for the interest thereon shall be calculated at the maximum rate permitted by the terms of the provisions which authorized the issuance of such Variable Rate Bonds; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Escrow Securities on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order fully to discharge and satisfy such Bonds pursuant to the provisions of this Section, the County may use the amount of such excess, free and clear of any trust, lien, security interest, pledge or assignment securing said Variable Rate Bonds or otherwise existing under this Indenture; subject however, to the County obtaining an Opinion of Bond Counsel.

Notwithstanding any of the provisions of this Indenture to the contrary, Put Bonds may only be fully discharged and satisfied either by paying the principal of and interest on said Bonds as they become due and payable or by depositing moneys or Escrow Securities which shall be sufficient at the time of such deposit to pay when due the maximum amount of principal of and redemption premium, if any, and interest on such Put Bonds which could become payable to the Owners of such Bonds upon the exercise of any tender options provided to the Owners of such Bonds and the County; provided, however, that if, at the time a deposit is made pursuant to this paragraph, the options originally exercisable on the Put Bonds are no longer exercisable, such Bonds shall not be considered Put Bonds for these purposes.

If any portion of the moneys described for the payment of the principal of and redemption premium, if any, and interest on any portion of Bonds is not required for such purpose, the County may use the amount of such excess, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Indenture.

ARTICLE XIII

CREDIT FACILITIES, LIQUIDITY FACILITIES AND MISCELLANEOUS PROVISIONS RELATED TO VARIABLE RATE BONDS

SECTION 13.01. Credit Facility. The Trustee shall hold and maintain each Credit Facility for the benefit of the Bondholders benefitted thereby until such Credit Facility terminates or expires in accordance with its terms. If at any time during the term of a Credit Facility any successor Trustee shall be appointed and qualified under this Indenture, the resigning or removed Trustee shall request that the Credit Provider transfer the Credit Facility to the successor Trustee, to the extent such action is necessary, and shall comply with the applicable provisions of the Credit Facility. If the resigning or removed Trustee fails to make this request, the successor Trustee shall do so before accepting appointment. Upon the termination or expiration of a Credit Facility in accordance with its terms, the Trustee shall promptly surrender the Credit Facility then in effect to the Credit Provider.

SECTION 13.02. Enforcement of Credit Facility. (a) The County and the Trustee, for the benefit of the Owners of the Bonds benefitted thereby, shall diligently enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and provisions of each Credit Facility as contemplated herein and therein. The Trustee shall not consent to or permit any amendment or modification of a Credit Facility or any credit or reimbursement agreement pursuant to which a Credit Facility has been issued which would materially adversely affect the rights or interests of the Owners of any of the Bonds without the written consent of the Owners of 100% in aggregate principal amount of such Bonds.

(b) Any provisions in this Indenture requiring notice to or from a Credit Provider or the consent thereof prior to any action by the Trustee or the County shall have no force or effect with respect to such Credit Provider (i) following the later of (1) the termination or expiration of such Credit Facility, and (2) the repayment of all amounts owed to such Credit Provider pursuant to the credit or reimbursement agreement pursuant to which such Credit Facility was issued or (ii) following the failure or refusal of such Credit Provider to honor a properly presented and conforming draw under such Credit Facility, except with respect to all rights accruing to the Credit Provider with respect to unreimbursed draws on the Credit Facility.

SECTION 13.03. Alternate Credit Facilities. (a) An Alternate Credit Facility, in substitution for any Credit Facility then in effect, may be provided if the County shall give written notice not more than 60 nor less than 30 calendar days prior to the date such Alternate Credit Facility is to take effect (an "Alternate Credit Facility Date") to the Trustee, the Tender Agent, the Remarketing Agent, the Rating Agency, the Liquidity Provider and the Credit Provider stating its election to provide an Alternate Credit Facility. Any such Alternate Credit Facility must satisfy the requirements of this Indenture for a Credit Facility. Each Alternate Credit Facility Date shall be determined by the County in the notice to be provided pursuant to the first sentence of this clause (a). Each Alternate Credit Facility Date shall be a Business Day that is at least five days prior to the termination or expiration of the Credit Facility to be replaced.

(b) Upon the exercise of such option by the County, the Trustee shall send to the Bondholders a Notice of Alternate Credit Facility in substantially the form of Exhibit C not later than 20 calendar days prior to the Alternate Credit Facility Date. The Trustee shall not accept such Alternate Credit Facility unless the Trustee shall have received (i) prior to sending the Notice of Alternate Credit Facility, an Opinion of Bond Counsel, and (ii) at the time of delivery of the Alternate Credit Facility, a certificate from an Authorized Officer and a written acknowledgment by the Credit Provider stating that all amounts owing to the Credit Provider under the credit or reimbursement agreement pursuant to which the Credit Facility to be replaced has been issued have been paid.

SECTION 13.04. Liquidity Facility. The Trustee shall hold and maintain each Liquidity Facility for the benefit of the Bondholders benefitted thereby until such Liquidity Facility terminates or expires in accordance with its terms. If at any time during the term of a Liquidity Facility any successor Trustee shall be appointed and qualified under this Indenture, the resigning or removed Trustee shall request that the Liquidity Provider transfer the Liquidity Facility to the successor Trustee, to the extent such action is necessary, and shall comply with the applicable provisions of the Liquidity Facility. If the resigning or removed Trustee fails to make this request, the successor Trustee shall do so before accepting appointment. Upon the termination or expiration of a Liquidity Facility in accordance with its terms, the Trustee shall promptly surrender the Liquidity Facility then in effect to the Liquidity Provider. If a Liquidity Facility shall be about to expire or terminate in accordance with its terms, without being extended or replaced by an Alternate Liquidity Facility, then the County and the Remarketing Agent shall use their best efforts to convert the Bonds secured by such Liquidity Facility to a fixed rate of interest prior to such expiration or termination, and, in the event of such expiration or termination, as soon as possible thereafter.

SECTION 13.05. Enforcement of Liquidity Facility. (a) The County and the Trustee, for the benefit of the Owners of the Bonds benefitted thereby, shall diligently enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and provisions of each Liquidity Facility as contemplated herein and therein. The Trustee shall not consent to or permit any amendment or modification of a Liquidity Facility or any credit or reimbursement agreement pursuant to which a Liquidity Facility has been issued which would materially adversely affect the rights or interests of the Owners of any of the Bonds without the written consent of the Owners of 100% in aggregate principal amount of such Bonds.

(a) Any provisions in this Indenture requiring notice to or from a Liquidity Provider or the consent thereof prior to any action by the Trustee or the County shall have no force or effect with respect to such Liquidity Provider (i) following the later of (1) the termination or expiration of such Liquidity Facility, and (2) the repayment of all amounts owed to such Liquidity Provider pursuant to the credit or reimbursement agreement pursuant to which such Liquidity Facility was issued or (ii) following the failure or refusal of such Liquidity Provider to honor a properly presented and conforming draw under such Liquidity Facility, except with respect to all rights accruing to the Liquidity Provider with respect to unreimbursed draws on the Liquidity Facility.

SECTION 13.06. Alternate Liquidity Facilities.

(a) With the prior written consent of the Credit Provider, an Alternate Liquidity Facility, in substitution for any Liquidity Facility then in effect, may be provided if the County shall give written notice not more than 60 nor less than 30 calendar days prior to the date such Alternate Liquidity Facility is to take effect (an "Alternate Liquidity Facility Date") to the Trustee, the Tender Agent, the Remarketing Agent, the Rating Agency, the Credit Provider and the Liquidity Provider stating its election to provide an Alternate Liquidity Facility. Any such Alternate Liquidity Facility must satisfy the requirements of this Indenture for a Liquidity Facility. Each Alternate Liquidity Facility Date shall be determined by the County in the notice to be provided pursuant to the first sentence of this clause (a). Each Alternate Liquidity Facility Date shall be a Business Day that is at least five days prior to the termination or expiration of the Liquidity Facility to be replaced.

(b) Upon the exercise of such option by the County, the Trustee shall send to the Bondholders a Notice of Alternate Liquidity Facility in substantially the form of Exhibit C not later than 20 calendar days prior to the Alternate Liquidity Facility Date. The Trustee shall not accept such Alternate Liquidity Facility unless the Trustee shall have received (i) prior to sending the Notice of Alternate Liquidity Facility, an Opinion of Bond Counsel and (ii) at the time of delivery of the Alternate Liquidity Facility, a certificate from an Authorized Officer and a written acknowledgment by the Liquidity Provider stating that all amounts owing to the Liquidity Provider under the Liquidity Facility or any other reimbursement or similar agreement pursuant to which the Liquidity Facility to be replaced has been issued have been paid and that there are no Provider Bonds Outstanding or that all Provider Bonds have been purchased by the Liquidity Provider of the Alternate Liquidity Facility.

SECTION 13.07. Remarketing Agent. The initial Remarketing Agent for the Series 1998 Bonds shall be PaineWebber Incorporated. The County may appoint a successor Remarketing Agent for the Series 1998 Bonds and may appoint Remarketing Agents for other Series of Bonds and their successors in compliance with the conditions set forth in Section 13.08. The Remarketing Agent shall designate to the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by entering into a Remarketing Agreement with the County under which the Remarketing Agent shall agree to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the County, the Trustee and the Tender Agent at all reasonable times.

SECTION 13.08. Qualifications of Remarketing Agent. Each Remarketing Agent shall be a member of the National Association of Securities Dealers, Inc., a national banking association or a commercial banking corporation and shall meet such capitalization and/or credit requirements as the County may determine from time to time, shall be appointed by the County and shall be authorized by law to perform all the duties imposed upon it by this Indenture. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' written notice to the County, the Tender Agent, the Trustee, the Credit Provider and the Liquidity Provider. The Remarketing Agent may be removed at any time, with or without cause by the County, upon at least 30 days' written notice to the Remarketing Agent, by an instrument signed by Authorized Officer, filed with the Trustee, the Credit Provider, the Liquidity Provider, the Tender Agent and the Remarketing Agent. Notwithstanding the foregoing, no removal or resignation shall take effect until the County has appointed a successor Remarketing Agent, with the prior written approval of the Credit Provider and the Liquidity Provider, and such successor Remarketing Agent has accepted such appointment.

SECTION 13.09. Tender Agent. The Trustee shall be the initial Tender Agent with respect to the Series 1998 Bonds. The Trustee hereby agrees to carry out its responsibilities as Tender Agent set forth in this Indenture. Any other Tender Agent that is not also the Trustee shall signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the County and the Trustee, under which the Tender Agent shall agree to particularly:

(i) hold all Bonds delivered to it for purchase hereunder as agent and bailee of, and in escrow for the benefit of, the respective Owners which have so delivered such Bonds until moneys representing the Purchase Price of such Bonds shall have been delivered to or for the account of or to the order of such Owners; and

(ii) keep such books and records as shall be consistent with prudent industry practice, and make such books and records available for inspection by the other parties.

The parties hereto shall each cooperate to cause the necessary arrangements to be made and to be thereafter continued whereby funds from the sources specified herein will be made available for the purchase of Bonds presented at the designated office of the Tender Agent, and to otherwise enable the Tender Agent to carry out its duties under this Indenture.

The Tender Agent, the Trustee and the Remarketing Agent shall cooperate to the extent necessary to permit the preparation, execution, issuance, authentication and delivery by the Tender Agent of replacement Bonds in connection with the tender and remarketing of Bonds under this Indenture.

The County and the Trustee acknowledge that, in carrying out its responsibilities hereunder, the Tender Agent shall be acting solely for the benefit of and as agent for the Owners from time to time of the Bonds. No delivery of the Bonds to the Tender Agent or any agent of the Tender Agent or purchase of Bonds by the Tender Agent shall constitute a redemption of the Bonds or any extinguishment of the debt evidenced thereby.

The Tender Agent shall be a member of the National Association of Securities Dealers, Inc., a bank with trust powers, a trust company or a national banking association with trust powers and shall meet such capitalization and/or credit requirements as the County may determine from time to time, shall be appointed by the County and shall be authorized by law to perform all the duties imposed upon it by this Indenture. Any such bank or trust company shall be organized and existing under the laws of a state of the United States. The Tender Agent may resign and be discharged of the duties and obligation created by this Indenture by giving at least 60 days' notice by mail to the Trustee, the County, the Remarketing Agent, the Credit Provider and the Liquidity Provider, provided, however, that such resignation shall not take effect unless and until a successor Tender Agent shall be appointed by the County. The County shall use its best efforts to appoint a successor Tender Agent during such 60 day period and in the event a successor Tender Agent has not taken office prior to the expiration of such 60 day period, the Tender Agent may petition a court of applicable jurisdiction to appoint a successor Tender Agent. The Tender Agent may be removed at any time with or without cause by an instrument signed by an Authorized Officer and filed with the Credit Provider, the Liquidity Provider, the Tender Agent, the Remarketing Agent and the Trustee; provided, however, that such removal shall not take effect unless and until a successor Tender Agent shall be appointed by the County. In the event of the resignation or removal of the Tender Agent, the Tender Agent shall deliver any moneys and Bonds held by it to its successor, and if there be no successor, to the Trustee.

SECTION 13.10. Notice to Rating Agencies. The Trustee shall notify the Rating Agencies, the Credit Provider and the Liquidity Provider as soon as practicable (a) after the Trustee becomes aware of (i) any expiration, termination or renewal of a Credit Facility or a Liquidity Facility, (ii) any change in a Credit Facility or Liquidity Facility or this Indenture, or (iii) the failure of a Credit Provider or Liquidity Provider to reinstate the interest portion of a Credit Facility or Liquidity Facility within the time allotted for such reinstatement to occur, or (b) if (i) the Trustee or the Tender Agent resigns or is removed or a new Trustee or Tender Agent is appointed, (ii) the Remarketing Agent resigns or is removed or a new Remarketing Agent is appointed, (iii) an Alternate Credit Facility or an Alternate Liquidity Facility is provided, (iv) there is a mandatory tender for purchase for a Series of Bonds in whole, (v) there is a call for the redemption of a Series of Bonds in whole, (vi) there is a change in the interest mode or otherwise in the method for determination of the interest payable on a Series of Bonds pursuant to Section 2.06 or otherwise, (vii) all of the Bonds of a Series are defeased pursuant to Article XII, or (viii) the County issues any Series of Bonds other than the Series 1998 Bonds.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

SECTION 14.01. Effect of Covenants. All covenants, stipulations, obligations and agreements of the County contained in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the County to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall bind or inure to the benefit of the successor or successors thereof from time to time and any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Except as otherwise provided in this Indenture, all rights, powers and privileges conferred and duties and liabilities imposed upon the County by the provisions of this Indenture shall be exercised or performed by the Board of the County or by such other officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

No covenants, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the County in its individual capacity, and neither the Board nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 14.02. Manner of Giving Notice. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the County shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to the County at Broward County, Florida, 115 South Andrews Avenue, Room 513, Fort Lauderdale, Florida 33301, Attention: Director of the Department of Finance and Administrative Services. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to the Trustee at The Bank of New York, c/o The Bank of New York Trust Company of Florida, N.A., 10161 Centurion Parkway, Jacksonville, Florida 32256, Attention: Corporate Trust Department. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the Tender Agent shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to the Tender Agent at The Bank of New York, 101 Barclay Street, New York, New York 10286, with a copy c/o The Bank of New York Trust Company of Florida, N.A., 10161 Centurion Parkway, Jacksonville, Florida 32256, Attention: Corporate Trust Department. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the Remarketing Agent for the Series 1998 Bonds shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to the Remarketing Agent for the Series 1998 Bonds at PaineWebber Incorporated, 1285 Avenue of the Americas, New York, New York 10019, Attention: Short-Term Desk. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the Initial Credit Provider shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to the Initial Credit Provider at Ambac Assurance Corporation, One State Street Plaza, New York, New York 10004, Attention: General Counsel. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the Liquidity Provider for the Series 1998 Bonds shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to the Liquidity Provider for the Series 1998 Bonds at address set forth in the Liquidity Facility or any reimbursement or similar agreement entered into between the County and the Liquidity Provider. Except as otherwise provided in

this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with Fitch for the Series 1998 Bonds shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to Fitch IBCA, Inc., One State Street Plaza, New York, New York 10004, Attention: Public Finance. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with Moody's for the Series 1998 Bonds shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007-2796, Attention: Public Finance Department. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with S&P for the Series 1998 Bonds shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to Standard & Poor's Ratings Services, 25 Broadway, New York, New York 10004, Attention: Public Finance Ratings.

All documents received by the County or the Trustee under the provisions of this Indenture shall be retained in its possession, subject at all reasonable times to the inspection of any Bondholder, and the agents and representatives thereof.

SECTION 14.03. Successorship of County. In the event that the offices of any officer of the County mentioned in this Indenture shall be abolished or any two or more of such offices shall be merged or consolidated, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer shall become incapable of performing the duties of its office by reason of sickness, absence from the County or otherwise, all powers conferred and all obligations and duties imposed upon such officer shall be performed by the officer succeeding to the principal functions thereof or by the officer upon whom such powers, obligations and duties shall be imposed by law. The County may be dissolved or terminated in accordance with the Act and other applicable law only pursuant to a plan of transfer in connection with which an appropriate successor unit of government agrees to accept and assume all obligations of the County hereunder, including, specifically, the obligation to collect and enforce the Gross Revenue and to pay the principal and interest on the Bonds from the Pledged Revenue and the moneys on deposit in the Funds, Accounts and Subaccounts.

SECTION 14.04. Further Acts. The officers and agents of the County are hereby authorized and directed to do all the acts and things required of them by the Bonds and this Indenture, for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Bonds and this Indenture.

SECTION 14.05. Headings Not Part of Indenture. Any headings preceding the texts of the several Articles and Sections hereof and any table of contents, marginal notes or footnotes appended to copies hereof shall be solely for convenience of reference, and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

SECTION 14.06. County, Fiduciaries and Bondholders Alone Have Rights Under Indenture. Except as herein otherwise expressly provided, nothing in this Indenture, expressed

or implied, is intended or shall be construed to confer upon any Person, firm or corporation, other than the County, the Fiduciaries and the Owners of the Bonds, any right, remedy or claim, legal or equitable, under or by reason of this Indenture or any provision hereof, this Indenture and all its provisions being intended to be and being for the sole and exclusive benefit of the County, the Fiduciaries and the Owners from time to time of the Bonds.

SECTION 14.07. Effect of Partial Invalidity. In case any one or more of the provisions of this Indenture or of any Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Indenture or of the Bonds, but this Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The Bonds are issued and this Indenture is entered into with the intent that the laws of the State shall govern their construction.

SECTION 14.08. County to Purchase or Deal in Bonds. Any bank or trust company acting as Trustee, Bond Registrar or Paying Agent under this Indenture, and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee, Bond Registrar or Paying Agent under this Indenture.

SECTION 14.09. Capital Appreciation Bonds and Capital Appreciation and Income Bonds. For the purposes of: (a) receiving payment of the redemption price if a Capital Appreciation Bond is redeemed prior to maturity; or (b) receiving payment of a Capital Appreciation Bond if the principal of all Bonds becomes due and payable under the provisions of this Indenture; or (c) computing the amount of Bonds held by the Owner of a Capital Appreciation Bond in giving to the County or the Trustee or receiver appointed to represent the Bondholders any notice, consent, request or demand pursuant to this Indenture for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value. For all of the foregoing purposes as they relate to Capital Appreciation and Income Bonds, the principal amount of a Capital Appreciation and Income Bond, on or prior to its Interest Commencement Date, shall be its Appreciated Value.

SECTION 14.10. Payments Due on Days That Are Not Business Days. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of Bonds shall not be Business Day, then payment of such interest or principal and any redemption premium need not be mailed by the Paying Agent on such date but may be mailed on the next succeeding Business Day with the same force and effect as if mailed on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date of maturity.

SECTION 14.11. Suspension of Publication or Mail. If, because of the temporary or permanent suspension of publication of any newspaper or financial journal, the suspension of delivery of registered mail or, for any other reason, the County shall be unable to publish in a newspaper or financial journal or mail by registered mail any notice required to be published or mailed by the provisions of this Indenture, the County shall give such notice in such other manner as in the judgment of the County shall most effectively approximate such publication or mailing thereof, and the giving of such notice in such manner shall for all purposes of this

Indenture be deemed to be in compliance with the requirement for the publication or mailing thereof.

Except as otherwise provided herein, for all purposes of this Indenture, anything required to be mailed shall be deemed mailed upon the deposit of the item with the U.S. Postal Service, by registered mail, return receipt requested and addressed to the addressee as set forth in Section 13.02 or otherwise provided in this Indenture.

SECTION 14.12. Governing Law; Venue. This Indenture shall be governed by the laws of the State. Venue of all proceedings in connection with this Indenture shall be exclusively in Broward County, Florida.

SECTION 14.13. Effective. This Indenture shall take effect as of its date.

IN WITNESS WHEREOF, the County has caused this Indenture to be signed in its name and on its behalf by the Chair, and its seal to be hereunto affixed and attested by its County Administrator, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this Indenture to be signed in its name and on its behalf by one of its duly authorized signatories, and its official seal to be hereunto affixed.

BROWARD COUNTY, FLORIDA

(Seal)

By: ______________________________
Chair, Board of County Commissioners

Attest:

____
County Administrator and Ex-Officio Clerk
of the Board of County Commissioners

(Seal)

THE BANK OF NEW YORK,
as Trustee

By: ______________________________
Authorized Signatory

IN WITNESS WHEREOF, the County has caused this Indenture to be signed in its name and on its behalf by the Chair, and its seal to be hereunto affixed and attested by its County Administrator, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this Indenture to be signed in its name and on its behalf by one of its duly authorized signatories, and its official seal to be hereunto affixed.

COUNTY COMMISSIONERS
CREATED OCT. 1ST 1915
BROWARD COUNTY FLORIDA

(Seal)

BROWARD COUNTY, FLORIDA

By: ______________________________
Chair, Board of County Commissioners

Attest:

____
County Administrator and Ex-Officio Clerk
of the Board of County Commissioners

THE BANK OF NEW YORK,
as Trustee

(Seal)

By: ______________________________
Authorized Signatory

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF FLORIDA
BROWARD COUNTY, FLORIDA
SUBORDINATE PORT FACILITIES REFUNDING REVENUE BONDS, SERIES 1998

No. R- $___________

MATURITY DATE	INTEREST RATE	DATE OF ORIGINAL ISSUANCE	CUSIP
September 1, 2027	Variable	June 4, 1998	

REGISTERED HOLDER: Cede & Co.

PRINCIPAL AMOUNT: DOLLARS

BROWARD COUNTY, FLORIDA, a political subdivision of the State of Florida (the "County"), for value received, hereby promises to pay in lawful money of the United States of America to the registered holder shown above or registered assigns, on the Maturity Date specified above, unless this Bond shall be redeemable and shall have previously been called for redemption and payment of the redemption price made or provided for, but solely from the revenues of the County and the funds pledged for the payment hereof pursuant to the Indenture hereinafter mentioned and not otherwise, upon surrender hereof, the Principal Amount shown above and to pay interest on such Principal Amount in like manner, but solely from said revenues and the funds aforesaid, from the date hereof or from the Interest Payment Date (as defined in the Indenture) next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is an Interest Payment Date to which interest shall have been paid, in which case from such date, at the rate per annum determined as described herein on the dates specified in the Indenture until payment of such Principal Amount, or provision therefor, shall have been made upon redemption or at maturity. The principal of and the premium, if any, payable upon redemption, are payable at the designated office of The Bank of New York, as paying agent (in such capacity, the "Paying Agent"), which initially is in New York, New York, or at the principal office of any other paying agent appointed under the Indenture hereinafter mentioned. Payment of interest on any Interest Payment Date with respect to this Bond will be made to the person in whose name this Bond is registered on the registration books of the County kept by the Trustee hereinafter mentioned (in such capacity, the "Bond Registrar") at the close of business on the Record Date (as defined in the Indenture) by check or draft mailed on the Interest Payment Date by the Paying Agent to such registered holder (the "Holder" or "Owner") at its address as it appears on said bond registration books or, in the case of a Holder of $1,000,000 or more of Series 1998 Bonds, by wire transfer to a domestic bank account specified in writing by such Holder to the Trustee and Paying Agent at least 15 days

prior to an Interest Payment Date. If and to the extent that the County shall fail to make a required payment or provision for payment of interest on any Series 1998 Bond on any Interest Payment Date, that interest shall cease to be payable to the person who was the Holder of that Series 1998 Bond as of the applicable Record Date. When moneys become available for payment of interest on such Series 1998 Bond, the Trustee shall establish a Special Record Date (as defined in the Indenture) for the payment of that interest which shall not be more than twenty, nor fewer than ten, days prior to the date of the proposed payment. Not fewer than ten days prior to the Special Record Date, notice of the proposed payment and of the Special Record Date therefor shall be mailed to each Holder of record on the fifth day prior to such mailing at its address as it appears on the registration books of the County maintained pursuant to the Indenture. Thereafter, such interest shall be payable to the Holders of such Series 1998 Bonds at the close of business on the Special Record Date. Except as otherwise provided in the Indenture, the principal of, and redemption premium, if any, on the Series 1998 Bonds shall be payable to or upon the order of the Holder thereof or its duly authorized attorney or legal representative, as the same falls due, upon the presentation and surrender of such Series 1998 Bonds at the designated corporate trust office of the Paying Agent. The principal of and the interest on the Series 1998 Bonds shall be payable in any coin or currency of the United States of America, or by check or wire payment in such currency, as, at the respective times of payment, is legal tender for the payment of public and private debts.

The principal, interest and premium, if any, on this Bond and such other bonds of the series of which it forms a part are payable solely from the Pledged Revenue (as defined in the Indenture) which is pledged to the payment thereof and the moneys on deposit from time to time in the funds, accounts and subaccounts created and maintained pursuant to the Indenture, other than the Administrative Fund and the Rebate Fund (as said terms are defined in the Indenture), in the manner and to the extent specified in the Indenture, and nothing in this Bond or in the Indenture shall be construed as obligating the County to pay the principal, the interest and premium, if any, thereon except from the Pledged Revenue and the moneys on deposit from time to time in such funds, accounts and subaccounts created and maintained pursuant to the Indenture, other than the Administrative Fund and the Rebate Fund, or as pledging the full faith and credit of the County or as obligating the County, directly or indirectly or contingently, to levy or to pledge any form of taxation whatever therefor. No holder of this Bond shall ever have the right to compel the exercise of the taxing power of the County, or the application of any funds other than the funds pledged under the Indenture to the payment of this Bond.

It is further agreed between the County and the Holder of this Bond that this Bond and the obligation evidenced hereby shall not constitute a lien upon any property of the County, but shall constitute a lien only on the Pledged Revenue and the monies on deposit from time to time in the funds, accounts and subaccounts created and maintained pursuant to the Indenture other than the Administrative Fund and the Rebate Fund, all in the manner provided in the Indenture.

This Bond constitutes a Subordinated Obligation under the Senior Bond Resolution (as said terms are defined in the Indenture) and is subordinate in all respects to the lien on Net Revenue in favor of all Senior Bonds (as said terms are defined in the Indenture) heretofore or hereinafter issued under the provisions of the Senior Bond Resolution and any other superior liens created from time to time in accordance with the provisions of the Senior Bond Resolution and the Indenture.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

This Bond is one of a duly authorized series of bonds in the aggregate principal amount of $49,000,000 (hereinafter referred to as the "Series 1998 Bonds") being issued under the hereinafter described Indenture (and together with any other bonds issued or issuable under the Indenture on a parity therewith, the "Bonds") for the purpose of providing funds to (i) refund and defease the County's outstanding $40,000,000 principal amount Sales Tax Revenue Commercial Paper Notes, Series B, issued to prepay, together with a temporary advance made by the County in anticipation of permanent financing in the amount of $5,000,000 (the "County Advance"), a Promissory Note issued by the County to acquire a certain parcel of real property which constitutes part of the Port Facilities (as defined in the Indenture), (ii) repay a portion of the County Advance, (iii) fund a debt service reserve in respect of the Series 1998 Bonds and (iv) pay certain costs associated with the issuance of the Series 1998 Bonds.

The Series 1998 Bonds are issued under and entitled to the security of the Trust Indenture dated as of May 1, 1998 (as the same may be amended or supplemented from time to time, the "Indenture"), between the County and The Bank of New York, New York, New York, as Trustee (in such capacity, the "Trustee"). Reference is made to the Indenture for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the County and the Trustee, the rights of the Holders of the Series 1998 Bonds, the terms on which the Series 1998 Bonds are issued and secured, and the terms on which obligations secured with a superior lien or on a parity with the lien in favor of the Series 1998 Bonds may be issued and secured, and to all the provisions of which the Holder hereof by the acceptance of this Bond assents.

This Bond is issued, and the Indenture was made and entered into, under and pursuant to the Constitution and laws of the State of Florida, including particularly the Act (as defined in the Indenture).

The Series 1998 Bonds are being issued by means of a book entry system, with bond certificates immobilized at The Depository Trust Company, New York, New York, or its successor as Securities Depository, evidencing ownership of the Series 1998 Bonds in Authorized Denominations (as hereinafter defined), and with transfers of beneficial ownership effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository. Series 1998 Bond certificates are not available for distribution to the public, except as provided in Section 2.10 of the Indenture. The principal or redemption price of and interest on this Bond are payable by the Paying Agent to the Registered Owner of this Bond, as nominee of the Securities Depository. Transfer of principal, redemption price and interest payments to participants of the Securities Depository is the responsibility of the Securities Depository; transfer of principal, redemption price and interest payments to beneficial owners by participants of the Securities Depository will be the responsibility of such participants and other nominees of beneficial owners. The County and the Trustee are not responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants.

The Series 1998 Bonds are issuable as fully registered bonds. While the Series 1998 Bonds bear interest at a Daily, Weekly or Monthly Rate (as each such term is defined in the Indenture) they shall be issued in denominations of $100,000 and integral multiples over $5,000 and while the Series 1998 Bonds bear interest at a Quarterly, Semiannual, Extended or Fixed Rate, shall be issued in denominations of $5,000, and integral multiples thereof (collectively, the "Authorized Denominations").

Subject to the limitations and upon payment of any tax or other governmental charge required to be paid with respect thereto, Series 1998 Bonds may be exchanged for a like aggregate principal amount of Series 1998 Bonds of the same maturity. The County and Bond Registrar shall not be required to execute, transfer or exchange any Series 1998 Bond during the period beginning at the close of business on a Record Date (or Special Record Date) and ending at the close of business on the next Interest Payment Date (or date set for payment of interest for which the Special Record Date was set). The County and Bond Registrar shall not be required to transfer or exchange any Series 1998 Bond: (a) during the fifteen days immediately preceding the date of mailing of notice of the redemption of such Series 1998 Bond; or (b) after such Series 1998 Bond has been selected for redemption or has matured.

THE INTEREST PERIOD, THE APPLICABLE INTEREST RATE, THE SELECTION OF THE METHOD OF DETERMINING THE APPLICABLE INTEREST RATE AND DATES OF PAYMENT ON INTEREST ON THE SERIES 1998 BONDS WILL BE DETERMINED UPON THE TERMS AND CONDITIONS DESCRIBED IN THE INDENTURE, TO WHICH PROVISIONS SPECIFIC REFERENCE IS HEREBY MADE AND ALL OF WHICH PROVISIONS ARE HEREBY SPECIFICALLY INCORPORATED HEREIN BY REFERENCE.

The interest rate on the Series 1998 Bonds will be determined periodically in such manner as described in Section 2.06 of the Indenture.

The Series 1998 Bonds bearing interest at Daily, Weekly, Monthly, Quarterly, Semiannual or Extended Rates (as each such term is defined in the Indenture) (but only if the Extended Rate Period (as defined in the Indenture) is one year in duration) are subject to optional redemption from Eligible Funds (as defined in the Indenture) prior to their stated maturity upon request of the County in whole or in part at any time at a price equal to the principal amount thereof, without premium, plus accrued interest thereon to the redemption date.

The Series 1998 Bonds bearing interest at Extended Rates (but only if the Extended Rate Period is more than one year in duration) or the Fixed Rate (as defined in the Indenture) are subject to optional redemption from Eligible Funds (or from moneys that are not Eligible Funds if there shall not be a Credit Facility (as defined in the Indenture) in place at the time of such redemption or if the Credit Facility in place at the time of such redemption is a policy of municipal bond insurance) prior to their stated maturity upon request of the County in whole or in part at the times and at the prices set forth below, and in such amounts and of such maturities as the County shall direct, plus accrued interest thereon to the redemption date:

Years Remaining from Conversion Date until end of Extended Rate Period or Final Maturity of Bonds in the Fixed Rate Period	First Day of Redemption Period	Redemption Price
More than fifteen	Tenth anniversary of Conversion Date	102% declining by 1% on each succeeding anniversary of the tenth anniversary of the Conversion Date until reaching 100% and thereafter at 100%
More than seven but not more than fifteen	Seventh anniversary of Conversion Date	102% declining by 1% on each succeeding anniversary of the seventh anniversary of the Conversion Date until reaching 100% and thereafter at 100%
More than five but not more than seven	Fourth anniversary of Conversion Date	101% declining by 1% on the next anniversary after the fourth anniversary of the Conversion Date and thereafter at 100%
Five or fewer	Not callable	

Notwithstanding any provision in the Indenture or the Series 1998 Bonds to the contrary, the Indenture and the 1998 Bonds may be amended as of the Conversion Date (as defined in the Indenture) upon the request of the County, without the consent of any of the Holders, to change the redemption provisions applicable during an Extended Rate Period or the Fixed Rate Period (as defined in the Indenture) to such redemption provisions as are acceptable to the County provided the County provides to the Trustee an opinion of bond counsel to the effect that such amendment will not adversely affect the exclusion from gross income of interest on the Bonds for purposes of federal income taxation.

If the redemption price is required to be paid with Eligible Funds, the Trustee shall cancel the optional redemption of the Series 1998 Bonds if it determines that sufficient Eligible Funds will not be available on the redemption date. It is understood that the Initial Credit Facility (as defined in the Indenture) and the Initial Liquidity Facility (as defined in the Indenture) are not available to provide Eligible Funds for the payment of any optional redemption.

Provider Bonds (as defined in the Indenture) are subject to redemption prior to maturity (i) at the option of the County as a whole or in part in such amounts and of such maturities as the County may direct on any date at the principal amount thereof, without premium, plus interest accrued thereon to the redemption date and (ii) otherwise as provided in the Liquidity Facility or other reimbursement or similar agreement entered into between the County and the Liquidity Provider.

The Series 1998 Bonds are also subject to redemption prior to maturity at a redemption price equal to the principal amount thereof, plus accrued interest, by application by the Trustee of funds on deposit to the credit of the Sinking Fund (as defined in the Indenture) on September 1 in the years and in the principal amounts set forth in the Indenture.

In the event any of the Series 1998 Bonds are called for redemption as aforesaid, at least 30 days, but not more than 45 days, before the redemption date of any Series 1998 Bonds, the Trustee shall cause a notice of such redemption to be: (a) filed with any Paying Agent; (b) sent by telefacsimile followed by first class mail to registered securities depositories and to national information services that disseminate redemption notices; and (c) mailed, postage prepaid, to all Holders of Series 1998 Bonds to be redeemed in whole or in part at their addresses as they appear on the registration books herein provided for. Failure to file any such notice with any Paying Agent or to mail any such notice to any Holder or to any securities depository or national information service or any defect therein shall not affect the validity of the proceedings for redemption, except to the extent a Holder is prejudiced thereby, and then, only with respect to such Holder. Except as otherwise provided with respect to the book-entry system, any Series 1998 Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Bond Registrar duly executed by the Holder thereof or its duly authorized attorney or legal representative in writing) and the County shall execute and the Bond Registrar shall authenticate and deliver to the Holder of such Series 1998 Bond, without charge, other than any applicable tax or other governmental charge, a new Series 1998 Bond or Series 1998 Bonds, of any Authorized Denomination, as requested by such Holder in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 1998 Bonds so surrendered.

On the date fixed for redemption, notice having been given in the manner and under the conditions described in the Indenture, the Series 1998 Bonds or portions thereof called for redemption shall be due and payable at the Redemption Price (as defined in the Indenture) provided therefor. If money or Escrow Securities (as defined in the Indenture), or a combination of both, sufficient to pay the redemption price of the Series 1998 Bonds to be redeemed are held by the Trustee in trust for the Holders of Series 1998 Bonds to be redeemed on the date fixed for redemption, then interest on the Series 1998 Bonds called for redemption shall cease to accrue; such Series 1998 Bonds shall cease to be entitled to any benefits or security under the Indenture or to be deemed outstanding, and the Owners of such Series 1998 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. Series 1998 Bonds and portions of Series 1998 Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption at the redemption date have been given to the Trustee in form satisfactory to it shall not thereafter be deemed to be Outstanding under this Indenture and shall cease to be entitled to the security of or any rights under this Indenture, other than rights to receive payment of the redemption price thereof, to be given notice of redemption in the manner provided in the Indenture, and, to the extent provided in the Indenture, to receive Series 1998 Bonds for any unredeemed portions of Series 1998 Bonds, if money or Escrow Securities, or a combination of both, sufficient to pay the redemption price of such Series 1998 Bonds or portions thereof, are held in separate accounts by the Trustee in trust for the Owners of such Series 1998 Bonds.

During any Variable Rate Period (as defined in the Indenture) a beneficial owner of the Series 1998 Bonds (other than Provider Bonds) may elect to have its Series 1998 Bonds (or portions thereof in Authorized Denominations) purchased at the Purchase Price (as defined in the Indenture), on the Purchase Dates (as defined in the Indenture) by causing the Direct Participant (as defined in the Indenture) through whom such beneficial owner owns such Series 1998 Bond to give irrevocable telephonic or written notice meeting the requirements of the Section 3.07 of the Indenture and upon transfer on the registration books of the Securities Depository on the same day such notice is given of the beneficial ownership interest in such Series 1998 Bonds to the account of the Trustee, "free delivery" for settlement on the Purchase Date.

Each notice of tender shall automatically constitute, whether delivered in writing or by telephone (A) an irrevocable offer to sell the Series 1998 Bond or portion to which the notice relates on the Purchase Date to any purchaser selected by the Remarketing Agent (as defined in the Indenture), at the Purchase Price, (B) an irrevocable authorization and instruction to the Bond Registrar to effect transfer of such Series 1998 Bond or portion upon payment of such price to the Trustee on the Purchase Date, (C) an irrevocable authorization and instruction to the Tender Agent to effect the exchange of the Series 1998 Bond to be purchased in whole or in part for other Series 1998 Bonds of the same maturity in an equal aggregate principal amount so as to facilitate the sale of such Series 1998 Bond or portion, and (D) an acknowledgment that such Owner will have no further rights with respect to such Series 1998 Bond or portion thereof upon payment of the Purchase Price by the Trustee on the Purchase Date to the Direct Participant from whom the notice of tender is received, except for the right of such Owner to receive such Purchase Price upon surrender of such Series 1998 Bond to the Tender Agent.

In the case of any conversion from one Variable Rate Period to another Variable Rate Period (except a conversion between a Daily Rate Period and a Weekly Rate Period), the Series 1998 Bonds to be converted are subject to mandatory tender for purchase on the Conversion Date at the Purchase Price.

Prior to the Fixed Rate Conversion Date of the Series 1998 Bonds, the Series 1998 Bonds shall be subject to mandatory tender for purchase at the Purchase Price:

(i) on a Business Day (as defined in the Indenture) which is at least five days prior to the date on which the Credit Facility or Liquidity Facility is to be canceled in connection with replacement by an Alternate Credit Facility pursuant to the Indenture or an Alternate Liquidity Facility pursuant to the Indenture, as the case may be; or

(ii) on a Business Day which is at least five days prior to the expiration of the Credit Facility or the Liquidity Facility; or

(iii) on a Business Day which is at least five days prior to the termination of the Credit Facility or the Liquidity Facility, other than as a result of the occurrence of a Special Termination Event (as defined in the Indenture).

In the case of any conversion from a Variable Rate Period to the Fixed Rate Period, the Series 1998 Bonds to be converted are subject to mandatory tender for purchase on the Conversion Date at the Purchase Price.

Provider Bonds shall be subject to tender for purchase in accordance with the provisions of the Liquidity Facility or other reimbursement or similar agreement entered into between the County and the Liquidity Provider.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE INDENTURE OR THE SERIES 1998 BONDS, THE SERIES 1998 BONDS SHALL NO LONGER BE SUBJECT TO OPTIONAL TENDER FOR PURCHASE OR, EXCEPT FOR PROVIDER BONDS, TO MANDATORY TENDER FOR PURCHASE IF THERE SHALL HAVE OCCURRED A SPECIAL TERMINATION EVENT. REFERENCE IS HEREBY MADE TO THE INDENTURE AND THE LIQUIDITY FACILITY FOR THE EVENTS WHICH CONSTITUTE SPECIAL TERMINATION EVENTS AND THE CIRCUMSTANCES UPON WHICH THE OPTIONAL AND MANDATORY TENDER FOR PURCHASE PROVISIONS ON THE INDENTURE WILL BE REINSTATED.

If the Owner of any Series 1998 Bond (or portion thereof) that is subject to purchase fails to surrender such Series 1998 Bond to the Tender Agent for purchase on the Purchase Date, and if the Trustee is in receipt of the Purchase Price therefor, such Series 1998 Bond (or portion thereof) shall nevertheless be deemed purchased on the Purchase Date and ownership of such Series 1998 Bond (or portion thereof) shall be transferred to the purchaser thereof as provided in the Indenture. Any Owner who fails to deliver a Series 1998 Bond for purchase as required above shall have no further rights thereunder except the right to receive the Purchase Price thereof upon presentation and surrender of said Series 1998 Bond to the Tender Agent.

No Owner of any of the Series 1998 Bonds secured by the Indenture shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the security of the Indenture, or to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the benefit of all Owners of such Series 1998 Bonds.

It is hereby certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of Florida. Without limiting the generality of the foregoing certification, it is hereby further certified that all conditions, acts and things required to exist, happen and be performed under the Act and under the Indenture prior to the issuance of this Bond, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Bond have been duly authorized by a duly adopted resolution of the County.

IN WITNESS WHEREOF, Broward County, Florida has caused this Bond to be executed by the manual or facsimile signature of the Chair of the Board of County Commissioners and attested and countersigned by the manual or facsimile signature of its County Administrator and Ex-Officio Clerk of the Board of County Commissioners, and has caused the seal of the County to be affixed hereto or imprinted or reproduced hereon.

BROWARD COUNTY, FLORIDA

(SEAL)

____
Chair of the Board of County Commissioners

Attest and Countersigned:

____
County Administrator and Ex-Officio Clerk
of the Board of County Commissioners

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

THE BANK OF NEW YORK,
as Bond Registrar

By: __________________________
Authorized Signatory

STATEMENT OF INSURANCE

Municipal Bond Insurance Policy No. 15221BE (the "Policy) with respect to payments due for principal of and interest on this Bond has been issued by Ambac Assurance Corporation ("Ambac Assurance"). The Policy has been delivered to the United States Trust Company 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 Assurance 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 Assurance as more fully set forth in the Policy.

ABBREVIATIONS

The following abbreviations, when used in inscription on the face of the within Bond, shall be constituted as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common	UNIF GIFT MIN ACT - _____ Custodian _____
TEN ENT -	as tenants by the entireties	(Cust) (Minor
JT TEN -	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act ______________ (State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(please print or typewrite name and address of transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer the with Bond on the books dept for registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust Company.

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Please insert social security or other identifying number of Assignee. ____________________

EXHIBIT B

NOTICE OF OPTIONAL TENDER

The Bank of New York, as Trustee
c/o The Bank of New York Trust
Company of Florida, N.A.
10161 Centurion Parkway
Jacksonville, Florida 32256
Attention: Corporate Trust Department

Ladies and Gentlemen:

The notice is being sent pursuant to the provisions of the Trust Indenture dated as of May 1, 1998 (the "Indenture") from Broward County, Florida to The Bank of New York, as Trustee. Capitalized terms used in this notice shall have the same meanings as in the Indenture. In accordance with the provisions of Section 3.07 of the Indenture, you are hereby notified as follows:

1. Subject to the provisions of the Indenture, the undersigned, a Direct Participant, irrevocably demands purchase of $__________ principal amount of Broward County, Florida Subordinate Port Facilities Refunding Revenue Bonds, Series 1998, on __________ at the Purchase Price.

2. The undersigned's DTC number is ____________________.

3. The payment instructions for the Purchase Price are as follows:

Dated: ______________

(Direct Participant)

By: ______________________________
Title:

[with respect to Weekly Rate Bonds
cc: PaineWebber Incorporated
1285 Avenue of the Americas
New York, New York 10019
Attention: Short-Term Desk]

EXHIBIT C

NOTICE OF ALTERNATE CREDIT OR LIQUIDITY FACILITY

NOTICE TO BONDHOLDERS

This notice is being sent pursuant to the provisions of the Trust Indenture dated as of May 1, 1998 (the "Indenture") from Broward County, Florida (the "County") to The Bank of New York, as Trustee. Capitalized terms used in this notice shall have the same meanings as in the Indenture.

You are hereby notified as follows:

1. An Alternate [Credit/Liquidity] Facility issued by ________________ and relating to the County's Subordinate Port Facilities Refunding Revenue Bonds, Series 1998 (the "Bonds"), will become effective on ________ (the "Alternate [Credit/Liquidity] Facility Date"). Your Bond will be subject to mandatory tender for purchase on _______________ at a price of 100% of the principal amount thereof, plus interest accrued thereon to such date.

2. Payment of the purchase price for your Bond will be made on the Alternate [Credit/Liquidity] Facility Date upon presentation and surrender at the address of the Tender Agent set forth below prior to 11:30 a.m., New York City Time on the Alternate [Credit/Liquidity] Facility Date, of such Bond, duly endorsed in blank for transfer (with all signatures guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15):

____
____
____

3. In addition, you are further notified that interest will no longer accrue to you on your Bond on and after the Alternate [Credit/Liquidity] Facility Date and, other than the right to receive payment of the purchase price for your Bond, you shall then cease to have further rights under the Indenture.

Dated: __________________

By: ______________________________
Title:

[THIS PAGE INTENTIONALLY LEFT BLANK]

FIRST SUPPLEMENTAL
TRUST INDENTURE

From

BROWARD COUNTY, FLORIDA

To

THE BANK OF NEW YORK MELLON TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee

Dated as of July 1, 2008

Securing

BROWARD COUNTY, FLORIDA
SUBORDINATE PORT FACILITIES REFUNDING REVENUE BONDS
SERIES 2008

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

**FIRST SUPPLEMENTAL
TRUST INDENTURE**

This FIRST SUPPLEMENTAL TRUST INDENTURE is dated as of July 1, 2008 (this "First Supplemental Indenture"), and is from BROWARD COUNTY, FLORIDA, a political subdivision of the State of Florida (the "County") to THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, pursuant to Chapter 91-346, Laws of Florida, Chapter 94-429, Laws of Florida, and the approval by the voters of Broward County, Florida, in a referendum held on March 10, 1992, the Port Everglades District (the "District") and the Port Everglades Authority (the "Authority") were dissolved and all powers, duties, responsibilities, obligations and functions of the District and the Authority were transferred to be performed by the County and the County assumed, subject to their terms, all indebtedness of the District and the Authority; and

WHEREAS, the County now operates the Port Facilities (as hereinafter defined) through the County's Port Everglades Department (the "Department"); and

WHEREAS, under the provisions of Resolution No. 24-1989, adopted by the Authority on July 20, 1989, as supplemented and amended by Resolution No. 26-1989, adopted by the Authority on August 10, 1989, Resolution No. 21-1990, adopted by the Authority on December 6, 1990 and Resolution No. 1998-375, adopted by the County on May 5, 1998 but which became effective on June 4, 1998 (collectively, as further supplemented and amended from time to time, the "Senior Bond Resolution"), there have been issued (i) $117,454,948 Port Everglades Authority Port Facilities Refunding Revenue Bonds, Series 1989-A, of which $55,660,000 (including accreted value) are currently outstanding, (ii) $13,195,000 Broward County, Florida Port Facilities Refunding Revenue Bonds, Series 1998A, of which $13,065,000 are currently outstanding, (iii) $80,440,000 Broward County, Florida Port Facilities Refunding Revenue Bonds, Series 1998B, of which $79,825,000 are currently outstanding, and (iv) $72,440,000 Broward County, Florida Port Facilities Revenue Bonds, Series 1998C, of which $72,440,000 are currently outstanding (collectively, together with additional bonds issued under the provisions of the Senior Bond Resolution from time to time, the "Senior Bonds"); and

WHEREAS, on October 24, 1997, the County issued its $45,000,000 promissory note to Port Property Associates, L.P. (the "Promissory Note"), to fund the cost of acquiring a certain parcel of real property which constitutes part of the Port Facilities; and

WHEREAS, on March 30, 1998, the County issued its $40,000,000 Sales Tax Revenue Commercial Paper Notes, Series B (the "1998 Commercial Paper Notes"), to prepay, together with a temporary advance made by the County in anticipation of permanent financing in the amount of $5,000,000 (the "County Advance"), the Promissory Note; and

WHEREAS, pursuant to the Constitution and laws of the State of Florida, including without limitation, Chapter 125, Florida Statutes, Chapter 166, Florida Statutes, Chapter 315, Florida Statutes, each as amended, and the County's home rule charter (collectively, the "Act"), and a Trust Indenture dated as of May 1, 1998 (the "Original Indenture") from the County to The Bank of New York, as trustee (now, The Bank of New York Mellon Trust Company, National Association) (the "Trustee") the County authorized the issuance of its $49,000,000 Subordinate Port Facilities Refunding Revenue Bonds Series 1998 (the "Series 1998 Bonds") to refund and defease all of the 1998 Commercial Paper Notes; and

WHEREAS, Section 7.11 of the Senior Bond Resolution permits the issuance of obligations payable in whole or in part from the Net Revenue (as defined therein) which, by their terms, are subordinated to the lien on Net Revenue in favor of all Senior Bonds theretofore and thereafter issued under the provisions of the Senior Bond Resolution; and

WHEREAS, Section 2.07 of the Original Indenture permits the issuance of Refunding Bonds, as such term is defined in the Original Indenture to refund all or a portion of the Series 1998 Bonds pursuant to a Supplemental Indenture, as such term is defined in the Original Indenture; and

WHEREAS, the County has determined to issue its Subordinate Port Facilities Refunding Revenue Bonds, Series 2008, in an aggregate principal amount of $46,145,000 (the "Series 2008 Bonds") under the provisions of the Original Indenture and this First Supplemental Indenture (collectively, the "Indenture"), for the purpose of providing funds, together with other available moneys, if any, to (i) refund and defease all of the Series 1998 Bonds, (ii) fund a deposit to the Debt Service Reserve Fund (as hereinafter defined), (iii) pay a Termination Payment (as defined herein) and (iv) pay certain costs of issuance and expenses relating to the Series 2008 Bonds; and

WHEREAS, all things necessary to make the Series 2008 Bonds when authenticated by the Trustee and issued as in the Indenture provided, the valid, binding and legal obligations of the County according to the import thereof, and to constitute this Indenture a valid pledge of and grant of a lien on the Trust Estate (as hereinafter defined), subject to the provisions of the Indenture, to secure the payment of the principal of, and interest on the Series 2008 Bonds (as hereinafter defined) have been done and performed, in due form and time, as required by law; and

WHEREAS, the execution and delivery of this First Supplemental Indenture and the execution and issuance of the Series 2008 Bonds, subject to the terms hereof, have in all respects been duly authorized by the County;

GRANTING CLAUSES

Now, Therefore, the Indenture Witnesseth:

That in order to secure the payment of the principal of, premium, if any, and interest on all Bonds issued and to be issued under the Original Indenture, according to the import thereof, and to reimburse any Credit Provider and Liquidity Provider and any Reserve Facility Provider (each as defined in the Original Indenture) for amounts owed to them under any Credit Facility, Liquidity Facility or Reserve Facility (each as defined in the Original Indenture), respectively, but subject to the limitations set forth therein, and the performance and observance of each and every covenant and condition contained herein, in the Original Indenture and in the Bonds, and

for and in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the respective Owners (as defined in the Original Indenture) thereof, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds shall be issued, authenticated, delivered, secured and accepted by all Persons (as defined in the Original Indenture) who shall from time to time be or become Owners thereof, the County has previously assigned, pledged and granted a lien upon and a security interest in all of its right, title and interest in and to the following described property, rights and interests (collectively, the "Trust Estate") to the Trustee and its successors in trust and assigns, to the extent provided in the Original Indenture and this First Supplemental Indenture:

(a) the Pledged Revenue (as defined in the Original Indenture);

(b) all Funds, Accounts and Subaccounts (each as defined in the Original Indenture) established pursuant to the Original Indenture, other than the Administrative Fund and the Rebate Fund (each as defined in the Original Indenture), and all moneys and securities and earnings in such Funds, Accounts and Subaccounts; and

(c) Any and all other contracts, instruments, moneys, revenues or sources of revenues, securities and property furnished from time to time to the Trustee by the County or on behalf of the County or by any other Persons to be held by the Trustee as part of the Trust Estate under the terms of the Original Indenture and this First Supplemental Indenture;

But in trust nevertheless, for the equal and proportionate benefit and security of the Bonds issued and to be issued hereunder and secured by the Original Indenture, including any Bonds hereafter issued, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of any one Bond over any other or from the others by reason of priority in the issue or negotiation thereof or by reason of the date or dates of maturity thereof, or for any other reason whatsoever (except as expressly provided in the Indenture), so that each and all of the Bonds shall have the same right, lien and privilege under the Original Indenture and shall be equally secured hereby, with the same effect as if the same had all been made, issued and negotiated upon the delivery hereof (all except as expressly provided in the Original Indenture);

Provided, however, that prior to the occurrence of an Event of Default (as hereinafter defined) the lien on and pledge of the Trust Estate conferred by the Original Indenture in favor of the Trustee shall be subject in all respects to the provisions of the Original Indenture that require the application of Pledged Revenue or other moneys to the Funds created under the Original Indenture, including in each case any Account or Subaccount established therein, prior to the application of such Pledged Revenue or other moneys for the payment of the principal or redemption price of and the interest on the Bonds. No Owner of any Bond has the right to compel any exercise of the taxing power of any unit of government to pay the principal or Redemption Price of the Bonds or the interest thereon.

Notwithstanding the foregoing provisions of these Granting Clauses:

(i) moneys in and investments of the Administrative Fund shall not be pledged to the payment of the Bonds and shall be applied solely to the payment of Administrative Expenses or as may otherwise be provided in the Original Indenture;

(ii) moneys in and investments of the Rebate Fund shall not be pledged to the payment of the Bonds and shall be applied solely to the payment of rebate amounts due to the United States of America with respect to Bonds or payments in lieu thereof or as otherwise provided in the Original Indenture; and

(iii) upon the occurrence of an Event of Default (as defined in the Original Indenture) the Trustee shall have a first lien on amounts held pursuant to Section 9.04 of the Original Indenture.

Provided Further, however, that these presents are upon the condition that, if the County, or its successors, shall well and truly pay or cause to be paid, or provide for the payment of all principal, premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner stipulated therein and herein, then the Original Indenture and the rights thereby granted shall cease, terminate and be void, but shall otherwise be and remain in full force;

And it is hereby covenanted and agreed by and among the County, the Trustee and the Owners from time to time of the Series 2008 Bonds, that the terms and conditions upon which the Series 2008 Bonds are to be issued, authenticated, delivered, secured and accepted by all Persons who shall from time to time be or become the Owners thereof, and the trusts and conditions upon which the moneys and securities hereby pledged are to be held and disposed of, which trusts and conditions the Trustee hereby accepts, are as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. Capitalized terms used herein without definition shall have the meaning ascribed thereto in the Original Indenture, unless the context or use clearly indicates another meaning or intent. Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes hereof and of any amendment hereof or supplement hereto and of the Series 2008 Bonds and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

"Alternate Credit Facility" shall mean a Credit Facility provided pursuant to the terms of Section 5.03.

"Alternate Credit Facility Date" shall have the meaning ascribed to it in Section 5.03.

"Alternate Liquidity Facility" shall mean a Liquidity Facility provided pursuant to the terms of Section 5.06.

"Alternate Liquidity Facility Date" shall have the meaning ascribed to it in Section 5.06.

"Amortization Requirements" shall mean the money required to be deposited in the Sinking Fund for the purpose of the mandatory redemption or payment at maturity of any Term Bonds issued pursuant to this First Supplemental Indenture, the specific amounts and times of such deposits to be as provided in Section 3.01 hereof with respect to the Series 2008 Bonds.

"Authorized Denomination" shall mean in the case of the Series 2008 Bonds, (i) while the Series 2008 Bonds bear interest at a Daily, Weekly or Monthly Rates, $100,000 and integral multiples of $5,000 over $100,000, and (ii) while the Series 2008 Bonds bear interest at a Quarterly, Semiannual, Extended or Fixed Rate, $5,000 and integral multiples thereof.

"Average Rate" shall mean the rate determined by dividing the total amount of interest paid on all Variable Rate Bonds for a given period by the average principal amount of all Variable Rate Bonds Outstanding during that period.

"Board" shall mean the Board of County Commissioners of Broward County, Florida, or any successor in which the general legislative powers of the County shall be vested.

"Bond" or "Bonds" shall mean the Outstanding Series 2008 Bonds and Refunding Bonds.

"Bond Registrar" shall mean the County or a bank or trust company, either within or without the State of Florida, designated as such by resolution of the County, which shall perform such functions as Bond Registrar as are required by the Indenture with respect to one or more Series of Bonds. Notwithstanding the preceding sentence, the Trustee shall be the initial Bond Registrar.

"Bond Year" shall mean the period commencing the first day of September in each year and ending the last day of August of the following year.

"Bondholder" (or "Owner") shall mean the registered owners of the Bonds as shown on the registration books of the Bond Registrar maintained pursuant to Section 2.04 of the Original Indenture.

"Business Day" shall mean any day other than (i) Saturday or Sunday, (ii) a day on which the Trustee, any Credit Provider or any Liquidity Provider is lawfully closed, (iii) a day on which the federal reserve bank for the federal reserve bank in which the Trustee or Tender Agent is located is closed; or (iv) a day on which the New York Stock Exchange is closed.

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement dated as of July 1, 2008 with respect to the Series 2008 Bonds between the County and the Trustee.

"Conversion Date" shall mean:

(a) When used with respect to a Fixed Rate, the date on which a Fixed Rate becomes effective pursuant to Section 2.02(l); and

(b) When used with respect to any particular Variable Rate Period, the date on which such Rate Period first becomes effective pursuant to Section 2.02.

"Counterparty" shall mean the Person entering into a Hedge Agreement with the County.

"County" shall have the meaning ascribed to it in the introductory paragraph to this First Supplemental Indenture.

"County Administrator" shall mean the County Administrator and ex-officio Clerk of the Board or its designee or the Person succeeding to its principal functions.

"County Attorney" shall mean the County Attorney of the County, its designee or the Person succeeding to its principal functions.

"County Purchase Account" means the account by that name in the Purchase Fund established pursuant to Section 3.09(b)(ii) hereof.

"Credit Facility" shall mean initially the 2008 Letter of Credit and each and every other irrevocable letter of credit, policy of municipal bond insurance, surety bond, guaranty, purchase agreement, credit agreement or similar facility in which the entity providing such facility irrevocably agrees to provide funds to make payment of the principal of and interest on the Series 2008 Bonds when due. The term "Credit Facility" shall also include an "Alternate Credit Facility."

"Credit Facility Fund" means the fund by that name established pursuant to Section 5.02(a) hereof.

"Credit Provider" means initially the provider of the 2008 Letter of Credit and each other provider of a Credit Facility, if any, with respect to the Series 2008 Bonds.

"Daily Rate" shall mean the interest rate determined for the Series 2008 Bonds for a Daily Rate Period pursuant to Section 2.02(b).

"Daily Rate Period" shall mean, while the Series 2008 Bonds bear interest at the Daily Rate, the period commencing on each Business Day to but excluding the following Business Day.

"Department" shall have the meaning ascribed to it in the recitals to this First Supplemental Indenture.

"Deposit Day" shall mean the day on or before the 27th day of each month on which day a withdrawal from the General Fund and a deposit to one or more Funds, Accounts or Subaccounts is required to accomplish the payments and transfers required by this Indenture.

"Direct Participant" shall mean a participant in the DTC Book-Entry Only System on whose DTC accounts ownership interests in securities are credited.

"DTC" means The Depository Trust Company, New York New York, and its successors and assigns.

"Electronic Means" shall mean telecopy, telegraph, telex, facsimile transmission or other similar electronic means of written communication.

"Eligible Funds" shall mean, with respect to the Series 2008 Bonds:

(a) Proceeds of Bonds or Refunding Bonds deposited with the Trustee contemporaneously with the issuance and sale of such Bonds or Refunding Bonds (other than proceeds of sale of Bonds to the County) and which were continuously thereafter subject to the lien of the Indenture in a separate and segregated fund, account or subaccount established hereunder in which no moneys which were not Eligible Funds were at any time held while such proceeds were held therein, together with the investment earnings thereon;

(b) Moneys (i) held in any Fund, Account or Subaccount in which no other moneys which are not Eligible Funds are held, and (ii) which have been on deposit with the Trustee for at least 366 consecutive days during which period no Event of Bankruptcy shall have occurred, together with the investment earnings thereon;

(c) Proceeds of a drawing under the Credit Facility or the Liquidity Facility; and

(d) Any other moneys deposited with the Trustee if there is delivered to the Trustee at the time of the issuance and sale of such Refunding Bonds or the deposit of such other moneys with the Trustee a written opinion of nationally recognized bankruptcy counsel to the effect that payments with such proceeds or other moneys, as the case may be, of principal of, premium, if any, or interest on the Bonds would not be avoidable transfers under the United States Bankruptcy Code should an Event of Bankruptcy hereafter occur.

"Extended Rate" shall mean the interest rate determined for the Series 2008 Bonds for an Extended Rate Period pursuant to Section 2.02(g).

"Extended Rate Period" shall mean, while the Series 2008 Bonds bear interest at the Extended Rate, the period commencing either on the Conversion Date to the Extended Rate or on the first Business Day of the calendar month following the last day of the prior Rate Period, extending for a period of one year or integral multiples of six months in excess of one year as established by the Remarketing Agent and ending on a day which is the last day preceding the first Business Day of a calendar month.

"Fiduciary" or "Fiduciaries" shall mean the Trustee, Bond Registrar and Paying Agent, or, as the context may require, any one of them.

"Finance Director" shall mean the Chief Financial Officer and the Director of the Department of Finance and Administrative Services of the County, the Deputy Chief Financial

Officer and the Deputy Director of the Department of Finance and Administrative Services of the County or its designee or the Person succeeding to its principal functions.

"Fixed Rate" means an interest rate to be determined for the Series 2008 Bonds pursuant to Section 2.02(o).

"Fixed Rate Period" means the period of time from the Conversion Date to a Fixed Rate to the Maturity Date.

"Hedge Agreement" shall mean the 2008 Hedge Agreement and shall also include an interest rate exchange agreement, an interest rate swap agreement, a forward purchase contract, a put option contract, a call option contract or any other financial product which is used by the County as a hedging device with respect to its obligation to pay debt service on any of the Bonds, entered into between the County and a Counterparty; provided that such arrangement shall be specifically designated in a certificate of the Finance Director as a "Hedge Agreement" for purposes of this First Supplemental Indenture.

"Interest Payment Date" shall mean, (a) with respect to the Series 2008 Bonds:

(i) When the Series 2008 Bonds bear interest at the Daily, Weekly or Monthly Rate, the first Business Day of each calendar month commencing with the first Business Day of the calendar month following the initial issuance and delivery of the Series 2008 Bonds;

(ii) When the Series 2008 Bonds bear interest at the Quarterly Rate, the first Business Day of the third calendar month following the Conversion Date to a Quarterly Rate and subsequently the first Business day of each third calendar month thereafter;

(iii) When the Series 2008 Bonds bear interest at the Semiannual or Extended Rate, the first Business Day of the sixth month following the Conversion Date to a Semiannual or Extended Rate and subsequently the first Business Day of each sixth calendar month thereafter;

(iv) When the Series 2008 Bonds bear interest at the Fixed Rate, each March 1 and September 1 after the Conversion Date to a Fixed Rate; and

(v) When the Series 2008 Bonds constitute Provider Bonds, each date on which interest on the Provider Bonds is due and payable in accordance with the provisions of the Liquidity Facility or any reimbursement or similar agreement entered into between the County and the Liquidity Provider; and

"Liquidity Facility" shall mean initially the 2008 Letter of Credit and each and every other letter of credit, policy of insurance, surety bond, guaranty, purchase agreement, credit agreement or similar facility in which the entity providing such facility agrees to provide funds to pay the purchase price of, or agrees to purchase, Series 2008 Bonds upon their tender by the Owners thereof. The term "Liquidity Facility" shall also include an Alternate Liquidity Facility.

"Liquidity Facility Account" shall mean the account by that name in the Purchase Fund established pursuant to Section 3.09(b)(ii) hereof.

"Liquidity Provider" shall mean initially the provider of the 2008 Letter of Credit and each other provider of a Liquidity Facility, if any, with respect to the Series 2008 Bonds.

"Maximum Rate" shall mean, with respect to the Series 2008 Bonds, the lower of 15% or the highest rate of interest allowed by law.

"Mayor" shall mean the Mayor of the Board, or in the absence of the Mayor, the Vice Mayor, or the person succeeding to its principal functions.

"Monthly Rate" shall mean the interest rate determined for a Monthly Rate Period pursuant to Section 2.02(d).

"Monthly Rate Period" shall mean, while the Series 2008 Bonds bear interest at the Monthly Rate, the period commencing on the first Business Day of each month to but excluding the first Business Day of the following month.

"Moody's" shall mean Moody's Investors Service, Inc. and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the County by written notice of an Authorized Officer to the Trustee.

"Official Statement" shall mean, with respect to the Series 2008 Bonds, the Official Statement dated July 9, 2008 relating to the Series 2008 Bonds.

"Original Indenture" shall have the meaning ascribed to it in the recitals to this First Supplemental Indenture.

"Owner" (or "Bondholder") shall mean the registered owners of the Bonds as shown on the registration books of the Bond Registrar maintained pursuant to Section 2.04 of the Original Indenture.

"Participant" shall mean one of the entities which is a member of the Securities Depository and deposits securities, directly or indirectly in the Book-Entry Only System maintained pursuant to Section 2.03.

"Paying Agent" shall mean the County or a bank or trust company, either within or without the State of Florida, designated as such by resolution of the County, which shall perform such functions as Paying Agent as are required by the Indenture with respect to one or more Series of Bonds. Notwithstanding the preceding sentence, the Trustee shall be the initial Paying Agent for the Series 2008 Bonds.

"Provider Bonds" shall have the meaning ascribed to it in Section 3.09(d)(i)(2) hereof.

"Provider Rate" shall mean the interest rate which Provider Bonds bear, from time to time, as determined in the accordance with the provisions of the Liquidity Facility or any reimbursement or similar agreement entered into between the County and the Liquidity Provider.

"Purchase Date" shall mean the date upon which the Tender Agent is obligated to purchase a Series 2008 Bond or Series 2008 Bonds pursuant to Article III.

"Purchase Fund" shall mean the fund with that name established pursuant to Section 3.09(b)(i) hereof.

"Purchase Price" of any Series 2008 Bond required to be purchased by the Tender Agent pursuant to Article III, means an amount equal to the principal amount of such Series 2008 Bond plus, if the Purchase Date is other than an Interest Payment Date, accrued interest thereon, at the rate applicable to the Series 2008 Bond from the most recent Interest Payment Date and up to but excluding the Purchase Date.

"Quarterly Rate" shall mean the interest rate determined for the Series 2008 Bonds for any Quarterly Rate Period pursuant to Section 2.02(e) hereof.

"Quarterly Rate Period" shall mean, while the Series 2008 Bonds bear interest at the Quarterly Rate, the period commencing on the Conversion Date to a Quarterly Rate for the Series 2008 Bonds, and on the first Business Day of each third calendar month thereafter, to but excluding the first Business Day of the third calendar month thereafter.

"Rate Period" or "Period" shall mean, when used with respect to any particular rate of interest applicable to the Series 2008 Bonds (whether a Daily, Weekly, Monthly, Quarterly, Semiannual, Extended or Fixed Rate), the period during which such rate of interest will remain in effect pursuant to Section 2.02.

"Record Date" shall mean, in the case of the Series 2008 Bonds (i) the Business Day immediately prior to the Interest Payment Date in question in the case of the Daily and Weekly Rate Periods, (ii) the last Business Day at least 5 days prior to the Interest Payment Date in question in the case of the Monthly Rate Periods, and (iii) the 15th day (whether or not a Business Day) of the calendar month immediately preceding such Interest Payment Date in the case of a Quarterly, Semiannual, Extended Rate or Fixed Rate Period.

"Reimbursement Agreement" shall mean the Reimbursement Agreement between the County and the 2008 Letter of Credit Provider dated as of July 1, 2008, as the same may be extended, amended or supplemented in accordance with its terms.

"Remarketing Agent" shall mean the remarketing agent appointed pursuant to Section 5.07 hereof.

"Remarketing Agreement" shall mean, with respect to the Series 2008 Bonds, the Remarketing Agreement dated as of July 1, 2008 herewith between the County and the Remarketing Agent.

"Remarketing Proceeds Account" shall mean the account by that name in the Purchase Fund established pursuant to Section 3.09(b)(ii) hereof.

"Securities Depository" shall mean DTC or its nominee, and its successors appointed by the County in accordance with the provisions of Section 2.03 hereof.

"Semiannual Rate" shall mean the interest rate determined for a Semiannual Rate Period pursuant to Section 2.02(f) hereof.

"Semiannual Rate Period" shall mean, while the Series 2008 Bonds bear interest at the Semiannual Rate, the period commencing on the Conversion Date to a Semiannual Rate and from and including the first Business Day of each sixth calendar month thereafter to but excluding the first Business Day of the sixth calendar month thereafter.

"Senior Bond Resolution" shall have the meaning ascribed to it in the recitals to this First Supplemental Indenture.

"Senior Bonds" shall have the meaning ascribed to it in the recitals to this First Supplemental Indenture.

"Series 2008 Bonds" shall mean the Broward County, Florida Subordinate Port Facilities Refunding Revenue Bonds, Series 2008, authorized to be issued pursuant to Section 2.01 hereof.

"Tender Agent" shall mean The Bank of New York Mellon Trust Company, National Association, a national banking association, or any successor or successors appointed in accordance with Section 5.09 of this First Supplemental Indenture.

"Tender Agent Agreement" shall mean the Tender Agent Agreement dated as of July 1, 2008 between the County and the Tender Agent.

"Termination Payment" shall mean the payment required to be made from the County to the Initial Counterparty with respect to the termination of the Initial Hedge Agreement.

"Trustee" shall mean The Bank of New York Mellon Trust Company, National Association, a national banking association, or any other bank or trust company, either within or without the State of Florida, having fiduciary powers and designated as Trustee in the manner provided in Section 8.08 of the Original Indenture.

"Trust Estate" shall have the meaning ascribed to it in the recitals to the Original Indenture.

"2008 Counterparty" shall mean Goldman Sachs Capital Markets, L.P. or any successor thereto.

"2008 Escrow Agent" shall mean a bank or trust company, either within or without the State of Florida, having fiduciary powers and designated as Escrow Agent in an Escrow Deposit Agreement and performing such functions as are required by such Escrow Deposit Agreement.

"2008 Escrow Deposit Agreement" shall mean an Escrow Deposit Agreement, by and between the County and the 2008 Escrow Agent, pursuant to which cash and Escrow Securities will be held by the Escrow Agent to provide for payment, in whole or in part, of all or a portion of one or more specified Series of Bonds.

"2008 Hedge Agreement" shall mean collectively, the ISDA Master Agreement, the Schedule to the ISDA Master Agreement, the Credit Support Annex to the Schedule, the Guaranty and the Confirmation each by and between the County and the 2008 Counterparty, each dated as of July 10, 2008.

"2008 Letter of Credit" shall mean the irrevocable direct pay letter of credit dated as of July 10, 2008 issued by the 2008 Letter of Credit Provider pursuant to the Reimbursement Agreement, as the same may be extended, amended or supplemented from time to time in accordance with its terms.

"2008 Letter of Credit Provider" shall mean The Bank of Nova Scotia, acting through its New York Agency, or any successor thereto. The 2008 Letter of Credit Provider shall constitute a Liquidity Provider and a Credit Provider for all purposes herein.

"Variable Rate" shall mean, as the context requires, the Daily, Weekly, Monthly, Quarterly, Semiannual or Extended Rate applicable to the Series 2008 Bonds.

"Variable Rate Period" shall mean, the Daily Rate Period, the Weekly Rate Period, the Monthly Rate Period, the Quarterly Rate Period, the Semiannual Rate Period or the Extended Rate Period applicable to the Series 2008 Bonds.

"Weekly Rate" shall mean with respect to the Series 2008 Bonds the interest rate determined for a Weekly Rate Period pursuant to Section 2.02(c) hereof.

"Weekly Rate Period" shall mean, while the Series 2008 Bonds bear interest at the Weekly Rate, the period commencing on Thursday of each week (or in the case of the first Weekly Rate Period, on the date of original issuance and delivery of the Series 2008 Bonds) to but excluding Thursday of the following week (or in the case of the first Weekly Rate Period, the Thursday immediately following the date of original issuance and delivery of the Series 2008 Bonds), except that (a) in the case of a conversion to a Weekly Rate Period from a different Variable Rate Period, the initial Weekly Rate Period shall be from and including and including the Conversion Date to a Weekly Rate to but excluding Thursday of the following week, and (b) in the case of a conversion of the Series 2008 Bonds from a Weekly Rate Period to a different Rate Period, the last Weekly Rate Period shall end on and exclude the Conversion Date.

SECTION 1.02. Interpretation. (a) In this First Supplemental Indenture, unless the context otherwise requires:

(i) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this First Supplemental Indenture, refer to this First Supplemental Indenture, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this First Supplemental Indenture;

(ii) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(iii) References to Articles and Sections refer to Articles and Sections of this First Supplemental Indenture unless the context specifically requires otherwise;

(iv) Any headings preceding the text of the several Articles and Sections of this First Supplemental Indenture, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this First Supplemental Indenture, nor shall they affect its meaning, construction or effect; and

(v) References to Funds shall include any and all Accounts or Subaccounts therein, unless the context otherwise requires.

(b) Whenever in this First Supplemental Indenture the County or the Trustee is named or referred to, it shall include, and shall be deemed to include, its respective successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the County or the Trustee contained in this Indenture shall bind and inure to the benefit of such respective successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the County or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this First Supplemental Indenture.

(c) Nothing in this First Supplemental Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person other than the County, the Trustee, any Credit Provider, any Liquidity Provider, any Reserve Facility Provider, including their respective agents, and the Owners, any right, remedy or claim under or by reason of this First Supplemental Indenture or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements in this Indenture contained by or on behalf of the County shall be for the sole benefit of the County, the Trustee, any Credit Provider, any Liquidity Provider, any Reserve Facility Provider, including their respective agents and the Owners.

ARTICLE II

AUTHORIZATION, DETAILS, EXECUTION, DELIVERY AND REGISTRATION OF SERIES 2008 BONDS

SECTION 2.01. Authorization of Series 2008 Bonds.

(a) General Terms and Provisions.

(i) Terms of Series 2008 Bonds. The Series 2008 Bonds: (A) shall be issued in the initial aggregate principal amount of $46,145,000; (B) shall be dated the date of the issuance thereof; (C) shall mature on September 1, 2027; (D) shall be substantially in the form attached as Exhibit A to the Original Indenture; (E) shall be payable as to interest on each

Interest Payment Date established therefor at the rate per annum determined as provided in the form thereof and in this Section 2.01; (F) shall be subject to redemption, to optional and mandatory tender for purchase, and to remarketing, all as provided in the form thereof and in Article III of this First Supplemental Indenture; and (G) shall be considered Bonds for all purposes of the Original Indenture. Interest on Series 2008 Bonds while bearing interest at the Daily Rate, Weekly Rate, Monthly Rate and Quarterly Rate will be calculated based on the actual days elapsed and a year of 365 or 366 days, as applicable, and interest on the Series 2008 Bonds bearing interest at the Semiannual Rate, Extended Rate or Fixed Rate will be calculated based on a year of 360 days consisting of twelve 30-day months.

(ii) Purposes of Series 2008 Bonds. The Series 2008 Bonds shall be issued for the purposes of providing funds, together with other available moneys in the amount of $5,057,188.00, to (A) refund and defease all of the outstanding Series 1998 Bonds, (B) pay all a Termination Payment, (C) fund a deposit to the Debt Service Reserve Fund Requirement in respect of the Series 2008 Bonds, and (D) pay certain costs of issuance and expenses relating to the Series 2008 Bonds.

(iii) Application of Proceeds. The net proceeds of the Series 2008 Bonds in the amount of $46,044,246.25 shall be applied as follows:

(1) $43,887,216.44 shall be immediately paid to The Bank of New York Mellon Trust Company, National Association, as Escrow Agent to refund and defease the Series 1998 Bonds;

(2) $1,726,400.00 shall be immediately applied to pay a portion of the Termination Payment on the Initial Hedge Agreement, together with $1,663,600.00 from the County;

(3) $16,914.38 from the proceeds of the Series 2008 Bonds will be used to fund the Debt Service Reserve Fund Requirement, together with $3,393,588.00 an amount currently held in the Debt Service Reserve Fund with respect to the Series 1998 Bonds, which total equals the Debt Service Reserve Fund Requirement in connection with the issuance of the Series 2008 Bonds; and

(4) $413,715.43 shall be applied, or deposited to the credit of a special account established by the County to be applied, to the payment of the costs of issuance and expenses relating to the issuance of the Series 2008 Bonds, including, but not limited to, financial advisory, accounting and legal fees, rating agency fees, Escrow Agent fees, printing costs, initial Bond Registrar fees, initial Paying Agent fees, initial Trustee fees, Credit Facility and Liquidity Facility fees and expenses, and any other expenses relating to the issuance of the Series 2008 Bonds.

(iv) Conditions Precedent to Issuance of Series 2008 Bonds. The Series 2008 Bonds shall be authenticated by the Bond Registrar and delivered by the Trustee in such manner as shall be specified in writing by an Authorized Officer, but only after the Series 2008 Bonds shall have been executed as provided in the Original Indenture and there shall have been delivered the following:

(A) to the Trustee, a copy of the Original Indenture, fully executed copies of this First Supplemental Indenture, the 2008 Letter of Credit, the Reimbursement Agreement, the 2008 Hedge Agreement, the Remarketing Agreement and the Tender Agent Agreement;

(B) a written opinion or opinions of Bond Counsel stating that it is of the opinion that the issuance of such Series 2008 Bonds has been duly authorized and that the Original Indenture creates a valid and enforceable pledge of the Trust Estate;

(C) a certificate of an Authorized Officer to the effect that no Event of Default has occurred and is continuing as of the date of issuance of such Series 2008 Bonds (except any Event of Default that may be cured by application of the proceeds of such Series 2008 Bonds);

(D) to, or for the account of, the County, $46,044,246.25, in immediately available funds, constituting the purchase price for the Series 2008 Bonds upon their initial issuance and delivery; and

(E) a certificate of the Rate Consultant demonstrating that the Pledged Revenue and investment income on funds on deposit in the Sinking Fund and the Debt Service Reserve Fund projected by the Rate Consultant for each Bond Year from issuance of the Series 2008 Bonds through the fifth Bond Year after the Bond Year in which the Series 2008 Bonds are issued is equal to not less than 110% of the annual Principal and Interest Requirements in each of such Bond Years for all Bonds then Outstanding, excluding the Series 1998 Bonds being defeased by proceeds of the Series 2008 Bonds and including the Series 2008 Bonds with respect to which the certificate is made.

SECTION 2.02. Variable Rate; Determination by Remarketing Agent; Notice of Rates Determined.

(a) General. The Series 2008 Bonds shall initially bear interest at the Weekly Rate until converted to another Rate Period as provided herein. Subject to the further provisions of this Article II with respect to particular Variable Rates or conversions between Rate Periods, and subject to the provisions of the Series 2008 Bonds, the Variable Rate to be applicable to Series 2008 Bonds during any Variable Rate Period shall be determined by the Remarketing Agent as provided in this Section 2.02 and notice thereof shall be given as follows:

(i) Notice of each preliminary Variable Rate and Variable Rate shall be given as follows:

(A) By the Remarketing Agent to the Trustee, the Bond Registrar and the Tender Agent by telephone (followed by notice in writing by an authorized officer of the Remarketing Agent) not later than 5:00 p.m., New York City time, (10:00 a.m., New York City time, with respect to Daily Rates) on the date of determination; and

(B) On the last Business Day of each month or more frequently upon the Credit Provider's or Liquidity Provider's written request, the Tender Agent shall provide written notice thereof to the Credit Provider and the Liquidity Provider.

Notice of each preliminary Monthly, Quarterly, Semiannual and Extended Rate, and of each Monthly, Quarterly, Semiannual and Extended Rate, shall be given by the Bond Registrar by sending notice in writing to the Owners of the Series 2008 Bonds and the Trustee not later than 5:00 p.m., New York City time, on the third Business Day following the date of determination. The Tender Agent shall inform the Owners of the Series 2008 Bonds and the Trustee of the Daily and Weekly Rates upon request.

(ii) The preliminary Variable Rate or the Variable Rate so to be determined shall be the lowest rate of interest which, in the judgment of the Remarketing Agent, would cause the Series 2008 Bonds to have a market value equal to the principal amount thereof, plus accrued interest, under prevailing market conditions as of the date of determination of such preliminary Variable Rate or Variable Rate. The preliminary Variable Rate is intended to serve only as an indication of the lowest interest rate that would cause the Series 2008 Bonds to have a market value equal to par under market conditions on the date on which such preliminary Variable Rate is determined. The Variable Rate determined after the preliminary Variable Rate is determined may be higher, lower or the same as such preliminary Variable Rate. Notwithstanding the foregoing, in no event shall the preliminary Variable Rate or the Variable Rate for any Variable Rate Period exceed the Maximum Rate.

(iii) All determinations of Variable Rates pursuant to this Section shall be conclusive and binding upon the County, the Trustee, the Bond Registrar, the Tender Agent, the Credit Provider, the Liquidity Provider, and the Owners of the Series 2008 Bonds. The County, the Trustee, the Bond Registrar, the Tender Agent and the Remarketing Agent shall not be liable to the Owner of any Series 2008 Bond for failure to give any notice required above or for failure of the Owner of any Series 2008 Bond to receive any such notice.

(b) Daily Rates.

(i) Daily Rate Periods shall commence initially on the Conversion Date to but excluding the following Business Day, and subsequently begin on the next Business Day to but excluding the following Business Day.

(ii) The Daily Rate for each Daily Rate Period shall be determined by the Remarketing Agent not later than 10:00 a.m., New York City time, on the commencement date of the Daily Rate Period to which it relates.

(c) Weekly Rates.

(i) The first Weekly Rate Period shall commence on the date of original issuance and delivery of the Series 2008 Bonds and shall run to but excluding the next succeeding Thursday. Weekly Rate Periods thereafter shall be from Thursday of each week to but excluding Thursday of the following week; except that (A) in the case of a conversion to a Weekly Rate Period from a different Variable Rate Period, the initial Weekly Rate Period for the Series 2008 Bonds shall commence on the Conversion Date to but excluding Thursday of the

following week; and (B) in the case of a conversion of the Series 2008 Bonds from a Weekly Rate Period to a different Rate Period, the last Weekly Rate Period shall end on and exclude the Conversion Date.

(ii) The Weekly Rate for each Weekly Rate Period shall be determined by the Remarketing Agent not later than 4:00 p.m., New York City time, on Wednesday or, if such Wednesday is not a Business Day, the last Business Day which is immediately prior to the commencement date of the Weekly Rate Period to which it relates.

(d) Monthly Rates.

(i) Monthly Rate Periods shall commence initially on the Conversion Date to but excluding the first Business Day of the following month and subsequently begin on and include the first Business Day of each calendar month to but excluding the first Business Day of the following month.

(ii) The Monthly Rate for each Monthly Rate Period shall be determined by the Remarketing Agent as follows:

(A) A preliminary Monthly Rate for each Monthly Rate Period shall be determined by the Remarketing Agent not later than 4:00 p.m., New York City time, on the last Business Day which is at least 8 days immediately preceding the commencement date of such period; and

(B) The actual Monthly Rate for each Monthly Rate Period shall be determined by the Remarketing Agent not later than 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of such period.

(e) Quarterly Rates.

(i) Quarterly Rate Periods shall (A) commence initially on the Conversion Date to but excluding the first Business Day of the third calendar month thereafter and subsequently begin on and include the first Business Day of each third calendar month thereafter; (B) to but excluding the first Business Day of the third calendar month thereafter.

(ii) The Quarterly Rate for each Quarterly Rate Period shall be determined as follows:

(A) A preliminary Quarterly Rate for each Quarterly Rate Period shall be determined by the Remarketing Agent not later than 4:00 p.m., New York City time, on the last Business Day which is at least 15 days preceding the commencement date of such period; and

(B) The actual Quarterly Rate for each Quarterly Rate Period shall be determined by the Remarketing Agent not later than 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of such period.

(f) Semiannual Rates.

(i) Semiannual Rate Periods shall (A) commence initially on the Conversion Date and subsequently begin on and include the first Business Day of each sixth calendar month thereafter; (B) to but excluding the first Business Day of the sixth month thereafter.

(ii) The Semiannual Rate for each Semiannual Rate Period shall be determined as follows:

(A) A preliminary Semiannual Rate for each Semiannual Rate Period shall be determined by the Remarketing Agent not later than 4:00 p.m., New York City time, on the last Business Day which is at least 30 days immediately preceding the commencement date of such period;

(B) The actual Semiannual Rate for each Semiannual Rate Period shall be determined by the Remarketing Agent not later than 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of such period.

(g) Extended Rates.

(i) Extended Rate Periods shall commence initially on the Conversion Date, and subsequently begin on the first Business Day of the calendar month following the last day of the prior Rate Period and extend for a period of one year or integral multiples of six months in excess of one year set by the Remarketing Agent, and end on a day which is the last day preceding the first Business Day of a calendar month.

(ii) The Extended Rate for each Extended Rate Period shall be determined as follows:

(A) A preliminary Extended Rate for each Extended Rate Period shall be determined by the Remarketing Agent not later than 4:00 p.m., New York City time, on the last Business Day which is at least 30 days immediately preceding the commencement date of such period;

(B) The actual Extended Rate for each Extended Rate Period shall be determined by the Remarketing Agent not later than 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of such period.

(h) Limitation on Rate Periods. None of the Variable Rate Periods may extend beyond the scheduled expiration date of the Credit Facility or the Liquidity Facility.

(i) Conversion between Variable Rate Periods. At the option of the County and upon delivery of an Opinion of Bond Counsel to the Trustee and the County, the Series 2008 Bonds may be converted from one Variable Rate Period to another as provided in this clause (i). In the case of conversion from one Variable Rate Period to a different Variable Rate Period, the Conversion Date shall be an Interest Payment Date for the Variable Rate Period from which the conversion is to be made; provided, however, that in the case of a conversion from an Extended Rate Period, the Conversion Date shall be limited to an Interest Payment Date on which a new

Extended Rate Period for the Series 2008 Bonds would otherwise have commenced pursuant to Section 2.02(g). At the direction of the County, the Remarketing Agent shall give written notice of any conversion pursuant to this Section to the Trustee, the Bond Registrar, the Tender Agent, the County, the Credit Provider and the Liquidity Provider not less than five Business Days prior to the date on which the Tender Agent is required to notify the Owners of the conversion in the manner provided in this clause (i). Such notice shall specify the Conversion Date and the Rate Period to which the conversion will be made. Not less than 30 days prior to any Conversion Date, the Tender Agent shall mail or cause the Bond Registrar to mail a written notice of the conversion to the County, the Trustee, the Credit Provider, the Liquidity Provider and all of the Owners of the Series 2008 Bonds. Such notice shall set forth (A) the information contained in the notice from the Remarketing Agent pursuant to this clause (i) above, (B) the Interest Payment Dates for the new Rate Period, (C) the dates on which the Remarketing Agent will determine and the Tender Agent will notify the Owners of the preliminary Variable Rate (if applicable) and the Variable Rate for the Variable Rate Period commencing on the Conversion Date, and (D) the matters required to be stated pursuant to Section 3.06(b) with respect to purchases of Series 2008 Bonds which are governed by such Section.

(j) Determination of Variable Rate Effective on Conversion Date. The preliminary Variable Rate (if applicable) and the Variable Rate for the Variable Rate Period commencing on the Conversion Date shall be determined by the Remarketing Agent in the manner and on the dates provided in this Section 2.02. In addition to determining the Variable Rate for the Rate Period to which conversion is to be made, the Remarketing Agent shall determine a Weekly Rate at the time specified in Section 2.02(c), and give notice thereof to the Tender Agent, the Bond Registrar and the Trustee, which Weekly Rate shall take effect, if needed, pursuant to clause (k) below.

(k) Conditions on which Conversion to a Variable Rate Ineffective. Notwithstanding the delivery of notice of conversion pursuant to clause (i) above, conversion to a new Variable Rate Period shall not take effect as to the Series 2008 Bonds if:

(i) The Remarketing Agent fails to determine a Variable Rate for the Rate Period to which the conversion is to be made;

(ii) Any notice required by Section 2.02(i) is not given when required;

(iii) There is not delivered to the County and the Trustee an Opinion of Bond Counsel, dated as of the Conversion Date;

(iv) Such notice of conversion is rescinded by the County by written notice of such rescission to the Tender Agent, the Trustee and the Remarketing Agent which written notice is delivered prior to the applicable Conversion Date. If the Tender Agent receives notice of such rescission prior to the time the Tender Agent has given or caused to be given notice to the Owners of the Series 2008 Bonds, then such notice of conversion shall be of no force and effect. If the Tender Agent receives notice of such rescission after the Tender Agent has given or caused to be given notice to the Owners of the Series 2008 Bonds, then the Series 2008 Bonds shall automatically adjust to a Weekly Rate Period. Any purchases of Series 2008 Bonds scheduled or required to take place on

the proposed effective date of any Rate Period (being also the effective date of the automatic adjustment to a Weekly Rate Period as in this Section 2.02(k) provided) shall take place on such date. No Opinion of Bond Counsel shall be required in connection with any automatic adjustment to a Weekly Rate Period as provided in this Section 2.02(k); or

(v) There is not delivered to the Trustee written evidence from the Rating Agencies that any such conversion to a Quarterly Rate, Semiannual Rate or Extended Rate will not, of itself, cause a reduction or withdrawal of any rating then assigned to the Series 2008 Bonds.

Except as specifically provided in (iv) above, in any such event, the Series 2008 Bonds which were to be converted shall automatically be converted to a Weekly Rate Period on the date such conversion was to be made, provided that any mandatory or optional tender for purchase on the Conversion Date shall nevertheless be carried out. No cancellation of a conversion pursuant to this subsection shall constitute an Event of Default hereunder. Upon the occurrence of an event described in (i) above, the Weekly Rate for the Series 2008 Bonds shall be the per annum rate of interest determined on each Thursday (or if such day is not a Business Day, the immediately preceding Business Day) by the Trustee which is equal to the lesser of the Maximum Rate and a rate equal to the "Securities Industry and Financial Markets Association ("SIFMA") Municipal Swap Index" (or a comparable index, if such index is no longer published) most recently published, plus 50 basis points.

(l) Conversion to Fixed Rate. The Series 2008 Bonds shall be converted to bear interest at a Fixed Rate upon request of the County as provided in this clause (l). The Fixed Rate Conversion Date shall be:

(i) In the case of a conversion from a Variable Rate Period other than an Extended Rate Period, an Interest Payment Date for the Series 2008 Bonds on which interest is payable for the Variable Rate Period from which the conversion is to be made; and

(ii) In the case of a conversion from an Extended Rate Period, an Interest Payment Date for the Series 2008 Bonds on which a new Extended Rate Period would otherwise have commenced pursuant to Section 2.02(g).

Not less than 45 days (or such shorter period approved by the parties to receive the same) prior to the Fixed Rate Conversion Date, the County shall give written notice to the Trustee, the Bond Registrar, the Tender Agent, the Remarketing Agent, the Credit Provider and the Liquidity Provider, setting forth (A) the election to convert the Series 2008 Bonds to a Fixed Rate, and (B) the proposed Fixed Rate Conversion Date. As a condition of any such conversion, the Trustee, the Credit Provider, the Liquidity Provider and the Remarketing Agent shall receive, concurrently with the notice, an Opinion of Bond Counsel.

(m) Preliminary Determination of Terms of Series 2008 Bonds while Bearing Interest at the Fixed Rate. The Remarketing Agent shall make a preliminary determination of the Fixed Rate or Fixed Rates for the Series 2008 Bonds and the maturities of the Series 2008 Bonds in the

same manner as is provided for the final determination of rates pursuant to Section 2.02(o). Such preliminary determination shall be made on a Business Day which is at least 35 days prior to the Fixed Rate Conversion Date. On the date of the preliminary determination, the Remarketing Agent shall notify the Tender Agent and the Tender Agent shall notify the County, the Trustee, the Bond Registrar, the Credit Provider and the Liquidity Provider, by telephone (promptly confirmed in writing), or by Electronic Means of the preliminary Fixed Rate or Rate or Rates so determined.

(n) Notice of Conversion to Fixed Rate. The Tender Agent shall mail or cause the Bond Registrar to mail a notice of the proposed conversion to the County, the Bond Registrar, the Trustee, the Credit Provider, the Liquidity Provider and the Owners of all Series 2008 Bonds to be converted. Such notice shall be mailed not less than 30 days prior to the proposed Fixed Rate Conversion Date. Such notice shall set forth the proposed Fixed Rate Conversion Date and state:

(i) that the Series 2008 Bonds are subject to mandatory tender for purchase (without the right to retain) on the Conversion Date at a Purchase Price of par plus accrued interest; and

(ii) that the Series 2008 Bonds shall be deemed purchased on the Conversion Date, and thereafter the Owner shall have no further rights hereunder except to receive such Purchase Price.

(o) Determination of Fixed Rate. The Remarketing Agent shall determine the Fixed Rate or Fixed Rates for the Series 2008 Bonds by not later than 3:30 p.m., New York City time, on the last Business Day that is at least 5 days prior to the Conversion Date for the Series 2008 Bonds. The Fixed Rate or Fixed Rates shall be the lowest rate or rates of interest per annum (not in excess of the maximum rate of interest allowed by law) which, in the judgment of the Remarketing Agent as of the date of determination and under prevailing market conditions, would cause the Fixed Rate Series 2008 Bonds to have a market value equal to the principal amount thereof, plus accrued interest; provided, however, that, at the request of the County, the Fixed Rate or Fixed Rates can be such lower rate or rates of interest which, in the judgment of the Remarketing Agent as of the date of determination and under prevailing market conditions, would cause the Fixed Rate Series 2008 Bonds to have a market value of less than the principal amount thereof, plus accrued interest, but not less than 95% of the principal amount thereof, upon delivery of an Opinion of Bond Counsel to the Trustee, the Credit Provider, the Liquidity Provider and the Remarketing Agent. If necessary or desirable to achieve the lowest Fixed Rate or Fixed Rates on the Series 2008 Bonds, the Remarketing Agent may determine that some or all of the Series 2008 Bonds shall be converted to Serial Bonds maturing in years for which Amortization Requirements have been established for the Series 2008 Bonds and maturing in aggregate principal amounts that correspond to such Amortization Requirements. Not later than 4:00 p.m., New York City time, on the date of determination of the Fixed Rate, the Remarketing Agent shall notify the Tender Agent of the Fixed Rate or Fixed Rates and of any serialization of the maturities of the Series 2008 Bonds by telephone (promptly confirmed in writing). Such determination shall be conclusive and binding upon the County, the Trustee, the Tender Agent, the Credit Provider, the Liquidity Provider and the Owners of the Series 2008 Bonds. The Tender Agent shall make such Fixed Rate and serialization of the maturities of the Series 2008

Bonds available upon request by telephone (promptly confirmed in writing), telegram, telecopy, telex or other similar communication to the County, the Trustee, the Credit Provider and the Liquidity Provider. In addition to determining a Fixed Rate, the Remarketing Agent shall determine a Weekly Rate pursuant to Section 2.02(c) and give notice thereof to the Tender Agent, the Bond Registrar, the Trustee, the Credit Provider and the Liquidity Provider, which Weekly Rate shall take effect if needed pursuant to Section 2.02(p).

(p) Conditions on which Conversion to Fixed Rate Ineffective. Notwithstanding the delivery of notice of a Conversion Date to a Fixed Rate pursuant to Section 2.02(n) above, conversion of Series 2008 Bonds to a Fixed Rate Period shall not take effect:

(i) if the County withdraws such notice of conversion not later than the Business Day preceding the date on which the Fixed Rate is to be determined;

(ii) if the Remarketing Agent fails to determine a Fixed Rate;

(iii) if any notice required by Section 2.02(n) is not given when required; or

(iv) if upon the conversion, any Fixed Rate Series 2008 Bonds would be Provider Bonds unless the Liquidity Provider consents.

In any of such events, the Series 2008 Bonds shall automatically be converted to a Weekly Rate for a Weekly Rate Period which shall commence on the date the Fixed Rate conversion was to be made, provided that the mandatory tender for purchase pursuant to Sections 3.06 and 3.07 shall nevertheless be carried out if notice of the Fixed Rate conversion had been given to the Owners of the Series 2008 Bonds. Withdrawal of a conversion notice shall be given by the County to the Trustee, the Tender Agent, the Bond Registrar, the Remarketing Agent, the Credit Provider and the Liquidity Provider, by telephone, promptly confirmed in writing. No cancellation of a Fixed Rate conversion pursuant to this subsection shall constitute an Event of Default hereunder. If the Series 2008 Bonds are converted to a Weekly Rate, and the Remarketing Agent fails to set a Weekly Rate, the Weekly Rate shall be the per annum rate of interest determined on each Thursday (or if such day is not a Business Day, the immediately preceding Business Day) by the Trustee which is equal to the lesser of the Maximum Rate and a rate equal to "SIFMA Municipal Swap Index" (or a comparable index, if such index is no longer published) most recently published, plus 50 basis points.

(q) Effect of Conversion to Fixed Rate. Once the County has effectively exercised its option to convert the Series 2008 Bonds to a Fixed Rate pursuant to this Section 2.02, the County shall have no further options to convert the Series 2008 Bonds to any other Rate Period, and the Series 2008 Bonds shall no longer be payable from or secured by the Liquidity Facility or subject to tender for purchase.

(r) Provider Bonds. Notwithstanding anything to the contrary contained in this First Supplemental Indenture, Provider Bonds shall bear interest at the Provider Rate payable on the Interest Payment Dates, all in accordance with the provisions of the Liquidity Facility or any reimbursement or similar agreement entered into between the County and the Liquidity Provider.

SECTION 2.03. Book-Entry Only System for Series 2008 Bonds. The Series 2008 Bonds shall be initially issued in the name of Cede & Co., as nominee for DTC as the initial Securities Depository and Owner of the Series 2008 Bonds, and may be held in the custody of or by the Trustee for the account of the Securities Depository. A single certificate will be issued and delivered to the Securities Depository for each maturity of the Series 2008 Bonds (except as otherwise required by DTC). The ultimate purchasers of ownership interests in the Series 2008 Bonds (the "Beneficial Owners") will not receive physical delivery of Series 2008 Bond certificates except as provided herein. For so long as the Securities Depository shall continue to serve as securities depository for the Series 2008 Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Series 2008 Bonds is to receive, hold or deliver any Series 2008 Bond certificate.

The County and the Fiduciaries shall treat the Securities Depository (or its nominee) as the sole and exclusive Owner of the Series 2008 Bonds registered in its name for the purposes of payment of the principal of and interest on or redemption price, if any, of the Series 2008 Bonds or portion thereof to be redeemed, and of giving any notice permitted or required to be given to Series 2008 Bondholders under this First Supplemental Indenture and neither the County nor the Fiduciaries shall be affected by any notice to the contrary. Neither the County nor the Trustee shall have any responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other Person which is not shown on the bond registration books maintained by the Bond Registrar, with respect to the accuracy of any records maintained by the Securities Depository or any Participant; the payment by the Securities Depository or any Participant of any amount in respect of the principal of and interest on the Series 2008 Bonds; any notice which is permitted or required to be given to Series 2008 Bondholders under this First Supplemental Indenture; the selection by the Securities Depository or any Participant of any Person to receive payment in the event of a partial redemption of the Series 2008 Bonds; or any consent given or other action taken by the Securities Depository as a Series 2008 Bondholder. The Trustee shall pay all principal of and interest on or redemption price, if any, of the Series 2008 Bonds registered in the name of Cede & Co. only to or "upon the order of" the Securities Depository, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to the principal of and interest on or redemption price, if any, of such Series 2008 Bonds to the extent of the sum or sums so paid.

The County and the Fiduciaries covenant and agree, so long as DTC shall continue to serve as Securities Depository for the Series 2008 Bonds, to meet the requirements of DTC, including those contained in the Representation Letter.

The County and the Fiduciaries may rely conclusively upon (i) a certificate of the Securities Depository as to the identity of the Participants in the Book-Entry Only System with respect to the Series 2008 Bonds and (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Series 2008 Bonds beneficially owned by, the Beneficial Owners.

Whenever, during the term of the Series 2008 Bonds, the beneficial ownership thereof is determined by a book-entry at the Securities Depository, the requirements in this First Supplemental Indenture of holding, delivering or transferring Series 2008 Bonds shall be deemed

modified to require the appropriate Person to meet the requirements of the Securities Depository as to registering or transferring the book-entry to produce the same effect. Any provision hereof permitting or requiring delivery of Series 2008 Bonds shall, while the Series 2008 Bonds are in a Book-Entry Only System, be satisfied by the notation on the books of the Securities Depository in accordance with the law of the State.

The Trustee and the County, at the direction and expense of the County, may from time to time appoint a successor Securities Depository and enter into an agreement with the Securities Depository, to establish procedures with respect to the Series 2008 Bonds not inconsistent with the provisions of this First Supplemental Indenture. Any successor Securities Depository shall be approved by the Trustee and shall be a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended.

The Trustee and the County, at the direction and expense of the County, will cause the delivery of bond certificates to each Beneficial Owner, registered in the name of such Beneficial Owner, under the following circumstances:

(a) The Securities Depository determines to discontinue providing its service with respect to the Series 2008 Bonds and no successor Securities Depository is appointed as described above. Such a determination may be made at any time by giving 30 days' written notice to the County and the Trustee and discharging its responsibilities with respect thereto under applicable law; or

(b) The County determines not to continue the Book-Entry Only System through a Securities Depository.

The Trustee is hereby authorized to make such changes to the form of Series 2008 Bonds attached to the Original Indenture as Exhibit A which are not inconsistent with the Original Indenture and which are necessary or appropriate upon the appointment of a successor Securities Depository or while the Book-Entry Only System is not in effect.

If at any time, the Securities Depository ceases to hold the Series 2008 Bonds, thereafter all references herein to the Securities Depository shall be of no further force or effect.

ARTICLE III

REDEMPTION AND TENDER FOR PURCHASE OF BONDS

SECTION 3.01. Redemption Dates and Prices. The Series 2008 Bonds shall be subject to redemption in the manner set forth herein. The Series 2008 Bonds may not be called for redemption by the County except as provided below:

(a) Optional Redemption. (i) The Series 2008 Bonds bearing interest at Daily, Weekly, Monthly, Quarterly, Semiannual or Extended Rates (but only if the Extended Rate Period is one year in duration) are subject to optional redemption from Eligible Funds prior to their stated maturity upon request of the County in whole or in part at any time at a price equal to the principal amount thereof, without premium, plus accrued interest thereon to the redemption date.

(ii) The Series 2008 Bonds bearing interest at Extended Rates (but only if the Extended Rate Period is more than one year in duration) or the Fixed Rate are subject to optional redemption from Eligible Funds (or from moneys that are not Eligible Funds if there shall not be a Credit Facility in place at the time of such redemption or if the Credit Facility in place at the time of such redemption is a policy of municipal bond insurance) prior to their stated maturity upon request of the County in whole or in part at any time at least ten years after the Conversion Date at 100% of the principal amount thereof, and in such amounts and of such maturities as the County shall direct, plus accrued interest thereon to the redemption date, without premium.

Notwithstanding any provision in this First Supplemental Indenture or the Series 2008 Bonds to the contrary, this First Supplemental Indenture and the Series 2008 Bonds may be amended as of the Conversion Date upon the request of the County, without the consent of any of the Bondholders, to change the redemption provisions applicable during an Extended Rate Period or the Fixed Rate Period to such redemption provisions as are acceptable to the County provided the County provides an Opinion of Bond Counsel to the Trustee.

(iii) Prior to notice being given to the Owners of affected Series 2008 Bonds of any optional redemption of Series 2008 Bonds under this Section 3.01(a), either (A) there shall be deposited with the Trustee an amount sufficient to pay the principal amount of the Series 2008 Bonds subject to redemption, plus accrued interest to the redemption date, or (B) such notice shall state that the redemption is conditioned on the receipt of moneys for such redemption by the Trustee on or prior to the redemption date. In the event that a conditional notice of redemption is given and such moneys are not timely received, the redemption for which such notice was given shall not be undertaken. Amounts deposited pursuant to this paragraph shall be kept by the Trustee in a trust account separate and segregated from all other moneys deposited under this First Supplemental Indenture and shall be held uninvested unless invested at the direction of an Authorized Officer only in Escrow Securities that mature on or before the redemption date. If the redemption price is required to be paid with Eligible Funds as specified in Section 3.01(a)(i) or (ii), the Trustee shall cancel the redemption of the Series 2008 Bonds if it determines that sufficient Eligible Funds will not be available on the redemption date.

(iv) The County shall not cause an optional redemption of the Series 2008 Bonds with the proceeds of a drawing on the 2008 Letter of Credit without the prior consent of the 2008 Letter of Credit Provider.

(b) Provider Bonds are subject to redemption prior to maturity (i) at the option of the County as a whole or in part in such amounts and of such maturities as the County may direct on any date at the principal amount thereof, without premium, plus interest accrued thereon to the redemption date and (ii) otherwise as provided in the Liquidity Facility or other reimbursement or similar agreement entered into between the County and the Liquidity Provider. Provider Bonds shall be optionally redeemed before any other Series 2008 Bonds.

[Remainder of Page Intentionally Left Blank]

(c) Mandatory Redemption. The Series 2008 Bonds are also subject to redemption prior to maturity at a redemption price equal to the principal amount thereof, plus accrued interest, without premium, by application by the Trustee from draws on the Credit Facility or if there is no Credit Facility in place or if such Credit Facility is a municipal bond insurance policy, from funds on deposit to the credit of the Sinking Fund on September 1 in the years and in the principal amounts as follows:

YEAR	AMOUNT	YEAR	AMOUNT
2008	$1,425,000	2018	$2,310,000
2009	1,670,000	2019	2,395,000
2010	1,730,000	2020	2,480,000
2011	1,795,000	2021	2,575,000
2012	1,860,000	2022	2,665,000
2013	1,930,000	2023	2,765,000
2014	2,000,000	2024	2,865,000
2015	2,075,000	2025	2,970,000
2016	2,145,000	2026	3,075,000
2017	2,230,000	2027*	3,185,000

*By operation of maturity.

(d) If less than all of the Series 2008 Bonds of any one maturity shall be called for redemption, the particular Series 2008 Bonds to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion deems fair and appropriate.

SECTION 3.02. Notice of Redemption. At least 30 days, but not more than 45 days (with respect to Series 2008 Bonds in a Daily Rate Period or Weekly Rate Period at least 15 days), before the redemption date of any Series 2008 Bonds, the Trustee shall cause a notice of such redemption to be: (a) filed with the Paying Agent; (b) sent by telefacsimile followed by first class mail to registered securities depositories and to national information services that disseminate redemption notices; and (c) mailed, postage prepaid, to all Owners of Series 2008 Bonds to be redeemed in whole or in part at their addresses as they appear on the registration books herein provided for. Failure to file any such notice with the Paying Agent or to mail any such notice to any Bondholder or to any securities depository or national information service or any defect therein shall not affect the validity of the proceedings for redemption, except to the extent a Bondholder is prejudiced thereby, and then, only with respect to such Bondholder. Each such notice shall set forth: (1) the date fixed for redemption; (2) the redemption price to be paid; (3) the CUSIP numbers and the certificate numbers of the Series 2008 Bonds to be redeemed; (4) the name and address of the Paying Agent for the Series 2008 Bonds; (5) the dated date, interest rate and maturity date of the Series 2008 Bonds; and (6) if less than all of the Series 2008 Bonds then Outstanding shall be called for redemption, the amounts of each of the Series 2008 Bonds to be redeemed; and (7) the name, address and telephone number of a contact for such redemption. Such notice may be conditioned upon the occurrence of certain events stated within such notice, and shall be of no effect if such conditions are not met.

SECTION 3.03. Redemption of Portions of Bonds. Except as provided in Section 2.10 of the Original Indenture, any Series 2008 Bond which is to be redeemed only in part shall be

surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Bond Registrar duly executed by the Owner thereof or its duly authorized attorney or legal representative in writing) and the County shall execute and the Bond Registrar shall authenticate and deliver to the Owner of such Series 2008 Bond, without charge, other than any applicable tax or other governmental charge, a new Series 2008 Bond or Series 2008 Bonds, of any Authorized Denomination, as requested by such Owner in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2008 Bonds so surrendered.

SECTION 3.04. Expenses of Redemption. The expenses of any redemption of Series 2008 Bonds pursuant to this Article shall be paid from the Administrative Fund.

SECTION 3.05. Optional Tenders by Owners During Variable Rate Periods.

(a) Purchase Dates. During any Variable Rate Period a beneficial owner of the Series 2008 Bonds (other than Provider Bonds) may elect to have its Series 2008 Bonds (or portions thereof in Authorized Denominations) purchased at the Purchase Price, on the following Purchase Dates by causing the Direct Participant through whom such beneficial owner owns such Series 2008 Bond to give the following irrevocable telephonic or written notices meeting the further requirements of subsection (b) of this Section 3.05 and upon transfer on the registration books of DTC on the same day such notice is given of the beneficial ownership interest in such Series 2008 Bonds to the account of the Trustee, "free delivery" for settlement on the Purchase Date:

(i) Series 2008 Bonds bearing interest at Daily Rates may be tendered for purchase on any Business Day upon telephonic notice of tender given to the Trustee and the Remarketing Agent not later than 10:30 a.m., New York City time, on the Purchase Date;

(ii) Series 2008 Bonds bearing interest at Weekly Rates may be tendered for purchase on any Business Day upon delivery of a written notice of tender to the Trustee (with a copy thereof to the Remarketing Agent) not later than 5:00 p.m., New York City time, on a Business Day not less than 7 days prior to the Purchase Date;

(iii) Series 2008 Bonds bearing interest at Monthly, Quarterly or Semiannual Rates may be tendered for purchase on any Interest Payment Date upon delivery of a written notice of tender to the Trustee not later than 5:00 p.m., New York City time, on a Business Day which is not less than 7 days prior to the Purchase Date in the case of Series 2008 Bonds bearing interest at Monthly and Quarterly Rates, or 15 days prior to the Purchase Date in the case of Series 2008 Bonds bearing interest at Semiannual Rates; and

(iv) Series 2008 Bonds bearing interest at Extended Rates may be tendered for purchase on the commencement date of any Extended Rate Period (other than the Extended Rate Conversion Date) upon delivery of a written notice of tender to the Trustee not later than 5:00 p.m., New York City time, on a Business Day which is not less than 15 days prior to the Purchase Date.

(b) Notice of Tender. Each notice of tender:

(i) shall, in the case of a written notice, be delivered by Electronic Means to the Tender Agent and Trustee, if not also the Tender Agent and, in the case of Series 2008 Bonds bearing interest at Weekly Rates, a copy thereof delivered to the Remarketing Agent, at their respective principal offices and be substantially in the form attached as Exhibit A hereto;

(ii) shall state, whether delivered in writing by Electronic Means or by telephone (A) the principal amount of the Series 2008 Bond or portion of the Series 2008 Bond to be purchased, (B) that the Owner irrevocably demands purchase of such Series 2008 Bond or portion thereof, (C) the date on which such Series 2008 Bond or portion is to be purchased, (D) payment instructions, and (E) the DTC number of such Direct Participant; and

(iii) shall automatically constitute, whether delivered in writing by Electronic Means or by telephone (A) an irrevocable offer to sell the Series 2008 Bond or portion to which the notice relates on the Purchase Date to any purchaser selected by the Remarketing Agent, at the Purchase Price, (B) an irrevocable authorization and instruction to the Bond Registrar to effect transfer of such Series 2008 Bond or portion upon payment of such price to the Tender Agent on the Purchase Date, (C) an irrevocable authorization and instruction to the Tender Agent to effect the exchange of the Series 2008 Bond to be purchased in whole or in part for other Series 2008 Bonds of the same maturity in an equal aggregate principal amount so as to facilitate the sale of such Series 2008 Bond or portion, and (D) an acknowledgment that such Owner will have no further rights with respect to such Series 2008 Bond or portion thereof upon payment of the Purchase Price by the Trustee on the Purchase Date to the Direct Participant from whom the notice of tender is received, except for the right of such Owner to receive such Purchase Price upon surrender of such Series 2008 Bond to the Tender Agent.

The determination of the Tender Agent or the Trustee, as applicable, as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the Owner. The Tender Agent shall hold beneficial ownership interests of Series 2008 Bonds delivered to it pursuant to this Section pending settlement in trust for the benefit of the direct participant from whom the beneficial interests in the Series 2008 Bonds are received and shall remit any interest payments received with respect to such Series 2008 Bonds for the period prior to the Purchase Date to such Direct Participant.

(c) Series 2008 Bonds to be Remarketed. Not later than 4:30 p.m., New York City time, on the Business Day immediately following the date of receipt of any notice of tender (or immediately upon such receipt, in the case of Series 2008 Bonds bearing interest at Daily Rates), the Trustee shall notify the Tender Agent, if other than the Trustee, and the Remarketing Agent of the principal amount of Series 2008 Bonds or portions thereof to be tendered and remarketed and the date they are to be tendered and remarketed. Such notices shall be given by Electronic Means, or other similar communication.

(d) Remarketing of Tendered Series 2008 Bonds. The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for all Series 2008 Bonds or portions thereof properly tendered. All Series 2008 Bonds shall be at all times remarketed at the Purchase Price. Notwithstanding the foregoing, the Remarketing Agent shall not offer for sale any Series 2008

Bond if notice of (i) any optional or mandatory redemption, (ii) any conversion from one Variable Rate Period to another or to a Fixed Rate Period has been given to the Owners of the Series 2008 Bonds pursuant to the provisions of this First Supplemental Indenture, or (iii) any defeasance in accordance with the provisions of Article XII of the Original Indenture has occurred, unless the Remarketing Agent has advised the Person in writing to whom the offer is made of such occurrence and the effect of the same on the rights of such Owners including, but not limited to, the rights of such Owners to tender their Series 2008 Bonds, as described in the conversion notice from the Tender Agent to the Owners of the Series 2008 Bonds.

SECTION 3.06. Mandatory Tenders Upon Variable Rate Conversion.

(a) Purchase Dates. In the case of any conversion from one Variable Rate Period to another Variable Rate Period, the Series 2008 Bonds to be converted are subject to mandatory tender for purchase on the Conversion Date at the Purchase Price.

(b) Notice to Owners. Any notice of a conversion given to Bondholders pursuant to Section 2.02(i) shall, in addition to the requirements of such Section, specify that the Series 2008 Bonds to be converted will be subject to mandatory tender for purchase on the Conversion Date and the time at which Series 2008 Bonds are to be tendered for purchase.

(c) Remarketing. At or before 4:00 p.m., New York City time, on the fifth Business Day immediately preceding the conversion to a Daily, Weekly or Monthly Rate Period or on the seventh calendar day (or, if such day is not a Business Day, on the next succeeding Business Day) preceding the conversion to a Quarterly Rate Period or on the fifteenth calendar day (or, if such day is not a Business Day, on the next succeeding Business Day) preceding the conversion to a Semiannual or Extended Rate Period, the Tender Agent shall notify the Trustee, the Credit Provider, the Liquidity Provider and the Remarketing Agent, by telephone or Electronic Means, of the aggregate principal amount of Series 2008 Bonds to be tendered for purchase on the Conversion Date or the Purchase Date. The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for the Series 2008 Bonds to be tendered. All Series 2008 Bonds shall be at all times remarketed at the Purchase Price.

SECTION 3.07. Mandatory Tenders Upon Expiration, Substitution or Termination of Credit Facility or Liquidity Facility.

(a) Purchase Dates. Prior to the Fixed Rate Conversion Date of the Series 2008 Bonds, the Series 2008 Bonds shall be subject to mandatory tender for purchase at the Purchase Price:

(i) on a Business Day which is at least five days prior to the date on which the Credit Facility or Liquidity Facility is to be canceled in connection with replacement by an Alternate Credit Facility pursuant to Section 5.03 or an Alternate Liquidity Facility pursuant to Section 5.06, as the case may be; or

(ii) on a Business Day which is at least five days prior to the expiration of the Credit Facility or the Liquidity Facility; or

(iii) on a Business Day which is at least five days prior to the termination of the Credit Facility or the Liquidity Facility; or

(iv) after receipt of notice of an event of default, including receipt of notice of non reinstatement under the Credit Facility, on a Business Day which is at least 5 days prior to the termination of the Credit Facility.

(b) [RESERVED]

(c) Notice to Owners. Notice of mandatory tender of Series 2008 Bonds shall be given by mail by the Bond Registrar at the direction of the Trustee to the Owners of said Series 2008 Bonds by first class mail not less than 30 days prior to the mandatory tender date; provided, however, with respect to a mandatory tender in connection with the paragraph (iv) above, such notice shall be mailed not less than 7 days prior to the mandatory tender date. A copy of such notice shall be sent to the County and the Trustee. Notice having been so given, such mandatory tender shall occur on the date provided in such notice whether or not an Alternate Credit Facility or Liquidity Facility, as the case may be, is provided after such initial notice has been given.

(d) Remarketing. On the Business Day on which the first notice is mailed pursuant to 3.07(c), the Trustee shall notify the Tender Agent and the Remarketing Agent by telephone or Electronic Means, of the aggregate principal amount of Series 2008 Bonds to be tendered for purchase on the mandatory tender date.

The Remarketing Agent shall offer for sale at par and use its best efforts to find purchasers for the Series 2008 Bonds to be tendered pursuant to Section 3.07(a) and advise them whether the Credit Facility or the Liquidity Facility will be replaced. In the case of replacement of the Credit Facility or Liquidity Facility, the Remarketing Agent shall inform prospective purchasers of the identity of the new Credit Provider or Liquidity Provider and the ratings to be in effect on the Series 2008 Bonds following such replacement. All Series 2008 Bonds shall be at all times remarketed at the Purchase Price.

SECTION 3.08. Mandatory Tenders Upon Conversion to Fixed Rate.

(a) Purchase Date. In the case of any conversion from a Variable Rate Period to the Fixed Rate Period, the Series 2008 Bonds to be converted are subject to mandatory tender for purchase on the Conversion Date at the Purchase Price.

(b) Notice to Owners. Any notice of a conversion given to Bondholders pursuant to Section 2.02(n) shall, in addition to the requirements of such Section, specify that the Series 2008 Bonds to be converted will be subject to mandatory tender for purchase on the Conversion Date and the time at which Series 2008 Bonds are to be tendered for purchase.

(c) Remarketing. At or before 4:00 p.m., New York City time, on the fifteenth calendar day (or, if such day is not a Business Day, on the next succeeding Business Day) preceding the conversion to a Fixed Rate Period, the Tender Agent shall notify the Trustee, the Credit Provider, the Liquidity Provider and the Remarketing Agent, by telephone or Electronic Means, of the aggregate principal amount of Series 2008 Bonds to be tendered for purchase on

the Conversion Date or the Purchase Date. The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for the Series 2008 Bonds to be tendered.

SECTION 3.09. Purchase of Tendered Series 2008 Bonds.

(a) Notices. At or before 3:30 p.m., New York City time, on the Business Day immediately preceding the Purchase Date (or 11:00 a.m., New York City time, on the Purchase Date in the case of Series 2008 Bonds bearing interest at Daily Rates), the Remarketing Agent shall give notice by telephone or Electronic Means to the Trustee of the principal amount of tendered Series 2008 Bonds which have been remarketed and of the names, addresses and taxpayer identification numbers of the purchasers and the denominations of remarketed Series 2008 Bonds to be delivered to each purchaser. On the Purchase Date, the Trustee shall draw on the Liquidity Facility to the extent necessary to timely pay the Purchase Price with regard to the Series 2008 Bonds for which remarketing proceeds (other than proceeds of sale to the County) have not been paid to the Trustee. In the case of the 2008 Letter of Credit, such draw shall be made not later than 11:30 a.m., New York City time, on the Purchase Date. In the event that the Trustee does not receive from the Remarketing Agent the notice described in this Section, on the Purchase Date the Trustee shall draw on the Liquidity Facility to the extent necessary to timely pay the Purchase Price of all Series 2008 Bonds subject to tender for purchase on such Purchase Date. In the case of the 2008 Letter of Credit, such draw shall be made not later than 11:30 a.m., New York City time, on the Purchase Date.

(b) Sources of Payment; Purchase Fund.

(i) There shall be created and established hereunder with the Trustee or if the Trustee is not also the Tender Agent, with the Tender Agent, a fund to be designated the "Purchase Fund" to be held in trust only for the benefit of the Owners of the Series 2008 Bonds tendered who shall thereafter be restricted exclusively to the moneys held in such fund for the satisfaction of any claim for the Purchase Price of such tendered Series 2008 Bonds. If the Purchase Fund is held by a separate Tender Agent, all references to the Trustee in this Section 3.09 shall be deemed to mean the Tender Agent.

(ii) There shall be created and designated the following accounts within the Purchase Fund: the "Remarketing Proceeds Account," the "Liquidity Facility Account" and the "County Purchase Account." The County shall not have any right, title or interest in any of the funds held on deposit in the Remarketing Proceeds Account or the Liquidity Facility Account created herein nor any remarketing proceeds held for any period of time by the Remarketing Agent. The Remarketing Agent shall pay to the Trustee, on the Purchase Date, all amounts representing proceeds of the remarketing of tendered Series 2008 Bonds pursuant to Sections 3.05(d), 3.06(c), 3.07(d), and 3.08(c), as applicable. Moneys received from the Remarketing Agent shall be deposited by the Trustee in the Remarketing Proceeds Account and paid at the times and in the manner specified in subsection (c) hereof. Moneys received by the Trustee from the Liquidity Facility shall be deposited in the Liquidity Facility Account and paid at the times and in the manner specified in subsection (c) hereof. Eligible Funds received by the Trustee from the County shall be deposited by the Trustee in the County Purchase Fund and paid at the times and in the manner specified in subsection (c) hereof.

(iii) All such proceeds of a draw upon the Liquidity Facility, remarketing proceeds and all other Eligible Funds shall be held by the Trustee in trust in the separate segregated accounts as provided above solely for the benefit of the Series 2008 Bonds. The 2008 Letter of Credit Provider has agreed under the 2008 Letter of Credit to pay, on or before 2:00 p.m., New York City time, on the Purchase Date, the Purchase Price to the Trustee of such Series 2008 Bonds that have not been remarketed.

(c) Payments by the Trustee. Before 4:00 p.m., New York City time, on the Purchase Date and upon receipt by the Trustee of 100% of the aggregate Purchase Price of the tendered Series 2008 Bonds, the Trustee shall pay the Purchase Price of such Series 2008 Bonds to the Owners thereof (or as otherwise provided in Section 3.05) at its principal office or by bank wire transfer. Such payments shall be made in immediately available funds. Payments of such Purchase Price are to be made from the following sources in the order of priority indicated:

(i) The Remarketing Proceeds Account, the proceeds of the sale of the Series 2008 Bonds which have been remarketed by the Remarketing Agent (other than proceeds of a sale of the Series 2008 Bonds to the County); and

(ii) The Liquidity Facility Account, the proceeds of the sale of the Series 2008 Bonds which have been purchased by the Liquidity Provider pursuant to the Liquidity Facility or other proceeds received under or pursuant to a Liquidity Facility;

(iii) The County Purchase Account, moneys paid by the County for such purpose that are Eligible Funds; and

(iv) Other moneys paid by the County for such purpose.

Failure by the County to deposit Eligible Funds in the County Purchase Account or provide moneys from any source other than a draw on the Liquidity Facility or Credit Facility shall not constitute an Event of Default hereunder.

(d) Registration and Delivery of Tendered or Purchased Series 2008 Bonds.

(i) Subject to the requirements of clauses (ii) and (iii) immediately below, on the Purchase Date, the Bond Registrar shall register and deliver (or hold) all Series 2008 Bonds purchased on any Purchase Date as follows:

(1) Series 2008 Bonds purchased or remarketed by the Remarketing Agent shall be registered in accordance with the instructions of the Remarketing Agent and made available for delivery to the Remarketing Agent; and

(2) Series 2008 Bonds purchased with funds made available under or pursuant to the Liquidity Facility shall be registered in the name of the Liquidity Provider or its nominee, designee or assignee and shall be held by the Trustee in trust for the benefit of the Liquidity Provider or its nominee, designee or assignee or shall be delivered to or to the order of the Liquidity Provider, all in accordance with the provisions of the Liquidity Facility. While so registered, such Series 2008 Bonds shall constitute Provider Bonds.

(ii) While the DTC Book-Entry Only System is in effect for the Series 2008 Bonds, the Trustee shall deliver Series 2008 Bonds purchased or remarketed by the Remarketing Agent by transfer of beneficial ownership of such Series 2008 Bonds on the registration books of DTC to or upon the order of the Remarketing Agent.

(iii) While the DTC Book-Entry Only System is in effect for the Series 2008 Bonds, the Trustee shall cause Series 2008 Bonds purchased with funds made available under or pursuant to the Liquidity Facility to be registered in the name of the Liquidity Provider or its designee, nominee or assignee on the registration book of DTC. Notwithstanding the foregoing, to the extent required by the Liquidity Facility, the Trustee shall withdraw Provider Bonds from the DTC Book-Entry Only System and shall prepare and authenticate physical Series 2008 Bonds representing such Provider Bonds. While the DTC Book-Entry Only System is in effect for the Series 2008 Bonds, in the event that Provider Bonds which are not held under the DTC Book-Entry Only System are subsequently remarketed pursuant to the terms of this Article III and the Liquidity Facility, the Trustee shall take such action as shall be necessary to reinstate the DTC Book-Entry Only System for such Series 2008 Bonds and shall transfer beneficial ownership thereof on the books of DTC to or upon the order of the Remarketing Agent.

(e) Delivery of Series 2008 Bonds; Effect of Failure to Surrender Series 2008 Bonds.

(i) All Series 2008 Bonds to be purchased on any date shall be required to be delivered to the designated corporate trust office of the Tender Agent at or before 11:30 a.m., New York City time, on the Purchase Date, except that Series 2008 Bonds bearing interest at Semiannual or Extended Rates being tendered for purchase at the election of the Owner pursuant to Section 3.05 shall be delivered to the designated corporate trust office of the Tender Agent along with the notice of tender.

(ii) If the Owner of any Series 2008 Bond (or portion thereof) that is subject to purchase pursuant to this Article III fails to surrender such Series 2008 Bond to the Tender Agent for purchase on the Purchase Date, and if the Trustee is in receipt of the Purchase Price therefor, such Series 2008 Bond (or portion thereof) shall nevertheless be deemed purchased on the Purchase Date and ownership of such Series 2008 Bond (or portion thereof) shall be transferred to the purchaser thereof as provided in subsection (d) of this Section 3.09. Any Owner who fails to deliver a Series 2008 Bond for purchase as required above shall have no further rights thereunder except the right to receive the Purchase Price thereof upon presentation and surrender of said Series 2008 Bond to the Tender Agent. The Tender Agent shall promptly notify the Trustee of any such failure to deliver a Series 2008 Bond to the Tender Agent, and the Trustee shall be entitled to conclusively rely on such notification.

(f) Investment of Funds. All money held by the Trustee for the payment of the Purchase Price of Series 2008 Bonds in the Purchase Fund from whatever source derived, including remarketing proceeds and draws upon the Liquidity Facility, shall be held in separate segregated accounts, as provided herein and shall be held uninvested.

(g) Exception for Series 2008 Bonds Owned by County. Notwithstanding anything in this Agreement to the contrary, the Liquidity Provider shall not be required to purchase Series 2008 Bonds subject to optional or mandatory tender for purchase under this First Supplemental

Indenture that are beneficially held (or held in certificated form) by or on behalf of the County or any affiliate of the County.

SECTION 3.10. Series 2008 Bonds Purchased Under Liquidity Facility. In the event that any Series 2008 Bonds are Provider Bonds, such Series 2008 Bonds shall be held in accordance with Section 3.09(d)(i)(2) hereof and the Remarketing Agent shall continue to offer for sale and use its best efforts to sell such Series 2008 Bonds at the Purchase Price. While the Liquidity Facility is effective, Series 2008 Bonds purchased with funds made available under the Liquidity Facility shall not be delivered upon remarketing unless the Liquidity Facility is reinstated for the principal amount of the outstanding Series 2008 Bonds and interest thereon in accordance with its terms and the Remarketing Agent, the Bond Registrar, the Tender Agent, any designee of the Liquidity Provider then holding Provider Bonds and the Trustee have been advised in writing by the Liquidity Provider that it has elected to reinstate the Liquidity Facility in full.

SECTION 3.11. Insufficient Funds for Purchases. If the moneys available for purchase of Series 2008 Bonds pursuant to this Article are inadequate for the purchase of all Series 2008 Bonds which are tendered on any Purchase Date, all Series 2008 Bonds subject to such purchase shall continue to bear interest at the same rate as in effect on the day prior to the Purchase Date to the date on which the earliest of the following occurs:

(i) The Conversion Date to a Fixed Rate for the Series 2008 Bonds;

(ii) The date on which any default by the Liquidity Provider under the terms of the Liquidity Facility has been cured; or

(iii) The fifth day after the date on which an Alternate Liquidity Facility meeting the requirements of Section 5.06 becomes effective.

If the preceding paragraph becomes applicable, (i) the Tender Agent shall immediately (but no later than the end of the next succeeding Business Day) return all tendered Series 2008 Bonds to the Owners thereof and notify all Owners of Series 2008 Bonds in writing of the interest rate to be effective pursuant to the preceding paragraph and (ii) the Trustee shall return all moneys received for the purchase of such Series 2008 Bonds to the Persons who provided such moneys; provided, however, the Owners shall retain all rights to tender the Series 2008 Bonds pursuant to the provisions of this First Supplemental Indenture and the obligation of the County to honor such tenders shall remain in effect until payment therefor has been provided in accordance with the provisions of this Indenture.

SECTION 3.12. Book-Entry Tenders. Notwithstanding any other provision of this Article III to the contrary, all tenders for purchase during any period in which the Series 2008 Bonds are registered in the name of Cede & Co. (or the nominee of any successor securities depository) shall be subject to the terms and conditions set forth in the Representation Letter and any notes and regulations promulgated by DTC.

SECTION 3.13. Duties of Trustee with Respect to Purchase of Series 2008 Bonds. The Trustee, as Tender Agent, agrees, with respect to any optional or mandatory tender of the Series 2008 Bonds:

(a) to hold in the Remarketing Proceeds Account or the Liquidity Facility Account, in accordance with Section 3.09 hereof, all moneys, other than moneys delivered to it by or on behalf of the County for the purchase of Series 2008 Bonds, delivered to it hereunder for the purchase of Series 2008 Bonds as agent and bailee of and in escrow for the benefit of, the Person or entity which shall have so delivered such moneys until the Series 2008 Bonds purchased with such moneys shall have been delivered to or for the account of such Person or entity; and

(b) to hold in the County Purchase Account, in accordance with Section 3.09 hereof, all moneys delivered to it hereunder by or on behalf of the County for the purchase of Series 2008 Bonds as agent of, and in escrow for the benefit of, the Owners who shall deliver Series 2008 Bonds to it for purchase until the Series 2008 Bonds purchased with such moneys shall have delivered to or for the account the County.

SECTION 3.14. Tender of Provider Bonds. Provider Bonds shall be subject to tender for purchase in accordance with the provisions of the Liquidity Facility or other reimbursement or similar agreement entered into between the County and the Liquidity Provider.

ARTICLE IV

CERTAIN MATTERS RELATING TO THE TRUSTEE, BOND REGISTRAR AND PAYING AGENT

SECTION 4.01. Certain Matters Relating to the Trustee, Bond Registrar and Paying Agent.

(a) The Trustee, Bond Registrar and Paying Agent (hereinafter sometimes referred to collectively as the "Fiduciaries") will signify the acceptance of the duties and obligations imposed upon them by the Indenture and any other agreements with the County by executing and delivering to the County a written acceptance thereof, and by executing such acceptance, each Fiduciary shall be deemed to have accepted such duties and obligations with respect to the Bonds, upon and subject to the provisions set forth in this Article IV.

(b) Except during the continuance of an Event of Default, (i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture and no implied covenants or obligations shall be read into the Indenture against the Trustee; (b) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture. In case the Trustee has actual notice that an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in the exercise of such rights and powers, as a prudent man would exercise or use under the circumstances in the conduct of its own affairs. The Trustee may consult with counsel, including counsel who rendered the approving opinion on the Bonds, and the written advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

SECTION 4.02. Responsibilities of Fiduciaries. The statements contained herein and in the Series 2008 Bonds shall be taken as the statements of the County and the Fiduciaries assume no responsibility for the correctness of same. The Fiduciaries make no representation as to the validity or sufficiency of the Indenture or as to the security afforded by this Indenture and each Fiduciary shall incur no liability with respect thereof. The Bond Registrar shall, however, be responsible for its representation contained in its certificate of authentication on the Series 2008 Bonds. The Fiduciaries shall not be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciaries in accordance with the provisions of the Indenture to or upon the order of the County or to any other Fiduciary. The Fiduciaries shall not be under any obligation or duty to perform any act which would involve them in expense or liability or to institute or defend any suit with respect thereof, or to advance any of their own moneys, unless indemnified to their satisfaction. Subject to the provisions of the following paragraph, the Fiduciaries shall not be liable in connection with the performance of their duties hereunder or under the Original Indenture except for their own negligence or willful default.

SECTION 4.03. Evidence on Which Fiduciaries May Act. The Fiduciaries, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to them pursuant to any provision of the Indenture shall examine such instrument to determine whether it conforms to the requirements of the Indenture and shall be protected in acting upon any such instrument believed by them to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may reasonably consult with counsel and certified public accounting firms, who may or may not be counsel to, or accountants for, the County, and the opinion of such counsel or accountants shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Indenture in good faith and in accordance therewith.

Whenever a Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matters (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith based thereon; but in its discretion, a Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as may seem reasonable to it.

Except as otherwise expressly provided the Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the County to a Fiduciary shall be sufficiently executed in the name of the County by an Authorized Officer.

The Trustee shall not be presumed to have knowledge of any Event of Default other than those Events of Default described in Section 9.02(a), (b) and (c) of the Original Indenture, unless the Trustee receives written notice specifying such Event of Default from the County or the Owners of ten percent (10%) or more in aggregate principal amount of Outstanding Bonds.

SECTION 4.04. Compensation. Prior to its appointment, each Fiduciary shall file with the County a negotiated schedule of anticipated fees and charges for services to be performed pursuant to this Indenture. The County shall pay to such Fiduciary from time to time pursuant to such schedule reasonable compensation for all services rendered, and all reasonable expenses,

charges, counsel fees and expenses and other disbursements, including those of its attorneys, agents, and other Persons not regularly in its employ, incurred in and about the performance of its powers and duties under the Indenture. To the extent permitted by law, the County hereby agrees to indemnify each Fiduciary and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity brought by third parties, or any other expenses, fees or charges of any character or nature which it may incur or with which it may be threatened by reason of such third party threats or proceedings, except in the case of such Fiduciary's own negligence or willful default, and in connection therewith to indemnify such Fiduciary against any and all expenses, including attorneys' fees and expenses and the costs of defending any action, suit or proceeding or resisting any claim, including appellate proceedings. Notwithstanding anything in the Indenture to the contrary, no Fiduciary shall be entitled to payment from or have any claim or lien on moneys paid under a Credit Facility or a Liquidity Facility or on moneys representing the proceeds of remarketing of Series 2008 Bonds under Article III of this First Supplemental Indenture.

SECTION 4.05. Certain Permitted Acts. A Fiduciary may become the Owner of any Series 2008 Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, a Fiduciary may act as Depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Series 2008 Bonds or the Indenture, whether or not any such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

SECTION 4.06. Resignation, Removal and Appointment of Successor Trustee. The Trustee may be removed, resign and an appointment of a Successor Trustee shall be accomplished as provided in the Original Indenture.

SECTION 4.07. Resignation or Removal of Paying Agent and Appointment of Successor. The Paying Agent may, at any time, resign and be discharged of the duties and obligations created by the Indenture as set forth in the Original Indenture.

SECTION 4.08. Resignation and Removal of Bond Registrar and Appointment of Successor. The Bond Registrar may, at any time, resign and be discharged of the duties and obligations created by the Indenture as set forth in the Original Indenture.

ARTICLE V

CREDIT FACILITIES, LIQUIDITY FACILITIES AND MISCELLANEOUS PROVISIONS RELATED TO VARIABLE RATE BONDS

SECTION 5.01. Credit Facility. The Trustee shall hold and maintain each Credit Facility for the benefit of the Bondholders of Series 2008 Bonds benefitted thereby until such Credit Facility terminates or expires in accordance with its terms. The owners of the Senior Bonds shall have no interest in any Credit Facility held for the benefit of the Series 2008 Bonds. If at any time during the term of a Credit Facility any successor Trustee shall be appointed and qualified under the Indenture, the resigning or removed Trustee shall request that the Credit

Provider transfer the Credit Facility to the successor Trustee, to the extent such action is necessary, and shall comply with the applicable provisions of the Credit Facility. If the resigning or removed Trustee fails to make this request, the successor Trustee shall do so before accepting appointment. Upon the termination or expiration of a Credit Facility in accordance with its terms, the Trustee shall promptly surrender the Credit Facility then in effect to the Credit Provider. The 2008 Letter of Credit shall be the initial Credit Facility with respect to the Series 2008 Bonds.

SECTION 5.02. Credit Facility Fund; Enforcement of Credit Facility.

(a) There shall be created and established hereunder with the Trustee a fund designed the "Credit Facility Fund" to the credit of which the trustee shall deposit all the proceeds of drawings under the Credit Facility as provided in this Section 5.02. Drawing under the Credit Facility shall be deposited by the Trustee to the credit of the Credit Facility Fund and held by the Trustee in trust and applied as hereinafter provided, and pending such application shall be subject to a lien and charge in favor of the Owners of the Series 2008 Bonds.

(b) The Trustee shall, on or prior to each Interest Payment Date, principal payment date or date established for the payment of Amortization Requirements, make the required draw on the Credit Facility on or before the times required therein to make timely payments on such date in an amount sufficient to pay all of the interest, the principal and interest, or Amortization Requirements on the Series 2008 Bonds due on each such date. The Trustee shall then deposit the proceeds of each such drawing in the Credit Facility Fund, until application thereof. The Trustee shall pay to the respective Bondholders of the Series 2008 Bonds all amount held to the credit of the Credit Facility Fund solely for the payment of the interest on, the principal of or Amortization Requirements on the Series 2008 Bonds due on such applicable Interest Payment Date, principal payment date or date established for the payment of Amortization Requirements. Proceeds of drawings under the Credit Facility shall remain uninvested while in the Credit Facility Fund and the Trustee shall have no lien on any of such money contained therein for the payment of their fees and expenses or other amounts owing to the Trustee. Amounts on deposit in the Credit Facility Fund shall not be commingled with any amounts held by the Trustee under the Indenture or otherwise. The Trustee shall not draw on any Credit Facility to pay Provider Bonds or Series 2008 Bonds registered in the name of the County. Upon any payment from the proceeds of the Credit Facility for the interest on any Interest Payment Date, the principal at maturity or the Amortization Requirement on the date established for the payment thereof with respect to the Series 2008 Bonds, the Credit Provider shall be deemed to have acquired from the Bondholders of the Series 2008 Bonds their right to receive payment of such interest and principal amount from the Sinking Fund.

(c) Notwithstanding anything to the contrary contained in the Original Indenture and herein, payment of interest on, principal of and Amortization Requirements of the Series 2008 Bonds on any date (except with respect to an optional redemption of the Series 2008 Bonds) shall be made first from proceeds of a drawing under the Credit Facility and second from other Eligible Funds. All drawing from the Credit Facility shall be requested no later 3:00 p.m. one Business Day prior to such Interest Payment Date, principal payment date or the date established for payment of Amortization Requirements on the Series 2008 Bonds. To the extent that the Credit Provider makes payment of the interest on, principal of or Amortization Requirements of

the Series 2008 Bonds, the Credit Provider shall be fully subrogated to the rights of the Owners of the Series 2008 Bonds. To the extent that funds are drawn on the Credit Facility to pay the Interest Requirement and Principal Requirement or Amortization Requirements, as appropriate, when due on the Series 2008 Bonds, the amounts on deposit in the Sinking Fund shall be withdrawn by the Trustee and paid to the Credit Provider on or before 2:00 p.m. on the same day that such drawing is made on the Credit Facility in reimbursement of such draw, as provided in Section 5.07(c) of the Original Indenture. To the extent that funds are insufficient to reimburse the Credit Facility for the full amount of such drawing, such amounts shall be paid as provided by the Credit Facility or such agreement with the Credit Provider relating thereto. For purposes of the 2008 Letter of Credit, such amounts shall be paid as set forth in the Reimbursement Agreement.

(d) The County and the Trustee, for the benefit of the Owners of the Series 2008 Bonds, shall diligently enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and provisions of each Credit Facility as contemplated herein and therein. The County and the Trustee shall not consent to or permit any amendment or modification of a Credit Facility or any credit or reimbursement agreement pursuant to which a Credit Facility has been issued which would materially adversely affect the rights or interests of the Owners of any of the Series 2008 Bonds without the written consent of the Owners of 100% in aggregate principal amount of such Series 2008 Bonds.

(e) Any provisions in the Indenture requiring notice to or from a Credit Provider or the consent thereof prior to any action by the Trustee or the County shall have no force or effect with respect to such Credit Provider (i) following the later of (1) the termination or expiration of such Credit Facility, and (2) the repayment of all amounts owed to such Credit Provider pursuant to the credit or reimbursement agreement pursuant to which such Credit Facility was issued or (ii) following the failure or refusal of such Credit Provider to honor a properly presented and conforming draw under such Credit Facility, except with respect to all rights accruing to the Credit Provider with respect to unreimbursed draws on the Credit Facility.

SECTION 5.03. Alternate Credit Facilities.

(a) An Alternate Credit Facility with respect to the Series 2008 Bonds, in substitution for any Credit Facility then in effect, may be provided if the County shall give written notice not more than 60 nor less than 30 calendar days prior to the date such Alternate Credit Facility is to take effect (an "Alternate Credit Facility Date") to the Trustee, the Tender Agent, the Remarketing Agent, the Rating Agency, the Liquidity Provider and the Credit Provider stating its election to provide an Alternate Credit Facility. Any such Alternate Credit Facility must satisfy the requirements of the Indenture for a Credit Facility. Each Alternate Credit Facility Date shall be determined by the County in the notice to be provided pursuant to the first sentence of this clause (a). Each Alternate Credit Facility Date shall be a Business Day that is at least five days prior to the termination or expiration of the Credit Facility to be replaced.

(b) Upon the exercise of such option by the County, the Trustee shall send to the Bondholders a Notice of Alternate Credit Facility in substantially the form of Exhibit B hereto not later than 20 calendar days prior to the Alternate Credit Facility Date. The Trustee shall not accept such Alternate Credit Facility unless the Trustee shall have received (i) prior to sending

the Notice of Alternate Credit Facility, an Opinion of Bond Counsel, and (ii) at the time of delivery of the Alternate Credit Facility, a certificate from an Authorized Officer and a written acknowledgment by the Credit Provider stating that all amounts owing to the Credit Provider under the credit or reimbursement agreement pursuant to which the Credit Facility to be replaced has been issued have been paid.

SECTION 5.04. Liquidity Facility. The Trustee shall hold and maintain each Liquidity Facility for the benefit of the Bondholders of the Series 2008 Bonds benefitted thereby until such Liquidity Facility terminates or expires in accordance with its terms. The owners of the Senior Bonds shall have no interest in any Liquidity Facility held for the benefit of the Series 2008 Bonds. If at any time during the term of a Liquidity Facility any successor Trustee shall be appointed and qualified under the Indenture, the resigning or removed Trustee shall request that the Liquidity Provider transfer the Liquidity Facility to the successor Trustee, to the extent such action is necessary, and shall comply with the applicable provisions of the Liquidity Facility. If the resigning or removed Trustee fails to make this request, the successor Trustee shall do so before accepting appointment. Upon the termination or expiration of a Liquidity Facility in accordance with its terms, the Trustee shall promptly surrender the Liquidity Facility then in effect to the Liquidity Provider. If a Liquidity Facility shall be about to expire or terminate in accordance with its terms, without being extended or replaced by an Alternate Liquidity Facility, then the County and the Remarketing Agent shall use their best efforts to convert the Series 2008 Bonds secured by such Liquidity Facility to a Fixed Rate of interest prior to such expiration or termination, and, in the event of such expiration or termination, as soon as possible thereafter. The 2008 Liquidity Facility shall be the initial Liquidity Facility with respect to the Series 2008 Bonds.

SECTION 5.05. Enforcement of Liquidity Facility. (a) The County and the Trustee, for the benefit of the Owners of the Series 2008 Bonds, shall diligently enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and provisions of each Liquidity Facility as contemplated herein and therein. The County and the Trustee shall not consent to or permit any amendment or modification of a Liquidity Facility or any credit or reimbursement agreement pursuant to which a Liquidity Facility has been issued which would materially adversely affect the rights or interests of the Owners of any of the Series 2008 Bonds without the written consent of the Owners of 100% in aggregate principal amount of such Series 2008 Bonds.

(a) Any provisions in the Indenture requiring notice to or from a Liquidity Provider or the consent thereof prior to any action by the Trustee or the County shall have no force or effect with respect to such Liquidity Provider (i) following the later of (1) the termination or expiration of such Liquidity Facility, and (2) the repayment of all amounts owed to such Liquidity Provider pursuant to the credit or reimbursement agreement pursuant to which such Liquidity Facility was issued or (ii) following the failure or refusal of such Liquidity Provider to honor a properly presented and conforming draw under such Liquidity Facility, except with respect to all rights accruing to the Liquidity Provider with respect to unreimbursed draws on the Liquidity Facility.

SECTION 5.06. Alternate Liquidity Facilities.

(a) With the prior written consent of the Credit Provider (provided such Credit Facility will remain in effect after the provision of any Alternate Liquidity Facility), an Alternate Liquidity Facility with respect to the Series 2008 Bonds, in substitution for any Liquidity Facility then in effect, may be provided if the County shall give written notice not more than 60 nor less than 30 calendar days prior to the date such Alternate Liquidity Facility is to take effect (an "Alternate Liquidity Facility Date") to the Trustee, the Tender Agent, the Remarketing Agent, the Rating Agency, the Credit Provider and the Liquidity Provider stating its election to provide an Alternate Liquidity Facility. Any such Alternate Liquidity Facility must satisfy the requirements of the Indenture for a Liquidity Facility. Each Alternate Liquidity Facility Date shall be determined by the County in the notice to be provided pursuant to the first sentence of this clause (a). Each Alternate Liquidity Facility Date shall be a Business Day that is at least five days prior to the termination or expiration of the Liquidity Facility to be replaced.

(b) Upon the exercise of such option by the County, the Trustee shall send to the Bondholders a Notice of Alternate Liquidity Facility in substantially the form of Exhibit B hereto not later than 20 calendar days prior to the Alternate Liquidity Facility Date. The Trustee shall not accept such Alternate Liquidity Facility unless the Trustee shall have received (i) prior to sending the Notice of Alternate Liquidity Facility, an Opinion of Bond Counsel and (ii) at the time of delivery of the Alternate Liquidity Facility, a certificate from an Authorized Officer and a written acknowledgment by the Liquidity Provider stating that all amounts owing to the Liquidity Provider under the Liquidity Facility or any other reimbursement or similar agreement pursuant to which the Liquidity Facility to be replaced has been issued have been paid and that there are no Provider Bonds Outstanding or that all Provider Bonds have been purchased by the Liquidity Provider of the Alternate Liquidity Facility.

SECTION 5.07. Remarketing Agent. The initial Remarketing Agent for the Series 2008 Bonds shall be Morgan Keegan & Company, Inc. The County may appoint a successor Remarketing Agent for the Series 2008 Bonds and their successors in compliance with the conditions set forth in Section 13.08 of the Original Indenture. The Remarketing Agent shall designate to the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by entering into a Remarketing Agreement with the County under which the Remarketing Agent shall agree to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the County, the Trustee and the Tender Agent at all reasonable times.

SECTION 5.08. Tender Agent. The Trustee shall be the initial Tender Agent with respect to the Series 2008 Bonds. The Trustee hereby agrees to carry out its responsibilities as Tender Agent set forth in the Indenture. Any other Tender Agent that is not also the Trustee shall signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the County and the Trustee, under which the Tender Agent shall agree to particularly:

(i) hold all funds delivered to it in the Remarketing Proceeds Account, the Liquidity Facility Account or the County Purchase Account, in accordance with Section 3.09 hereof, hold all Series 2008 Bonds delivered to it for purchase hereunder as agent of, and in escrow for the benefit of, the respective Owners which have so delivered such Series 2008 Bonds until moneys representing the Purchase Price of such Series 2008 Bonds shall have been delivered to or for the account of or to the order of such Owners; and

(ii) keep such books and records as shall be consistent with prudent industry practice, and make such books and records available for inspection by the other parties.

The parties hereto shall each cooperate to cause the necessary arrangements to be made and to be thereafter continued whereby funds from the sources specified herein will be made available for the purchase of Series 2008 Bonds presented at the designated office of the Tender Agent, and to otherwise enable the Tender Agent to carry out its duties under this First Supplemental Indenture.

The Tender Agent, the Trustee and the Remarketing Agent shall cooperate to the extent necessary to permit the preparation, execution, issuance, authentication and delivery by the Tender Agent of replacement Bonds in connection with the tender and remarketing of Series 2008 Bonds under this First Supplemental Indenture.

The County and the Tender Agent acknowledge that, in carrying out its responsibilities under the Indenture, the Tender Agent shall be acting solely for the benefit of and as agent for the Owners from time to time of the Series 2008 Bonds. No delivery of the Series 2008 Bonds to the Tender Agent or any agent of the Tender Agent or purchase of Series 2008 Bonds by the Tender Agent shall constitute a redemption of the Series 2008 Bonds or any extinguishment of the debt evidenced thereby.

The Tender Agent or any successor Tender Agent shall be qualified as set forth in Section 13.09 of the Original Indenture.

SECTION 5.09. Notice to Rating Agencies. The Trustee shall notify the Rating Agencies, the Credit Provider and the Liquidity Provider as soon as practicable (a) after the Trustee becomes aware of (i) any expiration, extension, termination or renewal of a Credit Facility or a Liquidity Facility, (ii) any change in a Credit Facility or Liquidity Facility or this Indenture, or (iii) the failure of a Credit Provider or Liquidity Provider to reinstate the interest portion of a Credit Facility or Liquidity Facility within the time allotted for such reinstatement to occur, or (b) if (i) the Trustee or the Tender Agent resigns or is removed or a new Trustee or Tender Agent is appointed, (ii) the Remarketing Agent resigns or is removed or a new Remarketing Agent is appointed, (iii) an Alternate Credit Facility or an Alternate Liquidity Facility is provided, (iv) there is a mandatory tender for purchase for a Series of Bonds in whole, (v) there is a call for the redemption of a Series of Bonds in whole, (vi) there is a change in the interest mode or otherwise in the method for determination of the interest payable on the Series 2008 Bonds pursuant to Section 2.02 hereof or otherwise, (vii) all of the Bonds of a Series are defeased pursuant to Article XII of the Original Indenture, or (viii) the County issues any Series of Bonds other than the Series 2008 Bonds.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 6.01. Effect of Covenants. All covenants, stipulations, obligations and agreements of the County contained in this First Supplemental Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the County to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall bind or inure to the benefit of the successor or successors thereof from time to time and any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Except as otherwise provided in this First Supplemental Indenture, all rights, powers and privileges conferred and duties and liabilities imposed upon the County by the provisions of this First Supplemental Indenture shall be exercised or performed by the Board of the County or by such other officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

No covenants, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the County in its individual capacity, and neither the Board nor any official executing the Series 2008 Bonds shall be liable personally on the Series 2008 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 6.02. Manner of Giving Notice. Except as otherwise provided in this First Supplemental Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the County shall be deemed to have been sufficiently given or filed for all purposes of this First Supplemental Indenture if and when sent by registered mail, return receipt requested to the County at Broward County, Florida, 115 South Andrews Avenue, Room 513, Fort Lauderdale, Florida 33301, Attention: Chief Financial Officer and Director of the Department of Finance and Administrative Services. Except as otherwise provided in the Indenture, any notice, demand, direction, request or other instrument authorized or required by the Indenture to be given to or filed with the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this First Supplemental Indenture if and when sent by registered mail, return receipt requested to the Trustee at The Bank of New York Mellon Trust Company, National Association, 10161 Centurion Parkway, Jacksonville, Florida 32256, Attention: Corporate Trust Department. Except as otherwise provided in this First Supplemental Indenture, any notice, demand, direction, request or other instrument authorized or required by this First Supplemental Indenture to be given to or filed with the Tender Agent shall be deemed to have been sufficiently given or filed for all purposes of this First Supplemental Indenture if and when sent by registered mail, return receipt requested to the Tender Agent at The Bank of New York Mellon Trust Company, National Association, 101 Barclay Street, New York, New York 10286. Except as otherwise provided in the First Supplemental Indenture, any notice, demand, direction, request or other instrument authorized or required by the Indenture to be given to or filed with the Remarketing Agent for the Series 2008 Bonds shall be deemed to have been sufficiently given or filed for all purposes of this First Supplemental Indenture if and when sent by registered mail, return receipt requested to the

Remarketing Agent for the Series 2008 Bonds at 50 North Front Street, Memphis, Tennessee, 38103. Except as otherwise provided in this First Supplemental Indenture, any notice, demand, direction, request or other instrument authorized or required by this First Supplemental Indenture to be given to or filed with the 2008 Liquidity Provider for the Series 2008 Bonds shall be deemed to have been sufficiently given or filed for all purposes of this First Supplemental Indenture if and when sent by registered mail, return receipt requested to the Liquidity Provider for the Series 2008 Bonds at address set forth in the Liquidity Facility or any reimbursement or similar agreement entered into between the County and the Liquidity Provider. Except as otherwise provided in this First Supplemental Indenture, any notice, demand, direction, request or other instrument authorized or required by this First Supplemental Indenture to be given to or filed with Fitch for the Series 2008 Bonds shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to Fitch Ratings, One State Street Plaza, New York, New York 10004, Attention: Public Finance. Except as otherwise provided in this First Supplemental Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with Moody's for the Series 2008 Bonds shall be deemed to have been sufficiently given or filed for all purposes of this First Supplemental Indenture if and when sent by registered mail, return receipt requested to Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenway Street, New York, New York 10007, Attention: Public Finance Department. Except as otherwise provided in this First Supplemental Indenture, any notice, demand, direction, request or other instrument authorized or required by this First Supplemental Indenture to be given to or filed with S&P for the Series 2008 Bonds shall be deemed to have been sufficiently given or filed for all purposes of this First Supplemental Indenture if and when sent by registered mail, return receipt requested to Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041, Attention: Public Finance Ratings.

All documents received by the County or the Trustee under the provisions of this First Supplemental Indenture shall be retained in its possession, subject at all reasonable times to the inspection of any Bondholder, and the agents and representatives thereof.

SECTION 6.03. Successorship of County. In the event that the offices of any officer of the County mentioned in this First Supplemental Indenture shall be abolished or any two or more of such offices shall be merged or consolidated, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer shall become incapable of performing the duties of its office by reason of sickness, absence from the County or otherwise, all powers conferred and all obligations and duties imposed upon such officer shall be performed by the officer succeeding to the principal functions thereof or by the officer upon whom such powers, obligations and duties shall be imposed by law. The County may be dissolved or terminated in accordance with the Act and other applicable law only pursuant to a plan of transfer in connection with which an appropriate successor unit of government agrees to accept and assume all obligations of the County hereunder, including, specifically, the obligation to collect and enforce the Gross Revenue and to pay the principal and interest on the Series 2008 Bonds from the Pledged Revenue and the moneys on deposit in the Funds, Accounts and Subaccounts.

SECTION 6.04. Further Acts. The officers and agents of the County are hereby authorized and directed to do all the acts and things required of them by the Series 2008 Bonds and this First Supplemental Indenture, for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Series 2008 Bonds and this First Supplemental Indenture.

SECTION 6.05. Headings Not Part of First Supplemental Indenture. Any headings preceding the texts of the several Articles and Sections hereof and any table of contents, marginal notes or footnotes appended to copies hereof shall be solely for convenience of reference, and shall not constitute a part of this First Supplemental Indenture, nor shall they affect its meaning, construction or effect.

SECTION 6.06. County, Fiduciaries and Bondholders Alone Have Rights Under Indenture. Except as herein otherwise expressly provided, nothing in the Indenture, expressed or implied, is intended or shall be construed to confer upon any Person, firm or corporation, other than the County, the Fiduciaries and the Owners of the Series 2008 Bonds, any right, remedy or claim, legal or equitable, under or by reason of the Original Indenture or any provision hereof, the Indenture and all its provisions being intended to be and being for the sole and exclusive benefit of the County, the Fiduciaries and the Owners from time to time of the Series 2008 Bonds.

SECTION 6.07. Effect of Partial Invalidity. In case any one or more of the provisions of this First Supplemental Indenture or of any Series 2008 Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this First Supplemental Indenture or of the Series 2008 Bonds, but this First Supplemental Indenture and the Series 2008 Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The Series 2008 Bonds are issued and this First Supplemental Indenture is entered into with the intent that the laws of the State shall govern their construction.

SECTION 6.08. County to Purchase or Deal in Series 2008 Bonds. Any bank or trust company acting as Trustee, Bond Registrar or Paying Agent under this First Supplemental Indenture, and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Series 2008 Bonds and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee, Bond Registrar or Paying Agent under this First Supplemental Indenture.

SECTION 6.09. Governing Law; Venue. This First Supplemental Indenture shall be governed by the laws of the State. Venue of all proceedings in connection with this First Supplemental Indenture shall be exclusively in Broward County, Florida.

SECTION 6.10. Effective. This First Supplemental Indenture shall take effect as of its date.

IN WITNESS WHEREOF, the County has caused this First Supplemental Agreement Indenture to be signed in its name and on its behalf by the Mayor, and its seal to be hereunto affixed and attested by its County Administrator, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this First Supplemental Agreement Indenture to be signed in its name and on its behalf by one of its duly authorized signatories, and its official seal to be hereunto affixed.

BROWARD COUNTY, FLORIDA

(Seal)

By: ______________________________
Vice Mayor, Board of County Commissioners

Attest:

____
Interim Deputy County Administrator and Ex-Officio Clerk of the Board of County Commissioners

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

(Seal)

By: ______________________________
Authorized Signatory

EXHIBIT A

NOTICE OF OPTIONAL TENDER

The Bank of New York Mellon Trust Company,
National Association, as Trustee
10161 Centurion Parkway
Jacksonville, Florida 32256
Attention: Corporate Trust Department

Ladies and Gentlemen:

The notice is being sent pursuant to the provisions of the First Supplemental Trust Indenture dated as of July 1, 2008 (the "First Supplemental Indenture") from Broward County, Florida to The Bank of New York Mellon Trust Company, National Association, as Trustee. Capitalized terms used in this notice shall have the same meanings as in the First Supplemental Indenture. In accordance with the provisions of Section 3.05 of the First Supplemental Indenture, you are hereby notified as follows:

1. Subject to the provisions of the First Supplemental Indenture, the undersigned, a Direct Participant, irrevocably demands purchase of $___________ principal amount of Broward County, Florida Subordinate Port Facilities Refunding Revenue Bonds, Series 2008, on __________ at the Purchase Price.

2. The undersigned's DTC number is ____________________.

3. The payment instructions for the Purchase Price are as follows:

Dated: ______________

(Direct Participant)

By: ______________________________
Title:

[with respect to Weekly Rate Bonds
cc: insert Remarketing Agent information]

EXHIBIT B

NOTICE OF ALTERNATE CREDIT OR LIQUIDITY FACILITY

NOTICE TO BONDHOLDERS

This notice is being sent pursuant to the provisions of the First Supplemental Trust Indenture dated as of July 1, 2008 (the "First Supplemental Indenture") from Broward County, Florida (the "County") to The Bank of New York Mellon Trust Company, National Association, as Trustee. Capitalized terms used in this notice shall have the same meanings as in the Indenture.

You are hereby notified as follows:

1. An Alternate [Credit/Liquidity] Facility issued by _______________ and relating to the County's Subordinate Port Facilities Refunding Revenue Bonds, Series 2008 (the "Bonds"), will become effective on ________ (the "Alternate [Credit/Liquidity] Facility Date"). Your Bond will be subject to mandatory tender for purchase on _______________ at a price of 100% of the principal amount thereof, plus interest accrued thereon to such date.

2. Payment of the purchase price for your Bond will be made on the Alternate [Credit/Liquidity] Facility Date upon presentation and surrender at the address of the Tender Agent set forth below prior to 11:30 a.m., New York City Time on the Alternate [Credit/Liquidity] Facility Date, of such Bond, duly endorsed in blank for transfer (with all signatures guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15):

____
____
____

3. In addition, you are further notified that interest will no longer accrue to you on your Bond on and after the Alternate [Credit/Liquidity] Facility Date and, other than the right to receive payment of the purchase price for your Bond, you shall then cease to have further rights under the Indenture.

Dated: __________________

By: ______________________________
Title:

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

Form of Opinions of Co-Bond Counsel

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

PROPOSED FORM OF CO-BOND COUNSEL OPINION

Upon delivery of the Series 2008 Bonds, Squire, Sanders & Dempsey L.L.P. and Perry E. Thurston, Jr., P.A., are prepared to render their approving opinions with respect to the Series 2008 Bonds in substantially the following form:

July __, 2008

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

Re: $46,145,000 Broward County, Florida Subordinate Port Facilities Refunding Revenue Bonds, Series 2008

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 $46,145,000 aggregate principal amount of Broward County, Florida Subordinate Port Facilities Refunding Revenue Bonds, Series 2008 (the "Series 2008 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 2008 Bonds are issued pursuant to Resolution No. 1998-377 adopted by the Board of County Commissioners of the County (the "Board") on May 5, 1998, as amended and supplemented by Resolution No. 1998-529 adopted by the Board on May 26, 1998, and as further supplemented by Resolution No. 2008-388 adopted by the Board on June 24, 2008 (collectively, the "Bond Resolution") and a Trust Indenture dated as of May 1, 1998 (the "Original Indenture") from the County to The Bank of New York Mellon Trust Company, National Association (successor in interest to The Bank of New York), as trustee (the "Trustee"), as supplemented by the First Supplemental Trust Indenture dated as of July 1, 2008 (the "Supplemental Indenture" and, together with the Original Indenture, the "Indenture") from the County to the Trustee.

The documents in the Transcript examined include a certified copy of the Bond Resolution. We have also examined a copy of one of the Series 2008 Bonds as executed and authenticated. We assume that all other Series 2008 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 2008 Bonds.

2. The Series 2008 Bonds, the Bond Resolution and the Indenture are valid and legally binding 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 2008 Bonds (collectively, the "Debt Service Charges") is secured by a pledge by the County of the Pledged Revenue and moneys on deposit in Funds, Accounts and Subaccounts, other than the Administrative Fund and the Rebate Fund established under the Indenture. The Series 2008 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 Revenue and moneys on deposit in the Funds, Accounts and Subaccounts, other than the Administrative Fund and Rebate Fund established under the Indenture. 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 2008 Bonds.

3. The issuance of the Series 2008 Bonds has been duly authorized by the County and all of the legal conditions precedent to the delivery of the Series 2008 Bonds have been fulfilled.

4. The interest on the Series 2008 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except for interest on any Series 2008 Bond for any period during which it is held by a "substantial user" or a "related person" as those terms are used in Section 147(a) of the Code, and is 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 2008 Bonds.

Under the Code, interest on the Series 2008 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 2008 Bonds and the status of the Series 2008 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 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 2008 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 2008 Bonds may cause the interest on the Series 2008 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2008 Bonds.

5. The Series 2008 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 adequacy or accuracy of any Official Statement pertaining to the Series 2008 Bonds.

Respectfully submitted,

[to be signed "Squire, Sanders & Dempsey L.L.P. and Perry E. Thurston, Jr., P.A."]

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E

Information Regarding
2008 Letter of Credit Provider

[THIS PAGE INTENTIONALLY LEFT BLANK]

The Bank of Nova Scotia ("Scotiabank" or the “Bank”), founded in 1832, is a Canadian chartered bank with its principal office located in Toronto, Ontario. Scotiabank is one of North America’s premier financial institutions and Canada’s most international bank. With 48,000 employees, Scotiabank and its affiliates serve over 10 million customers throughout the world.

Scotiabank provides a full range of personal, commercial, corporate and investment banking services through its network of branches located in all Canadian provinces and territories. Outside Canada, Scotiabank has branches and offices in over 50 countries and provides a wide range of banking and related financial services, both directly and through subsidiary and associated banks, trust companies and other financial firms.

For the fiscal year ended October 31, 2007, Scotiabank recorded total assets of CDN$411.5 billion (US$433.2 billion) and total deposits of CDN$288.5 billion (US$303.7 billion). Net income for the fiscal year ended October 31, 2007 equaled CDN$4.045 billion (US$4.258 billion), compared to CDN$3.579 billion (US$3.767 billion) for the prior fiscal year. Amounts above are shown in Canadian dollars and also reflect the United States dollar equivalent as of October 31, 2007 (1.0000 United States dollar equals 0.95 Canadian dollars).

For the quarter ended April 30, 2008, Scotiabank recorded total assets of CDN$452.6 billion (US$448.3 billion) and total deposits of CDN$322.4 billion (US$319.4 billion). Net income for the quarter ended April 30, 2008 equaled CDN$958 million (US$949 million), compared to CDN$1.03 billion (US$1.02 million) for the same period the prior year. Amounts above are shown in Canadian dollars and also reflect the United States dollar equivalent as of Wednesday, April 30, 2008 (1.0000 United States dollar equals 1.0095 Canadian dollars).

Scotiabank will provide to anyone, upon written request, a copy of its most recent annual report, as well as a copy of its most recent quarterly financial report. Requests should be directed to: The Bank of Nova Scotia, acting through its New York Agency, One Liberty Plaza, 26th Floor, New York, NY, 10006. Attention: Public Finance Department.

The information concerning the Bank contained herein is furnished solely to provide limited introductory information regarding the Bank and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced above.

The delivery of this disclosure information by the Bank shall not create any implication that there has been no change in the affairs of the Bank since the date hereof, or that the information contained or referred to in this disclosure information is correct as of any time subsequent to its date.

[THIS PAGE INTENTIONALLY LEFT BLANK]

PORT EVERGLADES
BROWARD COUNTY, FLORIDA

www.broward.org/port

1850 Eller Drive • Fort Lauderdale, FL 33316 • 954.523.3404

BROWARD COUNTY, FLORIDA • SUBORDINATE PORT FACILITIES REFUNDING REVENUE BONDS, SERIES 2008 (PORT EVERGLADES)

BROWARD COUNTY FLORIDA

Printed on Recycled Paper
IMAGEMASTER 800.452.5152