NEW ISSUE - BOOK ENTRY ONLY

Moody's:	"A1"
Standard & Poor's:	"A+"

(See "RATINGS" herein)

In the opinion of Squire Patton Boggs (US) LLP and Perry E. Thurston, Jr., P.A., Co-Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2017 Bonds is excluded from gross income for federal income tax purposes, except interest on any Series 2017 Bond for any period during which it is held by a "substantial user" of the facilities financed or a "related person," as those terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended, and is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) the Series 2017 Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Interest on the Series 2017 Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

BROWARD COUNTY, FLORIDA

$287,905,000
Airport System Revenue Bonds,
Series 2017 (AMT)

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

Broward County, Florida (the "County") will be issuing its Broward County, Florida Airport System Revenue Bonds, Series 2017 (AMT) (the "Series 2017 Bonds"). The Series 2017 Bonds will be fully registered bonds and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2017 Bonds. Purchasers of the Series 2017 Bonds will not receive certificates representing their interests in the Series 2017 Bonds purchased. Ownership by the Beneficial Owners of the Series 2017 Bonds will be evidenced by book-entry only. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the Series 2017 Bonds will be made to such registered owner, and disbursal of such payments to Beneficial Owners will be the responsibility of DTC and its participants. See "DESCRIPTION OF THE SERIES 2017 BONDS - Book-Entry Only System" herein. Interest on the Series 2017 Bonds is payable April 1 and October 1 of each year, with the first payment date being April 1, 2018. The Series 2017 Bonds will be subject to optional, mandatory and extraordinary redemption prior to maturity at the prices, in the manner and at the times set forth in this Official Statement.

The Series 2017 Bonds are being issued pursuant to Resolution No. 2012-320 adopted by the Board of County Commissioners of the County (the "Board") on May 8, 2012, amending and restating Resolution No. 82-A-2, adopted by the Board on November 9, 1982, as previously amended and supplemented, and particularly as supplemented by a resolution adopted by the Board on October 17, 2017 (collectively, the "Bond Resolution") and are payable from and secured by the funds pledged therefor under the Bond Resolution, which consist primarily of the herein described Net Revenues of the Airport System (as such terms are defined herein), on a parity with certain other bonds outstanding under the Bond Resolution.

The Series 2017 Bonds are being issued for the purpose of providing funds, together with other available moneys, to (i) pay a portion of the Cost of the Series 2017 Project (as defined in this Official Statement) and pay capitalized interest on the Series 2017 Bonds, (ii) fund the required deposit into the Reserve Account to satisfy the Reserve Requirement as a result of the issuance of the Series 2017 Bonds, and (iii) pay certain costs of issuance relating to the Series 2017 Bonds. See "SERIES 2017 PROJECT" and "ESTIMATED SOURCES AND USES OF SERIES 2017 BOND PROCEEDS" herein.

THE SERIES 2017 BONDS ARE NOT GENERAL OBLIGATIONS OF THE COUNTY BUT ARE LIMITED OBLIGATIONS OF THE COUNTY, PAYABLE FROM AND SECURED SOLELY BY THE FUNDS PLEDGED THEREFOR PURSUANT TO THE BOND RESOLUTION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF ARE PLEDGED TO THE PAYMENT OF THE SERIES 2017 BONDS. THE ISSUANCE OF THE SERIES 2017 BONDS WILL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR. THE SERIES 2017 BONDS WILL NOT CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE UPON ANY PROPERTY OF THE COUNTY OR ANY FUND OR ACCOUNT OF THE COUNTY, OTHER THAN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE BOND RESOLUTION.

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

This cover page contains certain information for quick reference only. It is not a summary of the debt issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision. See "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS" herein for a discussion of certain factors that should be considered by prospective purchasers of the Series 2017 Bonds.

The Series 2017 Bonds are offered in book-entry form when, as and if issued and received, subject to the approving legal opinions of Squire Patton Boggs (US) LLP, Miami, Florida and Perry E. Thurston, Jr., P.A., Fort Lauderdale, Florida, Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the County by the County Attorney or a Deputy County Attorney, and by Nabors, Giblin & Nickerson, P.A., Fort Lauderdale, Florida, and Saunders Legal Strategies & Solutions, P.L., Pembroke Pines, Florida, Co-Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by Greenberg Traurig, P.A., Miami, Florida, Counsel to the Underwriters. Frasca & Associates, LLC, New York, New York, is acting as Financial Advisor to the County. It is expected that the Series 2017 Bonds will be available for delivery through DTC on or about November 21, 2017.

Citigroup

BofA Merrill Lynch **Jefferies** **Siebert Cisneros Shank & Co., L.L.C.**

Dated: November 8, 2017

$287,905,000
BROWARD COUNTY, FLORIDA
AIRPORT SYSTEM REVENUE BONDS,
SERIES 2017 (AMT)

$138,495,000 Serial Series 2017 Bonds

Maturity (October 1)	Principal Amount	Interest Rate	Yield	Initial CUSIP No.[1]
2020	$ 4,580,000	5.000%	1.460%	114894WZ7
2021	5,180,000	5.000	1.580	114894XA1
2022	5,440,000	5.000	1.740	114894XB9
2023	5,715,000	5.000	1.880	114894XC7
2024	6,000,000	5.000	1.990	114894XD5
2025	6,300,000	5.000	2.110	114894XE3
2026	6,615,000	5.000	2.230	114894XF0
2027	6,950,000	5.000	2.330	114894XG8
2028	7,290,000	5.000	2.430*	114894XH6
2029	7,660,000	5.000	2.510*	114894XJ2
2030	8,040,000	5.000	2.610*	114894XK9
2031	8,440,000	5.000	2.670*	114894XL7
2032	8,865,000	5.000	2.730*	114894XM5
2033	9,305,000	5.000	2.780*	114894XN3
2034	9,775,000	5.000	2.830*	114894XP8
2035	10,260,000	5.000	2.880*	114894XQ6
2036	10,770,000	5.000	2.920*	114894XR4
2037	11,310,000	5.000	2.930*	114894XS2

$65,640,000 5.000% Term Bonds, due October 1, 2042, Yield 3.000%* CUSIP No. 114894XT0 [1]
$83,770,000 5.000% Term Bonds, due October 1, 2047, Yield 3.040%* CUSIP No. 114894XU7 [1]

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* Yield calculated to first optional call date of October 1, 2027.

(1) CUSIP numbers have been assigned by an independent company not affiliated with the County and are included solely for the convenience of the owners of the Series 2017 Bonds. The County is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2017 Bonds or as indicated above.

BROWARD COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS
Barbara Sharief, Mayor
Beam Furr, Vice Mayor
Mark D. Bogen
Steve Geller
Dale V.C. Holness
Chip LaMarca
Nan H. Rich
Tim Ryan
Michael Udine

COUNTY ADMINISTRATOR
Bertha Henry

COUNTY ATTORNEY
Andrew J. Meyers

CHIEF FINANCIAL OFFICER AND DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT
George Tablack

CHIEF EXECUTIVE OFFICER AND DIRECTOR OF AVIATION DEPARTMENT
Mark Gale

AIRPORT CONSULTANT
Ricondo & Associates, Inc.

CO-BOND COUNSEL
Squire Patton Boggs (US) LLP
Perry E. Thurston, Jr., P.A.

CO-DISCLOSURE COUNSEL
Nabors, Giblin & Nickerson, P.A.
Saunders Legal Strategies & Solutions, P.A.

FINANCIAL ADVISOR
Frasca & Associates, LLC

This Official Statement is being used in connection with the sale of the Series 2017 Bonds and may not be reproduced or be used, in whole or in part, for any other purpose. Certain information contained in, or incorporated by reference in, this Official Statement has been obtained by the County from DTC and other sources that are deemed to be reliable. No guaranty is made, however, as to the accuracy or completeness of information obtained from such other sources by the County, the Financial Advisor or the Underwriters. The delivery of this Official Statement at any time does not imply that information in it is correct as of any time subsequent to its date.

No dealer, salesperson or any other person has been authorized by the County or the Underwriters to give any information or to make any representation other than as contained in this Official Statement in connection with the offering it describes and, if given or made, such other information or representation must not be relied upon as having been authorized by the County or the Underwriters. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered or Beneficial Owners of the Series 2017 Bonds.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Official Statement nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the matters described herein since the date hereof.

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. 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 TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. AMONG THE FACTORS THAT MAY CAUSE PROJECTED REVENUES AND EXPENDITURES TO BE MATERIALLY DIFFERENT FROM THOSE ANTICIPATED ARE AN INABILITY TO INCUR DEBT AT ASSUMED RATES, CONSTRUCTION DELAYS, INCREASES IN CONSTRUCTION COSTS, GENERAL ECONOMIC DOWNTURNS, FACTORS AFFECTING THE AIRLINE INDUSTRY IN GENERAL, FEDERAL LEGISLATION AND/OR REGULATIONS, AND REGULATORY AND OTHER RESTRICTIONS, INCLUDING, BUT NOT LIMITED TO, THOSE THAT MAY AFFECT THE ABILITY TO UNDERTAKE, THE TIMING OR THE COSTS OF CERTAIN PROJECTS. ANY FORECAST IS SUBJECT TO SUCH UNCERTAINTIES. THEREFORE, THERE ARE LIKELY TO BE DIFFERENCES BETWEEN FORECASTS AND ACTUAL RESULTS, AND THOSE DIFFERENCES MAY BE MATERIAL. OTHER THAN THE CUSTOMARY

FINANCIAL REPORTING ACTIVITIES OF THE COUNTY OR REPORTING ACTIVITIES NECESSARY TO COMPLY WITH LEGAL OR CONTRACTUAL REQUIREMENTS, NEITHER THE COUNTY NOR THE COUNTY AVIATION DEPARTMENT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN (i) THE EXPECTATIONS OF THE COUNTY OR THE COUNTY AVIATION DEPARTMENT CHANGE, OR (ii) THE EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH FORWARD-LOOKING STATEMENTS ARE BASED ACTUALLY OCCUR OR FAIL TO OCCUR.

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

THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE SERIES 2017 BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS AFTER THE SERIES 2017 BONDS ARE RELEASED FOR SALE, AND THE SERIES 2017 BONDS MAY BE OFFERED AND SOLD AT PRICES OR YIELDS OTHER THAN THE INITIAL OFFERING PRICES OR YIELDS, INCLUDING SALES TO DEALERS WHO MAY SELL THE SERIES 2017 BONDS INTO INVESTMENT ACCOUNTS. IN CONNECTION WITH THE OFFERING OF THE SERIES 2017 BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2017 BONDS AT A LEVEL ABOVE THE LEVEL THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN REVIEW OF THE TERMS OF THE SERIES 2017 BONDS AND THE OFFERING THEREOF, INCLUDING BUT NOT LIMITED TO THE SOURCES OF SECURITY FOR AND PAYMENT OF THE SERIES 2017 BONDS AND THE MERITS AND RISKS INVOLVED. THE SERIES 2017 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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

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OFFICIAL STATEMENT

BROWARD COUNTY, FLORIDA
$287,905,000
Airport System Revenue Bonds,
Series 2017 (AMT)

INTRODUCTION

This Official Statement is furnished by Broward County, Florida (the "County") to provide information regarding the Fort Lauderdale - Hollywood International Airport (the "Airport" or "FLL") and its Broward County, Florida Airport System Revenue Bonds, Series 2017 (AMT) (the "Series 2017 Bonds"). Certain capitalized terms used in this Official Statement, unless otherwise defined herein, are defined in the hereinafter defined Bond Resolution or Airline Agreements. See "BOND RESOLUTION" and "FORMS OF THE AIRLINE AGREEMENTS" included as APPENDICES D and E hereto, respectively.

Purpose

The Series 2017 Bonds are being issued for the purpose of providing funds, together with other available moneys, to (i) pay a portion of the Cost of the Series 2017 Project which consists of portions of the FLLAir Plan, which includes the CIP (as such terms are defined in this Official Statement), (ii) pay capitalized interest on the Series 2017 Bonds, (iii) fund the required deposit into the Reserve Account to satisfy the Reserve Requirement as a result of the issuance of the Series 2017 Bonds, and (iv) pay certain costs of issuance relating to the Series 2017 Bonds. See "SERIES 2017 PROJECT" and "ESTIMATED SOURCES AND USES OF SERIES 2017 BOND PROCEEDS" herein.

Authorization

The Series 2017 Bonds are being issued pursuant to the laws of the State of Florida, and Resolution No. 2012-320 adopted by Board of County Commissioners of the County (the "Board") on May 8, 2012, amending and restating Resolution No. 82-A-2, adopted by the Board on November 9, 1982, as previously amended and supplemented, and particularly as supplemented by a resolution adopted by the Board on October 17, 2017 (collectively, the "Bond Resolution"). The Series 2017 Bonds are payable from and secured by the funds pledged therefor under the Bond Resolution, which consist primarily of the Net Revenues of the Airport System (as such terms are defined herein), on a parity with certain other bonds outstanding under the Bond Resolution. See "SECURITY FOR THE SERIES 2017 BONDS" herein.

County

The County is located on the southeast coast of Florida between Miami-Dade County on the south and Palm Beach County on the north. The County contains approximately 1,197 square miles and in 2016 had a population of approximately 1.9 million. The County is governed by the Board which consists of nine members. The County's Fiscal Year is October 1 through September 30 (a "Fiscal Year"). See "THE COUNTY" herein.

Airport System

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

Based upon data collected by the Federal Aviation Administration ("FAA"), the Airport was ranked the 21st busiest among United States airports in terms of total passengers for calendar year 2016. For the Fiscal Year ended September 30, 2016, the number of enplaned passengers increased 8.6% as compared to Fiscal Year 2015. From Fiscal Year 2007 through Fiscal Year 2016, total enplaned passengers increased from approximately 11.1 million to approximately 14.4 million. For the nine-month period ended June 30, 2017, total enplanements increased by 10.1% over the nine-month period ended June 30, 2016.

Security for the Series 2017 Bonds

The Series 2017 Bonds will be limited obligations of the County and will be primarily payable from, and secured solely by, a pledge of and lien upon (1) the Net Revenues, (2) the County's right to receive the Net Revenues, and (3) subject to certain rebate requirements and except for certain investment income excluded under the definition of Revenues in the Bond Resolution and as set forth under "SECURITY FOR THE SERIES 2017 BONDS - Net Revenues of the Airport System" herein, the moneys and Investment Obligations in any and all of the funds and accounts established under the Bond Resolution (except any rebate fund or account or such investment income described above) and the income from such Investment Obligations and the interest on such moneys. See "SECURITY FOR THE SERIES 2017 BONDS" herein. The Series 2017 Bonds will be issued on parity with: (1) the County's Airport System Revenue Bonds, Taxable Series 2001J-2 (the "Series 2001J-2 Bonds"), (2) the County's Airport System Revenue Refunding Bonds, Series 2009O (the "Series 2009O Bonds"), (3) the County's Airport System Revenue Refunding Bonds, Series 2012P-1 (the "Series 2012P-1 Bonds") and Airport System Revenue Refunding Bonds, Series 2012P-2 (the "Series 2012P-2 Bonds" and together with the Series 2012P-1 Bonds, collectively, the "Series 2012P

Bonds"), (4) the County's Airport System Revenue Bonds, Series 2012Q-1 (Non-AMT) (the "Series 2012Q-1 Bonds") and Airport System Revenue Bonds, Series 2012Q-2 (AMT) (the "Series 2012Q-2 Bonds" and, together with the Series 2012Q-1 Bonds, collectively, the "Series 2012Q Bonds"), (5) the County's Airport System Revenue Bonds, Series 2013A (AMT) (the "Series 2013A Bonds"), Airport System Revenue Bonds, Series 2013B (Non-AMT) (the "Series 2013B Bonds") and Airport System Revenue Bonds, Series 2013C (Non-AMT) (the "Series 2013C Bonds" and, together with the Series 2013A Bonds and the Series 2013B Bonds, collectively, the "Series 2013 Bonds") and (6) the County's Airport System Revenue Bonds, Series 2015A (AMT) (the "Series 2015A Bonds"), Airport System Revenue Bonds, Series 2015B (Non-AMT) (the "Series 2015B Bonds") and Airport System Revenue Refunding Bonds, Series 2015C (AMT) (the "Series 2015C Bonds" and, together with the Series 2015A Bonds and the Series 2015B Bonds, collectively, the "Series 2015 Bonds"). The Series 2001J-2 Bonds, the Series 2009O Bonds, the Series 2012P Bonds, the Series 2012Q Bonds, the Series 2013 Bonds and the Series 2015 Bonds were outstanding in the aggregate principal amount of $1,802,810,000 as of October 2, 2017 and are herein collectively referred to as the "Outstanding Parity Bonds." See "SELECTED FINANCIAL INFORMATION AND MANAGEMENT ANALYSIS - Bonded Indebtedness" herein. The Series 2017 Bonds, the Outstanding Parity Bonds and any Additional Bonds hereafter issued under the Bond Resolution are collectively referred to herein as the "Bonds."

THE SERIES 2017 BONDS ARE NOT GENERAL OBLIGATIONS OF THE COUNTY BUT ARE LIMITED OBLIGATIONS OF THE COUNTY, PAYABLE FROM AND SECURED SOLELY BY THE FUNDS PLEDGED THEREFOR PURSUANT TO THE BOND RESOLUTION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF ARE PLEDGED TO THE PAYMENT OF THE SERIES 2017 BONDS. THE ISSUANCE OF THE SERIES 2017 BONDS WILL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR. THE SERIES 2017 BONDS WILL NOT CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE UPON ANY PROPERTY OF THE COUNTY OR ANY FUND OR ACCOUNT OF THE COUNTY, OTHER THAN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE BOND RESOLUTION.

Passenger facility charges ("Passenger Facilities Charges" or "PFCs") are not pledged by the Bond Resolution as a source of security of or payment for the Bonds, except that Passenger Facilities Charges are irrevocably committed, as "Available Revenues," to the payment of debt service on a portion of the Series 2012P-2 Bonds and all of the Series 2012Q-1 Bonds, the Series 2013C Bonds and the Series 2015C Bonds through Fiscal Year ending September 30, 2023, as described under "SECURITY FOR

THE SERIES 2017 BONDS - Source of Payment and Security" and "- Use of Passenger Facilities Charges to Pay Debt Service" herein.

Federal and State grant moneys are not pledged by the Bond Resolution as a source of security of or payment for the Bonds, except that Federal and State grant moneys are irrevocably committed, as "Available Revenues," to the payment of debt service on the Series 2013C Bonds each Fiscal Year through Fiscal Year 2019, as described under "SECURITY FOR THE SERIES 2017 BONDS-Source of Payment and Security" and "- Use of Federal and State Grant Moneys to Pay Debt Service" herein.

Airline Agreements

A portion of the Revenues (as defined herein) of the Airport System is derived from the fees and charges paid under certain airline-airport lease and use agreements (the "Use Agreements") and signatory terminal building lease agreements (the "Terminal Lease Agreements," and together with the Use Agreement, the "Airline Agreements") with nine airlines for the use and occupancy of certain facilities at the Airport. Such airlines, including any successor airlines and any future signatory to an Airline Agreement, are collectively referred to herein as the "Signatory Airlines." The Signatory Airlines, as of the date of this Official Statement, are Air Canada, Allegiant Air, American Airlines, Delta Air Lines, JetBlue Airways, Silver Airways, Southwest Airlines, Spirit Airlines and United Airlines. See "SECURITY FOR THE SERIES 2017 BONDS - Airline Agreements" herein. Neither the properties forming a portion of the Airport System nor the Airline Agreements have been assigned or pledged as security for the Series 2017 Bonds, and no mortgage or security interest has been granted or lien created thereon for the benefit of the holders of the Series 2017 Bonds.

Funding of the Capital Improvement Program

The County plans to continue financing the Capital Improvement Program (the "CIP") for the Airport System, the cost of which is currently estimated at $3.2 billion (of which the County has expended more than half), with a combination of Bonds, Passenger Facilities Charges, Federal and State grants, and other legally available moneys of the Airport System. The CIP is composed of recently completed projects, continuing improvements that were commenced in prior years, current projects which are partially funded or for which funding sources have been identified, and future projects expected to be funded with the proceeds of Additional Bonds or for which funding sources have yet to be determined. The CIP also includes the major components of Airport's FLLAir Plan (as defined herein) which is a comprehensive plan developed to address both airfield and terminal capacity issues. The County has previously issued approximately $1.6 billion principal amount of Bonds to finance a portion of the CIP described under the caption "FLLAir Plan." In addition to the Series 2017 Bonds, the County expects to issue Additional Bonds in Fiscal Years 2019 and 2020 with an anticipated aggregate par amount of approximately $588.0 million to finance the final portion of the FLLAir Plan, and to fund reserves, capitalized interest and costs of issuance associated with such Additional Bonds. See "CAPITAL IMPROVEMENT PROGRAM" herein. The County has irrevocably committed to: (i) use Available PFC Revenues to pay the full amount of principal of and interest due and payable on the Series 2015C Bonds in each Fiscal Year through Fiscal Year ending September 30, 2023; (ii) use Available PFC Revenues and Available Grant Revenues to pay the full amount of principal of and interest due and payable on the Series 2013C Bonds in each Fiscal Year through the Fiscal Year ending September 30, 2019 and use Available PFC Revenues in each Fiscal Year through the Fiscal Year ending September 30, 2023; (iii) use Available PFC Revenues to pay the full amount of principal of and interest due and payable on the Series 2012Q-1 Bonds in each Fiscal Year through the Fiscal Year ending September 30, 2023; and (iv) use Available PFC Revenues to pay a portion of the principal of and interest due and payable on the Series 2012P-2 Bonds in each Fiscal Year through the Fiscal Year ending September 30, 2023. It is currently the County's intention to use Passenger Facilities Charges to pay all or a portion of the aforementioned Bonds subsequent to the commitment periods described above. Such intention, however, shall not constitute a legal obligation of the County to use Passenger Facilities Charges to pay debt service on such Bonds subsequent to the above-described commitment periods. The County may use uncommitted Passenger Facilities Charges from prior Fiscal Years to fund the commitments described above.

APPENDIX B - "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides a detailed description of the CIP, including the Series 2017 Project, the FLLAir Plan and other projects described herein.

Report of the Airport Consultant

The County has retained Ricondo & Associates, Inc. to serve as the airport consultant (the "Airport Consultant") in connection with the issuance of the Series 2017 Bonds. The Airport Consultant prepared the Report of the Airport Consultant dated October 20, 2017 (the "Report of the Airport Consultant"). The Report of the Airport Consultant is included in APPENDIX B and takes into consideration the issuance of the Series 2017 Bonds in the aggregate principal amount of approximately $325.4 million (estimated amount as of October 20, 2017). The Report of the Airport Consultant also takes into consideration the County's plan to issue approximately $588.0 million of Additional Bonds, the proceeds of which will be used primarily during Fiscal Years 2019 through 2022 to finance portions of the Airport's CIP. The Airport Consultant has provided its consent to include the Report of the Airport Consultant in this Official Statement. See APPENDIX B - "REPORT OF THE AIRPORT CONSULTANT" and "EXPERTS" herein.

Certain Investment Considerations

Investors should review the information under the caption "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS" herein for a discussion of certain factors that should be considered by prospective purchasers of the Series 2017 Bonds.

General

This Official Statement contains descriptions of, among other matters, the County, the Series 2017 Bonds, the Bond Resolution, the Airline Agreements, the Airport System, the CIP, the Passenger Facilities Charges program, and Federal and State grants. Such descriptions and information do not purport to be comprehensive or definitive. The Bond Resolution and the Airline Agreements are set forth in APPENDICES D and E, respectively, to this Official Statement. All references herein to the Bond Resolution, the Airline Agreements and the Series 2017 Bonds constitute summaries of certain provisions thereof and do not purport to be complete, and are qualified in their entirety by reference to such documents for a more complete description of such provisions.

SERIES 2017 PROJECT

Net proceeds of the Series 2017 Bonds in the amount of $300,317,000 will provide funding for a portion of various terminal improvements and other airport facilities. The terminal improvements consist of: construction of a portion of the new 14-gate Concourse G that will replace the existing Concourse H and have 12 international capable gates connected to both Terminals 3 and 4; expansion of the Federal Inspection Service Facility in Terminal 4; renovations to portions of all terminals, which include, but are not limited to security checkpoints, restrooms, hold rooms, concessions and signage; construction of a portion of the new five-gate Concourse A that has all international capable gates connected to Terminal 1. Other improvements include construction of ground transportation facility improvements, parking garage rehabilitation, master plan implementation and planning, design and construction of such other facilities that are functionally related to the Airport System.

The above-described improvements, which form a portion of the FLLAir Plan, are collectively referred to herein as the "Series 2017 Project." See "THE CAPITAL IMPROVEMENT PROGRAM - FLLAir Plan" herein for a further description of those components.

[Remainder of page intentionally left blank]

ESTIMATED SOURCES AND USES OF SERIES 2017 BOND PROCEEDS

The proceeds to be received from the sale of the Series 2017 Bonds are expected to be applied as follows:

SOURCES OF FUNDS	
Principal Amount	$287,905,000.00
Plus Net Original Issue Premium	51,220,371.35
TOTAL SOURCES OF FUNDS	$339,125,371.35
USES OF FUNDS	
Deposit to Construction Fund - Additional Facilities Account - Series 2017 Subaccount	$300,317,000.00
Capitalized Interest Deposit	27,805,659.72
Deposit to Reserve Account	8,952,190.94
Costs of Issuance [1]	835,527.69
Underwriters' Discount	1,214,993.00
TOTAL USES OF FUNDS	$339,125,371.35

[1] Costs of issuance include financial advisory, legal fees and expenses and rating agency fees.

[Remainder of page intentionally left blank]

DESCRIPTION OF THE SERIES 2017 BONDS

General

The Series 2017 Bonds will mature on October 1 of the years and in the amounts shown on the inside cover page hereof. The Series 2017 Bonds will be initially dated as of their date of delivery and will bear fixed rates of interest until their final maturity or earlier redemption, payable commencing on April 1, 2018 and semiannually after that date on October 1 and April 1 in each year (each, an "Interest Payment Date"), at the rates per annum set forth on the inside cover page hereof. Wells Fargo Bank, National Association, will serve as Trustee, Bond Registrar and Paying Agent pursuant to the terms of the Bond Resolution.

The Series 2017 Bonds will be subject to mandatory sinking fund, optional and extraordinary optional redemption as described herein.

The Series 2017 Bonds will be issued only as fully registered bonds in denominations that are integral multiples of $5,000. The Series 2017 Bonds will be initially registered through a book-entry only system operated by The Depository Trust Company, New York, New York ("DTC"). Details of payment of the Series 2017 Bonds and the book-entry system are described below under the subcaption "Book-Entry Only System." Except as described under the subcaption "Book-Entry Only System" below, each actual owner of the Series 2017 Bonds (the "Beneficial Owners") will not receive or have the right to receive physical delivery of Series 2017 Bonds, and will not be or be considered under the Bond Resolution to be the registered owners thereof. Accordingly, Beneficial Owners must rely upon (1) the procedures of DTC and, if such Beneficial Owner is not a Participant (as defined herein), the Participant who will act on behalf of such Beneficial Owner to receive notices and payments of principal of, premium, if any, and interest on the Series 2017 Bonds, and to exercise voting rights, and (2) the records of DTC and, if such Beneficial Owner is not a Participant, such Beneficial Owner's Participant (as such terms are defined herein), to evidence its Beneficial Ownership of the Series 2017 Bonds. So long as DTC or its nominee is the registered owner of the Series 2017 Bonds, references herein to Series 2017 Bondholders or registered owners of such Series 2017 Bonds shall mean DTC or its nominee and shall not mean the Beneficial Owners of such Series 2017 Bonds.

Redemption Provisions

Optional Redemption. The Series 2017 Bonds maturing on or prior to October 1, 2027 are not subject to optional redemption prior to maturity. The Series 2017 Bonds maturing after October 1, 2027 are subject to redemption prior to maturity, at the option of the County, in whole or in part at any time (if in part, the maturities, Sinking Fund

Requirements and the principal amounts to be redeemed to be determined by the County in its sole discretion) on or after October 1, 2027 at a redemption price of 100% of the principal amount of the Series 2017 Bonds so redeemed, plus accrued interest to the redemption date.

Term Bonds Mandatory Redemption. The Series 2017 Bonds maturing on October 1, 2042 and October 1, 2047 are subject to mandatory redemption at the redemption price of par plus accrued interest on the dates and in the amount of Sinking Fund Requirements described below:

Series 2017 Bonds Maturing on October 1, 2042

Date (October 1)	Sinking Fund Requirement
2038	$11,875,000
2039	12,475,000
2040	13,100,000
2041	13,750,000
2042*	14,440,000

*Maturity

Series 2017 Bonds Maturing on October 1, 2047

Date (October 1)	Sinking Fund Requirement
2043	$15,160,000
2044	15,920,000
2045	16,710,000
2046	17,550,000
2047*	18,430,000

*Maturity

Extraordinary Optional Redemption. The Series 2017 Bonds are subject to extraordinary redemption as a whole at any time, or in part on any Interest Payment Date, at the option of the County, as provided in the Bond Resolution, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, from insurance or condemnation proceeds if all or any part of the Airport System is damaged, destroyed or condemned or if the County disposes of any portion of the Airport System. See "BOND RESOLUTION - Section 709 Insurance and Eminent Domain Proceeds" in APPENDIX D attached hereto as to the conditions under which such extraordinary redemption may be effected.

Selection for Redemption

If less than all of a Series of the Series 2017 Bonds of a single maturity shall be called for redemption, the particular Series 2017 Bonds to be redeemed will be selected pursuant to the procedures established by DTC for so long as the Series 2017 Bonds shall be in book-entry only form. In the event the book-entry only system is discontinued and bond certificates are printed and delivered, if less than all of a Series of the Series 2017 Bonds of a single maturity shall be called for redemption, the particular Series 2017 Bonds to be redeemed shall be selected by the Trustee by lot.

Notice of Redemption

Notice of redemption will be mailed, first class mail, postage prepaid, at least 30 days but not more than 60 days before the redemption date, to Cede & Co., as nominee for DTC, and the County will not mail redemption notices directly to the Beneficial Owners of the Series 2017 Bonds for so long as the Series 2017 Bonds shall be in book-entry only form. See "DESCRIPTION OF THE SERIES 2017 BONDS - Book-Entry Only System" herein. In the event the book-entry only system is discontinued and bond certificates are printed and delivered, at least 30 days but not more than 60 days, prior to the expected redemption date, the County shall cause a notice of such redemption to be filed with the Bond Registrar, and to be mailed, first class mail, postage prepaid, to all holders of Series 2017 Bonds to be redeemed in whole or in part at their addresses as they appear on the registration books. Failure to mail any such notice to any Series 2017 Bondholder shall not affect the validity of the proceedings for such redemption of Bonds for which notice of such redemption was duly mailed.

Conditional Notice of Redemption

In the case of an optional redemption of the Series 2017 Bonds, the redemption notice may state that (a) it is conditioned upon the deposit of moneys with the Trustee or with a bank, trust company or other appropriate fiduciary institution acting as escrow agent (the "escrow agent"), in amounts necessary to effect the redemption, no later than the redemption date, or (b) the County retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this paragraph. Any such notice of Conditional Redemption will be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time prior to the redemption date if the County delivers a written direction to the Trustee directing the Trustee to rescind the redemption notice. The Trustee will give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the County to make such moneys available shall constitute an Event of Default.

Effect of Calling for Redemption

On the date fixed for redemption, notice having been mailed in the manner and under the conditions provided in the Bond Resolution, the Series 2017 Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided for on such date, interest on the Series 2017 Bonds so called for redemption shall cease to accrue, the Series 2017 Bonds so called for redemption shall not be deemed to be outstanding under the Bond Resolution and shall cease to be entitled to any lien, benefit or security under the Bond Resolution, and the holders of the Series 2017 Bonds so called for redemption shall have no rights in respect thereof, except to receive payment of the redemption price thereof, including accrued interest to the date of redemption. Any Series 2017 Bond which has been redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Bond Registrar duly executed, by the owner thereof or his duly authorized attorney or legal representative in writing), and the County shall execute and the Bond Registrar shall authenticate and deliver to the owner of such Series 2017 Bond, without charge, other than any applicable tax or other governmental charge, a new Series 2017 Bond or Bonds, of any Authorized Denomination, as requested by such owner in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2017 Bonds so surrendered.

Book-Entry Only System

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

DTC will act as securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be issued as fully-registered bonds 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 bond certificate will be issued for each maturity of the Series 2017 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of the Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017 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 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2017 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 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect

Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2017 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2017 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2017 Bonds may wish to ascertain that the nominee holding the Series 2017 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2017 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2017 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the County 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 of DTC, the Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments 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 for the Series 2017 Bonds. 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 the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to the County or its agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2017 Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2017 Bond certificates will be printed and delivered to DTC.

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

The County, the Trustee, the Paying Agent and Bond Registrar do not have any responsibility or obligation to the Direct Participants, Indirect Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant, (b) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Series 2017 Bonds, (c) the delivery or timeliness of delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Bond Resolution to be given to Bondholders, or (d) any consent given or other action taken by DTC, or its nominee, Cede & Co., as Bondholders.

THE COUNTY

The County was created in October 1915 by the legislature of the State of Florida. Located on the southeast coast of Florida, the County has an area of approximately 1,197 square miles. It is bordered to the north by Palm Beach County and to the south by Miami-Dade County. In the time since it began as an agricultural community of 5,000, the County has steadily grown and currently ranks second in population in the State of Florida and 18th in the nation with approximately 1.9 million persons. Thirty-one municipalities are located within the County, the largest of which is the City of Fort Lauderdale.

Approximately 59,516 non-farm businesses were established in the County as of the end of Fiscal Year 2015. Although many of these companies are classified as small businesses, nearly 200 companies have corporate, division, or regional headquarters in the County. The estimated civilian labor force in the County for 2016 was approximately one million persons. Tourism is also an important economic factor in the County. The combination of favorable climate, together with various recreational opportunities, including theaters, parks, public beaches, yacht basins, fishing, golf, tennis, restaurants, thoroughbred racing, jai alai and water recreational facilities, have made the County a tourist center. For calendar year 2016, the County estimates that approximately 13.2 million visitors spent over $11.6 billion in the County. See APPENDIX A attached hereto for additional information relating to the County.

THE AIRPORT SYSTEM

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

Airport Management

For Fiscal Year 2016, BCAD is comprised of 590 authorized employee positions (full- and part-time) in seven divisions: administration, business, finance, information systems, maintenance, operations, and airport development. Brief biographies of certain key officers of BCAD are set forth below.

CEO/Director of Aviation. Mark Gale, A.A.E., joined BCAD in 2016. Mr. Gale has over 30 years of airport management experience. Prior to joining BCAD, he served as CEO of the Philadelphia International Airport, Philadelphia, Pennsylvania. Mr. Gale holds a Bachelor of Science in Aeronautical Studies/Aviation Management from Embry-Riddle Aeronautical University. He is also an Accredited Airport Executive ("AAE") in the American Association of Airport Executives ("AAAE"). Mr. Gale has served on numerous boards and committees including the AAAE, Airports Council International-North America, U.S. Travel Association, and Conference of Minority Transportation Officials.

Acting Assistant Director of Aviation - Operations, Maintenance and Security. Michael Nonnemacher, A.A.E., I.A.P., is currently the Acting Assistant Director of Aviation responsible for the following: Airport Operations, Maintenance, Security, Emergency Preparedness, and North Perry. He has been employed at the Airport for the past 30 years, working in various positions within Airport Operations Division and held the position as Director of Operations for the past 11 years. Mr. Nonnemacher holds a Bachelor's degree in Aviation Management from Embry Riddle Aeronautical University and a Master's of Business Administration from Nova Southeastern University. He is also an AAE through AAAE and accredited through Airports Council International as an International Airport Professional.

Acting Assistant Director of Aviation - Airport Development. Marc Gambrill, A.A.E., P.E., joined BCAD in April 2006. Mr. Gambrill has over 21 years of experience managing design and construction projects, with the last 11 years managing large-hub airport capital improvement projects. Prior to joining BCAD, he worked for the City of Hallandale Beach, Florida as the City Engineer responsible for project management of design and construction projects. Mr. Gambrill is a Professional Engineer and an AAE. Mr. Gambrill holds a Bachelor's degree in Civil Engineering from Wentworth Institute of Technology, a Master's of Science in Civil/Environmental Engineering specialized in Water Resources from Tufts University, and a Master's in Public Administration from Florida Atlantic University.

Assistant Director of Aviation - Administration and Finance. Douglas Wolfe, C.P.A., joined BCAD in August 2008. Mr. Wolfe has over 28 years of airport management experience in addition to more than 10 years of private-sector financial management experience with various firms in the telecommunications, automotive and consumer products industries. Prior to joining BCAD, he served as Sr. Vice President, CFO and Treasurer for The Metropolitan Nashville Airport Authority in Nashville, Tennessee. Mr. Wolfe is a Certified Public Accountant and holds a Master's of Business Administration degree from Lehigh University and a Bachelor of Arts degree in Economics from Albright College.

The Airport

General. The City of Fort Lauderdale first developed aviation facilities at the Airport in 1926. In 1941, the facilities were acquired by the United States Navy and were used by it for the duration of World War II. The County acquired rights to the facilities in 1948, and in 1952 the facilities became an air carrier airport. The Airport has had scheduled airline service since 1953. The Airport has a total area of approximately 1,717 acres. In Fiscal Year 2016, passenger enplanements at the Airport were 14,352,450, an increase of 8.6% over Fiscal Year 2015 enplanements of 13,214,469. For the nine months ended June 30, 2017, passenger enplanements were 12,063,873, an increase of 10.1% over the nine months ended June 30, 2016, when enplanements were 10,957,925.

Airfield Facilities. The Airport has two runways. Runway 10L/28R is a 9,000-foot runway north of the passenger terminal complex and is equipped to accommodate air carrier aircraft operations. Runway 10R/28L is located south of the passenger terminal complex and at 8,000 feet, is also equipped to accommodate air carrier aircraft operations. A third runway, Runway 13/31, was decommissioned in May 2013 in connection with the South Runway Expansion Project described herein.

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

The passenger terminals have a total of over 1.6 million square feet of space. The terminal facilities include: (a) airline ticket counters, offices, baggage claim and baggage make-up areas, (b) public lobbies and circulation space, (c) retail and food concessions space, (d) storage areas and (e) the operating division of BCAD.

Terminal 1 currently contains Concourse A, Concourse B and Concourse C with a total of 23 gates. Terminal 2 contains Concourse D with nine gates. Terminal 3 contains

Concourse E and Concourse F with a total of 20 gates. Terminal 4 contains Concourse G with six gates and Concourse H with six gates. In November 2017, Concourse H is expected to close and six additional gates are expected to open on Concourse G east side. In late Fiscal Year 2018, two more gates are expected to open in the center of Concourse G bringing the final total to 14 gates.

The Concourse areas include passenger circulation areas, airline holdrooms, airline gates and operations areas, concession sales and storage areas and facilities for the Transportation Security Administration ("TSA"). Terminal 4 and Terminal 1 also have Federal Inspection Service facilities for the U.S. Customs and Border Protection.

Parking and Roadways. Parking facilities at the Airport (including remote lots) currently provide a total of 15,482 parking spaces, of which 11,224 are allocated to the public. The Airport's existing three parking garages are connected to the terminals by pedestrian bridges and provide 11,472 spaces. A remote lot containing 4,010 permanent spaces is dedicated to employee parking and is accessed by 24-hour shuttle services provided by BCAD. Roadway access to the passenger terminals is provided by a two-level terminal loop drive, which also connects all four terminals to the parking garages. Separate areas are provided for public and private ground transportation.

Air Cargo Facilities. A 35,000 square foot air freight facility in the northeast area of the airfield was completed in 1999 for the scheduled passenger airlines. In addition, a multi-use facility is located on the north side of the Airport that accommodates cargo carriers and itinerants. Federal Express currently operates out of their facilities in the northwest corner of the Airport. Air cargo tonnage had been showing a steady decline in the decade through 2014 but that trend reversed in 2016 primarily as a result of the growth of international passenger airlines. In Fiscal Year 2016, total cargo tonnage was 94,981 tons, an increase of 15.7% over the total air cargo tonnage of tons in Fiscal Year 2015 but 42.5% below the Fiscal Year 2006 tonnage of 165,186.

General Aviation Facilities. Four fixed-base operators provide general aviation services at the Airport. In addition, other specialized facilities provide aviation office space, cargo warehousing, aircraft storage, engine repair, aircraft refurbishment and painting services.

Other Facilities. Support facilities at the Airport include airport administration offices, an airfield rescue and firefighting facility, an airport maintenance building, one airline catering facility and rental car service and storage areas. A fuel farm located in the northeast corner of the Airport includes three 27,400 barrel above-ground storage tanks, a pumping station for a pipeline directly connected to fuel sources at Port Everglades and underground jet fuel distribution facilities. In Fiscal Year 2012, BCAD entered into a lease to temporarily relocate its administrative offices from its site on Airport property to a location approximately 0.5 miles from the Airport. Long-term

BCAD offices will be in the renovated Terminal 4 building, estimated to be completed in 2019.

Regulatory Matters

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

North Perry Airport

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

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

General Aviation Facilities. Four fixed-base operators at North Perry offer services for general aviation. There are numerous T-hangar facilities, flight schools and tie down areas available. The County has made various improvements to North Perry, including runway and taxiway improvements, construction of hangars and improved signage on the airfield, a new mass transit holding lot, beautification and new wayfinding signage. The County is undergoing a Master Plan Update and planning taxiway and runway improvements as part of the CIP.

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

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THE CAPITAL IMPROVEMENT PROGRAM

Capital Program Process

The CIP for the Airport System is composed of recently completed projects, continuous improvements that were commenced in prior years, current projects which are partially funded or for which funding sources have been identified, and future projects expected to be funded with the proceeds of Additional Bonds or for which funding sources have yet to be determined. A table identifying these sources and uses is included in this section. The types of projects included in the CIP include airfield pavement rehabilitation, master plan and airport layout plan updates, equipment and vehicle replacements, and other enhancements, upgrades, and improvements including the major components of the FLLAir Plan described below.

The Board requires BCAD to develop and submit to the Board for approval a continuous five-year capital improvement program. Annually, BCAD must review the capital improvement program, revise it as necessary, and prepare the capital improvement program for approval and adoption by the Board. The Board appropriates year one of the five-year capital improvement program for the upcoming fiscal year and adopts the capital improvement program plan for years two through five. An annual update of the capital improvement program 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. Within BCAD, most capital projects go through preliminary reviews by Finance and Planning & Development divisions and are then presented to the Aviation Director. The Aviation Director has final approval of the CIP before it is submitted to the Board. The CIP development process includes public hearings, as well as input from governmental entities for certain joint projects and project requests.

FLLAir Plan

The FLL Airport Improvements and Renovations Program (the "FLLAir Plan") is a comprehensive plan that was developed to address both airfield and terminal capacity issues. This plan includes a new 8,000-ft. parallel commercial service runway (Runway 10L/28R) to accommodate simultaneous aircraft approaches and departures, a voluntary noise mitigation program, land acquisitions, a new 14-gate domestic and international Concourse G, a new five-gate domestic and international Concourse A, renovations to the existing four terminals and six concourses, terminal connectors, a temporary terminal facility, in-line baggage systems, access roadway system improvements, rehabilitation of the north runway (Runway 10R/28L), security and other, infrastructure improvements and associated support facilities. The current estimated total cost of the CIP, which includes major components of the FLLAir Plan, is approximately $3.2 billion. A portion was financed with the proceeds of the County's Airport System Revenue Bonds, Series 2004L (the "Series 2004L Bonds"), the County's Airport System Revenue Bonds, Series 2004M, the Series 2012Q Bonds, the Series 2013 Bonds, and the Series 2015 Bonds. Proceeds from the Series 2004L Bonds and the Series 2012Q Bonds represented the first, and the Series 2013 Bonds and the Series 2015 Bonds represented the second and third of the series of bond issues, respectively, that funded a portion of the FLLAir Plan. The Series 2017 Bonds will be the fourth tranche of a total of six planned issuances through Fiscal Year 2020.

Portions of the Series 2017 Project require the approval of a majority in interest of Signatory Airlines pursuant to the Airline Agreements. The County received such approval in August 2017. In addition, such majority in interest approval also approved various other elements of the CIP, such that no further approvals by the Signatory Airlines will be required to finance the existing CIP in accordance with the Series 2017 Project described herein.

The following table describes the funding sources for the FLLAir Plan and the CIP.

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CIP Funding Sources
($ millions)

	Previous Bonds[1]	Series 2017A Bonds[1]	Additional Bonds[1]	Cash on-Hand	PFC Pay-As-You-Go	Grants	Total
Airfield							
South Runway Expansion	$ 769.2	$ 0.0	$ 0.0	$ 0.0	$ 41.9	$ 14.9	$ 826.0
Terminal 4 Ramp	53.0	17.9	0.0	0.0	0.0	12.6	83.5
North Runway Rehabilitation	0.0	0.0	0.0	0.0	52.0	20.0	72.0
Other Airfield Projects	14.4	0.0	14.9	8.5	15.5	7.1	60.4
Subtotal	**$ 836.6**	**$ 17.9**	**$ 14.9**	**$ 8.5**	**$109.4**	**$ 54.6**	**$1,041.9**
Terminal and Other Facilities							
Terminal 4	$ 297.8	$ 90.0	$ 2.2	$ 0.0	$ 0.0	$ 0.0	$ 390.0
Terminal Renovations	192.1	73.5	234.4	0.0	0.0	0.0	500.0
Concourse A	160.0	40.0	0.0	0.0	0.0	0.0	200.0
In-Line Baggage Systems	0.0	0.0	0.0	0.0	76.6	59.3	135.9
FIS Facility Expansion	27.6	62.4	25.0	0.0	0.0	0.0	115.0
Terminal Connectors	0.0	7.0	122.0	0.0	0.0	0.0	129.0
Gate Expansion	0.0	5.0	95.0	0.0	0.0	0.0	100.0
Other Terminal Projects	107.6	4.5	25.6	44.2	29.9	6.0	217.8
Subtotal	**$ 785.1**	**$ 282.4**	**$504.2**	**$44.2**	**$106.5**	**$ 65.3**	**$1,787.7**
Other							
Noise Mitigation	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 35.0	$140.0	$ 175.0
Security Projects	0.0	0.0	0.0	0.0	89.0	0.0	89.0
Airport Access Roadway System	10.0	0.0	0.0	0.0	50.0	50.0	110.0
Subtotal	**$ 10.0**	**$ 0.0**	**$ 0.0**	**$ 0.0**	**$174.0**	**$190.0**	**$ 374.0**
Total	**$1,631.7**	**$300.3**	**$519.1**	**$52.7**	**$389.9**	**$309.9**	**$3,203.6**

(1) Amounts shown represent bond proceeds currently and/or previously available to fund the CIP.

Major components of the FLLAir Plan and CIP are described below.

South Runway Expansion Project. The South Runway Expansion Project addressed existing and anticipated future airfield capacity and delay issues by increasing the annual practical capacity for airfield operations from 310,000 to 445,000, or a 44% increase. The South Runway Expansion Project enables FLL to continue its role in the region by addressing airfield capacity needs and reducing operational delays through the foreseeable future. The South Runway Expansion Project was completed and available for aircraft in September 2014 at an estimated final cost of $826.0 million.

North Runway Rehabilitation Project. The North Runway Rehabilitation Project seeks to rehabilitate Runway 10L-28R, (the "North Runway"), which is the primary runway at the Airport, the connectors north and south of the North Runway, the primary Taxiways A & B west of decommissioned Runway 13-31, Taxiway B8 and the engineered material arresting system beds at both ends of the Runway. The rehabilitation of the North Runway would ensure that the pavement is kept in good operational condition and would make the north airfield portion compliant to FAA standards. The rehabilitation of the North Runway will take place in 2019, following the completion of the noise mitigation program. The total estimated costs for this project is $72.0 million of which $20.0 million will be funded by State grant monies and $52.0 million is expected to be funded by Passenger Facility Charges on a pay-as-you go basis.

Terminal 4 Concourse G and Ramp. The Terminal 4 Concourse G and Ramp projects involve the construction of a 14-gate concourse (replacing the existing Concourse H) that will be approximately 160,000 square feet serving Terminal 4 and construction of new aircraft parking aprons. The total estimated cost of this project is $473.5 million, approximately $95.3 million of which was funded from proceeds of the Series 2004L Bonds and other available BCAD moneys and $150.4 million from proceeds of the Series 2013 Bonds, $105 million from proceeds of the Series 2015A Bonds, and $12.6 million from Federal grant monies. The remaining $110.1 million is expected to be funded from Additional Bonds, including $107.9 million from proceeds of the Series 2017 Bonds. Twelve of the 14 gates will be capable of processing both domestic and international arriving passengers. The passenger security checkpoint has been relocated and enlarged to provide additional capacity. Construction on the first phase of this project, which includes expansion on the west side of the existing Concourse H and the addition of six gates, was completed in 2015. Construction on the second phase, which includes expansion on the east side of the project with a further six gates, is expected to be completed by November 2017. The third phase, which includes the demolition of the existing Concourse H and construction of the final two gates and BCAD offices, is expected to be completed in early 2019.

Terminal Renovations. Renovations to all four terminals are projected to cost $500.0 million. These renovations will include new interior finishes, a new concessions program and improvements to the ticketing lobbies, passenger security checkpoints, restrooms, passenger hold rooms and baggage claim areas. A portion of the terminal renovations was funded with $5.4 million in proceeds of the Series 2004M Bonds, $54.0 million in proceeds of the Series 2012Q-2 Bonds, $8.0 million in proceeds of the Series 2013A Bonds, and $124.7 million in proceeds of the Series 2015A Bonds. The remaining $307.9 million is expected to be funded from Additional Bonds, including $73.5 million from proceeds of the Series 2017 Bonds.

Concourse A Project. The new Concourse A is the third concourse in Terminal 1. This new concourse is approximately 80,000 square feet (including 9,000 square feet of concession space) and consists of five gates that are capable of processing both domestic and international passengers. Concourse A has a dedicated Federal Inspection Services facility, where Customs and Border Protection is using a new "one stop" clearance procedure. The total estimated cost of the Concourse A project is $200 million. A portion of this project was funded with $40 million in proceeds of the Series 2013A Bonds and $120 million in proceeds of the Series 2015A Bonds, and the remaining $40 million of costs is expected to be funded from the Series 2017 Bonds. Substantial completion of the construction on this project was achieved and the facility became operational in July 2017.

In-line Baggage Systems. In-line baggage systems for Terminals 2, 3 and 4 are projected to cost $135.9 million in total. The County received grants for the systems totaling $59.3 million from the TSA. The remainder of the outlays for the in-line baggage systems are expected to be funded by Passenger Facilities Charges on a pay-as-you-go basis.

Federal Inspection Service ("FIS") Facility Expansion. The original facility was built in the 1980's with a design capacity of 300 passengers per hour. A moderate upgrade to the facility in 2007 increased the capacity to 800 passengers per hour. With projections for peak demand of 1,800 passengers per hour, the facility has to be both reconfigured and expanded in order to meet the demand. The building renovations include an additional 40,000 square feet for processing booths, queuing, and secondary inspection areas and to incorporate processing technology. The total estimated costs of this project is $115 million, approximately $2.6 million of which was funded from the proceeds of the Series 2013A Bonds, $25.0 million from the proceeds of the Series 2015A Bonds and the remaining $87.4 million is expected to be funded from Additional Bonds, including $62.4 million from the proceeds of the Series 2017 Bonds.

Terminal Connectors. This project will consist of a connector between Terminals 1 and 2 (700 feet long) and a connector between Terminals 2 and 3 (600 feet long). The connectors will give the airport additional facility flexibility in the near and long term. Additional goals include airside connectivity, an open and intuitive passenger flow, concessions exposure, additional airside and landside space and wayfinding. The total estimated cost for this project is $129.0 million of which $7.0 million is expected to be funded from the proceeds of Series 2017 Bonds, and remaining balance of $122.0 million from Additional Bonds.

Other Projects. Other FLL projects involve improvements to the terminal complex, north airfield rehabilitation and improvements, land acquisition, architectural and other professional services for the new Master Plan, customer service and administrative support systems. The total estimated cost of these projects is $278.2 million. A portion of these projects was funded from $17.3 million in proceeds of the Series 2004L Bonds, $63.1 million in proceeds of the Series 2012Q-2 Bonds, $8.0 million in proceeds of the Series 2013A Bonds and $33.6 million in proceeds of the Series 2015A Bonds. Additionally, a portion of the projects will be funded from $4.5 million in proceeds of the Series 2017 Bonds. The remaining $151.7 million is expected to be funded from a combination of Additional Bonds, federal and state grant moneys and other available BCAD moneys.

Noise Mitigation Program. The estimated cost of the noise mitigation program is $175.0 million. For those homes that qualify by virtue of being situated within the appropriate noise contours, this project includes acquisition and relocation, purchase assurance, sound proofing and avigation easements. FAA noise mitigation grants will fund approximately 80% of the cost of the program. The remainder of the noise mitigation program is expected to be funded by Passenger Facilities Charges on a pay-as-you go basis.

Security Projects. The security projects include perimeter security enhancement, closed-circuit television enhancements and an Integrated Security System project which includes an Access Control System, a Video Surveillance System, and Event Management Integration. The Integrated Security System project proposes to function as a comprehensive access control and video management system that will integrate alarm monitoring, credentialing and database management into a single event management platform. In total the projects have estimated cost of $89.0 million, which is expected to be funded by Passenger Facilities Charges on a pay-as-you go basis.

Airport Access Roadway System. This project includes improvements to the roadway system, which provides access to the airport, circulation around the four terminals, the Rental Car Center, the airport's three parking garages, and efficient egress to the interstate highway system. The project will address failing roadway service levels, congestion and circulation problems caused by inadequate accessibility and insufficient capacity. This will occur in a phased approach in order to take the Master Plan development into consideration. BCAD's planning and design efforts will start in fiscal year 2018 and will be completed as the Master Plan is approved. Construction activities will take place in a phased approach beginning in calendar year 2019. The total estimated cost for this project is $110.0 million of which $10.0 million was funded from the proceeds of the Series 2015B Bonds and the remaining $100 million is expected to be funded with State grant money and Passenger Facility Charges on a pay-as-you go basis.

SECURITY FOR THE SERIES 2017 BONDS

Limited Obligations

THE SERIES 2017 BONDS ARE NOT GENERAL OBLIGATIONS OF THE COUNTY BUT ARE LIMITED OBLIGATIONS OF THE COUNTY, PAYABLE FROM AND SECURED SOLELY BY THE FUNDS PLEDGED THEREFOR PURSUANT TO THE BOND RESOLUTION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF ARE PLEDGED TO THE PAYMENT OF THE SERIES 2017 BONDS. THE ISSUANCE OF THE SERIES 2017 BONDS WILL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR. THE SERIES 2017 BONDS WILL NOT CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE UPON ANY PROPERTY OF THE COUNTY OR ANY FUND OR ACCOUNT OF THE COUNTY, OTHER THAN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE BOND RESOLUTION.

Source of Payment and Security

The Series 2017 Bonds are payable and secured pursuant to the Bond Resolution on a parity with the Outstanding Parity Bonds and any Additional Bonds issued pursuant to the Bond Resolution, from: (a) the Net Revenues, (b) the County's rights to receive Net Revenues, and (c) the money and Investment Obligations in any and all of the funds and accounts established under the Bond Resolution (except any rebate fund or account and except for certain investment income excluded under the definition of Revenues in the Bond Resolution and as set forth under "- Net Revenues of the Airport System" below) and the income from such Investment Obligations and the investment of such moneys.

Passenger Facilities Charges are not pledged by the Bond Resolution as a source of security of or payment for the Bonds, except that Passenger Facilities Charges are irrevocably committed, as "Available Revenues," to the payment of debt service on a portion of the Series 2012P-2 Bonds and all of the Series 2012Q-1 Bonds, the Series 2013C Bonds and the Series 2015C Bonds through Fiscal Year ending September 30, 2023, in an amount (together with Available Grant Revenues, in the case of the Series 2013C Bonds through the Fiscal Year ending September 30, 2019) for each such Fiscal Year as set forth in the certificates delivered by the County Administrator. It is currently the County's intention to use Passenger Facilities Charges to pay all or a portion of the aforementioned Bonds subsequent to the commitment periods described above. Such intention, however, shall not constitute a legal obligation of the County to use Passenger Facilities Charges to pay debt service on such Bonds subsequent to the above-described commitment periods. Further, in addition to the irrevocable commitment of Available PFC Revenues, pursuant to the Bond Resolution, Available Grant Revenues have been irrevocably committed to pay debt service on the Series 2013C Bonds through Fiscal Year 2019. While the County plans to use Passenger Facilities Charges in years subsequent to the Fiscal Year ending September 30, 2023 to pay debt service on the Series 2015C Bonds, the County has not irrevocably committed to do so. See "SERIES 2017 PROJECT" and "SECURITY FOR THE SERIES 2017 BONDS - Use of Passenger Facilities Charges to Pay Debt Service" herein.

Net Revenues of the Airport System

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

"Revenues" for such period, defined as (a) all income, receipts, earnings and revenues received by or accrued to the County from the operation and use of, and for the services furnished or to be furnished at, the Airport System, all income, receipts, earnings and revenues received by or accrued to the County from the ownership and rental of the Airport System and properties financed by Subordinated Debt, (b) any proceeds of business interruption insurance, (c) all income, receipts and earnings from investment moneys held by or on behalf of the County in any Funds and Accounts established by the Bond Resolution and income and gains realized upon maturity or sale of securities held by or on behalf of the County in such Funds and Accounts, except for investment earnings, income or realized gains on or from (i) moneys deposited in escrow or trust to defease Bonds, (ii) any Capitalized Interest deposited in the Bond Fund or any account within the Construction Fund unless otherwise provided in the corresponding Series Resolution, (iii) moneys deposited in any account within the Construction Fund unless otherwise provided in the corresponding Series Resolution, (iv) moneys deposited in any rebate fund or account therein, and (v) moneys deposited in any account established pursuant to Section 518 of the Bond Resolution relating to Available Revenues, including moneys deposited in the Available Grant Account and Available PFC Account, unless otherwise provided in the corresponding Series Resolution or other resolution duly adopted by the Board, and (d) amounts received by the County from any Person, including, without limitation, the federal or state government, as reimbursement of Current Expenses or other costs paid by the County under a contractual or other arrangement between the County and such Person. Specifically excluded from the definition of Revenues are (i) any grants, contributions or donations otherwise included in the definition of "Revenues" which are restricted by their terms to purposes inconsistent with the payment of Current Expenses or the payment of Bonds or Subordinated Debt, (ii) proceeds from the sale and disposition of the Airport System, (iii) income from the operation of Special Purpose Facilities and other facilities to which reference is made in Section 715 and 717 of the Bond Resolution for so long as such facilities are not part of the Airport System, (iv) to the extent and for so long as such income is pledged to secure the financing for the same, rental income from the leasing of any land used in connection with, or income from the operation of, any facilities to which reference is made in Sections 715 and 717 of the Bond Resolution, (v) any unrealized gains on securities held for investment by or on behalf of the County in any Funds and Accounts established by the Bond Resolution, (vi) any proceeds of insurance other than business interruption insurance as mentioned above, (vii) the proceeds of any borrowing, (viii) any Transfers (as defined below), (ix) cash subsidy payments or other similar payments made or expected to be made by the United States Treasury or other federal or state governmental entity to or on behalf of the County for the payment of all or any portion of the interest or principal due or coming due on Bonds, except to the extent otherwise provided in the Series Resolution corresponding to a Series of Bonds, (x) any gains resulting from changes in valuation of any Interest Rate Swap, (xi) any Passenger Facilities Charges, except to the extent that Passenger Facilities Charges are expressly included as "Revenues" for one or more Series of Bonds pursuant to the corresponding Series Resolution or other resolution duly adopted by the Board, (xii) any Grant Funds except to the extent that Grant Funds are expressly included as "Revenues" for one or more Series of Bonds pursuant to the corresponding Series Resolution or other resolution duly adopted by the Board and (xiii) any other income revenue source described in clause (ii) of the definition of "Available Revenues" contained in Article I of the Bond Resolution, except to the extent that such other income or revenue source is expressly included as "Revenues" for one or more Series of Bonds pursuant to the corresponding Series Resolution or other resolution duly adopted by the Board

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"Current Expenses" for such period, defined as the County's current expenses for the operation, maintenance and repair of the Airport System as determined in accordance with generally accepted accounting principles ("GAAP"), including, without limiting the generality of the foregoing, all ordinary and usual expenses of operation, maintenance and repair, administrative expenses, salaries, payments to any retirement plan or plans properly chargeable to the Airport System, insurance expenses, engineering expenses relating to the operation, maintenance, or repair of the Airport System, taxes imposed by any governmental authority on the Airport System or its operations, fees and expenses of the Trustee and the Paying Agents, legal expenses, fees of consultants, and any other expenses required to be paid by the County under the Bond Resolution (including, without limitation, a Series Resolution) or by law; but Current Expenses shall not include any allowance for amortization, depreciation or obsolescence of the Airport System, any extraordinary items arising from the early extinguishment of debt, charges for the payment of principal, redemption price, purchase price, interest or other payments on any Bonds or Subordinated Debt or in respect of capital leases, any costs, or charges made therefor, for capital additions, replacements, betterments, extensions or improvements to the Airport System which under generally accepted accounting principles are properly chargeable to a capital account or a reserve for depreciation, any losses from the sale, abandonment, reclassification, revaluation or other disposition of any Airport System properties, any deposits to any Fund or Account created under the Bond Resolution or any loss resulting from changes in valuation of any Interest Rate Swap.

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

For purposes of the definition of "Revenues" under the Bond Resolution, "Transfer" means any transfer of money from the General Purposes Account to the Revenue Account pursuant to clause (5) of the second paragraph of Section 510 of the Bond Resolution.

Use of Passenger Facilities Charges to Pay Debt Service

The Bond Resolution provides that if Passenger Facilities Charges are irrevocably committed for deposit to the Available PFC Account held pursuant to the Bond Resolution, or are deposited with the Trustee and are set aside exclusively to be used to pay Principal and Interest Requirements on a Series of Bonds or any portion thereof, then such Principal and Interest Requirements to be paid by such Available PFC Revenues or other Available Revenues, shall be disregarded and not included (unless such Passenger Facilities Charges, state and/or federal grants or other moneys are included in the definition of "Revenues") in calculating the amounts required to be deposited in the Interest Account, the Principal Account and the Sinking Fund Account for purposes of the Additional Bonds tests and rate covenant of the Bond Resolution. The County has irrevocably committed to: (i) use Available PFC Revenues and to pay the full amount of principal of and interest due and payable on the Series 2015C Bonds in each Fiscal Year through Fiscal Year ending September 30, 2023; (ii) use Available PFC Revenues and Available Grant Revenues to pay the full amount of principal of and interest due and payable on the Series 2013C Bonds in each Fiscal Year through the Fiscal Year ending September 30, 2019 and use Available PFC Revenues in each Fiscal Year through the Fiscal Year ending September 30, 2023; (iii) use Available PFC Revenues to pay the full amount of principal of and interest due and payable on the Series 2012Q-1 Bonds in each Fiscal Year through the Fiscal Year ending September 30, 2023; and (iv) use Available PFC Revenues to pay a portion of the principal of and interest due and payable on the

Series 2012P-2 Bonds in each Fiscal Year through the Fiscal Year ending September 30, 2023. It is currently the County's intention to use Passenger Facilities Charges to pay all or a portion of the aforementioned Bonds subsequent to the commitment periods described above. Such intention, however, shall not constitute a legal obligation of the County to use Passenger Facilities Charges to pay debt service on such Bonds subsequent to the above-described commitment periods. The Bonds described above do not have priority as to payment from Available PFC Revenues among themselves or among any other Bonds issued by the County that are payable from Available PFC Revenues. The County may use uncommitted Passenger Facilities Charges from prior Fiscal Years to fund the commitments described above in subsequent Fiscal Years. See "PASSENGER FACILITIES CHARGES" herein.

Use of Federal and State Grant Moneys to Pay Debt Service

The County has irrevocably committed to use Available Grant Revenues, together with Available PFC Revenues, to pay the full amount of principal of and interest due and payable on the Series 2013C Bonds in each Fiscal Year through Fiscal Year 2019, as described above. To the extent legally permitted, any federal and state grant moneys deposited in the Available Grant Account to be deposited by the Trustee to the Interest Account, Principal Account and/or Sinking Fund Account of the Bond Fund to pay a portion of the Principal and Interest Requirements on the Series 2013C Bonds would be utilized to pay the Series 2013C Bonds allocable to projects eligible to be funded with such federal and state grant moneys. See "FEDERAL AND STATE GRANTS" herein.

Rate Covenant

The County has covenanted in the Bond Resolution that it will, while any of the Bonds remain Outstanding, fix, charge and collect rates, fees, rentals and charges in connection with the ownership and operation of the Airport System and for services rendered in connection therewith, and will revise such rates, fees, rentals and charges as often as may be necessary or appropriate, so that Net Revenues plus any Transfer in each Fiscal Year will be at least equal to 100% of the aggregate amount required to be applied and/or deposited by the County pursuant to the Bond Resolution during such Fiscal Year, as described under "- Flow of Funds" below.

The County has further agreed that it will fix, charge and collect rates, fees, rentals and charges in connection with the ownership and operation of the Airport System and for services rendered in connection therewith and will revise such rates, fees, rentals and charges as often as may be necessary or appropriate, so that for each Fiscal Year the Net Revenues plus any Transfer for such Fiscal Year will be equal to at least 125% of Principal and Interest Requirements on all Outstanding Bonds for such Fiscal Year.

The County covenants that if Net Revenues plus any Transfer in any Fiscal Year are less than the amount specified in the first paragraph above, or that if Net Revenues together with any Transfer in any Fiscal Year are less than the amount specified in the immediately preceding paragraph, the County will retain and direct an Airport Consultant to make recommendations as to the revision of the County's business operations and its schedule of rates, fees, rentals and charges for the use of the Airport System and for services rendered by the County in connection with the Airport System. After receiving such recommendations, the County has covenanted that it will, subject to applicable requirements or restrictions imposed by law, and subject to a good faith determination of the Board that such recommendations, in whole or in part, are in the best interests of the County, take all lawful measures to comply with the recommendations of the Airport Consultant as to revisions of the County's business operations and schedule of rates, fees, rentals and charges as may be necessary to produce Net Revenues, together with any Transfer, in the amounts specified in the first two paragraphs above in the next Fiscal Year.

In the event that Net Revenues together with any Transfer for any Fiscal Year (referred to in this paragraph as "Fiscal Year One") are less than the amount specified in the first two paragraphs above but, prior to or during the next succeeding Fiscal Year (referred to in this paragraph as "Fiscal Year Two"), the County has taken all lawful measures to comply with the recommendations of the Airport Consultant as to revisions of the County's business operations and schedule of rates, fees, rentals and charges as required by this paragraph such deficiency in Net Revenues for Fiscal Year One will not constitute an Event of Default under the Bond Resolution. Nevertheless, even if such measures required to revise the schedule of rates, fees, rentals and charges have been taken by the County, in the event the Net Revenues in Fiscal Year Two (as evidenced by the audited financial statements of the County for such Fiscal Year), together with any Transfer, are less than the amounts specified in subsection (a) or (b) of this Section, such deficiency in Net Revenues for Fiscal Year Two, as the second successive year of deficiencies in Net Revenues, will, with the applicable notice, constitute an Event of Default under the Bond Resolution.

The County shall file with the Trustee within one hundred twenty (120) days after the end of each Fiscal Year a calculation or other evidence from the Aviation Director and the Chief Financial Officer or an Accountant demonstrating compliance (or non-compliance) with the coverage requirements of the Bond Resolution.

In any event, the Airline Agreements, contracts, leases and other agreements for the use of the Airport System in effect on the date of the issuance of the Series 2017 Bonds will not be subject to revision for purposes of compliance with the rate covenant provisions of the Bond Resolution except in accordance with their terms. See "FORMS OF THE AIRLINE AGREEMENTS," included as APPENDIX E hereto.

Airline Agreements

The County has entered into the Use Agreements and the Terminal Lease Agreements (collectively, the "Airline Agreements") with the Signatory Airlines. See "THE AIRPORT AIR TRADE AREA AND OPERATING STATISTICS - Airline Service Activity" for a complete list. All of the current nine Signatory Airlines have signed new or extended Airline Agreements that expire at midnight on September 30, 2026. Independent of the expiration or termination of the Airline Agreements, the County's obligation to meet the rate covenant remains so long as any Bonds are outstanding.

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

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

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

Flow of Funds

In accordance with the Bond Resolution, the County established two funds, the Broward County Aviation Fund (the "Aviation Fund") and the Broward County Airport Bond Fund (the "Bond Fund"). The Aviation Fund consists of four special accounts - the Revenue Account, the Renewal and Replacement Account, the Improvements Account, and the General Purposes Account. The Bond Fund consists of six special accounts - the Interest Account, the Principal Account, the Sinking Fund Account, the Reserve Account, the Redemption Account, and the Insurance and Condemnation Award Account. The Aviation Fund and the accounts therein are established with and held by a Depository selected by the County. The Bond Fund and the accounts therein are established with and held by the Trustee. Moneys in the funds and accounts established under the Bond Resolution are held in trust and applied as provided therein and, pending application, are subject to a lien and charge in favor of holders of Outstanding Bonds, as and to the extent provided in the Bond Resolution.

All Revenues (which exclude, among other things, Passenger Facilities Charges, Federal grants, and State grants) received are deposited into the Revenue Account, except for deposits into the Insurance and Condemnation Award Account. The County may make Transfers to the Revenue Account. The County may also deposit other moneys in the Revenue Account as approved by the Board.

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

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

(b) *Interest Account.* Pay interest on Outstanding Bonds. In addition to Revenues, Available PFC Revenues and Available Grant Revenues will be transferred from the Available PFC Account and the Available Grant Account to the Interest Account to pay interest on the Bonds payable from such Revenues, as described under the subheadings "- Use of Passenger Facilities Charges to Pay Debt Service" and "- Use of Federal and State Grants to Pay Debt Service" herein.

(c) *Principal Account.* Pay principal on Outstanding Bonds. In addition to Revenues, Available PFC Revenues and Available Grant Revenues will be transferred from the Available PFC Account and the Available Grant Account to the Principal Account to pay principal on the Bonds payable from such Revenues, as described under the subheadings "- Use of Passenger Facilities Charges to Pay Debt Service" and "- Use of Federal and State Grants to Pay Debt Service" herein.

(d) *Sinking Fund Account.* Pay for the retirement, purchase, or payment of Term Bonds.

(e) *Reserve Account.* Retain an amount equal to the Reserve Requirement on Outstanding Bonds.

(f) *Subordinated Debt Trustee or Paying Agent.* Pay the principal and interest becoming due in the next succeeding month on any Subordinated Debt in the manner set forth in any Subordinated Debt Issuing Instrument.

(g) *Subordinated Debt Service Reserve Account.* Retain an amount equal to the reserve requirement as provided in the applicable Subordinated Debt Issuing Instrument.

(h) *Renewal and Replacement Account.* Deposit and retain the Renewal and Replacement Requirement to pay for unusual or extraordinary renewals and replacements of the Airport System, including related engineering and other expenses.

(i) *Improvements Account.* Deposit and use the Improvements Appropriation each Fiscal Year to pay the cost of additions, extensions, and improvements to and enlargements, renewals, and replacements of the Airport System, including related engineering and other expenses.

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

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

Reserve Account

The Reserve Requirement as to each Series of Bonds, unless otherwise provided with respect to a particular Series of Bonds in the corresponding Series Resolution therefor, is the lesser of (i) maximum Principal and Interest Requirements in the current or any subsequent Fiscal Year for all Series of Bonds secured by the Reserve Account, (ii) 125% of the average annual Principal and Interest Requirements for all Series of Bonds secured by the Reserve Account, or (iii) 10% of the initial offering price to the public (as determined under the Code) for all Series of Bonds secured by the Reserve Account.

The Bond Resolution provides that (a) all Series of Bonds shall be secured by the Reserve Account unless the Series Resolution for a particular Series of Bonds expressly provides that such Series of Bonds is not to be secured by the Reserve Account, (b) as to any one or more Series of Bonds the Reserve Requirement may be such lesser amount as the County may establish in the Series Resolution authorizing such Series of Bonds, which Series Resolution may also provide that no Reserve Requirement shall be established for any specific Series of Bonds and, in that case, such Series of Bonds shall not be secured by the Reserve Account or any subaccount established therein, (c) if a lesser Reserve Requirement is established for one or more Series of Bonds, then one or more separate subaccounts within the Reserve Account shall be established solely for such Series of Bonds and such Series of Bonds shall not be secured by any other amounts in the Reserve Account or by any other subaccount in the Reserve Account established for such Series of Bonds; provided further, however, that two or more Series of Bonds whether issued at the same or different time may be secured by the same subaccount so long as the Reserve Account Requirement for each such Series of Bonds is calculated in the same manner, and (d) in computing the Reserve Requirement under clauses (i), (ii) and (iii) above for all Series of Bonds secured by the Reserve Account any Series of Bonds secured by separate subaccounts in the Reserve Account shall be disregarded and the Reserve Requirement for such Series of Bonds secured by separate subaccounts in the Reserve Account shall be computed separately for each subaccount. In determining the Reserve Requirement, if any, with respect to any Variable Rate Bonds, the interest rate on such Bonds for any period as to which such interest rate has not been established shall be assumed to be such rate as set forth or provided for in the Series Resolution relating to such Series of Variable Rate Bonds

Upon issuance of the Series 2017 Bonds, the Reserve Requirement for the Series 2017 Bonds and the Outstanding Parity Bonds shall be $150,678,454.20. As of November 3, 2017, there was on deposit in the Reserve Account cash and investments in an amount equal to $133,848,562.65 and a Reserve Product (the "2001 Reserve Product") issued by Ambac Assurance Corporation ("Ambac Assurance") in a face amount equal to $14,918,500 in connection with and related to the Series 2001J-2 Bonds. The 2001 Reserve Product shall terminate on the earlier of October 1, 2021 (the maturity date of the Series 2001J-2 Bonds) or the retirement or defeasance of the Series 2001J-2 Bonds. $8,952,190.94 of proceeds of the Series 2017 Bonds will be deposited in the Reserve Account at the time of issuance of the Series 2017 Bonds.

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

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

Additional Bonds

One or more Series of Additional Bonds may be issued under and secured by the Bond Resolution at one time or from time to time, subject to the conditions hereinafter provided, for the purpose of providing funds to (a) pay all or any part of the Cost of any Additional Facilities, (b) pay any debt obligations issued by the County, or repay any advances made from any source, to finance temporarily such Cost, (c) increase the amount on deposit in the Reserve Account, (d) pay interest accruing on the Additional Bonds as specified in the Series Resolution relating thereto, and (e) pay certain expenses incurred in connection with the issuance of the Additional Bonds. Except as to any difference in the rate or rates of interest, the maturities, the provisions for redemption, or the Reserve Requirement, if any, each Series of Bonds issued under the Bond Resolution shall be on a parity with and shall be entitled to the same benefit and security of the Bond Resolution as all other Bonds issued under the Bond Resolution.

Additional Bonds for Additional Facilities. Prior to or simultaneously with the delivery of any Additional Bonds issued to pay the cost of Additional Facilities, there must be obtained and filed with the County various certificates and statements, including particularly evidence that (i) the Aviation Director and the Chief Financial Officer have provided the Trustee a certificate stating that Net Revenues plus any Transfer for either the most recent Fiscal Year for which audited financial statements of the Airport System are available or any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the month of issuance of the proposed Additional Bonds were sufficient to satisfy the rate covenant described under "- Rate Covenant" herein for each of the next five full Fiscal Years following the issuance of the Additional Bonds, or each of the next two full Fiscal Years from the issuance of the Additional Bonds during which there is no Capitalized Interest, whichever is later, including the Principal and Interest Requirements during such Fiscal Years on such proposed Additional Bonds; or (ii) an Airport Consultant has provided to the Trustee a certificate stating that, based upon assumptions the Airport Consultant signing the certificate deems reasonable, projected Net Revenues plus Transfers will be sufficient to satisfy the rate covenant described under "- Rate Covenant" herein for each of the next five full Fiscal Years following issuance of the Additional Bonds, or each of the next two full Fiscal Years from issuance of the Additional Bonds during which there is no Capitalized Interest, whichever is later, including the Principal and Interest Requirements during such Fiscal Years on such proposed Additional Bonds.

For purposes of clause (i) above, the County shall be allowed to adjust Net Revenues for earnings arising from any increase in the rates, charges and fees for the use of the Airport System which has become effective prior to the issuance of such proposed Additional Bonds but which, during the Fiscal Year or 12-month period utilized by the County for purposes of clause (i) above, was not in effect for the entire Fiscal Year or 12-month period under consideration, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in rates, charges and fees had been in effect during the whole Fiscal Year or 12-month period under consideration, as determined by the Aviation Director and the Chief Financial Officer.

For purposes of clause (ii) above, in estimating Net Revenues, the Person signing the certificate required by such clause may take into account (1) Revenues from new Airport System facilities or other new capital improvements reasonably expected to become available during the period for which the estimates are provided, (2) any increase in fees, rates, charges, rentals or other sources of Revenues which has been approved by the Board and will be in effect during the period for which the estimates are provided or (3) any other increases in Revenues which the Person signing the certificate believes to be a reasonable assumption for such period. With respect to Current Expenses of the County, the Person signing the certificate required by clause (ii) above shall use such assumptions as such Person believes to be reasonable, taking into account: (i) historical Current Expenses of the County, (ii) Current Expenses associated with the capital improvements to be funded with the proceeds of the Additional Bonds proposed to be issued and any other new capital improvements and Airport System facilities and (iii) such other factors, including inflation and changing operations or policies of the County, as the Person signing such certificate believes to be appropriate. The Person signing the certificate required by clause (ii) above shall include in such certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Net Revenues and shall also set forth the calculations of Principal and Interest Requirements, which calculations may be based upon information provided by the County.

The Series 2017 Bonds are being issued as Additional Bonds for Additional Facilities.

Additional Bonds for Completion Purposes. If and to the extent necessary (as shown by the documents described in Section 210 of the Bond Resolution) to provide additional funds for completing the payment of the Cost of the Project or any Additional Facilities, one or more Series of Additional Bonds may be issued under and secured by the Bond Resolution, at one time or from time to time, in an amount, together with any other available funds, sufficient to (a) complete payment of such Cost, (b) pay any debt obligations issued by the County or repay any advances made from any source, to finance temporarily such Cost, (c) increase the amount on deposit in the Reserve Account, (d) pay interest accruing on the Additional Bonds as specified in the Series Resolution relating thereto, and (e) pay certain expenses incurred in connection with the issuance of the Additional Bonds. Except as to any difference in the rate or rates of interest, the maturities, the provisions for redemption, or the Reserve Requirement, if any, each Series of Bonds issued for completion purposes as described in this paragraph shall be on a parity with, and shall be entitled to the same benefit and security of the Bond Resolution as, all other Bonds issued under the Bond Resolution. There is no revenue test for Additional Bonds issued for completion purposes.

Additional Bonds for Refunding Purposes. Additional Bonds may be issued under and secured by the Bond Resolution, at one time or from time to time, subject to the conditions described in this paragraph, for the purpose of providing funds for paying at maturity or redeeming prior to maturity all or any part of the Outstanding Bonds of any one or more Series, including the payment of any redemption premium thereon and any interest that will accrue on such Bonds to the redemption date or stated maturity dates and any expenses incurred in connection with such refunding. Except as to any difference in the maturities thereof or the rate or rates of interest, the maturities, the provisions for redemption, or the Reserve Requirement, if any, each series of Bonds issued for refunding purposes shall be on a parity with and shall be entitled to the same benefits and security under the Bond Resolution as all other then Outstanding Bonds issued under the Bond Resolution.

Prior to the issuance of Refunding Bonds, there shall be deposited with the Trustee, among other certificates and requirements, a certificate of the Aviation Director and the Chief Financial Officer stating that, assuming the issuance of such Additional Bonds and the refunding of the Bonds to be refunded, the Principal and Interest Requirements for the Additional Bonds proposed to be issued in each Fiscal Year through the last Fiscal Year in which the Bonds to be refunded would otherwise be Outstanding are not more than one hundred five percent (105%) of the Principal and Interest Requirements which would be due in each such year for the Outstanding Bonds to be refunded if such refunding did not occur. If such requirements cannot be met, then the requirements of the revenue test described in clause (i) or (ii) above under "Additional Bonds - Additional Bonds for Additional Facilities" must be met.

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

Indebtedness other than Bonds

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

Subordinated Debt. The County may incur and issue Subordinated Debt for any lawful airport or aviation-related purpose permitted by law, except for Special Purpose Facilities described in the Bond Resolution, if: (a) the County adopts a resolution authorizing the issuance of any such Subordinated Debt, setting forth the amount and details thereof and approving the execution and delivery of any corresponding Subordinated Debt Issuing Instrument; (b) Subordinated Debt may consist of bonds, notes or other debt instruments issued or otherwise entered into by the County, must rank junior and subordinate to the Bonds issued and outstanding under the Bond Resolution and may be paid from moneys constituting Net Revenues only if all amounts of principal and interest which have become due and payable on the Bonds whether by maturity, redemption or acceleration have been paid in full and the County is current on all payments, if any, required to be made to replenish the Reserve Account and any separate sub-accounts therein. In all cases Subordinated Debt shall be secured on a junior and subordinate basis to the Bonds by the pledge of the Net Revenues or shall be secured by assets that are not Net Revenues or shall be unsecured. No Bond, note or other instrument of indebtedness shall be deemed to be "Subordinated Debt" for purposes of the Bond Resolution and payable on a subordinated basis from Net Revenues unless specifically designated by the County as a "Subordinated Debt" in the authorizing resolution and Subordinated Debt Issuing Instrument; (c) the principal of, the premium, if any, and interest on any such Subordinated Debt is payable as a whole or in part solely from the proceeds of other Subordinated Debt, Additional Bonds, Net Revenues transferred to the Subordinated Debt Trustee pursuant to the Bond Resolution, any money available therefor in the General Purposes Account, or from any other legally available source, provided that such Subordinated Debt shall be payable from Additional Bonds only to the extent such indebtedness was issued for any purpose for which Additional Bonds may be issued under the Bond Resolution; except for payments from the proceeds of Additional Bonds, Net Revenues transferred to the Subordinated Debt Trustee pursuant to the provisions of the Bond Resolution, and the General Purposes Account, no money in any other fund or account created pursuant to the Bond Resolution shall be used to pay the principal of, or the interest or premium, if any, on any Subordinated Debt; and (d) simultaneously with the delivery of any payment for any such Subordinated Debt there shall be filed with the Trustee a certificate of the Finance Director of the County stating that no Default has occurred and is continuing under the Bond Resolution, or if any Default then exists, that the proceeds of such Subordinated Debt will be applied to cure the same.

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

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

Disposition of Airport System Property and Facilities

The County may sell or dispose of any machinery, fixtures, apparatus, tools, instruments, other movable property and materials that it determines are no longer needed or useful in connection with the construction or maintenance of the properties constituting the Airport System or the operation of the Airport System if it also determines that the sale or disposal will not impair the revenue-producing capability or the operating efficiency of the Airport System. The County has the right to demolish or remove any real property and structures existing as part of the Airport System and not replace the same if the Board determines that such removal or demolition does not impair the operating efficiency or the revenue-producing capability of the Airport System. Subject to certain conditions, the County may also demolish and remove real property and structures from the Airport System if it determines that such property or structure is inadequate, unsuitable or unnecessary.

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

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SELECTED FINANCIAL INFORMATION AND MANAGEMENT ANALYSIS

The following discussion and analysis of BCAD's financial performance provides an overview of the financial activities of the Airport and North Perry. The financial activity of North Perry, a small general aviation airport, is immaterial, but together the two airports make up the financial activity regarding the Airport System for the five Fiscal Years ended September 30, 2012 through September 30, 2016 and the nine-month periods ended June 30, 2017 and June 30, 2016.

The financial information was derived, in part, from the Broward County Aviation Department Special Purpose Financial Statements for the Fiscal Years ended September 30, 2016, 2015, 2014, 2013 and 2012 (collectively, the "Financial Statements"). The Financial Statements were prepared according to GAAP in compliance with Governmental Accounting Standards Board Statement No. 34. The financial summary information presented herein is consistent with the Aviation Fund financial information presented in the Financial Statements for each Fiscal Year, as restated. The nine-month information for the periods ended June 30, 2017 and June 30, 2016, respectively, has been derived from BCAD books and records and is unaudited.

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Summary of Revenues and Expenses
($000s)

	Nine Months Ended June 30 (unaudited)		Fiscal Years Ended September 30 (audited)				
	2017 [1]	2016 [1]	2016	2015	2014	2013	2012
Operating Revenues:							
Airline Revenues	$ 58,296	$ 43,237	$ 67,168	$ 60,398	$ 53,577	$ 48,748	$ 48,362
Rental Cars	51,190	52,548	66,583	63,864	58,982	56,103	55,158
Parking	35,402	35,457	47,554	44,221	41,775	40,765	39,661
Concessions	28,513	25,260	33,370	27,379	24,545	23,599	22,730
General Aviation and Fixed Based Operators	4,548	4,734	6,532	7,169	6,351	6,473	6,480
Non-airline Terminal Rent and Other Rents	4,057	3,343	4,448	4,851	3,927	4,130	4,411
North Perry Airport	1,049	1,068	1,343	1,259	1,276	1,167	1,035
Cargo	1,670	1,058	1,840	2,164	1,757	1,970	1,743
Miscellaneous Operating Revenues	1,420	1,908	3,238	2,635	2,258	2,503	2,703
Total Operating Revenues	$ 186,145	$ 168,613	$ 232,076	$ 213,940	$ 194,448	$ 185,458	$ 182,283
Operating Expenses:							
Salaries, Wages and Benefits	$ 29,603	$ 26,938	$ 36,719	$ 32,874	$ 32,631	$ 32,586	$ 30,922
Contractual Services	38,569	30,381	45,232	43,110	40,367	39,881	36,030
Law Enforcement and Fire Rescue	22,066	21,085	28,300	27,619	25,590	25,204	24,953
Other	25,451	25,308	31,639	31,803	29,347	27,989	27,643
Operating Expenses before Depreciation	$ 115,689	$ 103,712	$ 141,890	$ 135,406	$ 127,935	$ 125,660	$ 119,548
Depreciation	68,533	59,203	87,777	67,908	60,052	59,047	56,275
Total Operating Expenses	$ 184,222	$ 162,915	$ 229,667	$ 203,314	$ 187,987	$ 184,707	$ 175,823
Operating Income	$ 1,923	$ 5,698	$ 2,409	$ 10,626	$ 6,461	$ 751	$ 6,460
Non-Operating Revenues (Expenses):							
Passenger Facilities Charges	$ 49,987	$ 45,235	$ 59,529	$ 54,606	$ 48,872	$ 48,642	$ 48,283
Interest Income	3,975	1,701	6,893	6,906	3,259	1,444	2,204
Interest Expense	(49,480)	(51,420)	(54,926)	(56,129)	(57,338)	(49,054)	(31,753)
Capital Assets Contributions			(7,195)	(15,900)			
Other	2,500	(2,978)	(2,894)	38	(2,777)	4,434	(9,382)
Total Non-Operating Revenues (Expenses)	$ 6,982	$ (7,462)	$ 1,407	$ (10,555)	$ (7,984)	$ 2,466	$ 9,352
Income Before Contributions and Transfers	$ 8,905	$ (1,764)	$ 3,816	$ 71	$ (1,523)	$ 3,217	$ 15,812
Capital Contributions	$ 25,774	$ 62,496	$ 98,881	$ 67,269	$ 91,551	$ 61,225	$ 62,747
Transfers Out				$ (5,160)			
Increase in Net Position	$ 34,679	$ 60,732	$ 102,697	$ 62,180	$ 90,028	$ 64,442	$ 78,559

Source: Broward County Aviation Department.
[1] Prepared in accordance with GAAP.
[2] Fiscal Year 2012 has been restated due to the implementation of GASB Statement No. 65 in Fiscal Year 2013.

Financial Overview and Highlights

The Airport experienced strong passenger growth of 22.2% from Fiscal Year 2012 through Fiscal Year 2016, with FY 2015 and FY 2016 enjoying growth of 9.9% and 8.6%, respectively. Non-airline revenue exceeded the passenger growth over this time period, growing at 23.1%. Airline revenue grew at 38.9% over this time period in accordance with the residual rate making formula in the Airline Agreements, reflecting increasing debt service and operating expense as new facilities are brought on-line, and additional operating expenses to accommodate the growth in passengers. The airline cost per enplaned passenger remained below the average for large hub airports.

For the nine months ended June 30, 2017, operating revenues were up $17.5 million or 10.4% compared to the same period last year. Of this, $15.1 million relates to airline revenues, which, in accordance with the residual rate making formula in the Airline Agreements, are expected to be higher in Fiscal Year 2017 due to debt service and operating expenses from the terminal projects. These terminal projects helped to facilitate a 10.1% increase in enplanements. Non-airline revenue for this nine month period increased 2.0% over Fiscal Year 2016 as rental car revenue declined and parking revenues were flat. The lack of growth in these major revenue categories is mainly attributable to changes in passenger behavior; greater ride sharing which helped increase concession revenue, but not enough to over-come the decrease in rental car revenue. Other airports are seeing similar trends. Concession revenues grew by 12.9% over this period, exceeding the passenger growth as new and remodeled concessions came on line, a trend that is expected to continue into Fiscal Year 2018.

Operating expenses before depreciation increased $22.3 million or 18.7% from $119.5 million in Fiscal Year 2012 to $141.9 million in Fiscal Year 2016. The greatest expense growth in this time period was in contractual services at 25.5%. This reflects expenses necessary to support the growth in passengers, including additional contracted security to manage the terminal roadway operation, additional janitorial and facilities maintenance contracting, additional shuttle bus operations to accommodate the growth in passengers, and additional parking management expenses to optimize the parking facilities. Salaries and related expenses increased 18.7% over this time period reflecting additional positions to manage the increased activity, and the Airport expansion and modernization programs. Operating expenses for the first nine months of Fiscal Year 2017 are $12.0 million or 11.5% higher than the first nine months of Fiscal Year 2016, mainly due to increased contractual services. These services include increases shuttle bus operations as a result of relocating the employee parking area from the Cypress parking garage to the former economy parking lot. This relocation was necessary as the growth in employees exceeded the spaces available in the garage, and this relocation had the added benefit of making more close-in premium spaces available for public parking. Increased custodial janitorial costs related to the growth in passengers and additional space further contributed to the year over year growth in contractual services expense.

Operating income (before depreciation) increased by 43.8% to $90.2 million in Fiscal Year 2016 from $62.7 million in Fiscal Year 2012. This was derived from a 27.3% growth in revenues offset by an 18.7% growth in expenses before depreciation. Depreciation expense increased 56.0% during the last five years due to the completion of major capital projects.

Non-operating revenues (net of non-operating expenses) decreased significantly during the five-year period from Fiscal Year 2012 through Fiscal Year 2016 from net non-operating revenues of $9.6 million to net non-operating expenses of $1.4 million. This is primarily due to an increase in interest expense for bonds issued for the capital program, which was partially offset by increased PFC Revenues.

BCAD's financial position remains strong at June 30, 2017 with a net position of $1.5 billion. Total assets on such date were $3.6 billion, of which $2.8 billion represented capital assets, net of accumulated depreciation. Unrestricted cash and cash equivalents and investments were $161.5 million representing approximately 364 days of cash on hand. Total liabilities were $2.1 billion of which $2.0 billion related to revenue bonds payable, net of discount and premiums.

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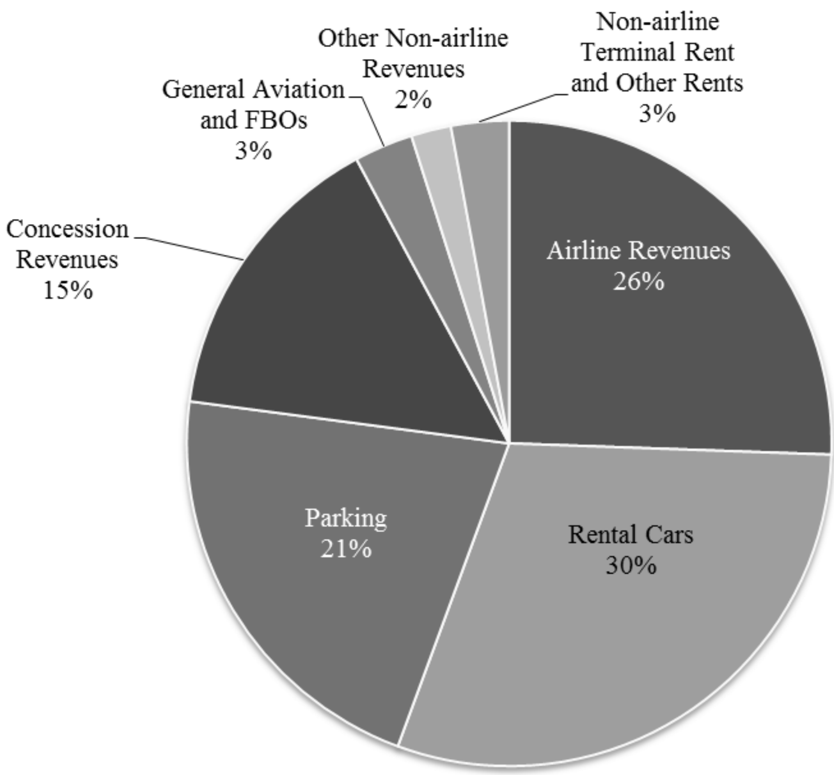
Analysis of Operating Revenues

The Airport System is self-supporting and does not rely on local tax dollars to fund its operations. Operating revenues must therefore be generated from aviation users, automobile parking, concessions, investment income and other non-operating revenues in order to (1) cover the Airport System's operating expenses, debt service payments, certain capital outlays and other requirements, and (2) comply with the rate covenant provided in the Bond Resolution.

Fiscal Year 2016 Operating Revenues by Source[(1)(2)(3)]



Source: Broward County Aviation Department.
(1) Concessions exclude rental car commissions which are included in Rental Cars.
(2) Other Non-Airline revenues includes non-airline terminal rent and other rents, North Perry Airport, cargo and miscellaneous operating revenues.
(3) Does not take deferred revenue adjustment into account.

Airline Revenues are calculated in accordance with the Airline Agreements. The contractual rate making formula in the Airline Agreements is based on a residual cost approach, which annually projects non-airline operating revenues and deducts this amount from the projected operating expenditures including debt service and cash-funded capital expenditures. The residual amount remaining is the amount the Signatory Airlines pay through their annual terminal rentals and landing fees and forms the basis of the Airline Cost Per Enplanement ("CPE"), a common industry measure. The Airline

Agreements require that landing fees and terminal rentals be reviewed annually and adjusted, as necessary, so that the total revenue is sufficient to meet BCAD's requirements, as determined by the Airline Agreements. At the end of a Fiscal Year, after all required deposits have been made, any remaining excess or deficiency is recorded as an airline revenue accounting adjustment against current year operating revenues.

Airline revenues (prior to deferred revenue adjustments) are compared to non-airline revenues in the table below:

Airline versus Non-Airline Operating Revenues
($000s)

	Fiscal Years Ended September 30 (audited)									
	2016		2015		2014		2013		2012	
Operating Revenues:										
Airline Revenues	$ 56,618	26%	$ 77,165	33%	$ 54,384	28%	$ 49,077	26%	$ 47,031	26%
Non-airline Revenues	164,908	74%	153,542	67%	140,871	72%	136,710	74%	133,921	74%
Operating Revenues	$221,526		$230,707		$195,255		$185,787		$180,952	
Airline Deferred Revenue Adjustment	10,550		(16,767)		(807)		(329)		1,331	
Total Operating Revenues	$232,076		$213,940		$194,448		$185,458		$182,283	
Cost Per Enplanement	*$3.94*		*$5.84*		*$4.52*		*$4.16*		*$4.00*	

Source: Broward County Aviation Department.

Airline revenues are $9.6 million higher in Fiscal Year 2016 compared to Fiscal Year 2012, representing an increase of 20.4% against enplanement growth of 22.2% in this timeframe. This is due to the residual rate making formula in the Airline Agreements and the $31.0 million or 23.1% increase in non-airline revenues. This resulted in a favorable CPE of just $3.94 in Fiscal Year 2016, significantly below the industry average for a large hub airport.

The CPE is forecast to increase 95 cents to $4.89 in Fiscal Year 2017 and budgeted to increase to $7.52 in Fiscal Year 2018, mainly as a result of increased debt service and operating expenses. However, the Airport's CPE remains very low compared to other large hub airports, whose median CPE in calendar year 2016 was approximately $10 (Source: Airports Council International 2016 data). This low cost structure makes the Airport attractive to air carriers, especially low cost carriers.

Non-airline revenues accounted for 74% of total operating revenues (prior to deferred revenue adjustments) in Fiscal Year 2016. This is significantly better than the industry median for large hub airports, which was 58% in calendar year 2016 (Source:

Airports Council International 2016 data). Major sources of non-airline revenues are discussed below:

Rental car revenues including customer facility charges ("CFCs") *and rental car commissions* increased by $11.4 million (20.7%) from $55.2 million in Fiscal Year 2012 to $66.6 million in Fiscal Year 2016. Rental car revenues represented the largest source of non-airline revenue in Fiscal Year 2016 at 30.1% of total operating revenues (excluding deferred revenue adjustments). In addition to certain ground rental payments, the County receives revenues from automobile rental companies under agreements which guarantee annual minimum payments or, if greater, a percentage of gross revenues from automobile rentals at the Airport. The County has agreements with 12 rental car companies operating at the consolidated rental car facility located on Airport property, which is accessed either by a common busing system from Terminals 2, 3 or 4 or by a pedestrian bridge from Terminal 1. The concession agreements and facility leases have terms that will expire on December 31, 2018, approximately 11 years from the date of beneficial occupancy of the rental car facility.

In addition to rental car concession fees and facility rents, the County has imposed CFCs which are assessed on rental car customers at the Airport at a rate of $3.95 per contract day, effective February 1, 2006. Under the terms of the agreements, the CFCs fund certain operating and maintenance costs associated with the rental car facility and the consolidated common busing operation. CFCs increased $3.4 million (12.2%) from Fiscal Year 2012 through Fiscal Year 2016.

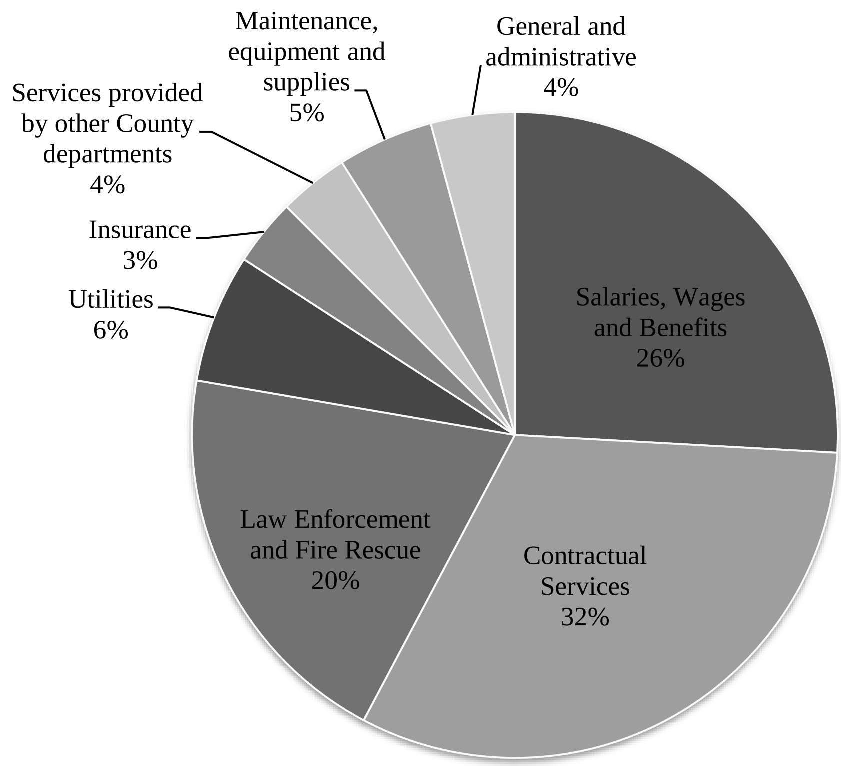
Parking revenues increased $7.9 million (20%) to $47.6 million during the same period and represented 21.5% of operating revenues for Fiscal Year 2016. This increase is mainly attributed to enplanement growth of 22.2% for the period.

Currently, the Airport's parking facilities consist of 11,224 public parking spaces. Public and employee parking operations are managed by BCAD and are operated by SP Plus Parking Corporation pursuant to a management agreement with the County. Parking rates are approved by the Board.

Concession revenues (excluding rental car commissions) increased $10.6 million (46.8%) from $22.7 million in Fiscal Year 2012 to $33.4 million in Fiscal Year 2016 due to increases in Airport traffic and improved concession quality. Of this increase, ground transportation (including taxis and limousines) represented $4.6 million, food and beverage concessions $5.6 million, and news and gift concessions $0.4 million. Concession revenues accounted for 15.1% of total operating revenues in Fiscal Year 2016. Within the category of concessions, food and beverage and news and gift concessions amounted to $15.5 million (6.7%) and $7.0 million (3.0%) of operating revenues, respectively, while ground transportation amounted to $6.4 million (2.8%). The revenues paid to the County under its concession agreements are based on the greater of certain annual minimum guarantees or a percentage of gross revenues received by the concessionaires. The current concession agreements will expire at various dates through December 31, 2032.

Analysis of Operating Expenses

Fiscal Year 2016 Distribution of Operating Expenses



Source: Broward County Aviation Department.

Salaries, wages and benefits increased $5.8 million or 18.7% from $30.9 million in Fiscal Year 2012 to $36.7 million in Fiscal Year 2016. This increase is mainly attributable to an employment increase to meet service level demands and capital projects in addition to salary increases. During this period, full-time equivalent positions grew from 513 in Fiscal Year 2012 to 556 in Fiscal Year 2016, an 8.5% increase. Salaries, wages and benefits accounted for 25.9% of total operating expenses (before depreciation) in Fiscal Year 2016, which was the same percentage in Fiscal Year 2012.

Contractual services consist mainly of parking management fees, janitorial and other maintenance contacts, and shuttle service costs. Contractual services increased $9.2 million or 25.5% from Fiscal Year 2012 to Fiscal Year 2016. This increase is attributable to a $4.4 million or 72.3% increase in parking management costs, which facilitated enhanced management of the Airport's limited parking spaces including valet service, a $3.0 million or 275% increase in ground transportation management costs, which facilitated enhanced management of operations and revenue from taxis, limousines, courtesy vehicles, and transportation network companies including automated tracking systems and curbside management, and a $0.9 million or 8% increase in janitorial services to accommodate the growth in passengers and terminal space. Contractual services represented 31.9% of total operating expenses (before depreciation) in Fiscal Year 2016 versus 30.1% in Fiscal Year 2012.

Law enforcement and fire rescue expenses are contractual services with the BSO. These expenses have increased by $3.3 million or 13.4% from Fiscal Year 2012 to Fiscal Year 2016 to cover increased law enforcement officer presence consistent with the increase in passengers. Law enforcement and fire rescue represented 19.9% of total operating expenses (before depreciation) in Fiscal Year 2016 versus 20.9% in Fiscal Year 2012.

Other expenses consist mainly of electricity and other utility charges, insurance, equipment maintenance, other maintenance, and credit card fees for parking transactions. Other expenses totaling $31.6 million accounted for 22.3% of total operating expenses (before depreciation) in Fiscal Year 2016. Collectively, these expenses increased by $4.0 million (14.5%) from $27.6 million in Fiscal Year 2012.

Depreciation expense increased $31.5 million (56.0%) from $56.3 million in Fiscal Year 2012 to $87.8 million in Fiscal Year 2016 due to increased investment in capital projects.

Analysis of Non-Operating Revenues and Expenses

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

Passenger Facilities Charges of $59.5 million in Fiscal Year 2016 increased $11.2 million (23.3%) from $48.3 million in Fiscal Year 2012 consistent with passenger growth. Passenger Facilities Charges are authorized for collection at the Airport at $4.50 per enplaning passenger and remitted to the Airport net of a $0.11 collection charge retained by the airlines. See "PASSENGER FACILITIES CHARGES" herein.

Interest income over the past five years has increased 212.7% from $2.2 million in Fiscal Year 2012 to $6.9 million in Fiscal Year 2016. The increase is primarily due to higher invested balances as bonds have been issued to fund future capital projects, and greater reserves for projects completed (see Depreciation expense above).

Interest expense increased 73.0% from $31.7 million in Fiscal Year 2012 to $54.9 million in Fiscal Year 2016. This is due to bonds issued for capital projects.

Capital Assets Contribution relates to assets that were created as part of the runway expansion and have been contributed to the FAA.

Pension Plans and Other Post-Employment Benefits

With a few exceptions, all full-time and part-time employees working for the County in regularly established positions, including BCAD employees, are members of the Florida Retirement System ("FRS"), a multiple-employer cost-sharing public employee retirement system administered by the State of Florida. Benefits under FRS are established pursuant to State statutes and are currently computed on the basis of age, average final compensation, and service credit. The County and BCAD have no responsibility to the FRS other than to make the periodic payments required by Florida Statutes. The FRS establishes contribution rates annually which are applied to the covered employee payroll of the County and BCAD.

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

See "APPENDIX A - GENERAL INFORMATION REGARDING BROWARD COUNTY, FLORIDA - Florida Retirement System" and " - Other Postemployment Benefit Plans," and "APPENDIX C - BROWARD COUNTY AVIATION DEPARTMENT SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 and 2015 - Note 11 - Pension Plan" and "- Note 12 - Other Post Employment Benefits (OPEB)" herein for further information regarding the FRS and the retirement plans available to BCAD employees.

Budgetary Process

As a department of the County, BCAD's budget is prepared according to the County's budget process. State law requires that county governments adopt and operate within a balanced annual budget. In addition to being the annual operating plan, the adopted budget represents the legal authority to expend funds.

The County Administrator begins the budget process in March of each year by preparing a letter of transmittal with specific instructions on general budgetary policy for all departments, divisions and offices of the County. Each department then prepares and submits its proposed budget in April. During April and May, the Board conducts budget workshops to review the proposed budget. In June, BCAD reviews the proposed budget and resulting fees with the Signatory Airlines; however, such budget or resulting fees are not subject to their approval. After approval by the County Administrator, the proposed budget is submitted to the Board in early July. The budget, as amended in the workshops, is again reviewed during public hearings held in September before final approval and adoption by the Board. The Board must adopt the final budget no later than September 30.

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

(1) Capital outlays are treated as expenditures when the funds are expended under governmental funds accounting and budgeting. However, under GAAP for enterprise funds, capital outlays are depreciated over the asset's useful life and reported as an operating expense in those years.

(2) Proceeds from the issuance and repayment of the principal of long-term debt are recognized as non-operating revenues upon receipt and non-operating expenditures when repaid under accounting for governmental funds. However, enterprise funds do not recognize debt transactions as revenues or expenses.

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

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Historical Debt Service Coverage

The Bond Resolution contains a provision, among others, which requires the Airport to set its rates and charges such that Net Revenues plus Transfers (which include excess Airline Fees and Charges from the prior year) are at least equal to 125% of Principal and Interest Requirements on all Outstanding Bonds for such Fiscal Years. The following table illustrates the actual debt service coverage percentage on the Outstanding Parity Bonds from Fiscal Year 2012 through Fiscal Year 2016.

Historical Bond Debt Service Coverage
($000s)

	Fiscal Years Ended September 30				
	2016	2015	2014	2013	2012
Operating Revenues	$ 232,076	$ 213,940	$ 194,448	$ 185,458	$ 182,283
Interest Income	6,470	3,906	3,986	3,700	-
Less Operating Expenses before Depreciation	(140,939)	(135,915)	(128,590)	(125,660)	(119,548)
Net Revenues	$ 97,607	$ 81,931	$ 69,844	$ 63,498	$ 62,735
Transfer from General Purposes Account	$ 23,216	$ 33,766	$ 25,158	$ 25,334	$ 15,863
Net Revenues plus Transfers Available for Debt Service	$ 120,823	$ 115,697	$ 95,002	$ 88,832	$ 78,598
Debt Service	$ 127,037	$ 124,567	$ 119,587	$ 102,363	$ 69,822
PFC and Grant Offset	(58,082)	(55,696)	(53,471)	(40,239)	(13,344)
Net Debt Service	$ 68,955	$ 68,871	$ 66,116	$ 62,124	$ 56,478
Debt Service Coverage Calculated	175%	168%	144%	143%	139%

Source: Broward County Aviation Department.

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Annual Debt Service Requirements

Set forth below are the annual debt service requirements for the Series 2017 Bonds and the Outstanding Parity Bonds.

		Series 2017 Bonds				
Year Ending (October 1)	All Outstanding Parity Bonds[(1)]	Series 2017 Principal	Series 2017 Interest[(1)]	Capitalized Interest	Series 2017 Net Debt Service[(1)]	Total Debt Service on All Bonds[(1)]
2018	$153,747,493	-	$12,395,910	$12,395,910	-	$ 153,747,493
2019	153,757,178	-	14,395,250	14,395,250	-	153,757,178
2020	153,753,235	$4,580,000	14,395,250	$1,014,500	$17,960,750	171,713,985
2021	152,372,845	5,180,000	14,166,250	-	19,346,250	171,719,095
2022	152,369,310	5,440,000	13,907,250	-	19,347,250	171,716,560
2023	152,278,510	5,715,000	13,635,250	-	19,350,250	171,628,760
2024	134,700,510	6,000,000	13,349,500	-	19,349,500	154,050,010
2025	133,352,723	6,300,000	13,049,500	-	19,349,500	152,702,223
2026	143,656,673	6,615,000	12,734,500	-	19,349,500	163,006,173
2027	113,129,010	6,950,000	12,403,750	-	19,353,750	132,482,760
2028	115,202,998	7,290,000	12,056,250	-	19,346,250	134,549,248
2029	115,201,516	7,660,000	11,691,750	-	19,351,750	134,553,266
2030	96,822,260	8,040,000	11,308,750	-	19,348,750	116,171,010
2031	96,825,123	8,440,000	10,906,750	-	19,346,750	116,171,873
2032	96,829,660	8,865,000	10,484,750	-	19,349,750	116,179,410
2033	96,815,723	9,305,000	10,041,500	-	19,346,500	116,162,223
2034	96,818,460	9,775,000	9,576,250	-	19,351,250	116,169,710
2035	96,824,241	10,260,000	9,087,500	-	19,347,500	116,171,741
2036	96,822,948	10,770,000	8,574,500	-	19,344,500	116,167,448
2037	96,822,229	11,310,000	8,036,000	-	19,346,000	116,168,229
2038	96,823,944	11,875,000	7,470,500	-	19,345,500	116,169,444
2039	96,825,975	12,475,000	6,876,750	-	19,351,750	116,177,725
2040	96,822,681	13,100,000	6,253,000	-	19,353,000	116,175,681
2041	96,818,956	13,750,000	5,598,000	-	19,348,000	116,166,956
2042	96,825,863	14,440,000	4,910,500	-	19,350,500	116,176,364
2043	57,768,681	15,160,000	4,188,500	-	19,348,500	77,117,181
2044	29,051,250	15,920,000	3,430,500	-	19,350,500	48,401,750
2045	29,058,750	16,710,000	2,634,500	-	19,344,500	48,403,250
2046	-	17,550,000	1,799,000	-	19,349,000	19,349,000
2047	-	18,430,000	921,500	-	19,351,500	19,351,500
Totals	$3,048,098,741	$287,905,000	$280,279,160	$27,805,660	$540,378,500	$3,588,477,241

(1) Totals may not add due to rounding.

Bonded Indebtedness

The following table summarizes the outstanding bonded indebtedness of the County related to the Airport System as of October 2, 2017:

Airport System Revenue Bond Issues
As of October 2, 2017

		Principal Expected To Be Paid From		
	Total Outstanding Principal Amount	Passenger Facilities Charges/ Grants	Airport System Revenues	Final Maturity
Airport System Revenue Bonds:				
Series 2001J-2 Bonds	$ 53,580,000	$ 0	$ 53,580,000	2021
Series 2009O Bonds	81,400,000	0	81,400,000	2029
Series 2012P-1 Bonds	150,370,000	0	150,370,000	2026
Series 2012P-2 Bonds	70,875,000	29,881,000	40,994,000	2026
Series 2012Q-1 Bonds	471,005,000	471,005,000	0	2042
Series 2012Q-2 Bonds	98,400,000	0	98,400,000	2042
Series 2013A Bonds	154,685,000	0	154,685,000	2043
Series 2013B Bonds	51,675,000	0	51,675,000	2043
Series 2013C Bonds	197,495,000	197,495,000	0	2043
Series 2015A Bonds	425,370,000	0	425,370,000	2045
Series 2015B Bonds	9,575,000	0	9,575,000	2045
Series 2015C Bonds	38,380,000	38,380,000	0	2025
Total Bond Indebtedness	$1,802,810,000	$736,761,000	$1,066,049,000	

Impact of Hurricane Irma

On September 10, 2017, Hurricane Irma struck mainland Florida as a Category 3 storm. In response to a state of emergency declared by the State and County, BCAD suspended operations at both the Airport and North Perry from September 9 through September 11, 2017. While the center of the hurricane did not pass through the County, significant wind, rain and flooding occurred across the County.

Immediately after the storm, BCAD dispatched its damage assessment team to evaluate the damage sustained to the Airport System. That assessment revealed only minor impacts mainly consisting of downed trees and signage with no major infrastructure damage to the Airport System. Accordingly, both airports resumed commercial operations on September 12, 2017.

In addition to federal aid that may be received to assist with offsetting potential costs and loss of revenues, BCAD has property insurance, including flood insurance and debris removal insurance. BCAD will be aggressively pursuing all possible insurance claims and federal aid, including Federal Emergency Management Agency reimbursements to cover any uninsured losses. While it is too early to determine the total cost of the cleanup effort or the financial impact to the Airport, BCAD does not anticipate that any such impacts from Hurricane Irma will adversely affect its ability to pay debt service on the Series 2017 Bonds or materially impact its revenues or operations.

THE AIRPORT AIR TRADE AREA AND OPERATING STATISTICS

The following information is provided by the Broward County Aviation Department, unless otherwise noted.

South Florida Air Trade Area

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

The geographic region served by the Airport is the Miami-Fort Lauderdale-Pompano Beach Metropolitan Statistical Area (the "MSA"), a large population center on the southeastern coast of Florida. The MSA consists of Broward, Miami-Dade and Palm Beach Counties. The MSA ranks as the eighth-largest metropolitan area by population in the United States and the largest in the State of Florida, with an estimated population of 6,066,387 as of July 1, 2016 according to the U.S. Census Bureau. The three counties of the MSA collectively account for 30% of Florida's population.

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The table below describes the share of the South Florida region's passenger traffic (including international and connecting passengers) during Fiscal Years 2012 through 2016.

South Florida Passenger Traffic Market Share by Airport

	Domestic Enplanements			**International Enplanements**			**Total Enplanements**		
Fiscal Year	FLL	MIA	PBI	FLL	MIA	PBI	FLL	MIA	PBI
2012	43%	44%	13%	16%	84%	0%	34%	57%	9%
2013	44%	44%	12%	15%	84%	1%	35%	58%	8%
2014	43%	45%	12%	18%	82%	0%	34%	59%	7%
2015	43%	45%	12%	21%	79%	0%	35%	57%	8%
2016	43%	45%	12%	22%	77%	1%	36%	56%	8%

Totals may not add due to rounding.
Source: Broward County Aviation Department pull of Bureau of Transportation Statistics data.

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Airline Service Activity

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

Airlines Serving the Airport
As of June 2017

Scheduled Passenger Service

Domestic air carrier airlines

Alaska Airlines
*Allegiant Air
*American Airlines
*Delta Air Lines
Frontier Airlines
*JetBlue Airways
*Southwest Airlines
*Silver Airways
*Spirit Airlines
*United Airlines
Virgin America

Foreign-flag airlines

*Air Canada
Air Transat
Avianca
Azul
Bahamasair
Caribbean Airlines
Copa Airlines
Emirates
Norwegian Air Shuttle
Sky Bahamas Ltd
Sun County Airlines
Sunwing
Tame Airlines
Westjet

Regional/commuter airlines

Endeavor Airlines
Sky West
Republic Airlines
GoJet
IBC Airways
Shuttle America

Charter passenger service(1)

Sun Country Airline

All-cargo service(1)

Federal Express
GB Airlink, Inc.
Mountain Air Cargo
United Parcel Service

Source: Broward County Aviation Department.
*Signatory Airlines.
(1) Includes airlines with regular flights or significant activity at the Airport.

The following information shows aviation activity at the Airport. The table below summarizes passenger enplanements at the Airport for the period from Fiscal Years 2007 through 2016 and the nine months ended June 30, 2016 and 2017.

Enplaned Passengers
Fiscal Years 2007 through 2016

Fiscal Year[1]	Domestic	International	Total	Percent Annual Increase/ (Decrease)
2007	9,776,771	1,365,898	11,142,669	4.3%
2008	10,006,392	1,584,047	11,590,439	4.0
2009	8,947,048	1,520,840	10,467,888	(9.7)
2010	9,260,615	1,652,303	10,912,918	4.3
2011	9,836,257	1,835,273	11,671,530	7.0
2012	9,962,653	1,781,825	11,744,478	0.6
2013	10,033,252	1,761,019	11,794,271	0.4
2014	9,844,866	2,179,848	12,024,714	2.0
2015	10,515,257	2,699,212	13,214,469	9.9
2016	11,329,802	3,022,648	14,352,450	8.6
10-year Compound Annual Growth Rate		2.9%		

Nine Months Ended June 30	Domestic	International	Total	Percent Increase/ (Decrease)
2016	8,707,742	2,250,183	10,957,925	8.5%
2017	9,394,137	2,669,736	12,063,873	10.1

[1] The County's Fiscal Year ends September 30.
Source: Broward County Aviation Department.

Based on published data by the Federal Aviation Administration, in Fiscal Year 2016, the Airport ranked 21st among US airports in total passenger traffic. More importantly, US Department of Transportation ("DOT") data indicated that the Airport ranked 13th in terms of domestic origin-destination ("O&D") passengers for the same time period, ahead of major hubs such as: Newark, JFK, Minneapolis, Philadelphia, and Washington D.C.

Total enplaned passengers at the Airport numbered approximately 14 million in Fiscal Year 2016. Of these passengers, an estimated 89% were O&D with connecting (transfer) passengers accounting for the remaining 11%.

In Fiscal Year 2016, the Airport had the most seats from Canada to any Florida destination; it ranked second in seats among U.S. airports to the Bahamas, Colombia, and Haiti and third to Jamaica.

Of the approximately 14.3 million enplaned passengers at the Airport in Fiscal Year 2016, approximately 10.4 million boarded flights operated by the Airport's top four airlines- JetBlue, Spirit, Southwest, and Delta. These four airlines accounted for 72% of the Airport's passenger traffic, representing a relatively low degree of market concentration and indicative of a highly competitive airline environment. A low level of concentration minimizes the Airport's exposure to the loss or bankruptcy of a given airline.

Domestic Traffic. From Fiscal Year 2007 through Fiscal Year 2016, the number of domestic enplaned passengers at the Airport increased at a compound annual growth rate of 1.7%. The Airport's Fiscal Year 2016 domestic enplanements of 11.3 million nearly equaled Miami's domestic enplanements of 11.8 million.

International Traffic. In Fiscal Year 2016, international enplaned passengers accounted for approximately 21% of total enplaned passengers at the Airport. From Fiscal Year 2007 through Fiscal Year 2016, the number of international enplaned passengers at the Airport increased at a 9.2% compound annual growth rate. New service by Air Canada, JetBlue and Spirit have all contributed to this increase. Norwegian added service to Paris in Fiscal Year 2016. Destinations in the Bahamas, Latin America and the Caribbean (not including destinations in Puerto Rico) accounted for 77.2% of international passengers at the Airport in Fiscal Year 2016. Canadian destinations accounted for approximately 19.4% of international passengers and Europe and Mideast accounted for 3.4% of international passengers.

New Service Announcements. The following new service announcements have been made since the beginning of calendar year 2016:

Destination	**Domestic/ International**	**Airline**	**Start Date**
Quinto Equador	International	JetBlue	February-2016
Philadelphia	Domestic	Spirit	April-2016
Barbados	International	JetBlue	April-2016
Aguadilla	Domestic	JetBlue	May-2016
Fort Walton/Destin	Domestic	Allegiant	May-2016
San Diego	Domestic	JetBlue	June-2016
Nashville	Domestic	JetBlue	June-2016
Santa Clara, Cuba	International	JetBlue	August-2016
Paris	International	Norwegian	August-2016
Nassau	International	Southwest	August-2016
New Orleans	Domestic	JetBlue	September-2016
Newark	Domestic	Spirit	October-2016
Ogdensburg, NY	Domestic	Allegiant	October-2016
Camaguey	International	JetBlue	November-2016
Havana	International	JetBlue	November-2016
Akron/Canton	Domestic	Spirit	November-2016

Destination	Domestic/ International	Airline	Start Date
Niagara Falls	Domestic	Allegiant	November-2016
Guadalupe	International	Norwegian	December-2016
Havana	International	Southwest	December-2016
Dubai	International	Emirates	December-2016
Aruba	International	JetBlue	January-2017
Chicago	Domestic	JetBlue	January-2017
Cleveland	Domestic	Allegiant	February-2017
Allentown	Domestic	Allegiant	February-2017
Long Beach	Domestic	JetBlue	May-2017
Louisville	Domestic	Allegiant	May-2017
Hartford	Domestic	Spirit	June-2017
Pittsburgh	Domestic	Spirit	June-2017
Montego Bay	International	Southwest	June-2017
Grand Cayman	International	Southwest	June-2017
Belize	International	Southwest	June-2017
Cancun	International	Southwest	June-2017
London/Gatwick	International	British Airways	July-2017
Barcelona	International	Norwegian	August-2017
Martinique	International	Norwegian	October-2017
Salt Lake City	Domestic	JetBlue	November-2017
Salt Lake City	Domestic	Delta	November-2017
Milwaukee	Domestic	Allegiant	November-2017
Norfolk	Domestic	Allegiant	November-2017
San Jose	International	Southwest	November-2017
Punta Cana	International	Southwest	November-2017
Provinciales	International	Southwest	November-2017
Atlanta	Domestic	JetBlue	March-2018

Air Cargo. In Fiscal Year 2016, 94,337 tons of air cargo and 641 tons of mail were reported at the Airport, representing an overall increase of 15.7% over Fiscal Year 2015 with 80,794 tons and 1,329 tons reported respectively. This increase is a result of greater reported volumes by Federal Express, and to a lesser extent more freight arriving on international airlines. Representative of the air cargo industry overall, and specifically across North America, volumes have been declining over the last decade. Air cargo volume (including mail) at the Airport has declined 39% from 155,077 tons in Fiscal Year 2007 to 94,981 tons in Fiscal Year 2016. The decline represents an overall decreased demand for shipping by air during the extended economic downturn, leading to consolidation of airport facilities and businesses seeking alternative, less expensive modes of transport. Indicative of the trend, all-cargo carrier DHL consolidated operations at other airports and discontinued operating at the Airport during Fiscal Year 2009. Latin American lanes to and from North America have had more favorable results in recent years with growing trade demands and the high volume of perishable foods and flowers. All-cargo airlines Federal Express, United Parcel Service, GB Airlink and Mountain Air Cargo currently represent 83% of cargo volume at the Airport, with passenger airlines carrying 17%. The top four passenger airlines carrying cargo in Fiscal Year 2016 were Southwest, Azul, Delta and Norwegian. The combined volume of these airlines increased from 9,739 tons in Fiscal Year 2015 to 13,970 tons in Fiscal Year 2016 primarily due to Azul which didn't have a full year of service in Fiscal Year 2015.

The Port Everglades Partnership. The Airport shares certain passenger markets with one of the world's busiest cruise ports (Port Everglades). During Fiscal Year 2016, 3,826,415 passengers utilized the facilities of Port Everglades. Port Everglades is located adjacent to the eastern boundary of the Airport, enabling both major transportation facilities to offer convenient passenger connections between aircraft and ship.

Other Statistical Information. The following table shows passenger market shares for the airlines serving the Airport for the five Fiscal Years ended 2016. The Airport is primarily an origin and destination airport with approximately 89% of all domestic passengers having their origin or destination in the Airport's service region. Two low cost airlines (JetBlue and Spirit) showed an increasing share of enplanements over the five Fiscal Years ended 2016, and accounted for approximately 43.6% of all enplanements in Fiscal Year 2016.

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Enplaned Passengers by Airline

	Fiscal Years Ended September 30									
	2016		2015		2014		2013		2012	
JetBlue Airways	24.5%	3,514,272	21.9%	2,886,760	20.4%	2,456,902	18.6%	2,193,831	17.7%	2,078,731
Spirit Airlines	19.2	2,749,666	18.9	2,492,900	18.6	2,233,230	18.0	2,123,104	18.4	2,164,131
Southwest Airlines/AirTran Airways[(1)]	17.3	2,478,315	17.4	2,293,689	18.3	2,200,209	19.9	2,344,448	20.2	2,371,568
Delta Air Lines	11.5	1,644,358	12.1	1,602,999	12.7	1,523,422	12.6	1,484,718	13.1	1,542,924
American Airlines/US Airways[(2)]	8.8	1,267,733	10.2	1,345,025	11.3	1,359,659	12.3	1,449,727	12.2	1,426,994
United Airlines	5.7	819,022	5.8	770,579	6.7	805,035	7.3	862,197	7.7	902,203
Air Canada	2.6	373,573	2.7	354,148	2.7	319,700	2.2	265,071	2.1	241,504
Allegiant Air [(3)]	2.0	288,644	-	-	-	-	-	-	-	-
Virgin America[(4)]	1.2	177,535	1.2	162,283	1.4	167,413	1.4	165,570	1.7	195,762
Silver Airlines[(5)]	1.0	143,830	1.2	160,634	1.0	116,991	1.0	123,143	-	-
Signatory Airlines	93.8%	13,456,948	91.3%	12,069,017	93.0%	11,182,561	93.4%	11,013,809	93.0%	10,923,817
All Other Airlines	6.2%	895,502	8.7%	1,145,452	7.0%	842,153	6.6%	780,462	7.0%	820,661
Total All Airlines	100.0%	14,352,450	100.0%	13,214,469	100.0%	12,024,714	100.0%	11,794,271	100.0%	11,744,478
Domestic	78.9%	11,329,802	79.6%	10,515,257	81.9%	9,844,866	85.1%	10,033,252	84.8%	9,962,653
International	21.1	3,022,648	20.4	2,699,212	18.1	2,179,848	14.9	1,761,019	15.2	1,781,825
	100.0%	14,352,450	100.0%	13,214,469	100.0%	12,024,714	100.0%	11,794,271	100.0%	11.744,478

Source: Broward County Aviation Department.

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

(2) On April 8, 2015, American Airlines and US Airways received a single operating certificate from the FAA.

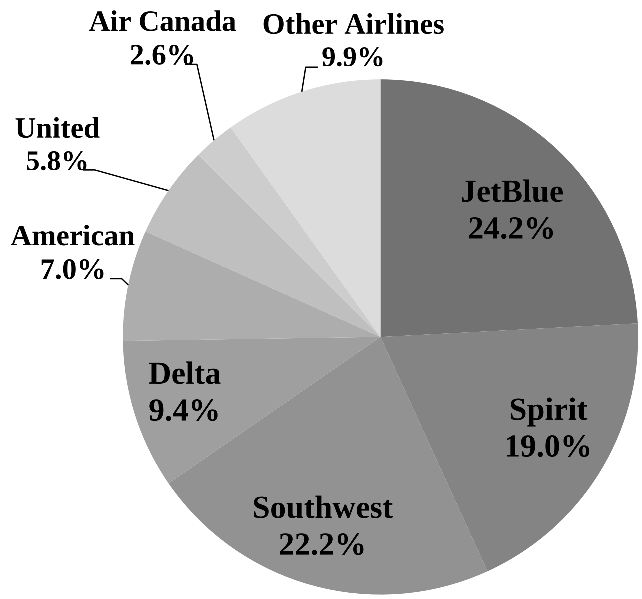
(3) Allegiant Air became a Signatory Airline in October 2015.

(4) Virgin America was a Signatory Airline between May 2012 and September 2016.

(5) Silver Airways became a Signatory Airline on June 8, 2013.

Southwest is planning to increase service in Fiscal Year 2018 as a result of the opening of Concourse A, and as shown in the chart below, Southwest is projected to enplane more passengers than Spirit in Fiscal Year 2018.

Fiscal Year 2018 (Budget)
17,516,000 Enplanements



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

Landed Weights, Air Cargo and Aircraft Operations
Fiscal Years 2012-2016

	2016	2015	2014	2013	2012
Landed Weights (1,000-pound units)	16,340,438	15,201,020	14,046,017	13,903,230	13,928,887
Air Cargo(US tons)	94,981	82,122	86,626	88,298	96,680
Aircraft Operations	278,499	259,226	240,031	247,932	256,029

Source: Broward County Aviation Department.

The table on the following page shows the primary domestic destinations of passengers using the Airport for the 12-month period ending September 30, 2016. The top five markets for the Airport's passengers – New York, Washington, D.C./Baltimore, Atlanta, Chicago and Boston accounted for approximately 38.3% of domestic scheduled passengers for this period. In Fiscal Year 2016 the Airport had nonstop service to 49 of its top 50 domestic O&D markets, with the 50th, Salt Lake City, to be added in November 2017. Of the top 20 domestic O&D markets, 14 are being served nonstop by more than one airline, a level of service which is an indicator of a high degree of airline competition and a driver of downward pressure on airfares charged.

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DOMESTIC PASSENGER ORIGIN-DESTINATION MARKETS
Fort Lauderdale-Hollywood International Airport
For the 12 months ended September 30, 2016

Market of origin or destination [1]	Air miles from Fort Lauderdale	Percent of total scheduled airline passengers
New York		17.4%
New York-La Guardia	1,076	6.9
New York-JFK	1,068	4.7
Newark, NJ	1,065	3.9
Long Island-Macarthur	1,092	0.8
Westchester County, NY	1,097	0.8
Newburgh, NY	1,118	0.3
Washington D.C./Baltimore		7.2
Baltimore, MD	925	4.4
Washington-National	899	2.7
Washington-Dulles, VA	900	0.1
Atlanta	581	5.2
Chicago		4.9
Chicago-O'Hare	1,182	3.2
Chicago-Midway	1,166	1.7
Boston	1,237	3.6
Detroit	1,127	3.5
Philadelphia	992	3.2
Dallas/Fort Worth [2]	1,119	3.0
Los Angeles	2,342	2.6
San Juan, P.R.	1,046	2.4
San Francisco	2,583	2.1
Denver	1,703	2.0
Las Vegas	2,174	1.8
Hartford	1,173	1.5
Houston International	965	1.5
Nashville	793	1.4
Atlantic City	977	1.3
Providence	1,188	1.3
Cleveland	1,061	1.3
Pittsburgh	994	1.2
Tampa	197	1.1
Austin	1,105	1.1
New Orleans	673	1.1
Buffalo	1,165	1.1
Raleigh/Durham	680	1.0
Minneapolis/St. Paul	1,487	1.0
Indianapolis	1,005	1.0
Cities listed		75.8%
Others		24.2%
Total		100.0%

(1) Markets with 1% or more of total inbound and outbound domestic passengers on scheduled airlines at Fort Lauderdale-Hollywood International Airport, for the 12 months ended September 30, 2016.
(2) Includes Dallas/Fort Worth International Airport and Love Field.

Source: U.S. Department of Transportation, as reported by APGdat, for the 12 months ended September 30, 2016.

PASSENGER FACILITIES CHARGES

General

The Aviation Safety and Capacity Expansion Act of 1990, as amended (the "PFC Act"), as implemented by the FAA pursuant to published regulations (the "PFC Regulations"), permits a public agency that controls a commercial service airport to charge each paying passenger enplaning at such airport a Passenger Facilities Charge of $1.00, $2.00, $3.00, $4.00 or $4.50, subject to certain limitations. The proceeds from Passenger Facilities Charges are to be used to finance approved eligible airport-related projects that (a) preserve or enhance capacity, safety or security of the national air transportation system, (b) reduce noise from an airport that is part of the system, or (c) provide an opportunity for enhanced competition between or among air carriers or foreign air carriers. "Eligible airport-related projects" include airport development or planning, terminal development, airport noise compatibility measures and planning and construction of gates and related areas (other than restaurants, rental car facilities, automobile parking or other concessions) for the movement of passengers and baggage. In order to be eligible for Passenger Facilities Charges funding at levels of $4.00 or $4.50, a project must meet certain additional requirements provided in the PFC Regulations. The PFC Act is subject to amendment and to repeal by the United States Congress. See "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS - Recent FAA Reauthorization and Federal Grant Funding" herein. The FAA may also amend the PFC Regulations.

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

Passenger Facilities Charge Authority at the Airport

In December 1994, the County received approval from the FAA to impose a Passenger Facilities Charge at the Airport. Since October 1, 2005, the County has imposed a Passenger Facilities Charge of $4.50 per enplaned passenger, except for passengers of exempt aircraft operators under the terms of thirteen Passenger Facilities Charge applications and the respective FAA approvals (each, a "PFC Authority").

The County is authorized to collect and use $1,842,791,000 in Passenger Facilities Charges through August 1, 2031. Of this, $1,453,383,000 is authorized for payment of debt service on certain bond-financed projects approved by the FAA. The remaining $389,408,000 of Passenger Facilities Charges is to be used to pay for additional eligible projects on a pay-as-you-go basis.

From December 1, 1995 through June 30, 2017, the County had received a total of $801,985,000 in Passenger Facilities Charge collections at the Airport and received interest thereon of $41,506,000 for a total of $843,491,000 in Passenger Facilities Charges. Of this amount, approximately $696,781,000 has been spent through June 30, 2017 on projects that are either being programmed or are under construction, and on debt service for certain Bonds. Approximately $146,710,000 of Passenger Facilities Charges received through June 30, 2017 has not been spent.

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

Collection of Passenger Facilities Charges

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

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

Historical PFC revenue is as follows:

Fiscal Year Ended September 30	Amount
2012	$48,283,000
2013	48,642,000
2014	48,872,000
2015	54,606,000
2016	59,529,000

Nine Months Ended June 30	Amount
2016	$45,235,000
2017	49,987,000

Source: Broward County Aviation Department.

Factors Affecting Collection of Passenger Facilities Charges

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

If the Passenger Facilities Charges actually collected by the County fall significantly below the levels estimated by BCAD or if the collection fees retained by the Collecting Carriers are increased or if the PFC Act is amended as described above, the County will have to manage its Passenger Facilities Charge program carefully in such event and balance its expenditures with its actual collected Passenger Facilities Charges to ensure that sufficient moneys will be available to pay debt service on Bonds for which the County is using Passenger Facilities Charges.

Termination of Authority to Impose Passenger Facilities Charges

The FAA may terminate the County's authority to impose Passenger Facilities Charges, subject to informal and formal procedural safeguards, if the FAA determines that (1) the County is in violation of certain provisions of the Airport Noise and Capacity Act of 1990 (the "Noise Act") relating to airport noise and access restrictions, (2) Passenger Facilities Charge collections and investment income thereon are not being used for approved projects in accordance with the FAA's approvals or with the PFC Act and the PFC Regulations, (3) implementation of the approved projects does not commence within the time periods specified in the PFC Act and PFC Regulations, or (4) the County is otherwise in violation of the PFC Act, the PFC Regulations or any PFC Authority. Formal termination proceedings are authorized if the FAA determines that efforts to achieve an informal resolution are not successful.

FEDERAL AND STATE GRANTS

Federal Grants

Airport Improvement Program. Beginning in 1946, the federal government established a grants-in-aid program to units of state and local governments to promote the development of a system of airports to meet the nation's needs. The current grant program is known as the Airport Improvement Program (the "AIP"). The AIP was established by the Airport and Airway Improvement Act of 1982, as amended (the "Airport and Airway Improvement Act"). Since that time, the AIP has been amended several times and reauthorized. The Federal Aviation Administration Modernization and Reform Act of 2012 (the "FAA Reauthorization Act") was signed into law on February 14, 2012 as a more permanent solution to the temporary short-term extensions that had been enacted as a funding stop-gap over the years. This $63.6 billion reauthorization was originally scheduled to expire on September 30, 2015, but received several extensions including the latest (H.R. 3823) which extended the expiration date to March 31, 2018 (the "2017 Extension"). The 2017 Extension provides $1.675 billion in AIP funding, which is half of the $3.35 billion per federal fiscal year provided under the FAA Reauthorization Act.

The AIP provides funding from the Airport and Airway Trust Fund for airport development, airport planning, noise compatibility planning and noise compatibility programs under the Aviation Safety and Noise Abatement Act of 1979, as amended. Funds distributed by formula based primarily on an airport's volume of enplaned passengers are referred to as "apportionment funds" or "entitlement funds." Remaining funds are distributed at the discretion of the Secretary of Transportation ("discretionary funds").

Letter of Intent Program. Beginning in 1988, the FAA has been authorized to issue multi-year AIP grants to reimburse sponsors of primary and reliever airports for project expenditures which meet specified capacity-enhancement criteria. The multi-year grants are provided through the issuance by the FAA of a letter of intent ("LOI") prior to project commencement/completion. An LOI indicates the FAA's intention to make grants over a period of time as funds become available. An LOI also states the maximum eligible amount of such grants available (both apportionment and discretionary) with respect to a project during any federal fiscal year. An LOI permits a sponsor to proceed with an approved project when the FAA's current-year obligating authority does not meet a sponsor's desired timing for a project eligible for AIP funding.

The availability of funding for AIP grants under an LOI is subject to Congressional appropriation and to sequestration under current federal deficit reduction legislation. An LOI is not an obligation of the United States of America under Section 1501 of Title 31, United States Code, and is not deemed to be an administrative commitment for funding. The LOI is an intention to obligate funds from current and future budget authority. The FAA may, in its sole discretion, from time to time, following consultation with a grant recipient, amend an LOI to adjust the anticipated grant schedule or the maximum federal obligation, or both.

An LOI also provides that payment of the amount of any such reduction in a grant installment shall be deemed to be deferred to the following federal fiscal year, subject again to the availability of funds and statutory authority.

LOI funded projects must be carried out in a manner that meets all other grant requirements in order to be eligible for later reimbursement. Failure to comply with such requirements, or failure to proceed with the project being funded in a timely manner, may lead to revocation of an LOI. Reimbursement may also be affected by failure to comply with other existing grant agreement assurances.

Runway LOI. On February 1, 2011, the FAA issued Letter of Intent No. ASO-11-01 (the "Runway LOI") to the County to assist with the funding of the South Runway Expansion Project. The Runway LOI approves an amount not to exceed $250.0 million payable over a period of twelve fiscal years commencing in federal fiscal year 2011 as follows:

Federal Fiscal Year	Apportionment	Discretionary	Total
2011	$3,772,248	$20,000,000	$23,772,248
2012	3,878,132	20,000,000	23,878,132
2013	3,944,694	20,000,000	23,944,694
2014	3,995,546	20,000,000	23,995,546
2015	4,006,869	20,000,000	24,006,869
2016	0	20,000,000	20,000,000
2017	0	20,000,000	20,000,000
2018	402,511	20,000,000	20,402,511
2019	0	20,000,000	20,000,000
2020	0	20,000,000	20,000,000
2021	0	20,000,000	20,000,000
2022	0	10,000,000	10,000,000
TOTAL	$20,000,000	$230,000,000	$250,000,000

Payments under the Runway LOI will only be made to the extent that the County has incurred reimbursable costs for the South Runway Expansion Project. Additionally, an LOI recipient is subject to all Federal contracting provisions including disadvantaged business enterprise (DBE) requirements. Timely payment of such grant moneys is subject to appropriation of AIP funding. See "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS - Recent FAA Reauthorization and Federal Grant Funding" herein.

The Runway LOI evidences the FAA's intent to make grants to reimburse the County for eligible expenditures and the maximum amount of grants available for such reimbursement. The schedule described above represents the maximum eligible reimbursement with respect to any federal fiscal year from the Runway LOI. The actual amounts received by the County in any one federal fiscal year will also be dependent on the County's timely expenditure of amounts which are eligible for reimbursement under the Runway LOI and the timely application by the County for reimbursement. In the event that the County has not expended funds and requested reimbursement prior to the end of any of the federal fiscal years specified above in an amount at least equal to the then amount of grants available under the Runway LOI, the "unused" portion can be carried forward into the next federal fiscal year with an amendment of the Runway LOI schedule.

To the extent legally permitted, the County has and intends to continue to use Runway LOI moneys to pay a portion of the debt service on the Series 2013C Bonds and the Series 2012Q-1 Bonds. For the Fiscal Years starting with Fiscal Year 2014 through Fiscal Year 2019, the County has irrevocably committed to use Runway LOI moneys, together with Available PFC Revenues and State grant moneys as described below, to pay Principal and Interest Requirements on the Series 2013C Bonds. See "SECURITY FOR THE SERIES 2017 BONDS - Use of Federal and State Grant Moneys to Pay Debt Service." As of August 31, 2017, the County has received $137,597,489 pursuant to the Runway LOI to fund the South Runway Expansion Project.

State Grants

The Florida Department of Transportation through a multi-year agreement (the "FDOT Agreement") will provide approximately $129 million to fund the South Runway Expansion Project. Similar to a federal LOI, the FDOT Agreement is contingent upon the Florida legislature appropriating funds for the South Runway Expansion Project. Pursuant to the FDOT Agreement the anticipated funding is as follows:

State Fiscal Year	Funding Amount
2007/2008	$ 960,607
2008/2009	13,542,000
2009/2010	8,550,000
2010/2011	8,301,882
2011/2012	28,025,000
2012/2013	0
2013/2014	10,500,000
2014/2015	15,858,323
2015/2016	20,137,445
2016/2017	17,010,038
2017/2018	6,062,820
TOTAL	$128,948,115

To the extent legally permitted, the County intends to use moneys received under the FDOT Agreement to pay a portion of the debt service on the Series 2012Q-1 Bonds and Series 2013C Bonds. For the Fiscal Years starting with Fiscal Year 2014 through Fiscal Year 2019, the County has irrevocably committed to use moneys received under the FDOT Agreement, together with Available PFC Revenues and federal grant moneys as described above, to pay Principal and Interest Requirements on the Series 2013C Bonds. See "SECURITY FOR THE SERIES 2017 BONDS - Use of Federal and State Grant Moneys to Pay Debt Service." As of August 31, 2017, the County has received $105,875,257 pursuant to the FDOT Agreement to fund the South Runway Expansion Project.

REPORT OF THE AIRPORT CONSULTANT

The Report of the Airport Consultant dated October 20, 2017 (the "Report of the Airport Consultant") included as APPENDIX B to this Official Statement was prepared by Ricondo & Associates, Inc. (the "Airport Consultant") in connection with the issuance of the Series 2017 Bonds. The Report of the Airport Consultant should be read in its entirety for an understanding of the information and underlying assumptions. The Report of the Airport Consultant includes an examination of the underlying economic base of the Airport Service Area, analyses of historical and projected air traffic activity at the Airport, a description of planned new facilities and various financial analyses, including a computation of debt service coverage ratios during the forecast period (Fiscal Year 2018 through Fiscal Year 2027, inclusive). The Report of the Airport Consultant concluded, based on various assumptions described in the Report of the Airport Consultant, that BCAD would generate Revenues sufficient to satisfy the requirements of the Rate Covenant under the Bond Resolution during the forecast period.

The following table presents the debt service coverage ratio through Fiscal Year 2027, assuming the issuance of the Series 2017 Bonds and Additional Bonds assumed to be issued through Fiscal Year 2019. As provided for in the Bond Resolution rate covenant, the Principal and Interest Requirements for any Bonds to be paid from irrevocably committed Available Revenues irrevocably committed therefor have been disregarded and not included in the debt service coverage calculation. Accordingly, the amount of Principal and Interest Requirements for the Series 2012Q-1 Bonds, a portion of the Series 2012P-2 Bonds, the Series 2013C Bonds and for the Series 2015C Bonds for which Available Revenues have been irrevocably committed in each Fiscal Year through the Fiscal Year ending September 30, 2023 are not included in the following table. It is currently the County's intention to use Passenger Facilities Charges to pay all or a portion of the aforementioned Bonds subsequent to the commitment periods described above. Such intention, however, shall not constitute a legal obligation of the County to use Passenger Facilities Charges to pay debt service on such Bonds subsequent to the above-described commitment periods. The historical years show compliance with the Rate Covenant coverage requirement.

A general measure of airport costs is the airline cost per enplaned passenger. The airline cost per enplaned passenger can be derived by dividing the total requirement to be covered by airline revenues by the total number of enplaned passengers. The total airline revenue is comprised of landing fees, terminal rentals including fees for the FIS facility and per-use charges, fueling system, and remote parking fees. The Signatory Airlines' cost per enplaned passenger is estimated to be $7.02 in Fiscal Year 2018 and forecast to increase to $9.53 in Fiscal Year 2027. The Report of the Airport Consultant determines that Signatory Airlines' cost per enplaned passenger amounts are within a reasonable range and are lower than most similar, large hub airports. The calculations in the table captioned "Airline Cost Per Enplaned Passenger" assume the application of certain levels of Passenger Facilities Charge revenues, LOI grant reimbursements, AIP entitlement grant reimbursements and FDOT grant disbursements towards the payment of debt service.

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NET REVENUE AND DEBT SERVICE COVERAGE
FORT LAUDERDALE-HOLLYWOOD INTERNATIONAL AIRPORT
(Fiscal Years; in thousands)

	BUDGET	PROJECTED[1]								
Net Revenues	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**
Signatory Airline Revenue	$113,538,374	$113,120,942	$170,783,220	$175,528,188	$176,583,418	$179,868,507	$169,723,396	$177,433,729	$195,295,020	$167,484,424
Non-Airline Revenue	175,804,503	179,915,172	185,608,884	189,065,727	194,022,136	197,559,173	200,479,598	204,345,339	208,763,603	210,985,513
Non-Signatory Airline Revenue	20,515,207	20,951,567	31,415,626	32,274,109	32,639,579	33,230,865	31,445,547	32,800,022	35,931,797	31,045,720
Interest Income	370,173	379,427	388,913	398,635	408,601	418,816	429,287	440,019	451,019	462,295
Transfer from General Purposes Account	22,687,185	23,943,494	23,946,757	37,820,557	41,253,168	41,252,589	41,239,854	37,820,955	38,052,681	41,452,434
Total Revenue	$332,915,441	$338,310,602	$412,143,400	$435,087,217	$444,906,903	$452,329.951	$443,317,681	$452,840,064	$478,494,120	$451,430,386
Less:										
O&M Expenses	$193,510,982	$202,117,819	$211,014,787	$218,211,863	$227,659,374	$235,426,209	$243,463,377	$251,780,477	$260,387,453	$269,294,612
Total Net Revenue Available for Debt Service	$139,404,459	$136,192,783	$201,128,613	$216,875,354	$217,247,529	$216,903,742	$199,854,304	$201,059,587	$218,106,666	$182,135,774
Total Debt Service	$153,747,493	$153,757,178	$209,251,786	$222,408,945	$222,402,310	$222,308,508	$204,734,760	$203,395,123	$213,692,623	$183,161,361
Less: Transfer from PFC Capital Improvements Fund	57,973,519	57,970,148	57,969,558	57,396,272	57,391,955	57,349,092	53,450,939	51,184,399	47,882,887	46,168,363
Net ASR Bond Debt Service	$95,773,975	95,787,030	151,282,228	165,012,673	165,010,355	164,959,416	151,283,821	152,210,723	165,809,736	136,992,998
Debt Service Coverage	**1.46**	**1.42**	**1.33**	**1.31**	**1.32**	**1.31**	**1.32**	**1.32**	**1.32**	**1.33**
Required ASR Bond Debt Service Coverage	**1.25**	**1.25**	**1.25**	**1.25**	**1.25**	**1.25**	**1.25**	**1.25**	**1.25**	**1.25**

[1] Assumes a continuation of all terms and conditions and rate-setting methodology of existing Airline Agreements through the projection period.
Sources: Broward County Aviation Department; Ricondo & Associates, Inc., October 20, 2017.
Prepared By: Ricondo & Associates, Inc., October 20, 2017.

SIGNATORY AIRLINE COST PER ENPLANED PASSENGER
FORT LAUDERDALE-HOLLYWOOD INTERNATIONAL AIRPORT
(Fiscal Years; in thousands)

Signatory Airline Cost per Enplanement	BUDGET FY 2018[1]	PROJECTED[2] FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Signatory Airline Landing Fees	$30,524,096	$30,230,247	$33,143,212	$33,600,329	$34,652,333	$35,820,936	$37,039,881	$38,300,330	$39,612,338	$41.243,885
Signatory Airline Remote Parking	$520,047	$535,648	$551,718	$568,269	$585,317	602,877	$620,963	639,592	658,780	678,543
Signatory Terminal Building Rents	49,542,002	43,428,706	71,421,612	73,066,497	74,366,921	75,924,771	69,029,084	72429,070	81,602,377	64,913,734
Signatory Terminal Joint Use Fees	10,562,787	9,227,197	15,186,375	15,536,541	15,594,403	15,791,182	14,355,388	15,063,320	16,973,351	13,380,994
Signatory Terminal FIS and Per Use Fees	22,389,351	29,699,144	50,480,304	52,756,553	51,384,742	51,728,742	48,678,080	51,001,417	56,448,173	47,267,268
Total Signatory Airline Revenue	$113,538,374	$113,120,942	$170,783,220	$175,528,288	$176,583,418	$179,868,507	$169,723,396	$177,433,729	$195,295,020	$167,484,424
Total Signatory Airline Enplanements	16,171,337	16,358,101	16,523,494	16,686,099	16,846,846	17,004,806	17,154,402	17,301,212	17,441,517	17,573,460
Signatory Airline Cost per Enplanement	**$7.02**	**$6.92**	**$10.34**	**$10.52**	**$10.48**	**$10.58**	**$9.89**	**$10.26**	**$11.20**	**$9.53**

(1) Budget Fiscal Year 2018 with exception of activity, which is the Airport Consultant's Forecast.
(2) Assumes a continuation of all terms and conditions and rate-setting methodology of existing Airline Agreements through the projection period.
Sources: Broward County Aviation Department; Ricondo & Associates, Inc., October 20, 2017.
Prepared By: Ricondo & Associates, Inc., October 20, 2017.

THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS

The following section describes certain investment considerations affecting the payment of and security for all Bonds outstanding under the Bond Resolution, including the Series 2017 Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of the Series 2017 Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following specific factors along with all other information described elsewhere or incorporated by reference in this Official Statement in evaluating the Series 2017 Bonds. See also the description of litigation under the caption "LITIGATION" in this Official Statement.

Airline Reports

Certain of the airlines serving the Airport (or their respective parent corporations) are subject to the information requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and in accordance therewith file reports and other information with the Securities and Exchange Commission ("SEC"). Only companies with securities listed on a national securities exchange, with securities traded over the counter which are registered under the Exchange Act, or which are required to file with the SEC pursuant to the information-reporting requirements will have information on file. Certain information, including financial information, as of particular dates, concerning each such airline is disclosed in certain reports and statements filed with the SEC. Such reports and statements can be inspected and copies obtained at prescribed rates at the SEC's principal offices at 100 F Street, N.E., Washington, D.C. 20549, and should be available for inspection and copying at the SEC's regional offices located at 233 Broadway, New York, New York 10279, and 500 W. Madison Street, Suite 1400, Chicago, Illinois 60661. The public may obtain information on the hours of operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Some of the airlines are required to file periodic reports of financial and operating statistics with the United States Department of Transportation (the "DOT"). Such reports can be inspected at the Office of Aviation Information Management, Data Requirements and Public Reports Division, Research and Special Programs Administration, DOT, 400 Seventh Street, S.W., Washington, D.C. 20590, and copies of such reports can be obtained from the DOT at prescribed rates. THE COUNTY HAS NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF INFORMATION AVAILABLE FROM THE ABOVE-MENTIONED SOURCES.

Airlines owned by foreign governments or foreign corporations operating airlines (unless such foreign airlines have American Depository Receipts registered on a national exchange) are not required to file information with the SEC. Airlines owned by foreign governments or foreign corporations file limited information only with the DOT.

General Economic and Political Conditions

Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of real disposable income. Past recessions in the U.S. economy and associated high unemployment reduced discretionary income and negatively impacted airline travel demand. With the globalization of business and the increased importance of international trade and tourism, the U.S. economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economics, trade balances, currency exchange rates, political relationships, and hostilities all influence passenger traffic at major U.S. airports. Concerns about hostilities and other perceived security and public health risks also affect travel demand to particular international destinations. Sustained future increases in passenger traffic at the Airport will depend on stable international conditions as well as national and global economic growth. Traffic at the Airport is also sensitive to growth in the population and fluctuations in the local economy of the area served by the Airport.

Global Events and Uncertainties of the Airline Industry

Since the economic deregulation of the airline industry in 1978, the industry has undergone significant changes including a number of airline mergers, acquisitions, bankruptcies and dissolutions. In addition, the financial results of the airline industry have been subject to substantial volatility since deregulation. Various events have had a significant, negative impact on airline industry profitability. Numerous airlines have filed for bankruptcy protection and overall, the airline industry has continued to struggle with higher costs.

The County's ability to derive Net Revenues depends upon numerous factors, many of which are not subject to the control of the County. Revenues may be affected by the ability of the Signatory Airlines, individually and collectively, to meet their respective obligations under the Airline Agreements. The continued presence of the airlines serving the Airport, and the levels at which that service will be provided, are a function of a variety of factors. Future airline traffic of the Airport will be affected by, among other things, (i) the growth in the population and the economy of the primary air trade area served by the Airport, (ii) national and international economic conditions, (iii) federal and state regulatory actions, (iv) airline service and routes, (v) air fare levels, (vi) aviation fuel prices, (vii) the capacity of facilities at the Airport, (viii) operation and capacity of the air traffic control system, (ix) national and international disasters and hostilities, mergers, technological changes, environmental risks and regulations, (x) noise abatement concerns and regulation, (xi) federal and state bankruptcy and insolvency laws, (xii) acts of terrorism and world health concerns, (xiii) cost competition, (xiv) cost and availability of capital, (xv) labor relations within the airline industry, and (xvi) epidemics and health concerns. It is reasonable to assume that any significant financial or operational difficulties incurred by any of the Signatory Airlines may, whether directly or indirectly, have an adverse impact on Revenues or Airport operations, the effect of which may be material. Although BCAD has developed contingency plans that make assumptions as to various factors described above and suggest a prudent response to such events, BCAD may anticipate but can never predict the occurrence of any particular event or trend that could adversely impact airline activity and/or Net Revenues. Accordingly, no assurance can be given as to the levels of aviation activity that will be achieved at the Airport.

During the past few years, several airlines filed for bankruptcy protection. It is possible that additional passenger or all-cargo air carriers, including one or more of the Signatory Airlines, will file for protection under federal bankruptcy laws. This Official Statement does not contain financial information about any airline or construction contractor or about any other entity other than the Airport System, BCAD and the County. As a result, in making an investment decision with respect to the Series 2017 Bonds, a potential purchaser can have no assurance, based upon the information contained herein, that any entity will be capable of meeting its responsibilities or will perform as expected. For further information regarding the financial condition and effect on operations of the airlines, potential investors should refer to the statements and reports filed periodically by the airlines with the SEC. See "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS - Airline Reports " herein for information on how to obtain such reports and "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS - General Financial Condition of Certain Airlines Serving the Airport" and "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS - Effect of Bankruptcy on Airline Agreements" herein for additional information relating to current and future Signatory Airline bankruptcies.

General Financial Condition of Certain Airlines Serving the Airport

Historically, the financial performance of the air transportation industry has correlated with the state of the national economy. Future increases in passenger traffic will depend largely on the ability of the U.S. to sustain growth in economic output and income. The County derives a substantial portion of its operating revenues from landing and facility rental fees. The financial strength and stability of the airlines using the Airport, together with numerous other factors, influence the level of aviation activity at the Airport and Revenues of BCAD. Over the past 20 years, substantially all airlines have been downgraded by the rating agencies, several have restructured through Chapter 11 bankruptcy, some are currently restructuring in Chapter 11, and some have ceased service altogether.

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

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

Effect of Bankruptcy on Airline Agreements

When a Signatory Airline seeks protection under the bankruptcy laws, such Airline or its bankruptcy trustee must determine whether to assume or reject its agreements with the County (1) within 120 days or later, if ordered by the court, with respect to its Airline Agreement or other leases of real property, or (2) prior to the confirmation of a plan or reorganization with respect to any other agreement. In the event of assumption, the Signatory Airline would be required to cure any prior defaults and to provide adequate assurance of future performance under the applicable Airline Agreement or other agreements. Rejection of an Airline Agreement or other agreement or executory contract would give rise to an unsecured claim of the County for damages, the amount of which in the case of an Airline Agreement or other agreement is limited by the Bankruptcy Code generally to the amounts unpaid prior to bankruptcy plus the greater of (a) one year of rent, or (b) 15% of the total remaining lease payments, not to exceed three years. However, the amount ultimately received in the event of a rejection of an Airline Agreement or other agreement could be considerably less than the maximum amounts allowed under the Bankruptcy Code. However, the amounts unpaid as a result of a rejection of an Airline Agreement by a Signatory Airline in bankruptcy would be passed on to the remaining Signatory Airlines under their Airline Agreements in the form of a rate increase. There is no assurance that the remaining Signatory Airlines would be financially able to absorb the additional costs resulting from the bankruptcy of any other Signatory Airline. In addition, pre-petition payments made by an airline in bankruptcy within 90 days of filing a bankruptcy case could be deemed to be an "avoidable preference" under the United States Bankruptcy Code and thus subject to recapture by the debtor or its trustee in bankruptcy.

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

In the case of bankruptcies involving airlines serving the Airport, the County cannot predict the duration nor extent of reductions and disruptions in air travel or the extent of any adverse impact on Revenues, collection of Passenger Facilities Charges, passenger enplanements, operations or the financial condition of the

Airport. The County is not able to accurately predict whether any airline under bankruptcy protection will continue operating at the Airport or whether any of these airlines will liquidate or substantially restructure their operations. Further, the County cannot predict nor can it give any assurance that any airlines in bankruptcy serving the Airport will continue to pay or to make timely payment of their obligations under the Airline Agreements.

Growth of Low Cost Carriers and Ultra Low Cost Carriers

Low cost carriers ("LCCs"), and ultra low cost carriers ("ULCCs") are carriers that take advantage of an operating cost structure that is significantly lower than the cost structure of the network carriers. These advantages can include lower labor costs, greater labor flexibility, a streamlined aircraft fleet (i.e., fewer different types of aircraft in a given airline's fleet) and a generally more efficient operation. These low costs suggest that the LCCs and ULCCs can offer a lower fare structure to the traveling public than network carriers while still maintaining profitability.

As the larger U.S. carriers consolidated and became more focused on capacity discipline, fare increases took hold. LCCs began to emerge in larger markets where passenger levels were high enough for the LCCs to overcome certain barriers to entry caused by the larger carriers such as, for example, control of the majority of airport gates and slots. The cost structure of LCCs allows for lower fares, which has stimulated traffic and driven LLCs into larger markets. One result of the consolidation of carriers and their capacity discipline and the associate fare increases is that certain price-sensitive travelers are flying less. Recently, these budget conscious flyers have emerged as an underserved segment which has helped to expand the LCC market to include the ULCCs, such as Allegiant Airways, Frontier Airlines and Spirit Airlines, which serve the airport.

Recent FAA Reauthorization and Federal Grant Funding

In February 2012, the most recent authorization and funding for the FAA was approved under the FAA Modernization and Reform Act of 2012 (the "FAA Reauthorization Act"), which was originally scheduled to expire on September 30, 2015. However, through various extensions the expiration date has been extended. The latest extension, H.R. 3823, extends the expiration date to March 31, 2018 (the "2017 Extension"). The FAA Reauthorization Act retained the federal cap on PFCs at $4.50 and authorized $3.35 billion per year for AIP through federal fiscal year 2015, which is $150 million per year less than the funding level for the preceding five years. The 2017 Extension provided $1.675 billion in AIP funding, which is half of the $3.35 billion per federal fiscal year provided under the FAA Reauthorization Act. The AIP provides federal capital grants to support airport infrastructure through entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated to the basis of specific set-asides and the national priority ranking system).

As noted earlier, in 2011 BCAD received the Runway LOI from the FAA for $250 million in reimbursement grants for the South Runway Expansion Project. The issuance of the Runway LOI does not constitute a binding agreement or commitment of funds by the FAA, but it is indicative of the level of funding the County can reasonably expect to receive, provided Congress continues to appropriate funds for the AIP. The Runway LOI and other similar letters of intent from the FAA are funded at a higher priority than other discretionary AIP funding. Past budget proposals have included reduction or elimination of the AIP. In addition, the AIP could be affected by the automatic across-the-board spending cuts, known as sequestration, described below. The County is unable to predict the level of available AIP funding it may receive. If there is a reduction in the amount of AIP grants awarded to the County, such reduction could (i) increase by a corresponding amount the capital expenditures that the County would need to fund from other sources (including operating revenues and additional Bonds), (ii) result in adjustments to the capital improvement plan or (iii) extend the timing for completion of certain projects.

Aviation Safety and Security Concerns

Concerns about the safety of air travel and the effectiveness of security precautions, particularly in the context of international hostilities and domestic and foreign terrorist attacks and threats and other airline incidents may influence passenger travel behavior and air travel demand. These concerns intensified in the aftermath of the events of September 11, 2001. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, which may give rise to the avoidance of air travel generally and the switching from air to surface travel modes.

Since 2001, government agencies, airlines, and airport operators have enhanced security measures to guard against possible terrorist incidents and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed sky marshals, federalization of airport security functions under the TSA, more effective dissemination of information about threats, more intensive screening of passengers, baggage, and cargo, and deployment of new screening technologies. The airlines and the federal government were primarily responsible for, and bore most of the capital costs associated with, implementing the aforementioned security measures. The Airport is currently in compliance with all federally mandated security requirements.

BCAD cannot predict the effect of any future government-required security measures on passenger activity at the Airport System. Nor can BCAD predict how the government will staff security screening functions or the effect on passenger activity of government decisions regarding its staffing levels. BCAD, like many airport operators, has experienced increased operating costs due to compliance with federally mandated and other security and operating changes. BCAD cannot predict the likelihood of future terrorist incidents, the possibility of increased security restrictions, the likelihood of future air transportation disruptions or the impact on the Airport or the airlines from such incidents or disruptions.

Cost of Aviation Fuel

Airline earnings are significantly affected by changes in the price of aviation fuel. According to Airlines for America (an airline trade association, formerly known as Air Transport Association of America), fuel, along with labor costs, is one of the largest cost components of airline operations, and continues to be an important and uncertain determinate of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but any increase in fuel prices causes an increase in airline operating costs. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world (particularly in the oil-producing nations in the Middle East and North Africa), Organization of Petroleum Exporting Countries policy, the rapid growth of economies such as China and India, the levels of inventory carried by industries, the amounts of reserves maintained by governments, disruptions to production and refining facilities and weather.

Airline industry analysts hold differing views on how oil and aviation fuel prices may change in the near term, although, absent unforeseen disruptions, prices are expected to remain relatively low for some time. However, there is widespread agreement that fuel prices are likely to increase over the long term as global energy demand increases in the face of finite oil supplies that are becoming more expensive to extract. Aviation fuel prices will continue to affect airfares, passenger numbers, airline profitability, and the ability of airlines to provide service. Airline operating economics will also be affected as regulatory costs are imposed on the airline industry as part of efforts to reduce aircraft emissions contributing to global climate change.

In recent years, fuel prices have been relatively stable, partly as a result of increased supply from U.S. domestic production, although political instability and conflicts in North Africa and the Middle East have contributed to volatility. The County makes no representation whether fuel prices will continue relative stability or if volatility will increase.

Public Health Risks

Travel restrictions and alerts, as well as other public health measures, may be imposed to limit the spread of communicable diseases which may arise. In recent years, the World Health Organization and the U.S. Department of Health and Human Services (through the Secretary of the Department of Homeland Security) declared public health emergencies as the result of outbreaks of a certain serious communicable disease. The widespread outbreak of and any travel imposed restrictions imposed in relation to the communicable disease could negatively impact passenger activity at the Airport.

Airline Concentration; Effect of Airline Industry Consolidation

The airline industry continues to evolve as a result of competition and changing demand patterns and it is possible that airlines serving the Airport could consolidate operations through acquisition, merger, alliances, and code share sales strategies. Many major domestic airlines have joined with other major domestic airlines. Depending on which airlines serving the Airport, if any, merge or join alliances, the result may be fewer flights by one or more airlines, which decrease could be significant. Such decreases could result in reduced Revenues, reduced PFC revenue collections and increased costs for the airlines serving the Airport. It is not possible at this time to predict the effect on gate usage at the Airport, or the corresponding impact on Revenues, PFC revenue collections or airline costs, as a result of unknown potential airline consolidations.

Sustained industry profitability will depend on, among other factors, economic growth to support airline travel demand, continued capacity control to allow increased airfares, and stable fuel prices. Consolidation of the U.S. airline industry has resulted from the acquisition of Trans World by American (2001), the merger of US Airways and America West (2005), the merger of Delta and Northwest (2009), the merger of United and Continental (2009), the acquisition of AirTran and Southwest (2011), and the merger of American and US Airways (2013), and the acquisition of Virgin America by Alaska Airlines (2016). Such consolidation has resulted in four airlines (American, Delta, Southwest and United) accounting for approximately 80% of domestic seat-mile capacity and is expected by airline industry analysts to contribute to industry profitability. However, any resumption of financial losses could cause U.S. airlines to seek bankruptcy protection or liquidate. The liquidation of any of the large network airlines would drastically affect airline service at certain connecting hub airports, present business opportunities for the remaining airlines, and change airline travel patterns nationwide.

As of the date of this Official Statement, none of these mergers have had any material impact on airline service or enplanements at the Airport. While these prior mergers have not had any material impact on airline service and enplanements at the Airport or on Revenues, future mergers or alliances among airlines operating at the Airport may result in fewer flights or decreases in gate utilization by one or more airlines. Such decreases could result in reduced Revenues, reduced PFC collections and/or increased costs for the other airlines serving the Airport.

In 2015, the U.S. Department of Justice (the "DOJ") initiated a civil anti-trust investigation and requested airlines to provide documents and information from the prior two years relating to seating capacity. By limiting the number of flights offered, airlines allegedly could restrain competition and raise fares. The DOJ inquiry remains active; what effect, if any, this investigation will have on the airlines and the industry as a whole is not currently determinable.

Structural Changes in the Travel Market

Many factors have combined to alter consumer travel patterns. The threat of terrorism against the United States remains high. As a result, the federal government has mandated various security measures that have resulted in new security taxes and fees and longer passenger processing and wait times at airports. Both add to the costs of air travel and make air travel less attractive to consumers relative to ground transportation, especially to short-haul destinations. Additionally, consumers have become more price-sensitive. Moreover, the availability of fully transparent price information on the internet now allows quick and easy comparison shopping, which has changed consumer purchasing habits. Consumers have shifted from purchasing paper tickets from travel agencies or airline ticketing offices to purchasing electronic tickets over the internet. This has made pricing and marketing even more competitive in the U.S. airline industry. Finally, smaller corporate travel budgets, combined with the higher time costs of travel, have made business customers more amenable to communications substitutes such as tele- and video- conferencing.

Competition

The Airport competes with other U.S. airports for both domestic and international passengers. In particular, the Airport has historically competed against Miami International Airport and Palm Beach International Airport. See Section 2.2 of APPENDIX B - "REPORT OF THE AIRPORT CONSULTANT." The County also may continue to experience increases in its operating costs due to compliance with federally mandated and other security and operating changes that are unique to the Airport. Such increased costs may increase the cost per enplaned passenger to the airlines, which could result in the Airport being put at a competitive disadvantage relative to other airports and transportation modes.

Passenger Facilities Charges

The County's authority to impose and use Passenger Facilities Charges is subject to certain terms and conditions provided in the PFC Act, the PFC Regulations and each PFC Authority. If the County fails to comply with these requirements, the FAA may take action to terminate or to reduce the County's authority to impose or to use Passenger Facilities Charges. Some of the events that could cause the County to violate these provisions are not within the County's control. In addition, failure to comply with the provisions of the Noise Act may lead to termination of the County's authority to impose Passenger Facilities Charges. There is no assurance that the PFC Act will not be repealed or amended or that the PFC Regulations or any PFC Authority will not be amended in a manner that would adversely affect the County's ability to collect and use Passenger Facilities Charges. See "SECURITY FOR THE SERIES 2017 BONDS - Use of Passenger Facilities Charges to Pay Debt Service" herein.

Uncertainty of Non-Airline Revenues

The Airport System's ability to generate revenues from its non-airline businesses (including parking, car rentals and terminal concessions such as food and beverage sales) depends, in part, upon the volume of passengers passing through the Airport, economic conditions, and ground transportation and terminal concession preferences, pricing and alternatives. The nature of the businesses that provide concessions and services to the Airport change as new business models develop. For example, ridesharing or transportation network companies ("TNCs") represent a relatively new business model providing service at the Airport and may adversely affect not only other ground transportation businesses, but also other Airport businesses, including parking and rental car businesses. Beginning in Fiscal Year 2016, TNCs are charged a $3.00 per trip rideshare fee when transporting passengers from the Airport. Given the recent emergence of TNCs, there is not sufficient data available to meaningfully assess the degree to which they are capturing demand share at the expense of Airport parking or other forms of ground transportation such as taxies or rental cars.

Environmental Matters

Several small discharges of petroleum products have been identified along the Airport's fuel hydrant line which are being assessed and/or monitored by the responsible party, the Airport's airline fuel consortium (Ft. Lauderdale Fuel Facilities LLC). Restricted closure of these sites is expected to be facilitated by a Memorandum of Agreement for Land Use Controls ("MOA") which was executed by the County and the Florida Department of Environmental Protection on July 1, 2015. The MOA acknowledges that the groundwater beneath the Airport is naturally of poor quality due to saltwater intrusion from the adjacent Atlantic Ocean, and as such redefined the applicable groundwater standards for the Airport. The MOA also established conditions allowing groundwater and soil clean up criteria to be consistent with the use of the Airport as an industrial and commercial airport facility. Application of the MOA should allow contaminated sites to be brought to regulatory closure in a more cost effective and expeditious manner.

Insurance

The Airport System is exposed to various risks and losses related to alleged torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters.

Self-Insurance Program

BCAD participates in the County's self-insurance program, for its workers' compensation, health insurance, auto liability and general liability claims which are not covered under the airport owners and operators general liability, environmental liability, or cyber liability insurance policies held by BCAD.

Workers' compensation benefits up to the maximum amount of $1.5 million per occurrence are provided through the County's Self-Insurance Fund and in accordance with Florida law. BCAD is insured for losses above this $1.5 million limit through the excess workers' compensation policy held by the County.

The County has entered into a contract to provide for employee health insurance through a self-insurance program with United HealthCare Services, Inc. as a third party payor. The County has also purchased stop-loss coverage for the group medical and pharmacy plan with an individual maximum per calendar year of $400,000 and an aggregate maximum for the County of 115% of expected claims (approximately $50 million).

BCAD makes payments for the County's self-insurance programs to the Self-Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year BCAD claims and to establish reserves for all BCAD losses. The estimated liabilities for self-insured losses were determined by independent actuarial valuations performed as of September 30, 2016. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors.

Other Insurance Coverage

BCAD is also covered by other insurance policies purchased by the County, including government crime, pollution liability, terrorism, fine arts coverage, and numerous smaller policies that are required by lease agreements, union contracts, Florida law, etc. In addition, BCAD carries separate policies for airport owner's and operator's general liability insurance, property insurance, environmental liability insurance, and cyber liability insurance and automobile physical damage insurance.

Property Insurance - BCAD has a property portfolio consisting of 40 individual structures comprising over $1.2 billion in insurable values. Current property insurance policies provide up to $500 million in coverage per occurrence with a deductible of $250,000. Coverage for property losses emanating from "terrorism" are covered up to $350 million per occurrence. Losses attributable to named windstorms are subject to a limit of $125 million per occurrence with a deductible of $25 million. Flood losses are subject to a limit of $25 million per occurrence with a minimum deductible of $500,000.

BCAD's facilities are also covered under the County's boiler and machinery policy. This program provides $200 million of coverage with a $250,000 deductible.

BCAD also insures the elevated section of the new runway for a limit of $220 million, with a deductible of $250,000 per occurrence. This policy excludes losses resulting from named windstorm events.

Airport Owners and Operators General Liability Insurance - Due to the unique nature of the exposures presented by airport operations, BCAD purchases airport owners and operators general liability and excess insurance coverage. The owners and operators general liability insurance provides $100 million per occurrence with no deductible from the primary insurer, and thereafter excess insurance coverage is provided from various additional insurers for a total combined coverage of up to $500 million.

Owner Controlled Insurance Program - BCAD also participates in the County's Owner Controlled Insurance Program ("OCIP") which is a large deductible insurance program for County construction projects providing qualified participants with workers' compensation, general liability, and environmental insurance coverage. The OCIP includes Florida statutory benefit coverage for workers' compensation claims and $200 million of excess General Liability coverage, in each case with a $250,000 deductible per occurrence. There is also $200 million in Contractor's Pollution coverage with a $25,000 deductible per occurrence for environmental claims.

Environmental Liability Insurance - BCAD carries an environmental liability insurance policy in the aggregate amount of $26 million with a coverage limit of $10 million per occurrence. BCAD is responsible for the first $100,000 of each loss under this policy.

Cyber Liability Insurance - BCAD carries a cyber-liability policy with limits of $5 million per occurrence and in the aggregate, with a per claim retention of $50,000. BCAD is responsible for the first $50,000 of each loss under this policy and extends coverage for information security and privacy breach response.

Automobile Physical Damage Insurance - BCAD carries an automobile physical damage insurance dedicated to Airport System fire trucks with coverage limits of $1.25 million per occurrence and in the aggregate, and a $25,000 per occurrence deductible.

Availability of Various Sources of Funding

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

Costs of Capital Improvement Program and Schedule

The estimated costs of, and the projected schedule for, the CIP are subject to a number of uncertainties. The ability of the County to complete the CIP may be adversely affected by various factors including: (i) estimating errors, (ii) design and engineering errors, (iii) changes to the scope of the capital improvements, (iv) delays in contract awards, (v) material and/or labor shortages, (vi) unforeseen site conditions, (vii) adverse weather conditions, (viii) contractor defaults, (ix) labor disputes, (x) unanticipated levels of inflation, (xi) litigation, (xii) delays in permitting and (xiii) environmental issues. No assurance can be given that the CIP will not cost more than is currently estimated. Any schedule delays or cost increases could result in the need to issue additional indebtedness and may result in increased costs per enplaned passenger to the airlines utilizing the Airport. As noted above, the Airline Agreements require majority in interest approval of the Signatory Airlines for the issuance of additional debt, the debt service on which would be included in the airline rate base. While the County has obtained such approval for its current CIP expenditures, there can be no assurance that the County would be able to obtain any additional required approvals in the event the CIP costs more than currently anticipated.

Construction of large projects at airports also involves the risk of disruption of ongoing operations and a resultant reluctance on the part of passengers and airlines to use the Airport. BCAD has taken steps to minimize the impact of construction at the Airport and does not believe that air traffic will be reduced. See discussion of the CIP in APPENDIX B - "REPORT OF THE AIRPORT CONSULTANT."

Severe Storms

The State of Florida has suffered from severe storms and other weather events over the years, including hurricanes. Such storms have the potential to damage the Airport and other County facilities, interrupt service at the Airport, or otherwise impair the operation and generation of revenues from said facilities. While BCAD believes that it maintains adequate insurance to cover any loss arising from such natural disasters, there can be no assurance that in severe circumstances that such insurance will be adequate to rebuild its facilities. See "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS - Insurance" herein. Additionally, there can be no assurance that after experiences with natural disasters, citizens will continue to choose to live in or travel to areas affected by such disasters. Such decisions could have an adverse impact on the operations and revenues of the Airport System.

See "SELECTED FINANCIAL INFORMATION AND MANAGEMENT ANALYSIS - Impact of Hurricane Irma" herein for a discussion of Hurricane Irma, which was the most recent severe storm to impact the Airport.

Climate Change Issues and Possible New Regulation

Climate change concerns are shaping laws and regulations at the federal and State levels that could have a material adverse effect on airlines operating at the Airport and could also affect ground operations at the Airport. Studies report that airplane emissions equal approximately 12% of all U.S. transportation and more than 3% of total U.S. greenhouse gas emissions. While the U.S. Environmental Protection Agency (the "EPA") does not currently regulate greenhouse gas ("GHG") emissions from aircraft, it could do so in the future. When drafting aircraft emission regulations, the EPA must consult with the Administrator of the FAA and the Secretary of Transportation, and such regulations must not significantly increase noise or adversely affect safety. The President may also disapprove if the Secretary of Transportation advises that the regulations create a hazard to aircraft safety. BCAD can provide no assurance as to the likelihood or potential impact of any such future proposed or enacted regulations.

Cybersecurity

Similar to other larger organizations, BCAD and the airlines rely on electronic systems and technologies to conduct operations. There have been numerous attempts to gain unauthorized access to electronic systems of large organizations for the purposes of misappropriating assets or personal, operations, financial or other sensitive information, or causing operational disruption. These attempts, which are increasing, include highly sophisticated efforts to electronically circumvent security measures or freeze assets as well as more traditional intelligence gathering aimed at obtaining information necessary to gain access. BCAD maintains a security posture designed to deter cyber-attacks, and is committed to deterring attacks on its electronic systems and responding to such attacks to minimize their impact on operations. However, no assurances can be given that any cyber-attacks, if successful, will not have a material adverse effect on the operations or financial condition of BCAD.

Forward Looking Statements

This Official Statement, and particularly the information contained under the caption "THE CAPITAL IMPROVEMENT PROGRAM" and in APPENDIX B - "REPORT OF AIRPORT CONSULTANT" contains statements relating to future results that are "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect," and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements.

Among the factors that may cause projected revenues and expenditures to be materially different from those anticipated are an inability to incur debt at assumed rates, construction delays, increases in construction costs, general economic downturns, factors affecting the airline industry in general, federal legislation and/or regulations, and regulatory and other restrictions, including but not limited to those that may affect the ability to undertake the timing or the cost of certain projects. Any forecast is subject to such uncertainties. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

INVESTMENT POLICY

The County adopted a detailed written investment policy on September 27, 1995 (as last amended on June 13, 2017) that applies to all funds (cash, cash equivalents and investments) held by or for the benefit of the Board, except for proceeds of refunded bond issues which are deposited in escrow, debt service funds governed by their bond indentures and funds of the constitutional officers and other components of the County governed by independent boards, unless as authorized by mutual agreement.

The objectives of the investment policy are: (a) safety and preservation of capital, (b) liquidity, (c) yield maximization, (d) investment responsibility, and (e) exceeding the average return on the Bank of America Merrill Lynch 1-3 year Treasury & Agency Index.

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) Securities and Exchange Commission registered money market funds and (o) bonds, notes or instruments backed by the full faith and credit of the government of Israel. 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%, but not less than $40 million, of the County's total portfolio shall be held in overnight repurchase agreements, U.S. Treasury instruments and/or money market/mutual funds.

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

LITIGATION

The County has obtained all necessary government approvals, including approval from the FAA, and a permit from the United States Army Corps of Engineers, in connection with the previously described South Runway Expansion Project at the Airport which opened September 18, 2014. Litigation involving residents and landowners in close proximity to the Airport has been initiated over the runway expansion. A description of each litigation action is contained below.

Shaw Farms Inverse Condemnation. Plaintiffs own over 40 acres of nursery property adjacent to the Airport. This suit alleges that in constructing the South Runway Expansion Project, the County changed the flow of drainage to the extent of creating frequent and recurring flooding of Shaw's property. Plaintiffs have also alleged, among other things, that the design and construction of the South Runway Expansion Project has not only damaged portions of the Shaw property, but has rendered the Shaw property with no beneficial use.

The Court recently entered an Order finding that beginning in 2012 South Runway construction activities resulted in the flooding of and deprivation of access to the Shaw property. The case will now proceed to a determination of value of the property taken. The County intends to continue pursuit of indemnification from contractors and engineers whose actions contributed to this result. Additionally, certain runway project liability insurance may also provide coverage for some of the claim. The County may also pursue appellate remedies for the underlying taking decision which would be available following the valuation process. The result of the taking Order would essentially require County to purchase the property, which, if required to do so, may benefit the County and Airport System. The Office of the County Attorney is of the opinion that at this time the possible exposure resulting from any ultimate resolution of this litigation would not have a material adverse economic effect on the Airport System.

Contractor Disputes. The County from time to time is involved in disputes with construction contractors and currently is actively engaged in other lawsuits with construction contractors. The Office of the County Attorney is of the opinion that at this time 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 on the Airport System.

There is no litigation or other proceedings of any nature now pending or, to the best knowledge of the County, threatened against the County in the Circuit Court for the Seventeenth Judicial Circuit of the State of Florida in and for Broward County and in the United States District Court for the Southern District of Florida or in any other court for which the County has received actual notice which, in the opinion of the Office of the County Attorney, will have any material adverse effect on the County's ability to pay the Series 2017 Bonds or to collect the Revenues or will have a material adverse effect on the Airport System.

At the time of the delivery of the Series 2017 Bonds, the County will deliver a certificate to the effect that no litigation or other proceedings are pending, or to the best knowledge of the County, threatened against the County in the Circuit Court for the Seventeenth Judicial Circuit of the State of Florida in and for Broward County or in the United States District Court for the Southern District of Florida or in any other court for which the County has received actual notice, in any way (a) restraining or enjoining the issuance, sale or delivery of the Series 2017 Bonds, (b) questioning or affecting the validity of the Series 2017 Bonds or any proceedings of the County taken with respect to the authorization, sale, execution or issuance of the Series 2017 Bonds or of the pledge of any moneys or other security provided for the Series 2017 Bonds, or (c) which could have a material adverse effect on the Airport System.

TAX MATTERS

In the opinion of Squire Patton Boggs (US) LLP and Perry E. Thurston, Jr., P.A., Co-Bond Counsel, under existing law: (i) interest on the Series 2017 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except interest on any Series 2017 Bond for any period during which it is held by a "substantial user" of the facilities financed 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; and (ii) the Series 2017 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 2017 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 2017 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 representations and certifications 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 2017 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 2017 Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2017 Bonds. The County has covenanted to take the actions required of it for the interest on the Series 2017 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 2017 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 2017 Bonds or the market value of the Series 2017 Bonds.

Interest on the Series 2017 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 2017 Bonds. Co-Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2017 Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2017 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.

Co-Bond Counsel's engagement with respect to the Series 2017 Bonds ends with the issuance of the Series 2017 Bonds, and, unless separately engaged, Co-Bond Counsel is not obligated to defend the County or the owners of the Series 2017 Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2017 Bonds, under current IRS procedures, the IRS will treat the County as the taxpayer and the beneficial owners of the Series 2017 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 2017 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2017 Bonds.

Prospective purchasers of the Series 2017 Bonds upon their original issuance at yields other than the respective yields indicated on the inside cover of this Official Statement, and prospective purchasers of the Series 2017 Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Co-Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2017 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2017 Bonds will not have an adverse effect on the tax status of interest on the Series 2017 Bonds or the market value or marketability of the Series 2017 Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2017 Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, the recent federal tax reform proposals in the U.S. House and Senate would reduce corporate tax rates, modify individual tax rates, eliminate many deductions, repeal the alternative minimum tax, eliminate advance refundings and, in the case of the House proposal, eliminate private activity bonds, among other things. These proposals, if passed and signed by the President, may increase, reduce or otherwise change the financial benefits currently provided to certain owners of state and local government bonds. Additionally, investors in the Series 2017 Bonds should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Series 2017 Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Series 2017 Bonds may be affected and the ability of holders to sell their Series 2017 Bonds in the secondary market may be reduced. The Series 2017 Bonds are not subject to special mandatory redemption, and the interest rates on the Series 2017 Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Series 2017 Bonds.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Original Issue Premium

Certain of the Series 2017 Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

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

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale by the County of the Series 2017 Bonds are subject to the approving legal opinions of Squire Patton Boggs (US) LLP and Perry E. Thurston, Jr., Co-Bond Counsel. Legal matters incident to the preparation of this Official Statement are subject to the legal opinions of Nabors, Giblin & Nickerson, P.A. and Saunders Legal Strategies & Solutions, P.L., Co-Disclosure Counsel. The proposed form of opinions of Co-Bond Counsel and Co-Disclosure Counsel are included as APPENDIX F and APPENDIX H, respectively, attached hereto. The actual legal opinions to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinions will speak only as of their date, and subsequent distribution by recirculation of the Official Statement or otherwise shall create no implication that counsel have reviewed or express any opinion concerning any of the matters referenced in the opinions subsequent to their date.

Certain legal matters will be passed on for the County by the County Attorney or a Deputy or Senior County Attorney. Certain legal matters will be passed upon for the Underwriters by Greenberg Traurig, P.A., Miami, Florida, Counsel to the Underwriters.

UNDERWRITING

Citigroup Global Markets Inc., together with certain other underwriters (collectively, the "Underwriters"), have agreed to purchase the Series 2017 Bonds subject to certain conditions set forth in the Purchase Contract with the County (the "Purchase Agreement"). The Purchase Agreement provides that the obligation of the Underwriters to accept delivery of the Series 2017 Bonds is subject to various conditions set forth therein, but the Underwriters will be obligated to purchase all of the Series 2017 Bonds if any Series 2017 Bonds are purchased. The Underwriters have agreed to purchase the Series 2017 Bonds for a price of $337,910,378.35 (representing the principal amount of $287,905,000.00, plus original issue premium of $51,220,371.35, less an underwriters' discount of $1,214,993.00).

The prices and other terms respecting the offering and sale of the Series 2017 Bonds may be changed from time to time by the Underwriters after such Series 2017 Bonds are released for sale, and the Series 2017 Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell such Series 2017 Bonds into investment accounts.

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

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the County.

In addition, certain of the Underwriters have entered into distribution agreements with other broker-dealers (that have not been designated by the County as Underwriters) for the distribution of the Series 2017 Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

CONTINUING DISCLOSURE

The County will enter into a Continuing Disclosure Certificate and related Disclosure Dissemination Agent Agreement, each dated as of the date of delivery of the Series 2017 Bonds (the "Continuing Disclosure Certificate"), the form of which is attached hereto as APPENDIX G. Pursuant to the Continuing Disclosure Certificate, the County has covenanted for the benefit of the Series 2017 Bondholders to provide certain financial information and operating data relating to the County and the Series 2017 Bonds in each year (the "Annual Report") and to provide notices of the occurrence of certain enumerated material events. Such covenant by the County shall only apply so long as the Series 2017 Bonds remain outstanding under the Bond Resolution. The foregoing covenant shall also terminate upon the termination of the continuing disclosure requirements of S.E.C. Rule 15c2-12(b)(5) (the "Rule") by legislative, judicial or administrative action. The Annual Report and notices of material events will be filed by the County with the depositories designated from time to time pursuant to the Rule (the "Depositories,") as described in the form of Continuing Disclosure Certificate. The specific nature of the information to be contained in the Annual Report and the notices of material events are described in "APPENDIX G - FORM OF CONTINUING DISCLOSURE CERTIFICATE," which shall be executed by the County at the time of issuance of the Series 2017 Bonds. Failure of the County to comply with the provisions of the Continuing Disclosure Certificate shall not constitute a default under the Bond Resolution. The sole and exclusive remedy of any holder of Series 2017 Bonds for enforcement of the provisions of the Continuing Disclosure Certificate shall be an action of mandamus or specific performance to cause the County to comply with its obligations thereunder. The foregoing covenants have been made in order to assist the Underwriters in complying with the Rule.

With respect to the Series 2017 Bonds, no party other than the County is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Series 2017 Bonds pursuant to the aforementioned Rule.

The County has previously inadvertently failed to fully comply with its continuing disclosure undertakings with respect to rating changes, timely filings, inclusion of certain operating data related to debt service capacity, debt service summary, tax certificates held by the County and cargo tonnage, and certain other non-substantive requirements. Upon realizing the failure to comply, the County reported such circumstances in accordance with the requirements of its continuing disclosure undertakings made with respect to the Rule, and cured such filing deficiencies. In particular, for Fiscal Year 2011, the County timely filed its annual audited financial report (the "CAFR") and certain operating data, but failed to include operating data related to tax certificates held by the County and cargo tonnage at the Airport. This omitted operating data was filed on March 29, 2013. Moreover, a few CUSIPs were not linked to new filings posted electronically. The CUSIP links were cured on September 23, 2013. In 2014, the County made late filings with respect to rating upgrades of its port facilities revenue bonds. On November 24, 2014 the County self-reported, as part of the Municipalities Continuing Disclosure Cooperation Initiative ("MCDC"), that it failed to disclose its failure to comply with its continuing disclosure undertakings with respect to ratings downgrades that took place on April 25, 2011 in four of the County's official statements from November 2011 to April 2012. In late 2016, the chief of the Securities and Exchange Commission's ("SEC") public finance abuse unit stated that the SEC did not expect to recommend any further enforcement action against any additional parties under the initiative. As of the date hereof, the County has not received from the SEC any notice of pending enforcement action related to its participation in MCDC and does not expect to receive any such notice in the future.

The County is a borrower under loans from the First Florida Governmental Financing Commission (the "Commission"), funded by the Commission's revenue bonds, Series 2002A, Series 2005B, Series 2006 and Series 2007 and, as such, an "obligated person" under the Rule. Pursuant to its undertakings with the Commission, the County is required to file certain annual financial information, including its CAFR and certain operating data, with the Municipal Securities Rulemaking Board, not later than 180 days after the end of the County's Fiscal Year. For Fiscal Year 2013 and Fiscal Year 2016, the County timely filed its CAFR, but failed to include a table containing certain operating data related to debt service capacity and debt service summary. The omitted data was filed on July 28, 2016 and September 21, 2017, respectively.

For Fiscal Year 2016, the County timely filed its CAFR but failed to include a table related to historical operating revenues related to the County's civic arena bonds. This omitted operating data was filed on September 28, 2017. The County does not believe that any past failure to comply with its continuing disclosure undertakings was material to bondholders.

Except as described in the immediately preceding paragraphs, the County has complied and is currently in compliance with its continuing disclosure undertakings made with respect to the Rule. The County has retained Digital Assurance Certification, L.L.C. ("DAC") as its dissemination agent. Working with DAC, the County has previously adopted a municipal securities disclosure policy to help ensure compliance with its continuing disclosure undertakings made with respect to the Rule and fully anticipates satisfying all future disclosure obligations required pursuant to such undertakings.

FINANCIAL ADVISOR

The County has engaged Frasca & Associates, LLC as Financial Advisor in connection with the authorization, issuance and sale of the Series 2017 Bonds. Under the terms of their engagement, the Financial Advisor is not obligated to undertake, and have not undertaken to make, an independent verification or to assume responsibility of the accuracy, completeness or fairness of the information contained in this Official Statement. The Financial Advisor did not engage in any underwriting activities with regard to the sale of the Series 2017 Bonds.

EXPERTS

The reference herein to the Report of the Airport Consultant prepared by Ricondo & Associates, Inc., as the Airport Consultant, has been approved by said firm, but does not purport to be complete in all respects, and the Report of the Airport Consultant, included as APPENDIX B to this Official Statement, should be read in its entirety for complete information with respect to the subjects discussed therein. The Report of the Airport Consultant has been included in this Official Statement in reliance upon, and with the authorization of, said firm as an expert in its field.

FINANCIAL STATEMENTS

The Broward County Aviation Department Special Purpose Financial Statements for the Fiscal Years ended September 30, 2016 and 2015, included as APPENDIX C hereto, have been audited by Moore Stephens Lovelace, P.A., independent certified public accountants, as set forth in their report dated March 22, 2017, which report is also appended hereto as part of said APPENDIX C. Moore Stephens Lovelace, P.A. has not participated in the preparation or review of this Official Statement. The financial statements are attached hereto as a matter of public record and the consent of Moore Stephens Lovelace, P.A. has not been sought. Such financial statements speak only as of

September 30, 2016. The basic financial statements of Broward County, Florida are available at http://www.broward.org/Finance/InvestorRelations/Pages/ComprehensiveAnnualFinancialReports.aspx.

RATINGS

Moody's and S&P have assigned the Series 2017 Bonds ratings of "A1" (with stable outlook) and "A+" (with stable outlook), respectively. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Series 2017 Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. The County has furnished to the rating agencies certain information and materials relating to the Series 2017 Bonds and the Airport, including certain information and materials that have not been included in this Official Statement. There is no assurance that any rating will continue for any given period of time, or that any rating will not be revised downward or withdrawn entirely by a rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Series 2017 Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

BLUE SKY DISCLOSURE

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

The County, in good faith, believes that disclosure of any default on bonds with respect to which the County was merely a conduit issuer and which are secured solely by payments of the borrower under a loan agreement, lease agreement or installment sale agreement, would not be considered material by a reasonable investor. Although the County is aware of the existence of certain defaults on obligations for which it is a conduit issuer, the County is not obligated to pay debt service on such defaulted obligations except from payments made from borrowers under their respective agreements and because such defaults in no way impact the Series 2017 Bonds, or the security therefor, specific disclosures related to such defaults have been omitted. No defaults have occurred under the Bond Resolution.

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

MISCELLANEOUS

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

CERTIFICATE CONCERNING THE OFFICIAL STATEMENT

At the time of delivery of the Series 2017 Bonds, the Mayor and the County Administrator of Broward County, Florida, or their designees, will furnish a certificate of the County to the effect that, to the best of their knowledge, this Official Statement (except for information herein relating to the book-entry only system of registration and the information under "UNDERWRITING"), as of its date and as of the date of delivery of the Series 2017 Bonds, does not contain any untrue statement of a material fact and does not omit to state a material fact required to be stated herein or necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.

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

BROWARD COUNTY, FLORIDA

By: */s/ Barbara Sharief*
Mayor

By: */s/ Bertha Henry*
County Administrator

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APPENDIX A

GENERAL INFORMATION REGARDING BROWARD COUNTY

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APPENDIX A

GENERAL INFORMATION REGARDING BROWARD COUNTY

Broward County, Florida (the "County"), created in October 1915 by the legislature of the State of Florida (the "State"), is located on the southeast coast of Florida and has an area of approximately 1,231 square miles. The County is bordered on the south by Miami-Dade County and on the north by Palm Beach County. Located within the County are 31 municipalities. The County ranks second in the State and 18th in the nation with a 2016 estimated population of 1.9 million persons. Approximately 51% of the County's population lives in its seven largest cities: Fort Lauderdale, Pembroke Pines, Hollywood, Miramar, Coral Springs, Pompano Beach and Davie. Four airports, including the Fort Lauderdale-Hollywood International Airport, are located in the County. Port Everglades, the State's deepest harbor and a leading international cruise port, is located less than two miles from Fort Lauderdale-Hollywood International Airport.

Governmental Structure

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

The nine member Broward County, Florida 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:

Barbara Sharief, Mayor	November 2018
Beam Furr, Vice Mayor	November 2018
Mark D. Bogen, Commissioner	November 2018
Steve Geller, Commissioner	November 2020
Dale V. C. Holness, Commissioner	November 2020
Chip Lamarca, Commissioner	November 2018
Nan H. Rich, Commissioner	November 2020
Tim Ryan, Commissioner	November 2020
Michael Udine, Commissioner	November 2020

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

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

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

Population

In the years since it began as an agricultural community of 5,000, the County has steadily grown and is the second largest county in Florida and the 18th largest county in the nation according to the 2010 census.

	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	85.7%	6,789,443	37.1%	203,212,000	13.3%
1980	1,018,257	64.2	9,747,061	43.6	226,505,000	11.5
1990	1,255,488	23.3	13,003,362	33.4	249,632,692	10.2
2000	1,623,018	29.3	15,982,378	22.9	281,421,906	12.7
2010[2]	1,748,066	7.7	18,801,310	17.6	308,745,538	9.7
2016[3]	1,909,632	9.2	20,612,439	9.6	323,127,513	4.7

Source: U.S. Department of Commerce, Bureau of Census.
(1) Average annual percentage increase over the preceding period.
(2) 2010 represents the last year data is available at the County level from the US Census Bureau.
(3) 2016 data is estimated by the US Census Bureau.

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Labor Force and Unemployment Rates

Year Ended December 31	Estimated Broward County Civilian Labor Force	Unemployment Rates Broward County	Florida	United States
2006	983,211	3.1%	3.2%	4.6%
2007	1,000,426	3.6	4.0	4.6
2008	1,006,721	5.6	6.3	5.8
2009	980,551	9.1	10.4	9.3
2010	936,563	10.2	11.1	9.6
2011	951,445	9.4	10.0	8.9
2012	964,061	8.0	8.5	8.1
2013	974,815	6.8	7.3	7.4
2014	989,699	5.9	6.3	6.2
2015	992,392	5.0	5.4	5.3
2016	1,010,074	4.4	4.9	4.7

Source: US Bureau of Labor Statistics.

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

	2012 Total	2012 Percent of Total	2013 Total	2013 Percent of Total	2014 Total	2014 Percent of Total	2015 Total	2015 Percent of Total	2016 Total	2016 Percent of Total
Grand Total	751.1	100.0%	776.8	100.0%	800.1	100.0%	821.3	100.0%	840.4	100.0%
Goods Producing	58.1	7.7%	61.5	7.9%	65.7	8.3%	72.3	8.8%	72.9	8.7%
Construction	32.2	4.3%	34.7	4.5%	38.4	4.8%	43.8	5.3%	44.9	5.3%
Manufacturing	25.8	3.4%	26.7	3.4%	27.6	3.4%	28.4	3.4%	27.9	3.3%
Service Providing	692.9	92.3%	715.3	92.0%	734.0	91.7%	749.0	91.1%	767.5	91.3%
Trade, Transportation and Utilities	174.9	23.3%	182.4	23.5%	185.5	23.2%	188.0	22.9%	191.8	22.8%
Wholesale Trade	45.9	6.1%	46.7	6.0%	48.0	6.0%	48.7	5.9%	49.2	5.9%
Retail Trade	105.1	13.9%	111.0	14.3%	112.3	14.0%	112.9	13.7%	115.2	13.7%
Transportation, Warehousing, and Utilities	23.9	3.2%	24.7	3.2%	25.2	3.1%	26.4	3.2%	27.4	3.3%
Financial Activities	55.7	7.4%	55.2	7.1%	56.4	7.0%	58.6	7.1%	57.4	6.8%
Information	18.4	2.5%	18.4	2.4%	18.9	2.4%	19.4	2.3%	19.2	2.3%
Professional and Business Services	128.3	17.1%	134.5	17.3%	141.0	17.6%	144.8	17.6%	151.7	18.1%
Education and Health Services	97.4	12.9%	99.5	12.8%	101.6	12.7%	104.5	12.7%	107.2	12.8%
Leisure and Hospitality	83.3	11.1%	87.4	11.3%	91.0	11.4%	92.8	11.3%	96.1	11.4%
Other Services	35.1	4.7%	36.2	4.7%	37.6	4.7%	37.9	4.6%	38.5	4.6%
Government	99.8	13.3%	101.7	13.1%	102.0	12.7%	103.0	12.5%	105.6	12.6%
Federal	7.4	0.9%	7.0	0.9%	6.8	0.8%	6.8	0.8%	7.0	0.8%
State & Local	92.4	12.3%	94.7	12.2%	95.2	11.9%	96.2	11.7%	98.6	11.7%

Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Employment Statistics Program (years ended December 31).

Largest Employers

The County has a diversified economy with a balance among technology, manufacturing, financial, international and domestic tourism, residential and commercial construction, and retail trade. There were approximately 252,153 nonemployer and 59,516 private nonfarm business establishments with operations in the County at the end of Fiscal Year 2015. According to the most recent Economic Census conducted by the United States Census Bureau, approximately 89% of firms within the County have fewer than 20 employees; additionally, nearly 200 businesses have corporate, division, or regional headquarters in the County. The table below shows the principal employers in the County based on 2015-2016 statistical information.

Company	**Full-Time Employees**
Broward County School Board	31,797
Memorial Healthcare System	12,200
Broward County Government	11,654
Broward Health	8,219
Nova Southeastern Univ.	7,462
AutoNation	4,000
American Express	3,500
City of Fort Lauderdale	2,568
Spirit Airlines	1,800
Citrix	1,700

Source: US Census Bureau; Greater Fort Lauderdale Alliance.

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Per Capita Personal Income [1]
Broward County, Florida, and United States

Year Ended December 31	Broward County	Percent of Florida	Percent of U.S.	State of Florida	Percent of U.S.	United States
2004	$35,796	105.2%	104.3%	$34,042	99.2%	$34,316
2005	38,618	106.4	107.6	36,294	101.1	35,904
2006	40,886	105.3	107.2	38,812	101.8	38,144
2007	42,323	106.0	106.3	39,945	100.3	39,821
2008	41,852	104.6	101.9	40,018	97.4	41,082
2009	39,035	104.2	99.1	37,479	95.2	39,376
2010	40,050	103.4	99.4	38,718	96.1	40,277
2011	41,305	101.9	97.3	40,538	95.5	42,453
2012	41,886	101.5	94.6	41,249	93.2	44,266
2013	41,657	100.8	93.7	41,309	93.0	44,438
2014	43,283	101.3	94.0	42,737	92.8	46,049
2015	44,909	101.1	93.3	44,429	92.3	48,112

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis.
(1) Stated in current dollars (i.e., actual dollars for each year with no adjustment for inflation).

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Taxable Sales for the County

The following table shows the taxable sales within the County for the calendar years 2005-2016 and the percentage change in such sales for each year.

Taxable Sales
($ in Thousands)

Year Ended December 31	Taxable Sales	Percent Change from Prior Year
2005	$31,941,903	15.70%
2006	34,759,141	8.82
2007	30,678,853	(11.70)
2008	29,523,345	(3.77)
2009	26,261,882	(11.10)
2010	26,898,615	2.42
2011	28,008,981	4.11
2012	29,692,094	6.01
2013	31,631,500	6.53
2014	33,860,247	7.04
2015	35,783,223	5.67
2016	36,886,556	3.08

Source: State of Florida, Department of Revenue.

Tourism

Tourism is an important component of the County's economy. The combination of favorable climate (Fort Lauderdale has a mean temperature of 75.5 degrees Fahrenheit), together with diverse recreational opportunities, including theaters, parks, public beaches, yacht basins, fishing, golf, tennis, restaurants, thoroughbred racing, jai alai, casino gambling and water recreational facilities, have made the County a tourist center. The County's multipurpose convention center expansion was completed in 2002 giving the facility a total of 600,000 gross square feet of space. The three level, 180,000 square foot expansion is mainly comprised of a 50,000 square foot exhibit hall, a 33,000 square foot ballroom and 15,000 square feet of meeting room space. Connecting corridors were built at all levels in order to provide convenient access between the original building and the expansion as well as from the original building to the adjacent parking garage.

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

Tourists continue to visit the County over the entire year instead of merely during winter months and the tourism industry is currently drawing from a worldwide market. The County's 2016 hotel occupancy rate was 77.2%, a decrease of 1.8% over the previous year and the Average Daily Rate (ADR) was $139.47, an increase of 2.8 % over the previous year.

Building Permits

According to US Census data, the number of renter households nationwide rose by 600,000 from 2015 to 2016. However, this level of renter growth in 2016 represented a deceleration from the previous two years. The rental demand is broad-based and includes several types of households that traditionally prefer homeownership. On the other hand, the homeowners household grew by 280,000 in 2016 (the strongest showing since 2006). The yearly data for building permits in the County is presented in the following table:

Building Permits Issued in Broward County
($ in Thousands)

Calendar Year	Single Family Units	Multi-Family Units	Total Residential Units	Total Residential Valuation
2006	$3,308	$3,378	$6,686	$991,153
2007	1,754	2,179	3,933	617,307
2008	967	1,205	2,172	346,893
2009	563	486	1,049	159,077
2010	979	189	1,168	222,589
2011	1,442	998	2,440	278,805
2012	1,062	110	1,172	414,263
2013	1,023	2,533	3,556	429,074
2014	1,181	1,281	2,462	404,300
2015	1,494	3,958	5,452	807,553
2016	1,535	2,570	4,105	846,723

Education

Broward County Public Schools ("BCPS") is the sixth largest public school system in the nation and the second largest fully accredited in the State. BCPS has over 271,000 students and approximately 175,000 adult students currently enrolled and a fiscal year ending June 30, 2018 budget of approximately $3.87 billion. The system consists of 329 schools: 236 traditional schools and centers, and 93 charter schools. BCPS is an independent operating and taxing entity, meaning that it is separate from the County.

There are a number of four-year colleges and universities in the County including Florida Atlantic University and Florida International University, which are public, and Nova Southeastern University and Keiser College, which are private. Florida Atlantic University and Florida International University are two of the 12 universities in the State University System of Florida. In addition, Broward College, Prospect Hall College, City College, the Art Institute of Fort Lauderdale, and DeVry are among colleges located in the County that offer two-year degrees. There are also several educational institutions in the County with degree or certificate programs providing vocational and technical education.

Transportation

Surface Transportation: The County is served by three bus lines, two railroad corridors (Florida East Coast Railway and CSX), and major freight carriers. The road system within the County, totaling approximately 4,800 miles, contains over 140 miles of interstate and other expressways (including I-95, I-75, I-595, Florida's Turnpike, and the Sawgrass Expressway) and approximately 375 miles of divided highways. The County-operated bus system, with an active fleet of 356 fixed route buses, 238 (184 County owned/54 contracted) ADA Paratransit vehicles, and 99 (55 County owned/44 contracted) community buses served 35.9 million passengers in Fiscal Year 2016. TRI-Rail, a commuter rail system, provides service along a 75 mile corridor from Palm Beach County to Miami-Dade County. In 2017, All Aboard Florida's Brightline (a privately owned, operated and maintained passenger rail system) is expected to launch express inter-city passenger rail service between Miami, Fort Lauderdale and West Palm Beach along the Florida East Coast ("FEC") rail corridor. Future expansion of the Brightline high-speed passenger rail service will connect Miami, Ft. Lauderdale, and West Palm Beach with Orlando.

Sea Transportation: Port Everglades, one of the top three cruise ports in the world, is located in the County – less than two miles from Fort Lauderdale-Hollywood International Airport. Port Everglades is served by major motor freight carriers and one railroad. All functions, assets, and liabilities of Port Everglades passed over to the County in November, 1994 as the result of a local bill which dissolved the separate governing body of the Port and transferred all related duties and powers to the Board. In Fiscal Year 2016, Port Everglades handled 121.1 million barrels of petroleum and 6.7 million tons of containerized cargo. A total of 3,826,415 cruise ship passengers went through Port Everglades on 876 sailings in Fiscal Year 2016.

A portion of Port Everglades has been designated a Foreign Trade Zone ("FTZ"), where foreign components can be assembled, packaged, and shipped without usual customs duties. The FTZ at Port Everglades was the first such operating zone established in Florida. The general purpose FTZ now includes 20 sites within and outside of the Port's boundaries on a total of 400+ acres. In calendar year 2016, cargo valued at more than $315 million was received and more than $316 million was shipped from all active general-purpose FTZ areas combined. Additionally, the five special-purpose subzones at Port Everglades received cargo valued at more than $1.4 billion and shipped cargo valued at more than $1.4 billion.

Air Transportation: Four airports are located in the County. There are three general aviation airports and the Fort Lauderdale-Hollywood International Airport (the "Airport"), which is used by most major national commercial airlines and several foreign commercial airlines. For Fiscal Year 2016, enplaned passengers totaled 14,352,450 – an increase of 8.6% over Fiscal Year 2015. Approximately 94,981 total tons of cargo was handled at the Airport in Fiscal Year 2016 – an increase of 15.7% more than the amount handled in Fiscal Year 2015.

Public Works Department

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

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

The Facilities Management Division oversees maintenance, repairs, minor renovations, cleaning, parking, utility use, security, and real estate services for all County-owned/leased facilities except at Port Everglades and Fort Lauderdale-Hollywood International Airport.

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

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

The Traffic Engineering Division provides for the safe and efficient movement of pedestrians, cyclists and vehicular traffic within the County. Duties include the operation and maintenance of virtually all traffic signals and related facilities, encompassing all municipal, County and State rights-of-way, as well as traffic signage and markings for most area municipalities. Local cities and towns are also provided with traffic engineering services by the Division.

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

Water and Wastewater Services is committed to providing cost-effective water and wastewater management while maintaining the quality of life in the County through sound environmental practices. The agency plans, designs, and constructs facilities to ensure adequate capacity for potable water, sewer and stormwater, providing retail services to over 50,000 customers. Water and Wastewater Services is also responsible for pumping, treating and distributing water, as well as providing wastewater collection, treatment, reuse and disposal services to over 600,000 citizens. The agency also operates waterways, water control structures and well systems to provide flood management; provides canal management services supporting aquifer recharge; and removes aquatic vegetation from certain bodies of water throughout the County.

Overview of the Budget Process

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

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

The Board's adopted budget for Fiscal Year 2018 contains a millage rate of 5.6690 mills. With respect to the individual components of the Fiscal Year 2018 millage rate, the operating millage rate is 5.2904; the capital outlay millage rate is 0.1719 mills, and the remaining 0.2067 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 2018-2022 includes the following:

Transportation and Mass Transit Projects*	$ 708,379,460
Environmental/Beach Renourishment*	85,288,000
Aviation	589,906,960
Port	857,181,660
Water/Wastewater	414,936,340
Criminal Justice/Public Safety*	21,092,470
Libraries/Parks/Boating Improvement*	59,813,830
General Government/Court Facilities*	339,111,880
Neighborhood Improvement/Redevelopment/Housing/Economic Development*	138,375,150
Total	$3,214,085,750

It is anticipated that the adopted CIP for the fiscal years 2018-2022 will be funded as follows:

Bonds	$1,161,416,740
Federal and State Grants	208,946,380
Local Sources (Taxes, Fees, Fund Balance)	1,843,722,630
Total	$3,214,085,750

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

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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, 2016.

Net Available Non-Ad Valorem Revenues
for the fiscal year ended September 30, 2016
(Dollars in Thousands)

License and Permit Fees	$ 23,983
State Revenue Sharing	38,909
Local Government Half Cent Sales Tax	63,847
Tourist Tax	61,849
Utility Services Taxes and Fire Rescue Tax	3,542
Fines and Forfeitures	10,717
Interest Earnings	4,846
Charges for Services	128,775
Miscellaneous Revenue	19,062
Other State Revenues	2,000
Non-Revenue Sources/Fund Balance	47,693
Federal/State Grants	15,448
Special Assessments	6
Total Gross Non-Ad Valorem Revenues	$420,677
Less Operations Costs not paid by Ad Valorem Taxes	(299,689)
Total Net Available Non-Ad Valorem Revenues	$120,988

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

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Employee Relations

As of October 1, 2017 (Fiscal Year 2018), the County had 5,941 funded positions, as compared with 5,770 in Fiscal Year 2017, excluding employees of constitutional officers. The County budget also provides for 301 federal and state grant employee positions in Fiscal Year 2018. The Constitutional Officers are funded for 5,670 positions in Fiscal Year 2018.

There are eight organized collective bargaining units within the County: Amalgamated Transit Union, Local 1267 (Mass Transit, 871 unit employees); Amalgamated Transit Union, Local 1591 (White Collar, 929 unit employees); Federation of Public Employees (Blue Collar, 986 unit employees); Government Supervisory Association of Florida, Local 100 (GSA Professionals, 1,204 unit employees), Government Supervisory Association of Florida, Local 100 (GSA Supervisors, 328 unit employees); Federation of Public Employees, Supervisory (Port Everglades Supervisors, 8 unit employees); Federation of Public Employees, Non-Supervisory (Port Everglades Non-Supervisory, 49 unit employees); and an AFSCME unit (Port Maintenance, 75 unit employees). This information is based on data as of October 9, 2017.

All of the County Bargaining units were under contract that recently expired on September 30, 2017. The County is currently negotiating with its bargaining units for a successor agreement. The County has never experienced a serious work stoppage and Florida law prohibits public employees from striking.

Florida Retirement System

Certain information relating to the Florida Retirement System ("FRS") contained herein has been obtained from the FRS Annual Reports. The most recent FRS Annual Reports may be obtained by writing the Florida Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000 or may be obtained online at:

www.dms.myflorida.com/human_resource_support/retirement/publications/annual_reports.

No representation is made by the County as to the accuracy or adequacy of such information or that there has not been any material adverse change in such information subsequent to the date of such information.

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

The County is required to make contributions to the Pension Plan based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The County's required contribution rates to the Pension Plan from July 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016 ranged from 5.56% to 40.75% of covered payroll based on employee risk groups. The County's required contribution rates to the Health Insurance Subsidy (HIS) Pension Plan from July 1, 2015 through September 30, 2016 was 1.66% of covered payroll. For the fiscal years ended September 30, 2016 and 2015, the County's contributions to the Pension Plan and the HIS Plan totaled $83.157 million (including $59.481 million for Broward Sheriff's Office) million and $76.268 million (including $54.238 million for Broward Sheriff's Office), respectively. The County's covered payroll of $635.644 million (including $363.571 million for the Broward Sheriff's Office) for the Plan's fiscal year ended June 30, 2016 covered by the Pension and HIS Plans represents approximately 2.0% of the total payroll covered by governments participating in the FRS Plan's.

The Investment Plan is a participant-directed program selected by the employee in lieu of participation in the defined benefit option of the Pension Plan. Benefits are accrued in individual accounts that are participant directed, portable and funded by employee/employer contributions. The County's required contribution rate to the Investment Plan for the fiscal year ended September 30, 2016 remained the same as the prior year and ranged from 3.55% to 12.33% of covered payroll, based on employee risk groups. For the fiscal year ended September 30, 2016, the County contributed $15.344 million (including $10.026 million for the Broward Sheriff's Office) to the Investment Plan.

As of the July 1, 2016 valuation, the Pension Plan reported a total pension liability of $167.031 billion, a plan fiduciary net position of $141.781 billion, and a net pension liability of $25.250 billion. The Plan fiduciary net position was 84.88% of the total pension liability. As of the July 1, 2016 valuation, the HIS plan reported a total pension liability of $11.768 billion, a plan fiduciary net position of $113.859 million, and a net pension liability of $11.654 billion. The Plan fiduciary net position was 0.97% of the total pension liability. During the 2015 fiscal year, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, which required the County to recognize their proportionate share of the net pension liability for the Pension and HIS Plans. As of September 30, 2016, those liabilities for the Pension Plan and the HIS Plans totaled $789.810 million and $275.479 million respectively. Of this total liability of $1.065 billion, $737.024 million pertained to the Broward Sheriff's Office.

Other Postemployment Benefit Plans

The County has two single employee defined benefit healthcare plans, the County plan and the Broward Sheriff's Office plan. The County plan allows its employees and their beneficiaries to continue obtaining health, dental, vision, and life insurance benefits upon retirement. The Broward Sheriff's Office plan provides post-employment health insurance benefits for employees and sworn officers upon retirement and subsidizes a portion of the premiums. The provisions of the plan for the Broward Sheriff's Office may be amended through negotiations between the Broward Sheriff's Office and its employee bargaining units. The plans have no assets and do not issue separate financial reports.

In accordance with Section 112.0801, Florida Statutes, because the County provides medical plans to employees of the County and their eligible dependents, the County is required to provide retirees the opportunity to participate in the group employee health plan. Retired employees have the option of continuing the same type of medical benefits, including prescription drug benefits, dental insurance coverage, vision and life insurance benefits available to them while they were employed with the County (the "Plan"). The County provides other post-employment benefits ("OPEB") for certain of its retired employees in the form of an implicit rate subsidy by providing access to health insurance plans. The cost of the premiums is paid totally by the retirees. The County accounts for the Plan in accordance with GASB Statement No. 45 - Accounting and Financial Reporting by Employees for Post-employment Benefit Plans other than Pension Plans (GASB 45). While GASB 45 established the standards for measurement, recognition, and display of OPEB expense/expenditures and related liabilities, there is no requirement that the liability of the Plan be funded.

According to the latest actuarial valuation as of October 1, 2015, the unfunded actuarial accrued liability was $24.196 million for County employees and $265.122 million for Broward Sheriff's Office employees. The annual OPEB cost for the fiscal year ended September 30, 2016 was $2.139 million for County employees and $19.661 million for Broward Sheriff's Office employees. While the County has set aside certain reserves for future plan costs, such amounts are not deposited to an irrevocable trust fund and the County does not intend to fund the future "unfunded obligation." For additional information, see the Basic Financial Statements of Broward County, Florida available at: http://www.broward.org/Accounting/Documents/2016CAFR.pdf.

APPENDIX B

REPORT OF THE AIRPORT CONSULTANT

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Appendix B

Report of the Airport Consultant

Broward County Aviation Department (BCAD)
Fort Lauderdale-Hollywood International Airport
Airport System Revenue Bonds, Series 2017 (AMT)

PREPARED BY:

RICONDO & ASSOCIATES, INC.
312 Walnut Street, Suite 3310
Cincinnati, OH 45202
(513) 651-4700 (phone)

IN ASSOCIATION WITH:
PMG Associates, Inc.

RICONDO
& ASSOCIATES

October 20, 2017

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October 20, 2017

Mr. Mark Gale, Director of Aviation
Broward County Aviation Department
Fort Lauderdale-Hollywood International Airport
2200 SW 45th Street
Dania Beach, FL 33312

RE: Report of the Independent Airport Consultant for the Broward County, Florida, Airport System Revenue Bonds, Series 2017 (AMT)

Dear Mr. Gale:

Ricondo & Associates, Inc. (R&A) is pleased to present this Report of the Airport Consultant (Report) for inclusion as Appendix B in the Official Statement for the Broward County (the County) Airport System Revenue (ASR) Bonds, Series 2017 (AMT) (2017 Bonds).

The 2017 Bonds are to be issued pursuant to Resolution No. 2012-320 adopted by the Board of County Commissioners of Broward County (the Board) on May 8, 2012, amending and restating Resolution No. 82-A-2 adopted by the Board on November 9, 1982, as previously amended and supplemented, as supplemented by a resolution to be adopted by the Board in connection with the issuance of the 2017 Bonds (collectively, the ASR Bond Resolution).

The 2017 Bonds are payable from Airport System Revenues generated from the operation of the Fort Lauderdale-Hollywood International Airport (the Airport), the primary air carrier airport serving the Fort Lauderdale area, and the North Perry Airport (collectively with the Airport, the Airport System).

The County intends to issue the 2017 Bonds to fund, in part, terminal projects such as the Terminal Modernization Project, Terminal 4 gate replacement, Concourse A construction, Terminal 4 Federal Inspection Service (FIS) Facility renovation, terminal connectors, and gate expansion projects along with other projects including: rehabilitation of the Rental Car Center, Hibiscus and Palm Parking Garages, architectural services for the Airport Master Plan, and a Transportation Network Company (TNC) parking lot (collectively, the 2017 Projects).

Additionally, proceeds from the 2017 Bonds are anticipated to be used to fund a reserve account, fund capitalized interest on all or a portion of the 2017 Bonds, and pay certain costs of issuance incurred in connection with the issuance of the 2017 Bonds. Unless otherwise defined herein, all capitalized terms in this Report are used as defined in the Official Statement for the 2017 Bonds or the ASR Bond Resolution.

312 WALNUT STREET, SUITE 3310, CINCINNATI, OH 45202
TEL (513) 651-4700

This Report presents the analysis undertaken by R&A to demonstrate the ability of the County to comply with the requirements of the ASR Bond Resolution on a *pro forma* basis for Fiscal Years (FY) 2018 through 2027 (the Projection Period) based on the assumptions regarding the planned issuance of the 2017 Bonds and future bonds established by the County through consultation with its financial advisor. In developing its analysis, R&A has reviewed historical trends and formulated projections, based on the assumptions put forth in this Report which have been reviewed and agreed to by the Broward County Aviation Department (BCAD) and its professionals, regarding the ability of the Air Trade Area (defined herein) to generate demand for air service at the Airport, trends in air service and passenger activity at the Airport, and the financial performance of the Airport System. The Report is organized as follows:

- Summary of Findings
- Chapter 1: The 2017 Bonds
- Chapter 2: The Fort Lauderdale-Hollywood International Airport System
- Chapter 3: The Capital Program and Funding Sources
- Chapter 4: Demographic and Economic Analysis
- Chapter 5: Passenger Demand and Air Service Analysis
- Chapter 6: Financial Analysis

On the basis of our assumptions and the analysis put forth in this Report, R&A is of the opinion that the Gross Revenues less Operating Expenses (Net Revenues Available for Debt Service) generated by the Airport System in each year of the Projection Period will be sufficient to comply with the Rate Covenant established in the ASR Bond Resolution. R&A is also of the opinion that the Airport's Signatory Airline cost per enplaned passenger (CPE) will remain reasonable during the Projection Period based on the expectation that projected airline fees will not deter forecasted demand for air traffic at the Airport as airlines continue to deploy capacity to airports based on available resources.

Founded in 1989, R&A is a full-service aviation consulting firm providing airport physical and financial planning services to airport owners and operators, airlines, and federal and state agencies. R&A has prepared Reports of the Airport Consultant in support of over $32 billion of airport-related revenue bonds since 1996. R&A is not registered as a municipal advisor under Section 15B of the Securities Exchange Act of 1934. R&A is not acting as a municipal advisor and has not been engaged by the County to provide advice with respect to the structure, timing, terms and other similar matters concerning the issuance of municipal securities. The assumptions regarding such matters included in this Report have been provided by the County or the County's Municipal Advisor, or, with the County's approval, have been derived from general, publicly available data approved by the County. R&A owes no fiduciary duty to the County. The County should discuss the information and analysis contained in this Report with internal and external advisors and experts that the County deems appropriate before taking any action. Any opinions, assumptions, views or information contained herein are not intended to be, and do not constitute, "advice" within the meaning of Section 15B of the Securities and Exchange Act of 1934.

The techniques and methodologies used by R&A in the preparation of this Report are consistent with industry practices for similar studies in connection with airport revenue bond sales. While R&A believes that the approach and assumptions used in this Report are reasonable, some assumptions regarding future trends and events detailed in this Report including, but not limited to, the implementation schedule and the projections of passenger activity and financial performance may not materialize. Therefore, actual performance will likely differ from the projections put forth in this Report and the variations may be material. In developing its analysis, R&A has utilized information from various sources including the County, the financial advisor, federal and local governmental agencies, and independent private providers of economic and aviation industry data which are identified in the notes accompanying the related tables and exhibits in this Report. R&A believes these sources to be reliable, but has not audited this data and does not warrant their accuracy. The analysis presented is based on conditions known as of the date of this letter. R&A has no obligation to update this Report on an ongoing basis.

Sincerely,

Ricondo & Associates, Inc.

RICONDO & ASSOCIATES, INC.

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Summary of Findings

Broward County, Florida (the County) commissioned Ricondo & Associates, Inc., (R&A) to prepare this Report of the Airport Consultant (Report) to demonstrate compliance with the Additional Bonds test and the Rate Covenant in connection with the issuance of the Broward County, Florida Airport System Revenue (ASR) Bonds, Series 2017 (AMT) (2017 Bonds).

The 2017 Bonds are to be issued pursuant to Resolution No. 2012-320 adopted by the Board of County Commissioners of the County (Board) on May 8, 2012, amending and restating Resolution No. 82-A-2 adopted by the Board on November 9, 1982, as previously amended and supplemented, as supplemented by a resolution to be adopted by the Board in connection with the issuance of the 2017 Bonds (collectively, the ASR Bond Resolution). The 2017 Bonds are payable from Airport System Revenues generated from the operation of the Fort Lauderdale-Hollywood International Airport (the Airport), the primary air carrier airport serving the Fort Lauderdale area, and the North Perry Airport (collectively with the Airport, the Airport System).

This Report presents the analysis undertaken by R&A to demonstrate the ability of the County to comply with the requirements of the ASR Bond Resolution on a *pro forma* basis for Fiscal Years (FY) 2018 through 2027 (the Projection Period) based on the assumptions regarding the planned issuance of the 2017 Bonds and future bonds established by the County through consultation with its financial advisor. In developing its analysis, R&A has reviewed historical trends and formulated projections, based on the assumptions put forth in this Report, which have been reviewed and agreed to by the County and its professionals, regarding the ability of the Air Trade Area (defined herein) to generate demand for air service at the Airport, trends in air service and passenger activity at the Airport, and the financial performance of the Airport System. The Report is organized as follows:

- Summary of Findings
- Chapter 1: The 2017 Bonds
- Chapter 2: The Fort Lauderdale-Hollywood International Airport System
- Chapter 3: The Capital Program and Funding Sources
- Chapter 4: Demographic and Economic Analysis
- Chapter 5: Passenger Demand and Air Service Analysis
- Chapter 6: Financial Analysis

On the basis of our assumptions and the analysis put forth in this Report, R&A is of the opinion that the Gross Revenues less Operating Expenses (Net Revenues Available for Debt Service) generated by the Airport System in each year of the Projection Period will be sufficient to comply with the Rate Covenant established in the ASR Bond Resolution. R&A is also of the opinion that the Airport's Signatory Airline cost per enplaned passenger

(CPE) will remain reasonable during the Projection Period.

2017 Bonds

The County intends to issue the 2017 Bonds to fund, in part, terminal projects such as the Terminal Modernization Project, Terminal 4 gate replacement, Concourse A construction, Terminal 4 Federal Inspection Service (FIS) Facility renovation, terminal connectors, and gate expansion projects along with other projects including: rehabilitation of the Rental Car Center, Hibiscus and Palm Parking Garages, architectural services for the Airport Master Plan, and a Transportation Network Company (TNC) parking lot (collectively, the 2017 Projects).

Additionally, proceeds from the 2017 Bonds are expected be used to fund a reserve account, fund capitalized interest on all or a portion of the 2017 Bonds, and pay certain costs of issuance incurred in connection with the issuance of the 2017 Bonds. Unless otherwise defined herein, all capitalized terms in this Report are used as defined in the Official Statement for the 2017 Bonds or the ASR Bond Resolution.

Table S-1 reflects the funding plan of bond proceeds from the 2017 Bonds used to fund capital projects.

Table S-1: 2017 Bonds

SERIES DESIGNATION	PROJECTS TO BE FUNDED	TAX STATUS
Airport System Revenue Bonds, Series 2017	Terminal 4 Ramp Terminal 4 Gate Replacement (Concourse G) Terminal Modernization Concourse A Terminal 4 Federal Inspection Service Facility Terminal Connectors (T 1, 2 & 3) Gate Expansion Rehabilitation of Rental Car Center, Hibiscus & Palm Garages Architectural Services for Master Plan Transportation Network Company (TNC) Lot	AMT

SOURCE: Broward County Aviation Department, October 2017.
PREPARED BY: Ricondo & Associates, Inc., October 2017.

Fort Lauderdale-Hollywood International Airport System

In addition to the Airport, the County, through the Broward County Aviation Department (BCAD), operates a general aviation reliever airport, North Perry Airport (HWO). The Airport is classified as a large hub by the Federal Aviation Administration (FAA.)

Chapter 2 presents a review of the Airport location and existing facilities. The geographical area served by an airport is commonly known as that airport's "air trade area". The boundary of an airport's air trade area are influenced by the location of other metropolitan areas and their associated airport facilities. For purposes of this Report, the Air Trade Area for the Airport consists of Broward County, Miami-Dade County, and Palm Beach County. These counties make up the Miami-Fort Lauderdale-West Palm Beach Metropolitan Statistical Area (MSA). The MSA is otherwise referred to as the Air Trade Area and is included in the socioeconomic analysis in this Report. For comparative purposes, socioeconomic data specific to Broward County, the county in which the Airport is located, is also presented in Chapter 4 of this Report.

Airport Capital Improvement Program

Chapter 3 presents a summary of the Capital Improvement Program (CIP), including funding sources and a description of the projects funded using proceeds from the 2017 Bonds. The Airport CIP is composed of recently completed projects; current projects which are partially funded or for which funding sources have been identified; and future projects. The Airport CIP has a total cost of approximately $3.2 billion, of which the County has expended more than half. The Board requires BCAD to develop and submit for their approval a continuous five-year CIP, therefore CIP projects may be amended or additional projects added to the CIP during the Projection Period that are not presented in this Report.

Demographic and Economic Analysis

The demand for air transportation at a particular airport is, to a large degree, dependent upon the demographic and economic characteristics of the Airport's Air Trade Area. This relationship is particularly true for origin and destination (O&D) passenger traffic, meaning passengers that either begin or end their trips at the Airport. Historically O&D passengers have been the largest component of demand at the Airport, rather than connecting through the Airport to other destinations. Therefore, the major portion of demand for air travel at the Airport is influenced more by the local socioeconomic characteristics of the area served than by individual air carrier decisions regarding service patterns in support of connecting activity.

Chapter 4 presents data indicating that the Airport's Air Trade Area has an economic base capable of supporting increased demand for air travel during the Projection Period. A summary of demographic and economic data described in Chapter 4 is presented in **Table S-2**.

Table S-2: Summary of Demographic and Economic Characteristics

POPULATION	HISTORICAL 2016	PROJECTED 2027	CAGR [2/]
Broward County	1,922,154	2,242,739	1.4%
Air Trade Area	6,092,863	7,099,190	1.4%
Florida	20,554,147	24,102,515	1.5%
United States	324,160,750	358,822,028	0.9%
PER CAPITA PERSONAL INCOME (2009 DOLLARS)	**HISTORICAL 2016**	**PROJECTED 2027**	**CAGR**
Broward County	$41,929	$49,257	1.5%
Air Trade Area	$46,590	$55,189	1.6%
Florida	$41,311	$48,974	1.6%
United States	$44,637	$52,347	1.5%
GRP/GDP (MILLIONS OF 2009 DOLLARS)	**HISTORICAL 2016**	**PROJECTED 2027**	**CAGR**
Broward County	$86,942	$113,895	2.5%
Air Trade Area	$283,787	$364,556	2.3%
Florida	$832,813	$1,079,821	2.4%
United States	$16,923,958	$21,267,484	2.1%
NON-SEASONALLY ADJUSTED UNEMPLOYMENT RATES	**AIR TRADE AREA**	**UNITED STATES**	**VARIANCE**
2006	3.1%	4.6%	-1.5%
2010 [1/]	10.8%	9.6%	1.2%
2016	5.0%	4.9%	0.1%
May-17	4.2%	4.3%	-0.1%
EMPLOYMENT GROWTH	**AIR TRADE AREA**	**UNITED STATES**	**VARIANCE**
CAGR total non-ag. employment (2005-2016)	1.5%	1.0%	0.5%
Projected CAGR total non-ag. employment (2016-2027)	1.7%	1.5%	0.2%

NOTES:

1/ Non-seasonally adjusted unemployment rate in Air Trade Area and United States peaked in 2010.

2/ CAGR = Compound Annual Growth Rate

SOURCE: Woods and Poole Economics, Inc., *2017 Complete Economic and Demographic Data Source (CEDDS),* (Population, Income, GDP/GRP, Total Nonagricultural Employment); U.S. Department of Labor, Bureau of Labor Statistics (Unemployment), June 2017.

PREPARED BY: Ricondo & Associates, Inc., October 2017.

Key findings of Chapter 4 include the following:

- The Airport primarily serves the Air Trade Area, which has a total population of approximately 6.1 million residents. As presented in Chapter 4, population growth in the Air Trade Area between 1990 and 2016 has been somewhat faster than the population growth experienced by the United States, though slower than the State of Florida (Florida). From 2010 through 2016, the Air Trade Area population has grown at the same rate as Florida (compound annual growth rate of 1.5 percent). Florida was the fifth-fastest growing state in the U.S. by population growth during this period, compared to total United States compound annual population growth of 0.8 percent. Population growth in the Air

Trade Area is expected to grow slightly slower than Florida (compound annual growth of 1.4 percent compared to 1.5 percent) but faster than the United States (0.9 percent) throughout the Projection Period. There is typically a positive correlation between population growth in a local area and air travel demand.

- Average annual unemployment rates (non-seasonally adjusted) for the Air Trade Area were either equal to or below the unemployment rates for Florida each year between 2006 and 2015, but have risen above Florida unemployment rate levels in 2016 through May 2017. Unemployment levels for the Air Trade Area remained comparable to the United States throughout this period. The Air Trade Area's unemployment rate was approximately 4.2 percent in May 2017, the most recent month of data available. This rate was higher than the unemployment rate in Florida (4.0 percent) but below the United States (4.3 percent) during this same period.
- There are approximately 25 nongovernmental entities in the Air Trade Area with 2,000 or more employees. The largest nongovernmental employer in the Air Trade Area is Baptist Health South Florida with 16,191 local employees, followed by University of Miami (14,664 employees); American Airlines (11,000 employees); Tenet Healthcare (12,170 employees); and Jackson Health Systems (11,410 employees).
- Once mainly a tourism-based economy, the Air Trade area now supports a diverse range of industries, including marine, manufacturing, finance, insurance, real estate, high technology, avionics/aerospace, and film and television production. These characteristics of the Air Trade Area's employment base help to insulate future demand for air travel at the Airport from extreme cyclical volatility.
- The Air Trade Area is projected to show moderate growth in most key economic indicators that have been shown to have a correlation with air travel demand, discussed in Section 4.3, both in the near future (e.g., calendar year 2017-2020) and over the full Projection Period.

Passenger Demand and Air Service Analysis

As presented in Chapter 5 of the Report, the Airport has had the benefit of a resilient passenger base, served by a core of airlines offering scheduled service to airports throughout the United States. As of August 2017, the Airport has scheduled passenger service provided by a total of 25 carriers (11 domestic carriers and 14 foreign flag carriers[1]). Three all-cargo carriers provide scheduled cargo service at the Airport. The Airport is classified by the FAA as a large-hub facility based on its percentage of nationwide enplaned passengers, with approximately 29.2 million enplaned and deplaned passengers in calendar year (CY) 2016. Other key points regarding historical and projected aviation activities at the Airport are discussed below:

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1 American and U.S. Airways announced plans to merge on February 14, 2013. The merger was completed on December 9, 2013 and a Single Operating Certificate was issued to American on April 8, 2015. American and U.S. Airways activity (enplaned passengers and landed weight) are combined in this Report. In addition to scheduled passenger airlines, service has been provided by nonscheduled passenger airlines at the Airport.

- Since FY 2007, the Airport experienced a 2.9 percent compound annual growth rate in enplaned passengers, compared to 0.9 percent growth for the United States. From FY 2012 to FY 2016, the Airport experienced a 5.1 percent compound annual increase in enplaned passengers compared to a 3.0 percent increase nationwide. FY 2016 enplaned passengers increased 8.6 percent over FY 2015, and through June 2017 enplaned passengers are up 10.1 percent over the same 9-month period in FY 2016, reflecting an increase in the rate of growth.
- As of August 2017, daily nonstop service is scheduled to 125 destinations (74 domestic and 51 international) with a total of 347 daily flights, with 42 daily nonstop flights to New York City, the Airport's top O&D market. All 20 of the Airport's primary O&D markets are provided nonstop service with a total of 174 daily flights.
- In FY 2017, international service is provided by 20 airlines (five domestic airlines and fifteen foreign flag carriers) to 63 destinations.
- JetBlue initiated service to five new destinations in FY 2017, and is scheduled to add two new domestic markets in the first half of FY 2018. Allegiant has initiated service to five new domestic destinations in FY 2017, and is scheduled to add two new destinations in the first half of FY 2018. Southwest initiated service to five new destinations in FY 2017, and is scheduled to add three new international markets in the first half of FY 2018.
- JetBlue represents the largest passenger carrier group at the Airport based on enplaned passengers and takeoff weight.

Based on local and national socioeconomic and demographic factors, the Airport's historical share of U.S. domestic enplanements, the impacts of the factors described in Section 5.5 herein, anticipated usage of the Airport by airlines, and actual enplaned passenger data through June 2017, total enplaned passengers at the Airport are projected to increase from approximately 14.4 million in FY 2016 to approximately 18.9 million in FY 2027. The projected increase between FY 2016 and FY 2027 represents a compound annual growth rate of approximately 2.5 percent, compared to approximately 2.2 percent projected nationwide by the FAA.[2]

Table S-3 presents a summary of projected enplanements at the Airport through the Projection Period.

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[2] The FAA Terminal Area Forecasts (TAF) are prepared to meet the budget and planning needs of FAA and provide information for use by state and local authorities, the aviation industry, and the public.

Table S-3: Summary of Enplaned Passenger Projections

(Fiscal Years Ending September 30)

FISCAL YEAR	DOMESTIC ENPLANEMENTS	INTERNATIONAL ENPLANEMENTS	TOTAL ENPLANEMENTS	ANNUAL GROWTH
Historical				
2007	9,776,771	1,365,898	11,142,669	4.3%
2008	10,006,392	1,584,047	11,590,439	4.0%
2009	8,947,048	1,520,840	10,467,888	(9.7%)
2010	9,260,615	1,652,303	10,912,918	4.3%
2011	9,836,081	1,835,449	11,671,530	7.0%
2012	9,962,653	1,781,825	11,744,478	0.6%
2013	10,033,252	1,761,019	11,794,271	0.4%
2014	9,844,866	2,179,848	12,024,714	2.0%
2015	10,515,257	2,699,212	13,214,469	9.9%
2016	11,329,802	3,022,648	14,352,450	8.6%
FYTD (Oct - Jun)				
2016	8,707,742	2,250,183	10,957,925	
2017	9,389,284	2,674,589	12,063,873	10.1%
Projected				
2017	12,456,000	3,638,000	16,094,000	12.1%
2018	13,285,000	4,119,000	17,404,000	8.1%
2019	13,395,000	4,210,000	17,605,000	1.2%
2020	13,495,000	4,288,000	17,783,000	1.0%
2021	13,593,000	4,365,000	17,958,000	1.0%
2022	13,690,000	4,441,000	18,131,000	1.0%
2023	13,784,000	4,517,000	18,301,000	0.9%
2024	13,872,000	4,590,000	18,462,000	0.9%
2025	13,957,000	4,663,000	18,620,000	0.9%
2026	14,036,000	4,735,000	18,771,000	0.8%
2027	14,108,000	4,805,000	18,913,000	0.8%
Compound Annual Growth Rate				
2007 - 2016	1.7%	9.2%	2.9%	
2016 - 2027	2.0%	4.3%	2.5%	

SOURCES: Broward County Aviation Department (Historical), August 2017; Ricondo & Associates, Inc. (Projected), September 2017.
PREPARED BY: Ricondo & Associates, Inc., October 2017.

Financial Analysis

Chapter 6 of the Report presents the analysis undertaken by R&A to demonstrate the ability of the County to comply with the requirements of the ASR Bond Resolution on a *pro-forma* basis in each year of the Projection Period based on the assumptions regarding the planned issuance of the 2017 Bonds.

Based on the analysis in this Report and the financial projections presented in Chapter 6, R&A is of the opinion that the Net Revenue Available for Debt Service generated by the Airport System in each year of the Projection Period will be sufficient to comply with the Additional Bonds test and the Rate Covenant established in the ASR Bond Resolution. R&A is also of the opinion that the Airport's Signatory Airline CPE will remain reasonable during the Projection Period based on the expectation that projected airline fees will not deter forecasted demand for air traffic at the Airport as airlines continue to deploy capacity to airports based on available resources.

Results of the financial analysis presented in the following sections can be summarized as follows:

- Operating & Maintenance (O&M) Expenses are projected to increase between FY 2018 and FY 2027 based on the type of expense, and expectations of future inflation rates (assumed to be 3.0 percent annually). Total O&M Expenses are projected to increase from approximately $193.5 million in FY 2018 to approximately $269.3 million in FY 2027.
- Non-Airline revenues are comprised of all revenues generated for the Airport System except for those revenues generated from the Airline Agreement, including interest income and reimbursements. Non-airline revenues are projected to increase from approximately $176.2 million in FY 2018 to approximately $211.2 million in FY 2027.
- Passenger Facility Charges (PFCs) are irrevocably comitted to pay debt service on the following series of Bonds: 2012 Series P-2, 2012 Series Q-1, 2013 Series C, and 2015 Series C. The application of PFCs reduces the amount of debt service to be paid from Revenues. PFCs are approved to pay debt service in FY 2018 on approximately 37.7 percent, or $58.0 million, of total annual debt service. This amount is projected to decrease throughout the Projection Period to account for 25.2 percent, or $46.2 million, of total annual debt service in FY 2027.
- Net Debt Service payable under the ASR Bond Resolution, net of PFC revenues, is projected to be approximately $95.8 million in FY 2018 and FY 2019. Net Debt Service is projected to increase to approximately $151.3 million in FY 2020 and approximately $165.0 million in FY 2021 as debt service on the 2017 Bonds and future assumed bonds becomes payable. Net Debt Service is projected to then range between $151.3 million and $165.8 from FY 2022 through FY 2026, before decreasing to approximately $137.0 million in FY 2027.
- Signatory Airline revenues calculated based on the terms of the Airline Agreement are projected to increase from approximately $113.5 million in FY 2018 to $170.8 million in FY 2020 as additional debt service becomes payable, then remain relatively level, ranging between $169.7 million and $179.9 million. The net Signatory Airline requirement is ultimately projected to increase to $195.3 million in FY

2026 before decreasing to $167.5 million in FY 2027, reflecting an increase in Net Debt Service on existing bonds in FY 2026.

- The Airport's estimated average Signatory Airline CPE is projected to increase from $7.02 in FY 2018 to $10.34 in FY 2020, as debt service becomes payable. Signatory Airline CPE is projected to remain between $9.89 and $10.58 from FY 2020 to FY 2025, and is then projected to increase to $11.20 in FY 2026 before decreasing to $9.53 in FY 2027, reflecting an increase in Net Debt Service on existing bonds in FY 2026.
- The debt service coverage ratio is projected to exceed the ASR Bond Resolution minimum requirement of 1.25x in each year of the Projection Period.

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1. The 2017 Bonds

This Chapter includes a description of the 2017 Bonds and key provisions of the ASR Bond Resolution.

1.1 Plan of Finance

The County intends to issue the 2017 Bonds to fund, in part, terminal projects such as the Terminal Modernization Project, Terminal 4 gate replacement, Concourse A construction, Terminal 4 FIS Facility renovation, terminal connectors, and gate expansion projects along with other projects including: rehabilitation of the Rental Car Center, Hibiscus and Palm Parking Garages, Architectural Services for the Airport Master Plan, and a TNC parking lot (collectively, the 2017 Projects). A description and funding detail of the 2017 Projects, along with a full capital funding plan at the Airport, is provided in Chapter 3 of this Report.

Additionally, proceeds from the 2017 Bonds are expected be used to fund a reserve account, fund capitalized interest on all or a portion of the 2017 Bonds, and pay certain costs of issuance incurred in connection with the issuance of the 2017 Bonds. Unless otherwise defined herein, all capitalized terms in this Report are used as defined in the Official Statement for the 2017 Bonds or the ASR Bond Resolution.

Table 1-1 reflects the funding plan of bond proceeds from the 2017 Bonds used to fund capital projects.

Table 1-1: 2017 Bonds

SERIES DESIGNATION	PROJECTS TO BE FUNDED	TAX STATUS
Airport System Revenue Bonds, Series 2017	Terminal 4 Ramp Terminal 4 Gate Replacement (Concourse G) Terminal Modernization Concourse A Terminal 4 Federal Inspection Service Facility Terminal Connectors (T 1, 2 & 3) Gate Expansion Rehabilitation of Rental Car Center, Hibiscus & Palm Garages Architectural Services for Master Plan Transportation Network Company (TNC) Lot	AMT

SOURCE: Broward County Aviation Department, October 2017.
PREPARED BY: Ricondo & Associates, Inc., October 2017.

1.2 The 2017 Bonds Sources and Uses

Table 1-2 presents the estimated sources and use for the 2017 Bonds.

Table 1-2: Estimated 2017 Bonds Sources and Uses

(IN THOUSANDS)	SERIES 2017 (AMT)
Sources	
Par Amount of Bonds	$325,435
Issue Premium (Discount)	29,455
Total Sources of Funds at Closing	**$354,890**
Uses	
Construction Fund Deposit	$300,317
Capitalized Interest Deposit	33,674
Debt Service Reserve Fund Deposit	17,641
Cost of Issuance	$1,627
Miscellaneous Fees	1,631
Total Uses of Funds at Closing	**$354,890**

SOURCE: Broward County Aviation Department; Frasca & Associates, August 2017.
PREPARED BY: Ricondo & Associates, Inc., October 2017.

The 2017 Bonds are being issued pursuant to provisions of the ASR Bond Resolution. For purposes of the financial analysis in this Report, interest on the 2017 Bonds is assumed at the current market interest rate as of August 16, 2017, plus 75 basis points. Additional information regarding assumptions of the financial analysis is included in Chapter 6 of this Report.

1.3 ASR Bond Resolution

The ASR Bond Resolution authorizes the County to issue revenue bonds payable from revenues derived by Broward County from the ownership and operation of the Airport System to construct certain facilities and improvements to the Airport System. The requirements of the ASR Bond Resolution were used in the preparation of this Report. Several key provisions of the ASR Bond Resolution are described in the following paragraphs:

1.3.1 REVENUES

Revenues are defined in the ASR Bond Resolution to mean,

(a) except where excluded in this description below, all income, receipts, earnings and revenues received by or accrued to Broward County from the operation and use of and for the services furnished or to be furnished at the Airport System and all income, receipts, earnings and revenues received by or accrued to Broward County from the ownership and rental of the Airport System and properties financed by Subordinated Debt,

(b) any proceeds of business interruption insurance,

(c) all income, receipts and earnings from the investment of moneys held by or on behalf of Broward County in any Funds and Accounts established by the ASR Bond Resolution and the income and gains realized upon the maturity or sale of securities held by or on behalf of Broward County in such Funds and Accounts, except for investment earnings, income or realized gains on or from:

- i. moneys deposited in escrow or trust to defease Bonds,
- ii. any Capitalized Interest deposited in the Bond Fund or any account within the Construction Fund unless otherwise provided in the corresponding Series ASR Bond Resolution,
- iii. moneys deposited in any account within the Construction Fund unless otherwise provided in the corresponding Series ASR Bond Resolution,
- iv. moneys deposited in any rebate fund or account therein, and
- v. moneys deposited in any account established pursuant to Section 518 of the ASR Bond Resolution, unless otherwise provided in the corresponding Series ASR Bond Resolution or other resolution duly adopted by the Board and

(d) amounts received by Broward County from any Person, including, without limitation, the federal or state government, as reimbursement of current expenses or other costs paid by Broward County under a contractual or other arrangement between Broward County and such Person. There shall not be included in Revenues

- i. any grants, contributions or donations otherwise included in this definition which are restricted by their terms to purposes inconsistent with the payment of Current Expenses or the payment of Bonds or Subordinated Debt,
- ii. proceeds from the sale and disposition of the Airport System,
- iii. income from the operation of any facilities to which reference is made in Section 715 and 717 of the ASR Bond Resolution for so long as such facilities are not part of the Airport System,
- iv. to the extent and for so long as such income is pledged to secure the financing for the same, rental income from the leasing of any land used in connection with, or income from the operation of, any facilities to which reference is made in Sections 715 and 717 of the ASR Bond Resolution,
- v. any unrealized gains on securities held for investment by or on behalf of Broward County in any Funds and Accounts established by the ASR Bond Resolution,
- vi. any proceeds of insurance other than as mentioned above in Part (b),
- vii. the proceeds of any borrowing,
- viii. any Transfers,

ix. cash subsidy payments or other similar payments made or expected to be made by the United States Treasury or other federal or state governmental entity to or on behalf of Broward County for the payment of all or any portion of the interest or principal due or coming due on Bonds, except to the extent otherwise provided in the Series ASR Bond Resolution corresponding to a Series of Bonds,
x. any gains resulting from changes in valuation of any Interest Rate Swap,
xi. any Passenger Facilities Charges, except to the extent that Passenger Facilities Charges are expressly included as "Revenues" for one or more Series of Bonds pursuant to the corresponding Series Resolution or other resolution duly adopted by the Board,
xii. any Grant Funds except to the extent that Grant Funds are expressly included as "Revenues" for one or more Series of Bonds pursuant to the corresponding Series Resolution or other resolution duly adopted by the Board and
xiii. any other income revenue source described in clause (ii) of the definition of "Available Revenues" contained in Article I of the ASR Bond Resolution, except to the extent that such other income or revenue source is expressly included as "Revenues" for one or more Series of Bonds pursuant to the corresponding Series ASR Bond Resolution or other resolution duly adopted by the Board.

For purposes of testing compliance with the rate covenant described below and in Section 704 of the ASR Bond Resolution, and the limitations on the issuance of Additional Bonds contained below and in Section 209 of the ASR Bond Resolution, Revenues will be calculated based upon generally accepted accounting principles, except that such calculation will include and exclude those items specifically included or excluded above or in the definition of Principal and Interest Requirements in the ASR Bond Resolution, as applicable.

1.3.2 ADDITIONAL BONDS

Section 209 of the ASR Bond Resolution provides the requirements for Additional Bonds. The portions of Section 209 of the ASR Bond Resolution relevant to this Report are as follows:

One or more Series of Additional Bonds may be issued under and secured by the ASR Bond Resolution at one time or from time to time, subject to the conditions provided in Section 209 of the ASR Bond Resolution, for the purpose of providing funds to (a) pay all or any part of the Cost of any Additional Facilities, (b) pay any debt obligations issued by Broward County, or repay any advances made from any source, to finance temporarily such Cost, (c) increase the amount on deposit in the Reserve Account, (d) pay interest accruing on the Additional Bonds as specified in the Series Resolution relating thereto, and (e) pay certain expenses incurred in connection with the issuance of the Additional Bonds. Any Series of Additional Bonds issued pursuant to Section 209 of the ASR Bond Resolution, if so provided in the Series Resolution authorizing such Additional Bonds, may be issued as Convertible Lien Bonds.

Before any Additional Bonds shall be issued under Section 209 of the ASR Bond Resolution, the Board shall adopt a Series Bond Resolution authorizing the issuance of such Additional Bonds, fixing the amount and the details thereof, and describing in brief and general terms the purposes for which the Bonds are to be issued. The Bonds of each Series issued under Section 209 shall be dated, shall be stated to mature (subject to the right of prior redemption as set forth in the ASR Bond Resolution) on October 1 (or such other maturity date specified in the Series Bond Resolution) in such year or years, shall have such Paying Agents, shall bear interest, and shall have such Sinking Fund Requirements and redemption provisions, all as then permitted by law and as provided in the Series Bond Resolution authorizing the issuance of such Additional Bonds. Such Additional Bonds shall be executed in the form set forth in the ASR Bond Resolution, with such changes as may be necessary or appropriate to conform to the provision of the Series Bond Resolution.

Before any Additional Bonds shall be issued under section 209 of the ASR Bond Resolution, the Board must also provide evidence of compliance with the requirements of subsection (b) of that section, which includes the following:

> "an Airport Consultant has provided to the Trustee a certificate stating that, based upon assumptions the Airport Consultant signing the certificate deems reasonable, projected Net Revenues plus Transfers will be sufficient to satisfy the rate covenant set forth in Section 704 for each of the next five full Fiscal Years following issuance of the Additional Bonds, or each of the next two full Fiscal Years from issuance of the Additional Bonds during which there is no Capitalized Interest, whichever is later, including the Principal and Interest Requirements during such Fiscal Years on such proposed Additional Bonds."

1.3.3 RATE COVENANT

Section 704 of the ASR Bond Resolution provides the rate covenant:

(a) Broward County shall, while any of the Bonds remain Outstanding, fix, charge and collect rates, fees, rentals and charges in connection with the ownership and operation of the Airport System and for services rendered in connection therewith, and shall revise such rates, fees, rentals and charges as often as may be necessary or appropriate, so that Net Revenues plus any Transfer in each Fiscal Year will be at least equal to 100% of the aggregate amount required to be applied and/or deposited by Broward County pursuant to Section 503(a) through (i) of the ASR Bond Resolution during such Fiscal Year.

(b) Broward County further agrees that it will fix, charge and collect rates, fees, rentals and charges in connection with the ownership and operation of the Airport System and for services rendered in connection therewith and shall revise such rates, fees, rentals and charges as often as may be necessary or appropriate, so that for each Fiscal Year the Net Revenues plus any Transfer for such Fiscal Year will be equal to at least 125% of Principal and Interest Requirements on all Outstanding Bonds for such Fiscal Year.

(c) Broward County covenants that if Net Revenues plus any Transfer in any Fiscal Year are less than the amount specified in subsection (a) of this Section, or that if Net Revenues together with any Transfer in any Fiscal Year are less than the amount specified in subsection (b) of this Section, Broward County will retain and direct an Airport Consultant to make recommendations as to the revision of Broward County's business operations and its schedule of rates, fees, rentals and charges for the use of the Airport System and for services rendered by Broward County in connection with the Airport System. After receiving such recommendations, Broward County shall, subject to applicable requirements or restrictions imposed by law, and subject to a good faith determination of the Board that such recommendations, in whole or in part, are in the best interests of Broward County, take all lawful measures to comply with the recommendations of the Airport Consultant as to revisions of Broward County's business operations and schedule of rates, fees, rentals and charges as may be necessary to produce Net Revenues, together with any Transfer, in the amounts specified in subsection (a) and (b) of this Section in the next Fiscal Year. In the event that Net Revenues together with any Transfer for any Fiscal Year (referred to in this paragraph as "Fiscal Year One") are less than the amount specified in subsection (a) or (b) of this Section but, prior to or during the next succeeding Fiscal Year (referred to in this paragraph as "Fiscal Year Two"), Broward County has taken all lawful measures to comply with the recommendations of the Airport Consultant as to revisions of Broward County's business operations and schedule of rates, fees, rentals and charges as required by this subsection (c) such deficiency in Net Revenues for Fiscal Year One shall not constitute an Event of Default under the provisions of Section 802(f) of the ASR Bond Resolution. Nevertheless, even if the measures required by this subsection (c) to revise the schedule of rates, fees, rentals and charges have been taken by Broward County, in the event the Net Revenues in Fiscal Year Two (as evidenced by the audited financial statements of Broward County for such Fiscal Year), together with any Transfer, are less than the amounts specified in subsection (a) or (b) of this Section, such deficiency in Net Revenues for Fiscal Year Two, as the second successive year of deficiencies in Net Revenues, shall, with the applicable notice, constitute an Event of Default under the provisions of Section 802(i) of the ASR Bond Resolution.

(d) Broward County shall file with the Trustee within 120 days after the end of each Fiscal Year a calculation or other evidence from the Aviation Director and the Chief Financial Officer or an Accountant demonstrating compliance (or non-compliance) with the coverage requirements of Section 704 of the ASR Bond Resolution.

1.3.4 FLOW OF FUNDS

Article V of the ASR Bond Resolution creates certain funds and accounts and establishes the principal functions and uses of each fund and account. In accordance with the ASR Bond Resolution, the County established two funds, the Broward County Aviation Fund (Aviation Fund) and the Broward County Airport Bond Fund (Bond Fund). The Aviation Fund consists of four special accounts – the Revenue Account, the Renewal and Replacement Account, the Improvements Account, and the General Purposes Account. The Bond Fund consists of six special accounts – the Interest Account, the Principal Account, the Sinking Fund Account, the Reserve Account, the Redemption Account, and the Insurance and Condemnation Award Account. The Aviation Fund and the accounts therein are established with and held by a Depository selected by the County. The Bond Fund and the accounts therein are established with and held by the Trustee.

All Revenues, as defined in the ARS Bond Resolution, received are deposited into the Revenue Account, and applied as provided in the ASR Bond Resolution. After deposit into the Revenue Account, Revenues are applied on or before the 20th day of each month in the following order of priority:

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

(b) *Interest Account*. Pay interest on Outstanding Bonds. In addition to Net Revenues, certain Available PFC Revenues and Available Grant Revenues are to be transferred from the Available PFC Account and Available Grant Account to the Interest Account to pay interest on certain Outstanding Bonds.

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

Account and Available Grant Account to the Principal Account to pay principal on certain Outstanding Bonds.

(d) *Sinking Fund Account*. Pay for the retirement, purchase, or payment of Outstanding Term Bonds.

(e) *Reserve Account*. Retain an amount equal to the Reserve Requirement on Outstanding Bonds to cure any deficiency in amounts on deposit in the Interest Account, Principal Account, and Sinking Fund Account.

(f) *Subordinated Debt Trustee*. A sufficient amount of Net Revenues shall be transferred to the Subordinated Debt Trustee or Paying Agent in such amounts and at such times as are sufficient to pay the principal and interest becoming due in the next succeeding month on any Subordinated Debt.

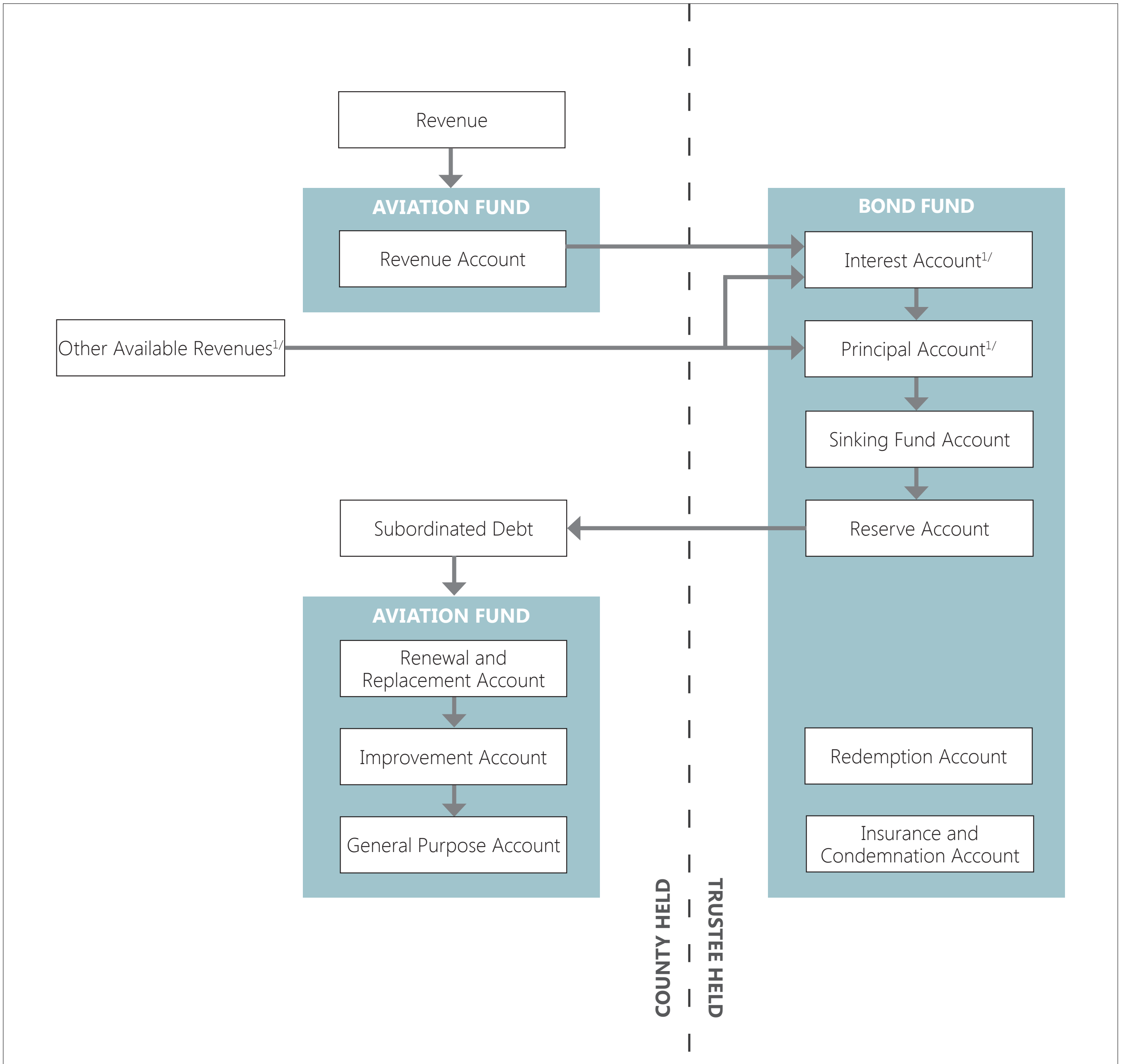
(g) *Subordinated Debt Reserve*. A sufficient amount of Net Revenues shall be transferred to the Subordinated Debt Service Reserve Account, if any.

(h) *Renewal and Replacement Account*. One-twelfth (1/12) of the amount equal to the Renewal and Replacement Account Requirement to pay for unusual or extraordinary renewals and replacements of the Airport System, including related engineering and other expenses.

(i) *Improvements Account*. One-twelfth (1/12) of the Improvements Appropriation to pay the cost of additions, extensions, and improvements to and enlargements, renewals, and replacements of the Airport System, including related engineering and other expenses.

(j) *General Purposes Account*. Any remaining Net Revenues are to be deposited and used to cure any deficiencies for payment of Current Expenses and for deposits to the Interest Account, Principal Account, Sinking Fund Account, and Reserve Account, in that order. Remaining revenues pay Subordinated Debt, to the Renewal and Replacement Account and to any Counterparty if owed a Termination Payment, in that order.

Exhibit 1-1 presents the flow of funds as specified in the ASR Bond Resolution.



NOTE

1/ Certain Available PFC Revenues and Available Grant Revenues are to be transferred from the Available PFC Account and Available Grant Account to the Interest Account and Principal Account to pay interest and principal on certain Outstanding Bonds.

SOURCE: The Broward County Aviation Department, ASR Bond Resolution, August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

EXHIBIT 1-1

ASR Bond Resolution Flow of Funds

2. Fort Lauderdale-Hollywood International Airport System

This Chapter presents a summary of the location of the Airport, Air Trade Area (defined herein), and existing facilities at the Airport.

2.1 Fort Lauderdale-Hollywood International Airport

The Airport is operated through the Board, represented by nine officials elected from each of the nine districts in Broward County, and is managed by the BCAD. The Airport covers 1,718 acres of land and is located 3 miles southwest of the central business district of Fort Lauderdale, Florida. The Airport is circumscribed by Interstate-595 on the north, the Florida East Coast Railway and U.S. Highway 1 on the east, Interstate-95 on the west, and Griffin Road on the south. The Airport is classified as a Large Hub by the Federal Aviation Administration (FAA) based on total enplaned passengers[1]. In addition to the Airport, the BCAD operates the North Perry Airport (HWO), collectively, the Airport and HWO are known as the Airport System.

2.2 The Air Trade Area

The geographical area served by an airport is commonly known as that airport's "air trade area". The borders of an airport's air trade area are influenced by the location of other metropolitan areas and their associated airport facilities. The Air Trade Area for the Airport consists of the Miami-Fort Lauderdale-West Palm Beach Florida Metropolitan Statistical Area (MSA) as defined by the federal government's Office of Management and Budget. An MSA is a geographical area with a large population nucleus, along with any adjacent communities that have a high degree of economic and social interaction with that nucleus.[2] The Miami-Fort Lauderdale-West Palm Beach MSA consists of three counties in Florida: Broward County, Miami-Dade County, and Palm Beach County (the Air Trade Area). While the Airport is wholly located in Broward County, there is such a high degree of interaction between Broward, Miami-Dade and Palm Beach Counties that, for purposes of this Report, the Air

1 Airports with 1 percent or more of nationwide airport passenger boardings are categorized by the FAA as Large Hubs.

2 In 2000, the Office of Management and Budget revised its geographic Census definitions to include Metropolitan and Micropolitan Statistical Areas, collectively called Core Based Statistical Areas. The Metropolitan Statistical Areas have at least one central urbanized core area of 50,000 people and the Micropolitan Statistical Areas have at least one urbanized core area of at least 10,000 people, but fewer than 50,000.

Trade Area includes all three. **Exhibit 2-1** presents the geographical location of the Airport's Air Trade Area, as well as the Airport's proximity to alternative facilities.

2.2.1 SURROUNDING AIRPORTS WITHIN THE AIR TRADE AREA

Based on location, accessibility and services available at other commercial service airports within nearby areas, it is recognized that the area served by the Airport extends into the air trade areas of two major airports, Miami International Airport and Palm Beach International Airport. Although Miami International Airport, the 12th largest commercial service airport based on calendar year 2016 enplaned passengers,[3] is located approximately 23 miles south of the Airport, a portion of its potential passengers may prefer the Airport in order to take advantage of the similar flight selections to major O&D markets without the congestion associated with Miami International Airport's location. Palm Beach International Airport is located approximately 45 miles north of the Airport, within the Air Trade Area; however, the scheduled airline passenger service offered from Palm Beach International is more limited in destinations and frequency of flights. Palm Beach International is a medium hub airport, as classified by the FAA, with approximately 3.1 million enplaned passengers in FY 2016.[4] Additional information regarding Miami International and Palm Beach International Airports is provided in Chapter 5 of this Report.

The Airport is ranked 21st in the United States in total passenger traffic and 13th in domestic O&D passengers.[5] Furthermore, a large percentage of the Airport's origin and destination passenger demand stems from visiting passengers traveling to the Air Trade Area, as many of the attractions and destinations for nonresident passengers are located in this area. Socioeconomic data for the Air Trade Area is analyzed in Chapter 4 of this Report, in conjunction with similar data for Florida and the United States. For comparative purposes, socioeconomic data for Broward County, the county in which the Airport is located, is presented in Chapter 4 of this Report.

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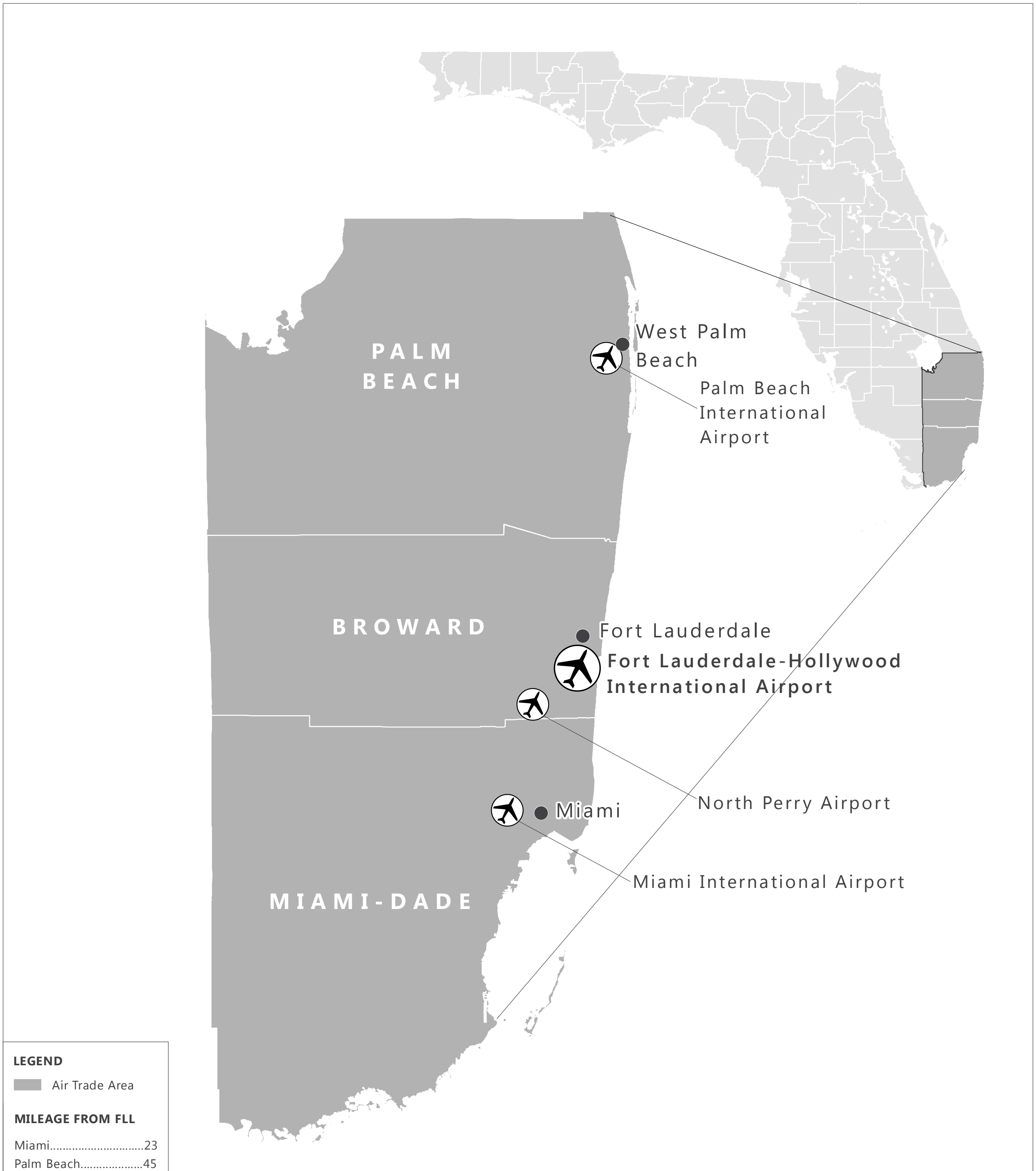
3 Source: FAA, "Enplanements at All Commercial Service Airports (by Rank)," August 11, 2017.

4 Source: FAA, "Enplanements at All Commercial Service Airports (by Rank)," August 11, 2017

5 Source: FAA, "Enplanements at All Commercial Service Airports (by Rank)," August 11, 2017.



SOURCES: Global Airports Database, 2015 (airports); Esri, TomTom (water polygon); Esri USA Data, 2010 (cities); TigerLine/Shapefiles, 2016 (counties).
PREPARED BY: Ricondo & Associates, Inc., September 2017.

EXHIBIT 2-1

Air Trade Area and Alternative Facilities

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2.3 Existing Airport Facilities

Exhibit 2-2 presents an aerial view of existing Airport facilities.

2.3.1 AIRFIELD FACILITIES

The Airport has two parallel east-west runways; Runway 10L/28R located north of the terminals and Runway 10R/28L located south of the terminals. Runway 10L/28R served as the primary air carrier runway for the Airport until the opening Runway 10R/28L as part of the South Runway Expansion in September 2014.

Runway 10L/28R is a 9000-foot long, 150-foot wide, grooved-asphalt runway with a Category I Instrument Landing System comprised of a medium intensity approach lighting system with runway alignment indicator lights, a precision approach path indicator, and high intensity runway lights. Runway 10R/28L was the product of the South Runway Expansion, extending former Runway 9R/27L to an overall length of 8,000 feet. Runway 10R/28L is a grooved concrete runway, with a medium intensity approach lighting system with sequenced flashers, a precision approach path indicator, and high intensity runway lights. These runways are connected by a fully integrated system of taxiways. The runways are equipped with lighting and electronic aids to permit all-weather continuous operations.

In addition to Runway 10R/28L, the South Runway Expansion also included a full length parallel taxiway, connecting cross-field taxiways, new aircraft staging and hold pad, and decommissioning of the crosswind Runway 13-31. The total expansion program included multiple bridges over the Florida East Coast Railroad and U.S. Highway 1 which previously hindered the airport from expansion on the east side. Runway 10R/28L, along with Taxiway J, extends over U.S. Highway 1 and the Florida East Coast Railroad east of the Airport.

2.3.2 PASSENGER TERMINAL FACILITIES

The existing passenger terminal facilities at the Airport consist of four terminals and eight concourses. The four terminals are separated by associated roadways into upper levels for departing passengers and lower levels for arriving passengers. Terminal 1, located on the north side of the Airport, includes the new Concourse A (opened on July 5, 2017), and existing Concourses B and C. Gates are in the process of being re-designated as part of the new Concourse A construction, which is part of the FLL Airport Improvements and Renovations (FLLAIR) capital plan described in Chapter 3 of this Report. The FLLAIR plan is expected to result in seven gates on Concourse A, seven gates on Concourse B, and nine gates to remain on Concourse C. Terminal 2, located on the north side of the airport and west of Terminal 1, includes Concourse D with nine gates. Terminal 3, located on the west side of the airport, contains Concourse E with 10 gates and Concourse F with 10 gates. Terminal 4, located on the south side of the airport, is comprised of Concourse G with six gates and Concourse H with nine total gates, but with two currently closed for construction. It is anticipated that on-going terminal projects will result in additional changes to Terminal 4, including the closing of Concourse H and re-assignment of gates resulting in a total of 10 gates on Concourse G. Additional details regarding on-going terminal projects included in the 2017 Projects and Airport CIP are provided in Chapter 3 of this Report.

SOURCE: Google Earth Pro 2017; Data SIO, NOAA, U.S. Navy,NGA, GEBCO, March 21, 2017 (aerial photography – for visual reference only, may not be to scale).
PREPARED BY: Ricondo & Associates, Inc., August 2017.

EXHIBIT 2-2

NORTH 0 Not To Scale

Existing Airport Facilities

Z:\FLL\Graphics\Exhibits\FLL Airport Facilities Exhibit\FLL Exhibit 2-2 Existing Airport Facilities.indd

2.3.3 AIRPORT PARKING AREAS

The four main terminal buildings can be accessed by three multi-level parking garages devoted to self-parking; the Palm Garage, the Hibiscus Garage, and the Cypress Garage. The four-level Palm Garage provides access to terminals 2, 3, and 4, and 2,490 total parking spaces. The seven-level Hibiscus Garage provides access to all four terminal buildings and 4,785 total parking spaces. The nine-level Cypress Garage provides access to terminal 1 and 4,197 total parking spaces (not including rental car spaces). The Cypress Garage also houses the Rental Car Center (RCC). The existing three main parking garages are connected to each terminal by pedestrian bridges over Terminal Drive. Curbside valet services are offered at three stations on the departures level, with reserved parking spaces used by valet services in the Palm Garage level 2 and the Hibiscus Garage level 1.

Approximately two miles west of the main terminal buildings is the employee parking lot, formerly the Airport Economy Parking Lot, which provides an additional 4,010 parking spaces to the Airport. The Employees use a shuttle transportation to and from the main terminal buildings, and the spaces previously designated for employees in the Cypress lot have been converted into public parking.

2.3.4 RENTAL CAR CENTER

The RCC holds 12 rental car companies throughout three floors (levels 2, 3, and 4) of the Cypress Garage. The RCC can be accessed by passengers arriving at Terminal 1 via the Concourse B pedestrian bridge, while passengers arriving at Terminals 2, 3, and 4 have access to passenger pick-up areas, located outside of the baggage claim levels, available for the free shuttle bus service to the RCC. The RCC shuttle service provides the same free access to passengers returning cars needing to get to Terminals 2, 3, and 4, operating every 10 minutes, 24 hours a day, seven days a week. Off-Airport rental car companies are operating at the Airport, but are not located in the RCC. Off-Airport rental car companies must pick up and drop off customers at the bus stop located at the RCC.

2.3.5 ROADWAYS

The approximately 1.2 mile Terminal Drive connects the Airport to a traffic interchange, providing direct access to U.S. Highway 1 and the interstate highway systems surrounding the Airport. U.S. Highway 1 is over passed by Runway 10L/28R through a series of bridges constructed as part of the South Runway Expansion project in September 2014.

2.3.6 AIR CARGO

Air cargo and airfreight facilities are located primarily on the north side of the airfield. The total 247,000 square feet of floor space sits on 33.5 acres of land, shared between the air cargo and airfreight facilities, provides air cargo transporting, freight forwarding, handling, warehousing, processing, and distribution of cargo.

2.3.7 GENERAL AVIATION

There are four general aviation fixed base operators (FBO) facilities at the Airport: Jetscape/Azorra, National Jets, Sheltair Aviation Center, and Signature Flight Support. Jetscape/Azorra was founded in 2002 and is the most recent FBO to have opened at the Airport. National Jets has been at the Airport since 1960. Sheltair Aviation Center at the Airport, owned by Sheltair Aviation, offers FBO services available 24 hours a day, 7 days a week.

Signature Flight Support also provides general aviation services, available 24 hours a day, 7 days a week, at the Airport.

Furthermore, the Pompano Beach Airpark and the Fort Lauderdale Executive Airport are also located within Broward County, Florida. Pompano Beach Airpark is owned and operated by the City of Pompano Beach and serves the general aviation needs of operations closest to Pompano Beach. The Fort Lauderdale Executive Airport is situated with close proximity to Fort Lauderdale's uptown business district. The Fort Lauderdale Executive Airport is owned and operated by the city of Fort Lauderdale and serves general aviation operations through five onsite FBOs. The FAA's Terminal Area Forecast (TAF) for Federal Fiscal Year (Oct-Sep) 2016 estimates the Fort Lauderdale Executive Airport ranks 7th in Florida airports by total general aviation operations, while Pompano Beach Airpark ranks 10th.

2.3.8 OTHER AREAS

The Airport Rescue and Fire Fighting (ARFF) station and the Airport's control tower are located in the center of the airfield. The north side of the airfield also houses multiple hangars for aircraft storage. In the northeast corner of the airfield of the Airport is the fuel farm with three above-ground storage tanks. All gates serviced by a jet bridge at the Airport are equipped with a hydrant fueling system. Throughout the remaining airfield space, the Airport has a maintenance building and multiple support buildings.

2.4 North Perry Airport

HWO is a public airport situated on 536 total acres of land in Pembroke Pines, five miles west of the central business district of Hollywood, Florida, acquired by Broward County from the Navy in 1957. HWO is located approximately 6.6 miles southwest of the Airport and 1.7 miles north of the Broward/Miami-Dade County border. The airport's airfield, terminal complexes, and support facilities are surrounded by Pines Boulevard on the north, SW 72nd Avenue on the east, South University Drive on the west, and Pembroke Road on the south. HWO is designated as a general aviation reliever airport for the Airport and seeks primary business in private and student aviation.

The FAA's 2016 Terminal Area Forecast (TAF) estimates HWO handled 62,297 itinerant general aviation operations and 114,009 local general aviation operations. HWO's 176,306 total general aviation operations rank 6th in the State of Florida in terms of general aviation traffic.

2.4.1 AIRFIELD

HWO has two sets of parallel runways, each with a weight limit of 12,500 pounds. The orientation and physical dimensions of these runways are:

- Runway 1L/19R – 3,350 feet x 100 feet
- Runway 1R/19L – 3,260 feet x 100 feet

- Runway 10R/28L – 3,255 feet x 100 feet
- Runway 10L/28R – 3,240 feet x 100 feet

All four runways are grooved-asphalt runways equipped with precision approach path indicator lights; Runways 10R/28L and 10L/28R have medium intensity runway lights. Only Runway End 10R is equipped for a non-precision instrument approach.

2.4.2 GENERAL AVIATION FACILITIES

HWO currently has four operating FBOs: Hollywood Aviation, North Perry Central, Pelican Flight Training, and The Fuel Depot at Bobby's Landing. The FBOs provide fueling services, aircraft repair/maintenance, storage, parts, flight training, and charter services.

On the north side of HWO, a 2,000 square foot office building is used by the airport manager and other BCAD staff. The office is also used to hold documentation regarding the airport, tenants, and airport facilities. Directly south of the office building is the HWO maintenance building. HWO has 160 T-Hangars for aircraft storage and six underground fueling storage tanks. The ARFF is provided by the city of Pembroke Pines which leases property from Broward County for a station on the east side of HWO.

3. The Airport Capital Improvement Program- Project Costs and Funding Sources

This Chapter presents a summary of the Airport's CIP, including funding sources and a description of the 2017 Projects. The Airport's CIP is summarized below along with the assumed funding sources. The 2017 Projects (detailed in Section 3.3) are to be funded, in whole or in part, with proceeds from the 2017 Bonds.

3.1 The Airport CIP

The Airport CIP is composed of recently completed projects, current projects which are partially funded or for which funding sources have been identified, and future projects for which future bonds have been assumed. The Airport CIP has a total cost of approximately $3.2 billion, of which the County has expended over $1.8 billion.

The County develops and periodically updates a business plan in which capital projects are monitored to assess appropriate timing and funding sources. The types of projects included in the Airport CIP include airfield pavement rehabilitation, master plan and ALP updates, equipment and vehicle replacements, and other enhancements, upgrades, and improvements. These projects are funded through a combination of the funding sources described in Section 3.2.

Included in the Airport CIP are the major components of the FLLAIR Plan, which is a comprehensive plan that was developed to address both airfield and terminal capacity issues. This plan includes an 8,000-foot parallel commercial service runway (Runway 10R/28L), opened in September 2014, and is included in the Airport CIP. Other FLLAIR Plan components part of the Airport CIP include: a new domestic and international Concourse A, noise mitigation program, land acquisitions, a new 14-gate domestic and international Concourse G, renovations to the existing four terminals and six concourses, in-line baggage systems, infrastructure improvements, and associated support facilities. Certain gates in Terminals 1 and 4 are anticipated to be re-designated as part of the Terminal projects included in the FLLAIR Plan.

Portions of the Airport CIP have been funded using proceeds of bond issuances in 2012, 2013, and 2015. The 2017 Bonds will be the fourth tranche of a total of six planned issuances associated with the FLLAIR Plan. Future bond issuances are anticipated for FY 2018 and FY 2019 to fund various Airport CIP projects. Assumed debt service associated with each of these bond issuances is included in the financial analysis in Chapter 6 of this Report.

The Board requires BCAD to develop and submit for their approval a continuous five-year CIP, therefore, CIP projects may be amended or additional projects added to the CIP during the Projection Period that are not presented in this Report.

3.2 Funding Sources

BCAD will use a combination of funding sources to fund the Airport CIP including: Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants, Transportation Security Administration (TSA) Grants, Florida Department of Transportation (FDOT) grants, Passenger Facility Charge (PFC) revenues, previously issued bond proceeds, proceeds from the 2017 Bonds, future bond proceeds, and Airport System funds.

Table 3-1 presents the anticipated project costs and funding sources for the Airport CIP. As shown, of the Airport CIP totaling $3.2 billion, approximately $1.63 billion of project costs have been funded with proceeds from previously issued bonds, $309.9 million from grants, $389.9 million from PFC revenues used on a pay-as-you-go basis, and $52.7 million from Airport discretionary funds. Approximately $300.3 million of Airport CIP costs are anticipated to be funded with proceeds from the 2017 Bonds and $519.1 million of Airport CIP project costs are anticipated be funded with proceeds from future Airport System Revenue bonds. Debt service associated with these assumed issuances is reflected in the financial analysis in Chapter 6 of this Report.

3.2.1 GRANTS

Various grants, totaling $309.9 million, awarded to the County to fund projects in the Airport CIP, through the FAA Airport Improvement Program, Transportation Security Administration, and Florida Department of Transportation, are described below.

Table 3-1: Airport Capital Improvement Program Anticipated Funding Sources

PROJECT CATEGORY	TOTAL PROJECT COSTS	GRANTS	PFC	AIRPORT FUNDS	PREVIOUSLY ISSUED BONDS	2017 BONDS	FUTURE BONDS
Airfield							
South Runway Expansion	$826,000,000	$14,900,000	$41,900,000		$769,200,000		
Terminal 4 Ramp	83,500,000	12,570,000			53,013,000	$17,917,000	
North Runway Rehabilitation	72,000,000	20,000,000	52,000,000				
Other Airfield Projects	60,370,000	7,100,000	15,500,000	$8,470,000	14,400,000		$14,900,000
Airfield Total	**$1,041,870,000**	**$54,570,000**	**$109,400,000**	**$8,470,000**	**$836,613,000**	**$17,917,000**	**$14,900,000**
Terminal							
Terminal 4 Gate Replacement (Concourse G)	$390,000,000				$297,800,000	$90,000,000	$2,200,000
Terminal Modernization	500,000,000				192,100,000	73,500,000	234,400,000
Concourse A	200,000,000				160,000,000	40,000,000	
Terminal 4 Federal Inspection Facility	115,000,000				27,600,000	62,400,000	25,000,000
Terminal 4 Checked Baggage Inspection System (CBIS)	135,900,000	$59,300,000	$76,600,000				
Terminal Connectors (T 1, 2 & 3)	129,000,000					7,000,000	122,000,000
Gate Expansion	100,000,000					5,000,000	95,000,000
Other Terminal Projects	217,800,000	6,000,000	29,900,000	$44,200,000	107,600,000	4,500,000	25,600,000
Terminal Total	**$1,787,700,000**	**$65,300,000**	**$106,500,000**	**$44,200,000**	**$785,100,000**	**$282,400,000**	**$504,200,000**
Other							
Noise Mitigation	$175,000,000	$140,000,000	$35,000,000				
Security Projects	89,000,000		89,000,000				
Airport Access Roadway System	110,000,000	50,000,000	50,000,000		$10,000,000		
Other Total	**$374,000,000**	**$190,000,000**	**$174,000,000**		**$10,000,000**		
Total Capital Improvement Program	**$3,203,570,000**	**$309,870,000**	**$389,900,000**	**$52,670,000**	**$1,631,713,000**	**$300,317,000**	**$519,100,000**

SOURCE: Broward County Aviation Department, September 2017.
PREPARED BY: Ricondo & Associates, Inc., October 2017.

FAA Airport Improvement Program (AIP)

The FAA Airport Improvement Program (AIP) provides grants for the planning and development of public-use airports that are included in the National Plan of Integrated Airport Systems (NPIAS). A total of approximately $169.6 million in AIP grants are anticipated for various projects for the Airport CIP. For those projects anticipated to be eligible for FAA AIP funding, up to 75 percent of estimated projects costs are anticipated to be funded from this source. The remainder of AIP-eligible project costs is assumed to be funded from other sources such as PFC, FDOT grants and Airport System funds. Should discretionary AIP funds not become available, BCAD will determine if the projects can be delayed or will utilize other funding sources to undertake those projects.

Transportation Security Administration (TSA) Grants

The TSA is authorized (49 USC §44923) to provide grants to airports for security capital improvement projects, including projects to replace baggage systems related to security, reconfigure terminal baggage areas to install explosive detection systems, and to enable the deployment of explosive detection systems. Approximately $59.3 million of the Airport CIP is anticipated to be funded from such TSA grants to fund a security infrastructure project and Terminal 4 checked baggage inspection system.

Florida Department of Transportation (FDOT) Grants

FDOT Grants are funded from the State Transportation Trust Fund, which consists, in part, of funds collected through the State's aviation fuel tax. FDOT Grants supplement the AIP, providing a portion of the sponsor's matching share when federal funding is available and up to 80 percent of the overall project cost when it is not. Funding awarded via FDOT Grants is frequently distributed by the State over a multi-year period for grant-approved projects. Approximately $81.0 million of the Airport CIP is anticipated to be funded from FDOT grants.

3.2.2 PASSENGER FACILITY CHARGE (PFC) REVENUE

The County has submitted and received approval from the FAA to impose and use PFC revenues for capital projects totaling approximately $1.8 billion in 13 separate PFC applications. Expiration date for PFC collections is currently estimated to be August 1, 2031, based on estimates of future passenger enplanements. Approximately $389.9 million of Airport CIP costs are anticipated to be funded using PFC revenues on a pay-as-you-go basis.

3.2.3 AIRPORT SYSTEM REVENUE BONDS

The BCAD anticipates that approximately $300.3 million of the Airport CIP will be funded with proceeds from the 2017 Bonds. The full uses of the 2017 Bonds are summarized in Chapter 1 of this Report. The County has also used approximately $1.63 billion of proceeds from previously issued bonds to fund projects included in the Airport CIP. It is assumed that approximately $519.1 million of Airport CIP costs will be funded using proceeds from future bonds.

3.2.4 AIRPORT SYSTEM FUNDS

The County anticipates utilizing approximately $52.7 million of its unencumbered available Airport System funds to fund the Airport CIP.

3.3 The 2017 Projects

The 2017 Projects are identified as the projects in the Airport CIP to be funded in whole or in part with proceeds of the 2017 Bonds, described in Sections 3.3.1 and 3.3.2.

3.3.1 2017 PROJECTS INCLUDED IN THE FLLAIR PLAN

Terminal 4 Gate Replacement

The Terminal 4 gate replacement project will expand the existing Terminal 4 from 10 to 14 gates; improve the existing security checkpoint within Terminal 4, and link Terminal 4 to Terminal 3 through a secure corridor. Of the Terminal 4 gates, 12 of 14 will have domestic and international capabilities. This project also provides for the demolition of the existing Concourse H, while adding new aircraft parking aprons, a new hydrant fueling system for Terminal 4, BCAD office space, chiller plant expansion, concession areas, and new/relocated underground utilities. This work will be implemented in two phases – Phase 1 Western Terminal Expansion and Phase 2 Eastern Terminal Expansion. The Phase 1 Western Terminal Expansion project is currently underway and the Phase 2 Eastern Terminal Expansion is anticipated to be funded using proceeds from the 2017 Bonds.

Terminal Modernization

The Airport Terminal Modernization project is designed to optimize the existing Airport terminal space by reorganizing the security screening check point, holdrooms, restrooms, and concessions so they are utilized in a more efficient manner, promoting revenue generation and improved passenger facilities. In addition, this project will improve the level of service through the modification of wayfinding, finishes, seating, and emergency power capacity and distribution.

Concourse A Construction

The Concourse A construction includes the design and construction of a five-gate concourse, an associated taxiway, and aprons at Terminal 1 east of Concourse B. Terminal 1 was originally designed to accommodate three concourse piers. Two of the three concourses are already constructed and Concourse A is the third and final concourse connected to Terminal 1. The scope of work will include an FIS Facility, five gates, passenger boarding bridges with pre-conditioned air and 400hz ground power, a connector bridge with moving walkways between the Terminal and the concourse, passenger hold rooms, and public restrooms. In addition, improvements to adjacent facilities necessary to support this new Concourse A, site work, and all associated taxiway and apron work is included.

Terminal 4 FIS Facility Renovation

The Terminal 4 FIS Facility renovation will increase the overall footprint of the existing Terminal 4 FIS facility to enhance passenger throughput and overall customer satisfaction. The proposed modifications include upgrading and expanding Primary/Secondary Processing Areas and Baggage Claim.

3.3.2 OTHER 2017 PROJECTS INCLUDED IN THE AIRPORT CIP

Terminal Connectors (T 1, 2, and 3)

The terminal connector project will give the Airport additional facility flexibility in the near and long term. Primary goals include airside connectivity, concessions exposure, and growth management. The 700-foot-long terminal connector between Terminals 1 and 2 will include open and intuitive passenger flow and an enhanced business center while maintaining existing airside/landside separation with minimum modifications. The 600-foot-long terminal connector between Terminals 2 and 3 will feature 9,000 square feet of new potential concession space, connection to ground level remote aircraft boarding station, chiller plant expansion, and enlarged security checkpoint with expanded queuing.

Gate Expansion

A total of five additional gates will be constructed in order to accommodate the demand for passenger facilities at the Airport. This is due to the rapid increase during the past several years in enplaned passengers coupled with robust projections for additional air service and enplaned passengers in the future.

Rehabilitation of Rental Car Center Hibiscus & Palm Garages (including Pedestrian Bridges)

The Palm Parking Garage was completed in 1983, the Hibiscus Parking Garage in 2000, and the RCC in 2005. As such, the garage facilities and infrastructure need repair work beyond basic maintenance. This project will complete the necessary rehabilitation of these facilities in order to extend their useful life. Additionally, more efficient electrical power and cooling systems in the RCC will be incorporated, reducing operating expenses and improving sustainability.

Architectural Services for Master Plan

Keeping an up-to-date master plan is a federal requirement and provides a cohesive and cost-effective plan for building new facilities, roads, garages, and utilities at the Airport. This project provides for professional architectural services for Master Plan enabling projects. Services include, but are not limited to, conducting studies, preparing reports, modeling terminal traffic, programming and other pre-design services, design and architectural services.

Transportation Network Company Lot

A new parking lot will be constructed on Airport property to accommodate a staging area for TNCs such as Uber and Lyft. Constructing a staging area for these TNC's in a specific area will assist to alleviate the nuisance issue of TNCs parking in surrounding neighborhood waiting for a dispatch for pick up from Airport passengers. Utilizing a specific site will improve congestion along Airport exit roads and improve the safety of the roadway system.

3.3.3 ESTIMATED PROJECT COSTS

Table 3-3 presents the total project costs of the 2017 Projects and the amounts anticipated to be funded using proceeds from the 2017 Bonds.

Table 3-2: 2017 Project Costs

2017 PROJECTS	PROJECT COST	PREVIOUSLY FUNDED BONDS AND OTHER SOURCES	2017 BONDS	FUTURE BONDS
Terminal 4 Ramp	$83,480,000	$65,570,000	$17,910,000	
Terminal 4 Gate Replacement (Concourse G)	390,000,000	297,800,000	90,000,000	$2,200,000
Terminal Modernization	500,000,000	192,100,000	73,500,000	234,400,000
Concourse A	200,000,000	160,000,000	40,000,000	
Terminal 4 Federal Inspection Facility	115,000,000	27,600,000	62,400,000	25,000,000
Terminal Connectors (T 1, 2 & 3)	129,000,000		7,000,000	122,000,000
Gate Expansion	100,000,000		5,000,000	95,000,000
Rehabilitation of RCC, Hibiscus & Palm Garages	16,000,000	8,000,000	500,000	7,500,000
Architectural Services for Master Plan	20,000,000		2,000,000	18,000,000
Transportation Network Company (TNC) Lot	2,000,000		2,000,000	
Total	**$1,555,480,000**	**$751,070,000**	**$300,310,000**	**$504,100,000**

SOURCE: Broward County Aviation Department, September 2017.
PREPARED BY: Ricondo & Associates, Inc., October 2017.

As shown, the 2017 Projects costs total approximately $1.56 billion; with approximately $751.1 million of funding received prior to the issuance of the 2017 Bonds and $300.3 million of anticipated funding from proceeds of the 2017 Bonds.

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4. Demographic and Economic Analysis

The demand for air transportation at a particular airport is, to a large degree, dependent upon the demographic and economic characteristics of the geographical area served by the airport (i.e., the air trade area). The relationship between the demographic and economic characteristics of an area and its demand for air travel is particularly true for origin and destination passenger traffic, which has historically accounted for the largest portion of airline traffic demand at the Airport.[1] Therefore, the major portion of demand for air travel at the Airport is influenced more by the local socioeconomic characteristics of the area served than by individual air carrier decisions regarding service patterns in support of connecting activity. This Chapter presents data indicating that the economic base of the Airport's Air Trade Area (defined as the Miami-Fort Lauderdale-West Palm Beach MSA in Chapter 2 of this Report) is capable of supporting increased demand for air travel during the Projection Period. For comparative purposes, socioeconomic data for Broward County, the county in which the Airport is located, is also presented.

Although affected more severely than most major metropolitan areas by the 2007-2009 recession, particularly in output, employment, and the housing sector (according to The Brookings Institution's 2017 *Metro Monitor* report, the Miami metropolitan area, including Fort Lauderdale, ranked 88th out of 100 metropolitan areas in overall economic performance during the recession), the area has since experienced a greater level of economic recovery (ranking 21st in overall economic performance during the recovery period (2010-2015) according to the 2017 *Metro Monitor* report) than other metropolitan areas.[2] This section will provide an overview of recent economic performance, including recovery progress, in key measures such as gross regional product, employment, and housing, and will provide projections of key demographic and economic metrics for Broward County, the Air Trade Area, Florida, and the United States.

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1 Based on reconciled U.S. Department of Transportation ticket sample data, origin and destination passengers accounted for approximately 91 percent of total passengers at the Airport in Calendar Year 2016.

2 Brookings Institution, *MetroMonitor – March 2017*.

4.1 Demographic Analysis

4.1.1 POPULATION

There is typically a positive correlation between population growth in a local area and air travel demand. Historical population for Broward County, the Air Trade Area, Florida, and the United States is presented in **Table 4-1**. As shown, population in the Air Trade Area increased from approximately 4.1 million in 1990, to 5.0 million in 2000, and to 6.1 million in 2016. At a compound annual growth rate of 1.6 percent between 1990 and 2016, population growth in the Air Trade Area was less than that experienced by Florida (compound annual growth rate of 1.8 percent) and equal to Broward County (compound annual growth rate of 1.6 percent) but greater than the population growth in the United States (compound annual growth rate of 1.0 percent) during this period. From 2010 through 2016, the population in the Air Trade Area, Broward County and the State of Florida each grew at a compound annual growth rate of 1.5 percent. Florida was the fifth-fastest growing state in the United States by population growth over this period.

Table 4-1 also presents population projections from Woods & Poole Economics, Inc. for Broward County, the Air Trade Area, Florida, and the United States for 2022 and 2027.[3] Population in the Air Trade Area is projected to increase at a compound annual growth rate of 1.4 percent between 2016 and 2027, reaching approximately 7.10 million people in 2027. Projected population growth for the Air Trade Area over the 2016-2027 period is expected to be slightly slower than population growth in Florida (compound annual growth rate of 1.5 percent), equal to Broward County (compound annual growth rate of 1.4 percent), and more rapid than in the United States (compound annual growth rate of 0.9 percent).

4.1.2 POPULATION DIVERSITY

The Air Trade Area has an ethnically diverse population, which contributes to demand for air travel. In a global economy, ethnic diversity within a region's labor force is a distinct economic advantage as employees with cultural and linguistic ties to international markets give companies an edge in establishing trade and investment opportunities. This immigrant influx from various parts of the world has been, and continues to be, a significant component of the economy of the Air Trade Area. Key sectors in the Air Trade Area's regional economy are impacted by the contribution of labor and investment from immigrant communities and entrepreneurs. An ethnically diverse population also retains family ties that create demand for air travel services to and from homeland countries.[4] According to the Fort Lauderdale/Hollywood International Traffic Update, released in June of 2017, 21 percent of all travelers at the airport were international travelers.

As shown in **Table 4-2**, according to United States Census Bureau data, approximately 87.9 percent of the foreign-born population residing in the Air Trade Area comes from the Americas (particularly Latin America and the Caribbean), while approximately 11.0 percent were born in Asia and Europe. Cuba is the most represented country of birth of the Air Trade Area's foreign-born residents, followed by Colombia, Jamaica and Mexico.

3 Woods & Poole Economics, Inc. provides a national economic model that is used to project county-level socioeconomic data through 2050. The model is updated every year, and the historical data and projections used in this report are from Woods & Poole's 2017 Complete Economic and Demographic Data Source.

4 The Brattle Group, "The Impact on the U.S. Economy of Lifting Restrictions on Travel to Cuba," July 2002.

Table 4-1: Historical and Projected Population

	HISTORICAL				PROJECTED		COMPOUND ANNUAL GROWTH RATE				
AREA	**1990**	**2000**	**2010**	**2016**	**2022**	**2027**	**1990-2000**	**2000-2010**	**1990-2016**	**2010-2016**	**2016-2027**
Broward County	1,263,301	1,630,600	1,753,263	1,922,154	2,092,207	2,242,739	2.6%	0.7%	1.6%	1.5%	1.4%
Miami-Dade County	1,943,717	2,259,508	2,508,171	2,722,502	2,917,076	3,086,202	1.5%	1.0%	1.3%	1.4%	1.1%
Palm Beach County	871,560	1,135,787	1,324,171	1,448,207	1,616,860	1,770,249	2.7%	1.5%	2.0%	1.5%	1.8%
Air Trade Area	4,078,578	5,025,895	5,585,605	6,092,863	6,626,143	7,099,190	2.1%	1.1%	1.6%	1.5%	1.4%
State of Florida	13,033,307	16,047,515	18,849,890	20,554,147	22,429,609	24,102,515	2.1%	1.6%	1.8%	1.5%	1.5%
United States	249,622,800	282,162,376	309,346,806	324,160,750	342,676,714	358,822,028	1.2%	0.9%	1.0%	0.8%	0.9%

SOURCE: Woods and Poole Economics, Inc., 2017 Complete Economic and Demographic Data Source (CEDDS), July 2017.
PREPARED BY: PMG Associates, Inc., September 2017.

Table 4-2: World Region of Birth of Foreign-Born Population in Air Trade Area (2015)

REGION	POPULATION	PERCENT
Americas [1/]	**2,107,407**	**87.9%**
Cuba	772,191	32.2%
Columbia	168,752	7.0%
Jamaica	132,612	5.5%
Mexico	73,417	3.1%
Brazil	42,600	1.8%
Canada	31,601	1.3%
Other	886,234	37.0%
Europe	**134,928**	**5.6%**
United Kingdom	20,341	0.8%
Italy	15,552	0.6%
Germany	13,770	0.6%
Other	85,265	3.6%
Asia	**130,340**	**5.4%**
India	22,683	0.9%
China [2/]	22,767	0.9%
Vietnam	10,510	0.4%
Other	74,380	3.1%
Africa	**22,410**	**0.9%**
Oceania	**1,935**	**0.1%**
Total	2,397,020	100.0%

NOTES:

1/ Includes Latin America and Northern America regions.

2/ Includes Hong Kong and Taiwan.

SOURCE: U.S. Department of Commerce, Bureau of the Census, *American Community Survey 2015 (1-year estimates)*.
PREPARED BY: PMG Associates, Inc., September 2017.

According to the United States Census Bureau's American Community Survey, Florida grew by more than 280,000 residents between 2014 and 2015, and more than 143,500 of those new residents were of Hispanic origin. The largest Hispanic growth was in Miami-Dade County and Broward County. Miami-Dade County added approximately 35,500 new Hispanic residents and Broward County added approximately 17,000.

4.1.3 AGE DISTRIBUTION

Air travel spending in the United States varies by age group; persons between 45 and 64 tend to spend the most.[5] According to data from the Bureau of Labor Statistics' 2015 Consumer Expenditure Survey, individuals between the ages of 45 and 64 accounted for approximately 49 percent of the air travel market, spending between 12 to 26 percent more than the average on airfares.[6]

Data in **Table 4-3** shows that the percentage of the population in the 45-64 age group is lower in the Air Trade Area than in Broward County and Florida, yet higher than the United States. In 2015, individuals between the ages of 45 and 64 accounted for 26.9 percent of the population of the Air Trade Area, 27.8 percent of the population of Broward County, 27.0 percent of the population of Florida, and 26.3 percent of the population of the United States. Table 4-3 also shows that in 2015, the Air Trade Area's median age (40.5 years) was younger than the median age for Florida (41.4), but older than the median age for Broward County (40.0 years) and the United States (37.6 years).

Table 4-3: Age Distribution (2015)

	BROWARD COUNTY	AIR TRADE AREA	STATE OF FLORIDA	UNITED STATES
Total Population	**1,843,152**	**5,861,000**	**19,645,772**	**316,515,021**
By Age Group				
24 and Under	30.2%	29.7%	29.6%	33.1%
25 - 44	27.0%	26.7%	24.8%	26.5%
45 - 641/	27.8%	26.9%	27.0%	26.3%
65+	15.0%	16.7%	18.6%	14.1%
Total	100.0%	100.0%	100.0%	100.0%
Median Age	**40.0**	**40.5**	**41.4**	**37.6**

NOTE:

1/ Data from the Bureau of Labor Statistics' 2012 Consumer Expenditure Survey shows this age group spends the most on air travel.

SOURCE: U.S. Department of Commerce, Bureau of the Census, *2011-2015 5-Year American Community Survey*.
PREPARED BY: PMG Associates, Inc., September 2017.

5 *Who's Buying for Travel,* 11th Edition New Strategist Press 2015.

6 Calculation from Who's Buying for Travel, based on the Bureau of Labor Statistics' 2014 Consumer Expenditure Survey.

4.1.4 PER CAPITA PERSONAL INCOME

Another key indicator for airline travel demand is wealth, which can be measured by assessing levels of personal income. Personal income is defined as the sum of wages and salaries, other labor income, proprietors' income, rental income of persons, dividend income, personal interest income, and transfer payments, less personal contributions for social insurance. Personal income is a composite measurement of market potential and indicates the general level of affluence of a population. This measure corresponds to an area's ability to afford air travel, as well as an area's attractiveness to business and leisure travelers (lower income areas often have weaker business ties to the rest of the United States and a less developed tourism infrastructure). It should be noted, however, that personal income is not adjusted for the cost of living in a particular area.

Table 4-4 presents historical per capita personal income in Broward County, the Air Trade Area, Florida, and the United States (in 2009 dollars) from 2012 through 2016. As shown, per capita personal income in the Air Trade Area has historically been higher than per capita personal income in Broward County, Florida, and the United States each year during the 2012-2016 period. Per capita personal income in the Air Trade Area increased at a compound annual growth rate of 2.0 percent between 2012 and 2016, faster than the 1.6 percent growth rate experienced by Broward County and the 1.7 percent growth rate experienced by both Florida and the United States over this same period.

Table 4-4 also presents projections of per capita personal income for 2022 and 2027 Woods & Poole Economics, Inc., projects per capita personal income in the Air Trade Area to increase from $46,590 in 2016 to $51,188 in 2022 and $55,189 in 2027. This increase represents a compound annual growth rate of 1.6 percent for the 2016-2027 period, which is the same rate as the State of Florida and higher than the 1.5 percent compound annual growth rate projected for Broward County and the United States over the same period.

An additional indicator of the market potential for airline travel demand is the percentage of households in higher income categories. An examination of this indicator is important because, as income increases, airline travel becomes more affordable and therefore is generally used more frequently. According to the Bureau of Labor Statistics' 2014 Consumer Expenditure Survey, American households with incomes of $100,000 or more were responsible for the majority (54.4 percent) of total airfare expenditures.[7]

Table 4-4 presents the percentages of households in various per capita personal income categories in 2016 (as expressed in 2009 dollars) for Broward County, the Air Trade Area, Florida, and the United States. The highest income category, households having per capita personal incomes of $100,000 or more, included 18.9 percent of Air Trade Area households, greater than the 16.5 percent of Florida households in this category, and lower than the 20.1 percent of Broward County households and 20.6 percent of nationwide households in this category.

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7 Calculation from Who's Buying for Travel, based on the Bureau of Labor Statistics' 2014 Consumer Expenditure Survey.

Table 4-4: Per Capita Personal Income

(Per Capita Personal Income in 2009 Dollars)

	PER CAPITA PERSONAL INCOME			
YEAR	BROWARD COUNTY	AIR TRADE AREA	STATE OF FLORIDA	UNITED STATES
Historical				
2012	$39,282	$43,078	$38,619	$41,714
2013	$38,045	$41,955	$37,915	$41,348
2014	$39,324	$43,879	$39,275	$42,523
2015	$41,001	$45,483	$40,563	$43,924
2016	$41,929	$46,590	$41,311	$44,637
Projected				
2017	$42,570	$47,324	$41,972	$45,308
2022	$45,883	$51,188	$45,433	$48,803
2027	$49,257	$55,189	$48,974	$52,347
Compound Annual Growth Rate				
2012-2016	1.6%	2.0%	1.7%	1.7%
2016-2022	1.5%	1.6%	1.6%	1.5%
2016-2027	1.5%	1.6%	1.6%	1.5%

PERCENTAGE OF HOUSEHOLDS IN INCOME CATEGORIES (2016)				
INCOME CATEGORY (IN 2009 DOLLARS)	BROWARD COUNTY	AIR TRADE AREA	STATE OF FLORIDA	UNITED STATES
Less than $29,999	29.8%	32.5%	32.1%	29.4%
$30,000 to $59,999	27.7%	27.6%	29.7%	27.1%
$60,000 to $74,999	10.6%	9.9%	10.4%	10.4%
$75,000 to $99,999	11.9%	11.0%	11.3%	12.5%
$100,000 or More	20.1%	18.9%	16.5%	20.6%

SOURCE: Woods and Poole Economics, Inc., 2017 Complete Economic and Demographic Data Source (CEDDS), July 2017.
PREPARED BY: PMG Associates, Inc., September 2017.

4.2 Economic Analysis

4.2.1 GROSS DOMESTIC PRODUCT

Gross domestic product (GDP) for the United States as a whole, and its state and county equivalent, gross regional product (GRP) are measures of the market value of all final goods and services produced within a particular area for a specific period of time. GDP and GRP are among the broadest measures of the economic health of a particular area and, consequently, the area's potential airline travel demand.

Table 4-5 presents the historical GRP and GDP for the Air Trade Area between 2012 and 2016, as expressed in 2009 dollars. As shown, the GRP for the Air Trade Area increased at a compound annual growth rate of 4.5 percent, from $237.9 billion in 2012 to $283.8 billion in 2016. In comparison, the GRP for Broward County and Florida increased at lower compound annual growth rates (4.2 percent and 3.7 percent, respectively), and the United States' equivalent measure grew at a reduced (2.9 percent) compound annual growth rate.

Table 4-5 also presents projections of GRP and GDP in 2022 and 2027. Woods & Poole Economics, Inc. projects the GRP for the Air Trade Area to increase from $283.8 billion in 2016 to $290.6 billion in 2017, $326.2 billion in 2022 and $364.6 billion in 2027. This increase represents a compound annual growth rate in the Air Trade Area between 2016 and 2027 of 2.3 percent, which is higher than the 2.1 percent compound annual growth rate projected for the nation, yet lower than the 2.4 percent compound annual growth rate projected for Broward County and the 2.5 percent compound annual growth rate projected for Florida over the same period.

Table 4-5: Gross Regional/Domestic Product

(Gross Regional/Domestic Product in Millions of 2009 Dollars)

	GROSS REGIONAL/DOMESTIC PRODUCT (GRP OR GDP)			
YEAR	**BROWARD COUNTY (GRP)**	**AIR TRADE AREA (GRP)**	**STATE OF FLORIDA (GRP)**	**UNITED STATES (GDP)**
Historical				
2012	$73,817	$237,945	$720,061	$15,115,991
2013	$74,862	$245,607	$737,538	$15,415,698
2014	$78,088	$257,669	$763,508	$15,829,180
2015	$83,826	$273,469	$809,155	$16,501,908
2016	$86,942	$283,787	$832,813	$16,923,958
Projected				
2017	$89,249	$290,637	$853,936	$17,298,638
2022	$101,122	$326,209	$962,744	$19,221,367
2027	$113,895	$364,556	$1,079,821	$21,267,484
Compound Annual Growth Rate				
2012-2016	4.2%	4.5%	3.7%	2.9%
2016-2022	2.6%	2.3%	2.4%	2.1%
2016-2027	2.5%	2.3%	2.4%	2.1%

SOURCE: Woods and Poole Economics, Inc., *2017 Complete Economic and Demographic Data* Source (CEDDS), July 2017.
PREPARED BY: PMG Associates, Inc., September 2017.

4.2.2 EMPLOYMENT TRENDS

Employment growth is an additional factor that drives airline travel demand. Recent employment trends for Broward County, the Air Trade Area, Florida, and the United States are presented in **Table 4-6.** As shown, the Air Trade Area's civilian labor force, defined as the civilian population over the age of 16 that is available for work, increased from approximately 2,795,000 workers in 2006 to approximately 3,056,000 workers in 2016. This increase represents a compound annual growth rate of 0.9 percent in the Air Trade Area's labor force during this period, compared to a 0.2 percent increase for Broward County, a 0.9 percent increase for Florida, and a 0.5 percent increase for the United States. There has been an increase of 122,000 in the Air Trade Area labor force since 2013. This increase represents a compound annual growth rate of 1.4 percent during this period, compared to a 1.1 percent increase for Broward County, a 1.4 percent increase for Florida, and an a 0.8 percent increase for the United States.

Table 4-6 also shows the average annual unemployment rates (non-seasonally adjusted) for the Air Trade Area were either equal to or below the unemployment rates for Broward County, Florida, and the United States during 2006 and 2007. Beginning in 2006, unemployment rates for the Air Trade Area continued to be lower than Florida each year until 2016, yet higher than the unemployment rates for Broward County and the United States during almost all of the years between 2009 and 2016 (with the exception of 2013 for the United States). During the most recent month of data, May 2017, the Air Trade Area's unemployment rate is higher than in Florida and lower than the unemployment rates in Broward County and the United States. In May 2017, the Air Trade Area's unemployment rate was 4.2 percent, compared to unemployment rates of 4.3 percent in Broward County, 4.0 percent in Florida, and 4.3 percent in the United States. All May 2017 unemployment rates were lower than May 2016 unemployment rates, which were 4.6 percent, 5.0 percent, 4.9 percent, and 4.9 percent for Broward County, the Air Trade Area, Florida, and the United States, respectively.

A comparison of nonagricultural employment trends by major industry sector in the Air Trade Area and in the United States, for 2005 and 2016, is presented in **Table 4-7**. As shown, nonagricultural employment in the Air Trade Area increased from approximately 3,168,000 workers in 2005 to approximately 3,748,000 in 2016. Nonagricultural employment grew at a compound annual growth rate of 1.5 percent between 2005 and 2016 in the Air Trade Area which is higher than the employment growth nationwide (1.0 percent) during this period; industry-level growth rates varied between the two regions.

National employment grew in eight of the ten employment sectors between 2005 and 2016, with the most rapid growth rates occurring in the education and health services sector (compound annual growth rate of 2.4 percent), followed by the financial activities, and leisure and hospitality sectors (compound annual growth rates of 1.9 percent). The Air Trade Area experienced employment growth in six of the ten employment sectors between 2005 and 2016, with the most rapid growth rates also occurring in the education and health services sector (compound annual growth rate of 2.7 percent), followed by the financial activities and leisure and hospitality sectors (compound annual growth rates of 2.6 percent).. Government and construction are two sectors that experienced some employment growth, albeit slight, nationwide between 2005 and 2016, but not in the Air Trade Area.

Table 4-6: Civilian Labor Force and Unemployment Rates

(Civilian Labor Force in Thousands)

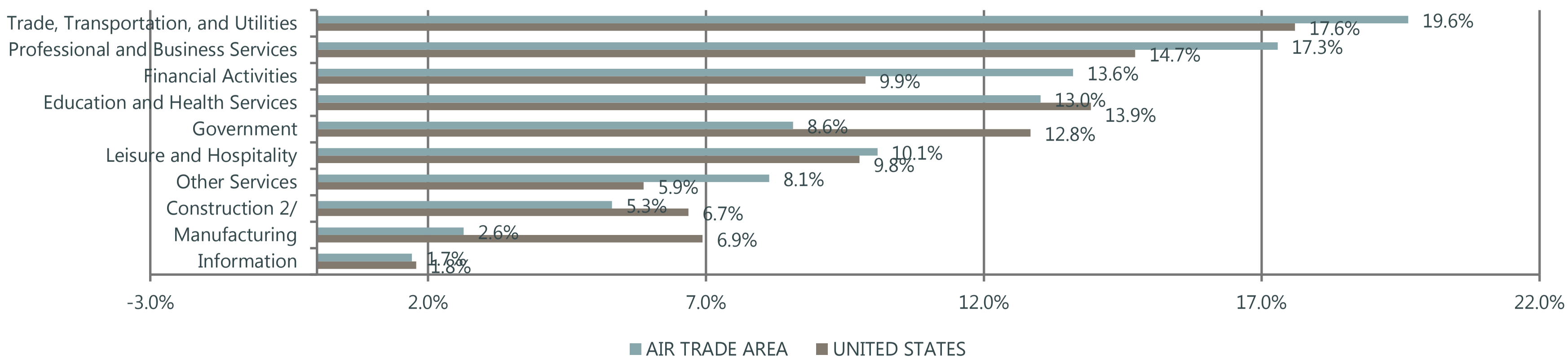
	CIVILIAN LABOR FORCE			
YEAR	BROWARD COUNTY	AIR TRADE AREA	STATE OF FLORIDA	UNITED STATES
2006	983	2,795	9,000	151,428
2007	1,000	2,852	9,157	153,124
2008	1,007	2,864	9,216	154,287
2009	981	2,806	9,095	154,142
2010	937	2,808	9,212	153,889
2011	951	2,859	9,301	153,617
2012	964	2,907	9,383	154,975
2013	973	2,934	9,447	155,389
2014	988	2,987	9,580	155,922
2015	987	2,994	9,619	157,130
2016	1,004	3,056	9,839	159,187
Compound Annual Growth Rate				
2006-2016	0.2%	0.9%	0.9%	0.5%
2013-2016	1.1%	1.4%	1.4%	0.8%
	UNEMPLOYMENT RATES			
YEAR	**BROWARD COUNTY**	**AIR TRADE AREA**	**STATE OF FLORIDA**	**UNITED STATES**
2006	3.1%	3.1%	3.2%	4.6%
2007	3.6%	3.6%	4.0%	4.6%
2008	5.6%	5.5%	6.3%	5.8%
2009	9.1%	10.0%	10.4%	9.3%
2010	10.2%	10.8%	11.1%	9.6%
2011	9.4%	9.6%	10.0%	8.9%
2012	7.9%	8.3%	8.5%	8.1%
2013	6.7%	7.2%	7.3%	7.4%
2014	5.8%	6.3%	6.3%	6.2%
2015	5.1%	5.4%	5.4%	5.3%
2016	4.6%	5.0%	4.9%	4.9%
May of 2017	4.3%	4.2%	4.0%	4.3%

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, July 2017.
PREPARED BY: PMG Associates, Inc., September 2017.

Table 4-7: Nonagricultural Employment Trends by Major Industry Sector [1/]

(Employment in Thousands)

	AIR TRADE AREA NONAGRICULTURAL EMPLOYMENT			UNITED STATES NONAGRICULTURAL EMPLOYMENT		
INDUSTRY	2005	2016	COMPOUND ANNUAL GROWTH RATE	2005	2016	COMPOUND ANNUAL GROWTH RATE
Trade, Transportation, and Utilities	621	736	1.6%	31,225	33,504	0.6%
Professional and Business Services	543	648	1.6%	23,215	28,027	1.7%
Financial Activities	386	510	2.6%	15,323	18,786	1.9%
Education and Health Services	363	488	2.7%	20,361	26,511	2.4%
Government	333	321	(0.3%)	23,839	24,439	0.2%
Leisure and Hospitality	286	378	2.6%	15,157	18,582	1.9%
Other Services	236	305	2.4%	9,834	11,190	1.2%
Construction [2/]	224	199	(1.1%)	12,652	12,723	0.1%
Manufacturing	109	99	(0.9%)	14,733	13,207	(1.0%)
Information	68	64	(0.5%)	3,563	3,400	(0.4%)
Total	**3,168**	**3,748**	**1.5%**	**169,902**	**190,369**	**1.0%**



NOTES:

1/ Employment data from the Woods & Poole database presented here are reported by the U.S. Department of Commerce, Bureau of Economic Analysis and are a complete measure of the number of full- and part-time jobs by place of work. The data includes military, proprietors, households, and miscellaneous employment. Total employment listed in this table is higher than the total civilian labor force presented in Table 4-6 (as reported by the U.S. Department of Labor, Bureau of Labor Statistics) due to the inclusion of military employment and the double counting of individuals with more than one job by the U.S. Department of Commerce, Bureau of Economic Analysis.

2/ Includes mining and logging employment.

SOURCE: Woods and Poole Economics, Inc., 2017 Complete Economic and Demographic Data Source (CEDDS), July 2017.
PREPARED BY: PMG Associates, Inc., September 2017.

Contractions in employment nationwide occurred in the information sector and the manufacturing sector between 2005 and 2016, decreasing at compound annual rates of 0.4 percent and 1.0 percent, respectively. The information, government, construction, and manufacturing sectors in the Air Trade Area also experienced employment contraction, with compound annual rate decreases of 0.5 percent, 0.3 percent, 1.1 percent and 0.9 percent, respectively. The proportionally larger contraction in construction employment in the Air Trade Area than the United States is consistent with construction employment trends statewide.

In addition to employment growth rates varying by industry sector, each industry sector's share of total employment also varies, with employment in certain sectors more concentrated than others. In 2016, the Air Trade Area's percentage of nonagricultural employment in the financial activities sector exceeded the national percentage by 3.7 percentage points, as depicted in the bar graph in Table 4-7. The Air Trade Area trade, transportation, and utilities sector concentration was also above the national average by 2.0 percentage points, as were most of the service-providing sectors. The Air Trade Area service-providing sectors' employment concentration was above the national average by 3.9 percentage points in aggregate. In contrast, there was significantly less manufacturing employment concentration in the Air Trade Area than in the United States, and government and construction employment is also less concentrated in the Air Trade Area than in the United States.

4.2.3 BUSINESS CLIMATE

The business climate in the Air Trade Area offers significant advantages to new, expanding, and relocating companies. These advantages include support for small businesses, a state "right-to-work" law, competitive local/state tax and incentive structures, and no state personal income tax. Florida ranked fifth in The Tax Foundation's 2014 State Business Tax Climate Index, an indicator of which states tax systems are the most hospitable to business and economic growth. Major nongovernmental employers in the Air Trade Area, as measured by the number of employees, are presented in **Table 4-8**. As shown, there are 24 entities in the Air Trade Area with 2,000 or more employees.[8] The largest employer based in the Air Trade Area is Baptist Health South Florida with 16,191 local employees, followed by University of Miami (14,664 employees), Tenet Healthcare (12,170 employees), Jackson Health Systems (11,410 employees), American Airlines (11,000 employees), Florida International University (9,994 employees), Broward Health (8,233 employees), and NextEra Energy (8,100 employees).

Seven of the fifteen 2016 Fortune 500 companies that are headquartered in Florida are located in the Air Trade Area. AutoNation, a national automotive retailer (ranked 129th in 2016 revenues), is located in Fort Lauderdale. The other six Fortune 500 companies headquartered in the Air Trade Area are: World Fuel Services, a seller of fuel and logistics services to marine shipping, aviation, and trucking companies worldwide (ranked 103th in 2016 revenues); NextEra Energy, a supplier of gas and electricity in North America (ranked 170rd); Office Depot, a global provider of office products, services, and solutions (ranked 203th); Jarden, a consumer products company with a portfolio of over 120 brands and a global presence (ranked 328th); Lennar, a national homebuilder (ranked

[8] The list of major nongovernmental employers shown in Table 4-8 does not include retail or hospitality companies, unless their headquarters are located in the Air Trade Area. Therefore, some companies, like Publix, which has major distribution centers and manufacturing facilities in the Air Trade Area, are major employers in the Air Trade Area but do not appear in Table 4-8.

260th); and Ryder System, a provider of commercial transportation, logistics, and supply chain management solutions, throughout North America, Europe and Asia (ranked 394th).

Table 4-8: Major Employers in the Air Trade Area

EMPLOYER [1/]	NUMBER OF EMPLOYEES	PRODUCT OR SERVICE
Baptist Health South Florida	16,191	Health care
University of Miami	14,664	Education
Tenet Healthcare Corp.	12,170	Health care
Jackson Health System	11,410	Health care
American Airlines	11,000	Airline
Florida International University	9,994	Education
Broward Health	8,233	Health care
NextEra Energy	8,100	Electric utility
Nova Southeastern University	7,462	Education
Miami Dade College	7,200	Education
FirstService Residential	5,100	Property management
Wells Fargo	5,038	Financial Institution
Miami Children's Health System	4,105	Health care
AutoNation	4,000	Car sales
Mount Sinai Medical Center	3,942	Health care
MorseLife Health System	3,500	Health care
Southern Glazer's Wine & Spirits	3,185	Beverage distributor
Holy Cross Hospital	3,091	Health care
Royal Caribbean Cruises Ltd.	3,080	Cruise line
Pollo Tropical	3,053	Restaurant chain
Goodwill Industries of South Florida	3,025	Non-profit
Boca Raton Regional Hospital	2,800	Health care
Eulen America	2,445	Business Outsourcing
Fanjul Corp.	2,000	Agriculture

NOTE:

1/ Ranked by total number of employees in Broward, Miami-Dade, and Palm Beach counties based on companies' survey responses received by the South Florida Business Journal.

SOURCE: *South Florida Business Journal*, 2017 Book of Lists-Top Employers, June 30, 2017.
PREPARED BY: PMG Associates, Inc., September 2017.

Other large publicly held companies with headquarters in the Air Trade Area are from a diverse number of industries included in the Fortune 1000 listing. Corporations include MASTEC (577), an electrical products provider; Watsco (581), a maker of air conditioning units and parts; ADT (635), a security systems firm; Citrix Systems (676), a software developer of interactive platforms; Spirit Airlines (833), the air carrier; Mednax (775) , a provider of pediatric and anesthesia physician services; B/E Aerospace, who specializes in aircraft interiors; Platform Specialty Products (829), chemical manufacturer; Affiliated Managers Group (848), an investment company; and Dycom Industries (963), a telecommunications firm. The Air Trade Area is also home to the regional headquarters of many major corporations. The Wendy's Company chose the Air Trade Area for its Latin American, Caribbean, and South Florida headquarters, and Emerson's consolidated Latin American headquarters for the professional teams of various divisions is located in the Air Trade Area. DHL Express, Microsoft, and Marriott International also have their regional headquarters in the area. The Air Trade Area's central location in the Western Hemisphere and its diverse pool of professionals make it a good location for European and Asian companies to enter and serve both North American and South American markets. International corporations with offices in the region include Siemens, Embraer Aircraft, and Trividia Health.

The Air Trade Area also has a favorable climate for the growth of businesses that are headquartered abroad, stimulating potential demand for international air travel at the Airport. A joint project of Brookings Institution and JPMorgan Chase in 2014 ranked the Air Trade Area as the eleventh-best metropolitan area in the United States for jobs in foreign-owned establishments (FOEs), with a total of 4.7 percent of total private employment. FOEs and foreign direct investment contribute inordinately to the economy and facilitate the spread of global knowledge, technologies, and ideas critical to innovation and competitiveness in the economy. Foreign direct investment is critical in the United States, accounting for 12.0 percent of productivity growth, 15.2 percent of capital investment, 18.9 percent of corporate research and development, and 20.3 percent of goods exports.[9]

The region is also attractive to new businesses and has a growing start-up community. The Air Trade Area ranked first overall in the Kauffman Foundation's *Kauffman Index: Startup Activity*, a ranking of entrepreneurship in the 40 largest metropolitan areas in the United States. Financing of companies in 2016 increased almost 30 percent over 2015, including the $794 million "mega deal" raised by mixed reality computing platform company, Magic Leap, located in Broward County. In December of 2015, private jet service JetSmarter, located in Fort Lauderdale, raised $105 million in funding[10].

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9 Global Cities Initiative, a Joint Project of Brookings and JPMorgan Chase, *FDI in Miami, FL*, 2014.

10 Pounds, Marcia Heroux, "Florida snags more venture capital, angel dollars in 2016," *Sun Sentinel*, January 11, 2017.

4.2.4 EMPLOYMENT BY MAJOR INDUSTRIAL SECTOR

Once mainly a tourism-based economy, Fort Lauderdale and surrounding areas now support a diverse range of industries, including marine[11], manufacturing, finance, insurance, real estate, high technology, avionics/aerospace, film and television production. The sources of economic diversity in the region are discussed in this section by focusing on the following employment sectors, listed in order of their contribution to the Air Trade Area's employment base (see Table 4-7): trade, transportation and utilities; professional and business services; financial activities; education and health services; government; leisure and hospitality; other services; construction; manufacturing; and information.[12]

4.2.4.1 Trade, Transportation, and Utilities

The trade, transportation, and utilities sector consists of wholesale trade and retail trade, transportation and warehousing, and utilities. The trade, transportation, and utilities sector is the largest sector by employment in both the Air Trade Area and the United States. In 2016, the sector employed approximately 736,000 workers in the Air Trade Area, accounting for 19.6 percent of total nonagricultural employment in the area, compared with a 17.6 percent employment share in the United States. Retail trade employment accounted for 54.6 percent of the Air Trade Area's total employment in the trade, transportation, and utilities sector, wholesale trade employment accounted for 24.4 percent, and transportation and warehousing, and utilities employment accounted for the remaining 21.0 percent. Total employment in the trade, transportation, and utilities sector increased at a compound annual growth rate of 1.6 percent between 2005 and 2016, compared with an increase of 0.6 percent in the United States over the same period.

Wholesale and Retail Trade

In 2016, wholesale and retail trade accounted for approximately 581,000 employees in the Air Trade Area, representing 15.5 percent of total nonagricultural employment, which is higher than the percentage employed in wholesale and retail trade nationwide (13.9 percent).

Wholesale trade employment is more concentrated in the Air Trade Area than in the United States. Individuals employed in retail trade accounted for 69.1 percent of employees in the trade sector in 2016, whereas those employed in wholesale trade accounted for the remaining 30.9 percent. This compares to 73.9 percent and 26.1 percent employment in retail and wholesale trade, respectively, in the United States over the same period. Wholesale trade concentration in the Air Trade Area is partly due to the geographical advantages of the region, transportation assets such as Port Everglades and the Airport, as well as close connections with the Caribbean basin and Latin America for companies needing to receive and send merchandise.

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11 With more than 300 miles of navigable waterways, marinas, marine manufacturing and repair facilities (spanning multiple employment sectors discussed above), the Air Trade Area is a world-renowned port of call for the yachting industry. According to the greater Fort Lauderdale Chamber of Commerce, marine commerce is the leading industry in the Air Trade Area accounting for more than 136,000 jobs and gross wages and earnings of $4.0 billion in Broward County, along with over 162,000 jobs and $15.5 billion in total economic impact in South Florida.

12 The ten industry sectors discussed in this section and displayed in Table 4-7 correspond to the eleven "supersectors" defined by the U.S. Bureau of Labor Statistics, grouping by North American Industry Classification System code with one exception: due to low employment in the mining and logging supersector, it is included in the construction sector in this Report.

One indicator of growth in the trade sector is retail sales, defined as all net sales (gross sales minus funds and allowances for returns) for establishments engaged primarily in retail trade. Broward County's main retail centers include The Galleria, Sawgrass Mills (the largest outlet mall in North America), and Las Olas Boulevard. **Table 4-9** presents total retail sales for Broward County, the Air Trade Area, Florida, and the United States between 2005 and 2016. As shown, total retail sales in Broward County, the Air Trade Area, and the State of Florida all increased at a compound annual growth rate of 3.2 percent between 2010 and 2016, higher than the United States' growth rate of 2.8 percent during the same period.

Table 4-9: Total Retail and Food Service Sales

(In Millions of 2009 Dollars)

YEAR	BROWARD COUNTY	AIR TRADE AREA	STATE OF FLORIDA	UNITED STATES
Historical				
2005	$33,357	$93,142	$284,621	$4,334,070
2010	$30,831	$87,550	$268,761	$4,130,414
2013	$34,234	$97,681	$297,062	$4,559,392
2014	$35,348	$100,743	$307,296	$4,679,502
2015	$36,232	$103,102	$316,216	$4,766,159
2016	$37,180	$105,782	$324,595	$4,866,414
Projected				
2017	$38,062	$108,273	$332,401	$4,957,033
2022	$42,252	$120,105	$369,652	$5,369,687
2027	$46,503	$132,115	$407,677	$5,771,627
Compound Annual Growth Rate				
2010 - 2016	3.2%	3.2%	3.2%	2.8%
2016 - 2022	2.2%	2.1%	2.2%	1.7%
2016 - 2027	2.1%	2.0%	2.1%	1.6%

SOURCE: Woods and Poole Economics, Inc., 2017 Complete Economic and Demographic Data Source (CEDDS), July 2017.
PREPARED BY: PMG Associates, Inc., September 2017.

Table 4-9 also presents projections of total retail sales for 2017, 2022, and 2027. According to data from Woods & Poole Economics, Inc. total retail sales for the Air Trade Area are projected to increase from approximately $105.8 billion in 2016 to approximately $108.3 billion in 2017, $120.1 billion in 2022 and $132.1 billion in 2027. This increase represents a compound annual growth rate of approximately 2.0 percent between 2016 and 2027. Total retail sales in Florida is projected to have a slightly higher compound annual growth rate of 2.1 percent over the same period, while the United States' total retail sales growth is projected to be slower at 1.6 percent.

Governor Rick Scott proclaimed May 2017 to be "World Trade Month", encouraging Florida to continue leading the United States as a top export economy (of the more than 60,000 companies that export, Florida accounts for 20 percent of US exporters). According to the Brookings Institution's *Export Monitor 2015*, which measures United States goods and services exports by production location, the Air Trade Area in 2014 had exports of

$29.3 billion, which ranked 11th of the 381 United States metropolitan areas in goods and services exports. Exports from the Air Trade Area are concentrated in the travel and tourism sector, with accommodation services, food and drink services, retail services, entertainment services, and air transportation services making up the majority (56.1 percent) of 2014 exports. The Air Trade Area had 173,620 direct export-supported jobs in 2014. Broward County alone exported approximately $8.4 billion in goods and services in 2014, which represented approximately 10.0 percent of Broward County's GDP, and supported 49,348 direct export-supported jobs.

Transportation and Utilities

Approximately 155,000 workers were employed in the transportation and warehousing and utilities subsectors in the Air Trade Area in 2016, or 4.1 percent of total nonagricultural employment. In the United States, 3.7 percent of nonagricultural employees were working in the transportation and utilities industry in 2016. From 2005 to 2016, transportation and utilities employment grew at a faster rate in the Air Trade Area than the United States, at a compound annual growth rate of 1.5 percent for the Air Trade Area compared to 1.2 percent for the United States. The majority of the employment growth in both the Air Trade area and the United States as a whole was in transportation.

Located near the Atlantic Ocean shipping lanes, Port Everglades (the Port) is a major hub for transportation and economic activity in the Air Trade Area. Port Everglades is one of the top three ports in the world when it comes to cruise ship traffic, employing approximately 5,900 workers directly, according to the Port's Commerce Report.[13] Other traffic at the Port includes container shipments as well as petroleum activity, which is in turn transferred to the Airport via pipeline. The Port employs approximately 223,000 workers both directly and indirectly statewide, and connects to the Airport, major highways, and the Florida East Coast Railway system.[14] The Port partners with the Florida East Coast Railway through a container transfer facility that opened in July 2014 to reduce congestion on area highways (the Air Trade Area is at the center of a comprehensive highway system including I-95, I-595, I-75, the Sawgrass Expressway and the Florida Turnpike), and support future growth in container traffic.

Travelers in the Air Trade Area can benefit from a variety of additional transportation services. The South Florida Regional Transportation Authority operates the Tri-Rail commuter rail service that provides service at the Airport. Tri-Rail runs north to Mangonia Park in Palm Beach County and south to Miami International Airport. The South Florida Regional Transportation Authority has introduced a new modern streetcar system in downtown Fort Lauderdale called The Wave, with construction anticipated to begin in 2018. The South Florida Regional Transportation Authority also plans to expand the Tri-Rail service to the coast[15]. The Broward County Transit Authority also employs workers within the transportation industry in the Air Trade Area and Spirit Airlines (approximately 1,800 local employees) is headquartered in the Air Trade Area.

Florida Power and Light Company is the largest utilities company serving the Air Trade Area and is the third-largest electric utility company in the United States. The company is a subsidiary of NextEra Energy, Inc., a

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13 Port Everglades, Fiscal Year 2016 Commerce Report, 2017.

14 Port Everglades, Fiscal Year 2016 Commerce Report, 2017.

15 O'Hara, Rosemary, "The Wave has left the Station," *Sun Sentinel*, June 24, 2017.

Fortune 500 company (headquartered in Palm Beach County) known for its use of renewable energy and emissions-free practices. Florida Power and Light Company employs approximately 8,100 workers in the Air Trade Area and serves 4.9 million people statewide. In 2016, NextEra Energy was rated as the top "Green Utility" in the United States by Energy Intelligence.[16]

4.2.4.2 Professional and Business Services

The professional and business services sector consists of professional, scientific, and technical services; management of companies and enterprises; and administrative and support, waste management, and remediation services. In 2016, the professional and business services sector employed approximately 648,000 workers in the Air Trade Area, or 17.3 percent of total nonagricultural employment in the area, compared with a sector share of 14.7 percent nationwide. Professional, scientific, and technical services made up 43.8 percent of the professional and business services sector in 2016, administrative services made up 50.0 percent, and management the remaining 6.2 percent. Professional and business services sector employment in the Air Trade Area increased at a compound annual growth rate of 1.6 percent between 2005 and 2016, compared with an increase of 1.7 percent for the United States over the same period.

Professional services providers, while quite large in number, typically employ smaller numbers of employees per firm and are not discussed extensively in this analysis. However, a notable example of a larger professional services providers headquartered in the Air Trade Area is Eulen America (2,445 employees), a business services provider delivering aviation, security and janitorial services. Additionally, Acticall Sitel Corporation, a provider of outsourced customer services for businesses worldwide, opened a 40,000 square foot office in Pompano Beach, providing 350 jobs[17].

4.2.4.3 Financial Activities

The financial activities sector is comprised of the finance and insurance subsector and the real estate, rental and leasing subsector. In 2016, the financial activities sector accounted for approximately 510,000 employees in the Air Trade Area, which represented 13.6 percent of total nonagricultural employment compared with a sector share of 9.9 percent nationwide. Financial activities sector employment in the Air Trade Area increased at a compound annual growth rate of 2.7 percent between 2005 and 2016, compared to a 1.9 percent increase for the United States over the same period.

The financial activities sector plays a relatively larger role in the Air Trade Area's employment base than the United States', in part due to a concentrated real estate, rental and leasing subsector in the Air Trade Area. Employment in the real estate, rental and leasing subsector in the Air Trade Area made up 55.1 percent of all financial activities sector employment in the Air Trade Area, compared to only 47.4 percent in the United States in 2016. The remaining 44.9 percent of the financial activities sector in the Air Trade Area is employed in the finance and insurance subsector, compared to 52.6 percent in the United States.

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16 NewEra Energy Fact Sheet, March 27, 2017.

17 Greater Fort Lauderdale Alliance, Economic Sourcebook and Market Profile, 2017.

Financial institutions that are major employers in the Air Trade Area include Wells Fargo (5,038 employees) and American Express (new regional headquarters located in Sunrise, Florida, housing over 3,000 employees opened in January of 2017)[18]. FirstService Residential (5,100 employees), a property management company, is also a major employer in the Air Trade Area.

Total bank deposits are an indication of the economic activity in the financial activities sector. **Table 4-10** presents total bank deposits for Broward County, the Air Trade Area, Florida, and the United States between 2006 and 2016. As shown, total bank deposits in the Air Trade Area increased from approximately $145.8 billion in 2006 to $225.9 billion in 2016. This increase represents a compound annual growth rate of 4.5 percent, compared with compound annual growth rates of 3.9 percent for Broward County, 4.1 percent for Florida, and 5.7 percent for the United States during the same period.

Table 4-10: Total Bank Deposits

(Fiscal Year Ending June 30th)

	TOTAL BANK DEPOSITS (IN MILLIONS)			
FISCAL YEAR	**BROWARD COUNTY**	**AIR TRADE AREA**	**STATE OF FLORIDA**	**UNITED STATES**
Historical				
2006	$35,363	$145,787	$363,415	$6,449,864
2007	$35,397	$149,659	$373,711	$6,702,053
2008	$34,825	$146,071	$380,281	$7,025,791
2009	$36,760	$152,968	$400,979	$7,559,590
2010	$38,077	$157,021	$409,894	$7,676,878
2011	$37,617	$158,460	$411,157	$8,249,403
2012	$40,131	$168,186	$423,908	$8,947,244
2013	$41,817	$175,998	$441,108	$9,433,522
2014	$44,096	$187,047	$462,364	$10,112,724
2015	$47,654	$207,460	$502,930	$10,657,721
2016	$51,916	$225,882	$540,561	$11,271,811
Compound Annual Growth Rate				
2006-2016	3.9%	4.5%	4.1%	5.7%
2012-2016	6.6%	7.7%	6.3%	5.9%

SOURCE: Federal Deposit Insurance Corporation, *Summary of Deposits Report*, June 2017.
PREPARED BY: PMG Associates, Inc., September 2017.

4.2.4.4 Education and Health Services

Education and health services are two of the largest service-related industries in the Air Trade Area. In 2016, the education and health services sector employed approximately 488,000 workers in the Air Trade Area, or 13.0 percent of total nonagricultural employment, lower than the 13.9 percent employed in the education and health services sector nationwide. Education and health services employment in the Air Trade Area increased at a compound annual growth rate of 2.7 percent between 2005 and 2016, compared with a 2.4 percent growth rate for the United States over the same period. Baptist Health South Florida and Tenet Healthcare Corporation

18 Pounds, Marcia Heroux, "American Express opens regional headquarters in Sunrise," *Sun Sentinel*, January 27, 2017.

are major health services employers in the region, employing 16,191 and 12,170, respectively, within the Air Trade Area. Additionally, the University of Miami (14,664 employees) and Florida International University (9,994 employees) are major providers of education services in the Air Trade Area.

Approximately 81.3 percent of the Air Trade Area education and health services sector employment in 2016 was in health services, with the remaining 18.7 percent in education services. Health services industry employment in the Air Trade Area increased at a compound annual growth rate of 2.6 percent between 2005 and 2016, compared with 2.4 percent nationwide growth over the same period. Employment in education services in the Air Trade Area increased at a compound annual growth rate of 3.5 percent between 2005 and 2016, compared with 2.8 percent nationwide growth over the same period.

Health Services

In Broward County there are 24 acute care hospitals with over 6,700 licensed beds (Florida Agency for Health Care Administration, 2012) and more than 3,500 affiliated physicians at the time of this Report. The County offers a wide range of advanced medical services, and is served by two public health systems: Broward Health and Memorial Healthcare System. Broward Health includes Broward Health Medical Center, Broward Health North, Broward Health Imperial Point, Broward Health Coral Springs, and Chris Evert Children's Hospital. Also included in Broward Health are community health service facilities and physician groups, namely; Broward Health Weston, Broward Health Community Health Services, Broward Health Physician Group and Broward Health Foundation. Memorial Healthcare System is the second-largest public health care system in the United States and includes six hospitals. The flagship facility is Memorial Regional Hospital, with centers including Memorial Cardiac and Vascular Institute, Memorial Cancer Institute, and Memorial Neuroscience Center. Memorial Healthcare System and its facilities have earned many prestigious healthcare awards, including American Hospital Association's "Living the Vision" award and the Foster G. McGaw award as the national model for improving the health of the community. Memorial Cancer Institute is now known as "Moffitt Malignant Hematology and Cellular Therapy at Memorial Healthcare System". Both facilities entered into an agreement to enhance the care of leukemia and lymphoma and establish a comprehensive Blood and Marrow Transplant Cellular Therapy Program for South Florida residents starting July 1, 2017. In 2016 Memorial Regional Hospital was ranked number 25 of the Top Hospitals in Florida according to U.S. News and World Report. The Joe DiMaggio Children's Hospital at Memorial is one of the top ranked children's hospitals in the United States.

In the private sector, HCA, one of the United States' largest providers of healthcare services, manages four hospitals and two outpatient surgery centers in the Air Trade Area. Tenet Healthcare, another of the United States' largest providers of healthcare services, operates 10 acute care hospitals in the Air Trade Area, including North Shore Medical Center at FMC Campus (previously known as Florida Medical Center) in Fort Lauderdale. Also located in the Air Trade Area is Cleveland Clinic of Florida. Cleveland Clinic Florida is part of The Cleveland Clinic Foundation in Ohio, a non-profit, multi-specialty referral group practice renowned worldwide for providing medical excellence with an emphasis on research and education, and has been ranked among the top 100 United States hospitals in the National Benchmarks Study and was recognized in U.S. News & World Report's ranking of Best Hospitals 2014-2015. Other private healthcare services providers in the Air Trade Area include Fort Lauderdale's Holy Cross Hospital, a full-service, non-profit Catholic hospital, sponsored by the Sisters of Mercy and a member of Trinity Heath; Baptist Health South Florida which operates a growing network of ambulatory care, urgent care and diagnostic imaging services in Coral Springs, Davie, and Pembroke Pines with more than a million patient visits every year and has five hospitals in Miami-Dade County; and Kindred Hospitals in Fort Lauderdale, Hollywood and Coral Gables all part of Kindred Healthcare, a national healthcare company that uses an innovative approach to long-term acute care for patients with multi-system failures.

The healthcare system in the Air Trade Area also provides employment in medical education. Nova Southeastern University's Health Professions Division is a multidisciplinary academic health center with state- of-the-art facilities, including the College of Osteopathic Medicine, the only such college in the southeastern United States. The University at present has three large campuses, located in the Air Trade Area. Presently, located on Nova Southeastern University's main campus in Davie, the Health Professions Division encompasses six colleges and nine academic departments. In addition to osteopathic medicine, the colleges include pharmacy, dentistry, optometry, allied health and nursing, and medical sciences. Nova Southeastern University also operates local clinical centers that provide educational resources and patient care to South Florida communities. In late 2017, The North Miami Beach Campus is expected to grant both Doctor of Medicine (MD) and Doctor of Osteopathic Medicine (DO) degrees, and will be the first to grant both types of degrees[19].

Education

Higher education is provided in Broward County by Broward College, Nova Southeastern University, Keiser University, Florida International University, and Florida Atlantic University. Broward College, a state college, with multiple locations, Nova Southeastern University, a private university, and Keiser University, a private university, have main campuses in Broward County. Florida International University, a public research university whose main campus is in Miami-Dade County has a satellite campus in the Fort Lauderdale area. Florida Atlantic University, also a public university whose main campus is in Palm Beach County, has three satellite campuses in Broward County; they are located in Davie, Dania Beach and Fort Lauderdale.

Other private colleges serving the region include Jersey College, a private nursing school in Fort Lauderdale, City College and Jose Maria Vargas University in Pembroke Pines, and Trinity University in Miramar. Kaplan University, a company that owns and operates for-profit colleges, has its main administrative building in Fort Lauderdale and is a significant employer in the Air Trade Area. As of July 27, 2017, Kaplan is being acquired by Purdue University in Indiana[20].

Other for-profit institutions with campuses in Broward County include the Art Institute of Fort Lauderdale and the University of Phoenix. The Art Institute is also being considered for acquisition by The Dream Center Foundation of California. The Dream Center Foundation (TDCF) of California is a Pentecostal Ministry currently purchasing schools of higher education throughout Florida. The TDCF will proceed with the purchase of the Art Institute if the accrediting bodies will allow the Fort Lauderdale Art Institute to be a branch of the campus of the Art Institute of Pittsburgh[21].

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19 Travis, Scott, "NSU adding a traditional medical school," *Sun Sentinel*, April 6, 2015.

20 Purdue University (Press Release), "Purdue to acquire Kaplan University, increase access for millions," April 27, 2017.

21 Scott, Travis, "Students have fewer options as for-profit colleges struggle to survive," *Sun Sentinel*, July 27, 2017.

4.2.4.5 Government

In 2016, government sector employment accounted for approximately 321,000 jobs in the Air Trade Area, representing 8.6 percent of total nonagricultural employment. The United States as a whole had a significantly higher percentage of government employment in 2016, at 12.8 percent. Between 2005 and 2016, there was a compound annual decrease in employment of 0.3 percent in the government sector in the Air Trade Area, compared to a nationwide increase of 0.2 percent.

Government employment is made up of federal, state, county, and city employees and includes civilian and military employees. The low government employment in the Air Trade Area relative to the United States as a whole is partly due to significantly less federal government employment in the Air Trade Area (the military plays less of a role in the Air Trade Area employment base than in some other Florida cities, e.g., Tampa).

Low federal employment in the Air Trade Area results in state and local government employment comprising a larger portion of the Air Trade Area's government sector than it does nationally. In 2016, state and local government employees made up 85.1 percent of total government employment in the Air Trade Area, compared to 80.5 percent nationwide. Federal employment accounted for only 14.9 percent of total government employment in the Air Trade Area and 19.5 percent nationwide in 2016. State and local government employed approximately 273,000 workers in a variety of Air Trade Area functions and agencies that include: the Broward County School District (31,797 employees), the Broward County Government (11,654 employees), Memorial Healthcare System (12,200), Broward Health (8,219 employees), and the local city governments.[22]

4.2.4.6 Leisure and Hospitality

In 2016, the leisure and hospitality sector, which includes the arts, entertainment, recreation and accommodation, and the food services sectors, employed approximately 378,000 workers in the Air Trade Area. Leisure and hospitality employment concentration was 10.1 percent in 2014 in the Air Trade Area, compared to 9.8 percent of the total nonagricultural employment in the United States. Between 2005 and 2016, leisure and hospitality employment grew at a compound annual growth rate of 2.6 percent in the Air Trade Area, compared to 1.9 percent for the United States.

Leisure and hospitality employment is more highly concentrated in the Air Trade Area compared to the rest of the United States; the travel and tourism industry has a significant impact on the Air Trade Area's economy. According to the Greater Fort Lauderdale Convention and Visitors Bureau, approximately 16 million people visited the County in 2016. The State of Florida had an increase in visitors of 5.9 percent over 2015, the sixth consecutive year with a record number of visitors[23].

The cruise industry has a major presence in Port Everglades and is a significant source of air travel demand at the Airport. Fifty cruise ships from approximately a dozen cruise lines sail from the Port, and carried 3.8 million passengers in 2016. Conventions also draw visitors to the Air Trade Area. The primary convention center in the

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22 Agency employment figures from The Greater Fort Lauderdale Alliance's *2017 Economic Sourcebook and Market Profile*.

23 Stachell, Arlene, "Florida, Palm Beach County saw record tourism in 2016," *Sun Sentinel*, February 16, 2017.

County is the Greater Fort Lauderdale/Broward County Convention Center, a 600,000 square foot facility that generates millions of dollars of local economic impact annually. In 2016, the Broward County Commission approved a 400,000 square foot expansion and an 800 room hotel. The $550 million project is expected to begin construction in 2018[24]. In 2016, the Broward County Convention Center was host to over 46 major events, including the 57th Annual International Boat Show, attended by approximately 100,000 people. Attendance was up 5 percent over 2015[25]. There are also seven gambling/casino establishments located in the Broward County. In support of leisure travel and conventions in Broward County, 33,705 hotel rooms are available at 562 hotels in the Air Trade Area. In 2016, according to the Greater Fort Lauderdale Convention and Visitors Bureau, Broward County's occupancy was 77.2 percent at an average of $139.47 a night, generating $60.4 million in hotel tax revenue.

Primary travel and tourism-related attractions located in the County are discussed below:

- **Beaches.** Broward County includes 23 miles of award-winning beaches along the Atlantic Coast. Visitors can choose from eight beaches, each with its own choice of activities. Lauderdale-by-the-Sea has a three-tier natural coral system and Pompano Beach is home to the annual Pompano Seafood Festival and Fishing Rodeo.
- **Museum of Discovery & Science and AutoNation IMAX Theatre.** This museum holds the largest movie screen in southern Florida and can seat 300 people. The Museum of Discovery & Science features over 200 interactive exhibits that span its 85,000 square-foot facility and an open-air grand atrium.
- **NSU Art Museum.** Located in the Arts and Entertainment District, the NSU Art Museum is a cultural hub in the Air Trade Area. The museum hosts international exhibits and boasts an 11,000 square foot studio school to teach students, young and old, year-round.
- **Young at Art Children Museum.** In 2011, Young at Art became the sixth children's museum in the United States to be accredited and recognized by the American Association of Museums, and also received previous recognition as the "Best Children's Museum in the Nation". The museum has several programs that reach out to develop and promote art to youth in South Florida.
- **Butterfly World.** Home to more than 20,000 live butterflies, this unique attraction is the largest butterfly park in the world. Butterfly World partners with local universities to combat endangered species risks and educates visitors in butterfly gardening to promote new habitats across the continent.
- **Flamingo Gardens.** This outdoor attraction is a Botanical Garden and Everglades Wildlife Sanctuary. South Florida serves as a gateway to the Everglades National Park, and Flamingo Gardens hosts the Everglades Wildlife Sanctuary nestled within and around the Botanical Gardens. Together, the two feature thousands of species of plants, trees, and wildlife, both exotic and native.
- **Sawgrass Mills.** As the largest outlet mall in North America, Sawgrass Mills is a main attraction for some visitors to the Air Trade Area. Among the 350 stores located in the shopping center, one can find

[24] Port Everglades Fiscal Year 2016 Commerce Report.

[25] Flannery, Jim, "Fort Lauderdale show reports attendance gain," *Trade Only Today*. November 10, 2016.

outlet locations for major brands like Nike, and Gap. In addition to retail establishments, Sawgrass Mills features restaurants and entertainment venues.

- **African-American Research Library and Cultural Center.** This 5,000 square foot art gallery provides Literary collections of African-American authors, books and artifacts from Africa, the Caribbean, and North/South America, and a Small Business Resource Center.
- **Ah-Tah-Thi-Ki Museum.** This museum is home to more than 180,000 unique artifacts, archival items and experiences. Here, one can learn about the Seminole people and their rich cultural and historical ties to the Southeast and Florida, as they have made Big Cypress their home for thousands of years.
- **Bonnet House Museum & Gardens.** In addition to its historic significance, the Bonnet House grounds encompass one of the last examples in South Florida of a native barrier island habitat. Five distinct ecosystems can be found on the property including the Atlantic Ocean beach and primary dune, a fresh water slough, the secondary dune which includes the house site, mangrove wetlands, and a maritime forest.
- **Broward Center for the Performing Arts.** The Center is a large multi-venue theater and entertainment complex located in the heart of downtown Fort Lauderdale. It has also become one of the United States most visited theaters, ranked number four in the world by Venues Today and seven worldwide by concert trade publication Pollstar for annual sales in 2007.
- **Florida Grand Opera (FGO).** An American opera company based in Miami, Florida, the Florida Grand Opera is the oldest performing arts organization in Florida and the seventh oldest opera company in the country. FGO stages productions at the Au-Rene Theater located at the Broward Center for the Performing Arts in Fort Lauderdale.
- **Buehler Planetarium.** A 40-foot diameter domed theater, located at the A. Hugh Adams central campus of Broward College in Davie, Florida. Buehler Planetarium the only public planetarium in Broward County.
- **Miami City Ballet.** An international ensemble of over 45 dancers, the company has an active repertoire of 88 ballets and performs over 100 times annually. Miami City Ballet serves as the resident ballet company in theaters in the Fort Lauderdale, Miami, and West Palm Beach areas. In addition, the company regularly tours both domestically and internationally.

Major outdoor festivals and events in the County include: the Seminole Hard Rock Winterfest Boat Parade, featuring 100 illuminated boats that travel down the New River; the five-day Fort Lauderdale International Boat Show (approximately 100,000 attend annually); the Orange Bowl Downtown Countdown, which is one of the largest New Year's Eve celebrations in the South East (approximately 100,000 attend annually); Christmas on Las Olas Boulevard (approximately 40,000 attend annually); Tortuga Music Festival in April (over 100,000 attendees in 2017) and Riptide Music Festival in December (over 20,000 attendees in its debut year of 2016). Major spectator sports/events in the County include the Florida Panthers NHL franchise, which play in BB&T Center in suburban Sunrise and the Fort Lauderdale Strikers, of the North American Soccer League, which play in Lockhart Stadium in Fort Lauderdale. The Miami Heat NBA franchise, Miami Dolphins NFL franchise, and Miami Marlins MLB franchise all play in Miami-Dade County. The Fort Lauderdale Aquatic Complex, owned and operated by the City of Fort Lauderdale, has two 50-meter Olympic size pools, a diving pool, a teaching pool, and a spa.

Since its opening in 1965, the complex has been used for national and international competitions and hosts the International Swimming Hall of Fame.

4.2.4.7 Other Services

In 2016, the other services sector accounted for approximately 305,000 employees in the Air Trade Area, or 8.1 percent of total nonagricultural employment, compared with a 5.9 percent share in the United States over the same period. Other services employment in the Air Trade Area increased at a compound annual rate of 2.4 percent between 2005 and 2016, compared with an increase of 1.2 percent for the United States over the same period.

Other services employment includes, in part, personal services (e.g., assisting the elderly with activities of daily living); dry cleaning and laundry services; repair and maintenance services; religion, grant making, civic, professional, and similar organizations; and private household employment. Because the demand for these services is on an individual or household level, trends in other services employment do not independently drive economic growth, but rather tend to reflect growth in other industry sectors that results in an increased demand for other services by individual and households.

4.2.4.8 Construction

In 2016, employment in the Air Trade Area's construction sector was approximately 199,000 workers or 5.3 percent of total nonagricultural employment, compared with 5.7 percent nationally.[26] In 2005, construction employment made up 7.1 percent of total nonagricultural employment in the Air Trade Area and 7.4 percent nationwide. Construction employment in the Air Trade Area experienced a compound annual decrease of 1.1 percent between 2005 and 2016, compared to a compound annual increase of 0.1 percent by the United States over the same period. This decrease was due to the 2007-2009 recession, where the Air Trade Area construction sector was impacted more severely than the United States construction sector[27].

Current and future construction projects in the Air Trade Area include the recently renovated Broward Center for the Arts Expansion, with a $50 million construction value; continuing construction on the new All Aboard Florida Rail Station and adjacent parking facility;, and construction of the new Broward County Courthouse, with 741,000 square feet of office space and a construction value of $213 million. Upcoming residential and commercial space includes Icon Las Olas (272 residential units on Las Olas Boulevard), The Rise (398 residential units and 2,200 square feet of retail), One20fourth (386 residential units and 2,100 square feet of retail), Quantum at Flagler Village (328 residential units, a 137 room hotel, and 7,572 square feet of retail), Marina Lofts (900 residential units and 19,200 square feet of retail), Morgan on 3rd Avenue (357 residential units and 4,292 square feet of retail), the Flagler Village Hotel (195 room and 2,227 square feet of retail), New River Yacht Club West (349 residential units and 6,388 square feet of retail), Pineapple House (92 residential units and 11,897

26 Construction sector employment discussed in this Report includes employment in mining and logging.

27 The National Bureau of Economic Research identifies the most recent recession as beginning in December 2007 and ending in June 2009.

square feet of retail) 111 Broward (228 hotel rooms, 9,315 square feet of retail, and 299,880 square feet of office space), and 1st Avenue Residences (380 residential units and 2,700 square feet of retail)[28].

Building permits and housing sales and prices are indirect indicators of employment in the residential construction sector. **Table 4-11** presents residential building permit units and valuations in Broward County, the Air Trade Area, Florida, and the United States for 2006 through 2016. As shown, residential building permits and valuation in Broward County, the Air Trade Area, and Florida experienced a more pronounced decline cycle than was experienced in the United States as a whole over the 2006-2016 period. In the years prior to the peak of the most recent residential real estate building cycle in 2005, Florida generally experienced a more pronounced growth cycle than the national average. Between 2006 and 2016, the number of residential building permit units in the Air Trade Area decreased at a compound annual rate of 6.1 percent, compared to a 4.8 percent decrease in Broward County, a 5.4 percent decrease in Florida, and a 4.1 percent decrease in the United States. Negative growth also occurred in building permit valuation over the same time period, with valuation falling by a compound annual rate of 4.0 percent in the Air Trade Area, 1.5 percent in Broward County, 3.2 percent in Florida, and 2.0 percent in the United States.

Despite the overall fall in residential building permit units and valuations since 2006, the market has started to recover in recent years. As shown in Table 4-11, between 2011 and 2016, residential building permit units in the Air Trade Area grew at a compound annual rate of 20.0 percent. This growth is more rapid than the 10.9 percent growth experienced by Broward County, and the 14.1 percent growth experienced by the United States as a whole, but slower than the 22.4 percent growth experienced by Florida during the same period. The compound annual growth rate of residential building permit valuations between 2011 and 2016 in the Air Trade Area was 26.3 percent, which was higher than the 24.8 percent growth in Broward County, the 24.0 percent growth in Florida, and the 17.6 percent growth in the United States over the same period.

[28] Fort Lauderdale Planning Department, "Downtown Development Projects," August 2016.

Table 4-11: Residential Building Permits and Valuation

(Dollar Amounts in Thousands)

	BROWARD COUNTY		AIR TRADE AREA		STATE OF FLORIDA		UNITED STATES	
YEAR	UNITS	VALUATION	UNITS	VALUATION	UNITS	VALUATION	UNITS	VALUATION
2006	6,716	$988,266	35,110	$6,328,378	203,238	$35,716,293	1,838,903	$291,314,492
2007	3,933	$617,307	15,145	$2,709,754	102,551	$17,998,784	1,398,415	$225,236,551
2008	2,164	$345,325	7,821	$1,325,093	61,042	$10,769,119	905,359	$141,623,457
2009	1,049	$182,531	3,875	$759,690	35,329	$6,788,686	582,963	$95,410,298
2010	1,168	$222,589	5,877	$1,028,266	38,679	$7,823,544	604,610	$101,943,061
2011	2,444	$279,497	7,532	$1,307,935	42,360	$8,814,610	624,061	$105,268,541
2012	3,556	$429,074	13,261	$2,234,004	64,810	$13,201,491	829,658	$140,425,307
2013	4,470	$555,688	19,921	$3,201,441	86,752	$18,161,486	990,822	$177,655,914
2014	2,462	$404,301	15,259	$3,482,242	84,084	$19,550,711	1,052,124	$194,349,701
2015	5,452	$807,553	23,450	$4,498,201	109,924	$23,439,129	1,182,582	$223,611,322
2016	4,105	$846,723	18,742	$4,207,477	116,240	$25,863,502	1,206,642	$237,101,605
Compound Annual Growth Rate								
2006-2016	(4.8%)	(1.5%)	(6.1%)	(4.0%)	(5.4%)	(3.2%)	(4.1%)	(2.0%)
2011-2016	10.9%	24.8%	20.0%	26.3%	22.4%	24.0%	14.1%	17.6%

SOURCE: U.S. Department of Commerce, Bureau of the Census, June 2017.
PREPARED BY: PMG Associates, Inc., September 2017.

According to the South Florida Business Journal, the single-family housing market in the County has been relatively stable throughout 2017. Single family home sales in February of 2017 were down 15.9 percent from sales in February of 2016 (from 1,175 to 998). Condo sales were up slightly, from 1,150 in February 2016 to 1,171 in February 2017. Median sales prices of single family homes have increased to $302,500 in February in 2017 compared to $299,000 a year prior, an increase of 1.2 percent. Median sales prices for townhomes and condos rose from $136,500 in February of 2016 to $147,750 in February of 2017, an increase of 8.2 percent.[29]

The commercial real estate market is also recovering in Broward County according to the latest market snapshot from CBRE Research. Commercial office vacancies declined to 14.6 percent in Q2 2016, down from 15.6 percent the year prior. In the retail market, the Q3 2016 vacancy rate in Broward County was 4.8 percent. Since 2011, retail vacancies have dropped and leasing rates have risen every year.

4.2.4.9 Manufacturing

In 2016, the manufacturing sector employed approximately 90,000 workers in the Air Trade Area, accounting for 2.6 percent of total nonagricultural employment. Although the manufacturing sector has a significantly smaller role in the Air Trade Area's employment base than in the United States overall (6.9 percent of national nonagricultural employment in 2016 was in manufacturing), it is made up of diverse products, including mobile devices, aircraft parts, medical instruments, pharmaceuticals, jewelry, yachts, newspapers, concrete, and software. Manufacturing employment decreased at about the same rate in the Air Trade Area and the United States (0.9 percent and 1.0 percent, respectively) between 2005 and 2016.

HEICO Corporation, a publicly traded manufacturer of aerospace, defense and electronics related products, is headquartered in Hollywood and National Beverage Corporation, a manufacturer and distributor of non-alcoholic beverages, is headquartered in Plantation. Bosch, a maker of home appliances, is headquartered in Fort Lauderdale. Sintavia, a metal additive manufacturer, plans to build a 52,125 square foot manufacturing facility in Broward County. The plant is expected to support over 135 jobs.[30]

Additionally, the Greater Fort Lauderdale Alliance, an economic development organization for the Air Trade Area, has made targeting high-wage advanced materials and high-tech manufacturing employers a key objective for its business recruitment/retention efforts.

4.2.4.10 Information

The information sector combines telecommunications service providers, traditional publishing, motion picture and sound recording, broadcasting, software, online services, and data processing. In 2016, the information sector employed approximately 64,000 employees in the Air Trade Area, or 1.7 percent of total nonagricultural employment, which is slightly lower than the sector's 1.8 percent share of total nonagricultural employment in the United States as a whole. Information sector employment in the Air Trade Area decreased at a compound

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29 Dahlberg, Nancy, "Home sales fall but prices rise in Broward County," *Miami Herald*, March 22, 2017.

30 Bandell, Brian, "Manufacturer plans to build 52,125-square-foot plant in Broward," *South Florida Business Journal*, June 15, 2017.

annual rate of 0.4 percent between 2005 and 2016, compared to a decrease of 0.4 percent in the United States over the same period.

Citrix Systems (1,700 employees), a Fortune-1000 provider of server, application and desktop virtualization, networking, software-as-a-service, and cloud computing technologies, has its headquarters in Fort Lauderdale. Activis, a generic pharmaceutical manufacturer, has a manufacturing plant in Davie and employs 1,620 in the Air Trade Area. Ultimate Software (1,327 employees), a publicly traded company that is a leading cloud provider of people management solutions, is located in Weston[31]. In 2015, Miramar-based JL Audio moved marine audio system manufacturing from China to Miramar, retaining 240 jobs in Miramar and creating 30 more[32].

Traditional publishing and broadcasting in the Air Trade Area occurs primarily at Sun Sentinel Co./WSFL TV, a major employer (800 employees) headquartered in Fort Lauderdale, which publishes and prints daily and weekly newspapers, and operates a television station.

4.3 Economic Outlook

4.3.1 SHORT-TERM ECONOMIC OUTLOOK

According to a March 2017 economic forecast prepared by the University of Central Florida Institute for Economic Competitiveness (the most recent short-term forecast available), the Air Trade Area is projected to show mixed growth in key indicators between 2017 and 2020.[33] Employment in the Air Trade Area is projected to increase at a compound annual growth rate of 2.1 percent during this period and unemployment is projected to be moderate, at an average unemployment rate of 4.4 percent. Job growth over the 2015-2018 period is projected to be most rapid in the construction and mining sector, and professional and business services sector, at a compound annual growth rate of 5.2 percent. Federal government employment is projected to decline in the Air Trade Area during this period, at a compound annual growth rate of negative 0.2 percent.

4.3.2 LONG-TERM ECONOMIC ASSUMPTIONS INCORPORATED IN ENPLANED PASSENGER PROJECTIONS

As described in more detail in Chapter 5 of this Report, the methodologies used in developing projections of enplaned passengers at the Airport included (among other methodologies) statistical linear regression modeling, with local and national socioeconomic and demographic factors as independent variables and enplaned passengers as the dependent variable. Individual variables considered for this analysis included population, employment, personal income (per capita and total), and gross regional/domestic product. For each of these socioeconomic and demographic factors, the regression modeling produced a coefficient that was applied to the Woods and Poole projection of the corresponding socioeconomic or demographic factor to provide a projection of future numbers of enplaned passengers. **Table 4-12** presents the 2017, 2022, and 2027 figures used in the modeling, as well as the compound annual growth rate for each independent variable

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31 Greater Fort Lauderdale Alliance, Economic Sourcebook and Market Profile, 2017.

32 Pounds, Marcia Heroux, "JL Audio brings manufacturing back from China," *Sun Sentinel*, August 20, 2015.

33 University of Central Florida Institute for Economic Competitiveness, *Florida & Metro Forecast 2017-2020*, March 2017.

between the years. As previously stated, the demand for air transportation at an airport is, to a large degree, dependent upon the demographic and economic characteristics of an airport's air trade area. The projected growth in the economic indicators in Table 4-12 support the underlying assumptions that drive the airline activity projections discussed in Chapter 5 of this Report.

Table 4-12: Forecast of Economic Variables Used in Passenger Demand Projections

				COMPOUND ANNUAL GROWTH RATES	
VARIABLE [1/]	2017	2022	2027	2017-2022	2017-2027
ATA Population (in thousands)	6,179	6,626	7,099	1.4%	1.4%
US Population in thousands)	327,168	342,677	358,822	0.9%	0.9%
ATA Total Employment (in thousands) [2/]	3,828	4,162	4,510	1.7%	1.7%
US Total Employment (in thousands) [2/]	195,849	209,800	223,883	1.4%	1.3%
ATA Total Personal Income (in millions)	$292,412	$339,181	$391,798	3.0%	3.0%
US Total Personal Income (in millions)	$14,823,478	$16,723,703	$18,783,315	2.4%	2.4%
ATA Per Capita Personal Income	$47,324	$51,188	$55,189	1.6%	1.5%
US Per Capita Personal Income	$45,308	$48,803	$52,347	1.5%	1.5%
ATA Gross Regional Product (GRP) (in millions)	$290,637	$326,209	$364,556	2.3%	2.3%
US Gross Domestic Product (GDP) (in millions)	$17,298,638	$19,221,367	$21,267,484	2.1%	2.1%
ATA Per Capita GRP	$47,037	$49,231	$51,352	0.9%	0.9%
US Per Capita GDP	$52,874	$56,092	$59,270	1.2%	1.1%

NOTES:

"ATA" is the Airport's Air Trade Area, consisting of the Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area

1/ All dollar amounts are in 2009 dollars.

2/ Includes nonagricultural employment.

SOURCE: Woods and Poole Economics, Inc., 2017 Complete Economic and Demographic Data Source (CEDDS), June 2017.
PREPARED BY: PMG Associates, Inc., September 2017.

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5. Passenger Demand and Air Service Analysis

This Chapter describes historical and projected aviation activities at the Airport and discusses key factors affecting trends in these activities.

5.1 Airlines Serving the Airport

As of August 2017, the Airport has scheduled passenger service provided by a total of 25 carriers; 11 domestic carriers (excludes regional/commuter affiliates) and 14 foreign flag carriers[1]. Three all-cargo carriers provide scheduled cargo service at the Airport. **Table 5-1** lists the scheduled airlines serving the Airport as of August 2017.

Table 5-2 presents the air carriers providing service at the Airport since FY 2007. The Airport has had the benefit of a large, diverse, and stable group of air carriers during the years depicted, which has helped create competitive pricing and schedule diversity to the Airport's major markets. Specific points concerning the Airport's historical air carrier base are presented below:

- Of the 25 carriers operating at the Airport in FY 2017, 13 have operated at the Airport since FY 2007. Since FY 2007, 12 additional scheduled passenger airlines have commenced service at the Airport - 3 domestic airlines and 9 foreign flag carriers.
- In FY 2017, scheduled international service is provided by 20 airlines (5 domestic airlines and 15 foreign flag carriers) to 63 destinations. In January 2017, Volaris discontinued service at the Airport. Frontier is scheduled to discontinue service at the Airport in October 2017.
- The Air Trade Area experiences seasonal peaks attributable to its leisure-oriented travelers. During those seasonal peaks, existing air carriers increase the frequency of a number of flights. During the seasonal peak Canadian air carriers, such as Air Transat and Sunwing provide three to four weekly departures to five destinations; however, during the off-peak season service is reduced to two destinations with an average of one weekly departure.

[1] In addition to scheduled passenger airlines, service has been provided by nonscheduled passenger airlines at the Airport.

Table 5-1: Airlines Serving the Airport

DOMESTIC AIRLINES	FOREIGN FLAG AIRLINES	ALL-CARGO SERVICE 2/
Alaska	Air Canada Rouge (d/b/a Air Canada)	FedEx
Allegiant	Air Transat	Mountain Air Cargo
American	Avianca	UPS
Delta	Azul Linhas Aéreas Brasileiras (AZUL)	
Endeavor Air (d/b/a Delta Connection)	Bahamasair	
Republic (d/b/a Delta Connection)	British Airways	
SkyWest (d/b/a Delta Connection)	Caribbean	
Frontier	COPA	
JetBlue	Emirates	
Silver Airways	Norwegian Air Shuttle ASA	
Southwest	Sunwing	
Spirit	SkyBahamas	
United	Transportes Aéreos Militares Ecuatorianos (TAME)	
Virgin America	WestJet	

NOTES:

1/ Scheduled service as of August 2017 except where noted.

2/ All-cargo carriers as of May 2017.

SOURCES: Broward County Aviation Department; Innovata; August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table 5-2: Historical Scheduled Passenger Air Carrier Base

(Fiscal Years Ended September 30)

AIR CARRIER [1/]	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Air Canada [2/]	●	●	●	●	●	●	●	●	●	●	●
Air Transat [2/ 8/]	●	●	●	●	●	●	●	●	●	●	●
American [2/ 3/]	●	●	●	●	●	●	●	●	●	●	●
Avianca [2/]	●	●	●	●	●	●	●	●	●	●	●
Bahamasair [2/]	●	●	●	●	●	●	●	●	●	●	●
Delta [4/]	●	●	●	●	●	●	●	●	●	●	●
Frontier	●	●	●	●	●	●	●	●	●	●	●
JetBlue [2/]	●	●	●	●	●	●	●	●	●	●	●
Silver Airways [2/ 5/]	●	●	●				●	●	●	●	●
Southwest [2/ 6/]	●	●	●	●	●	●	●	●	●	●	●
Spirit [2/]	●	●	●	●	●	●	●	●	●	●	●
United [7/]	●	●	●	●	●	●	●	●	●	●	●
WestJet [2/]	●	●	●	●	●	●	●	●	●	●	●
Allegiant		●	●	●	●	●	●	●	●	●	●
Caribbean [2/]		●	●	●	●	●	●	●	●	●	●
Sunwing [2/ 8/]			●	●	●	●	●	●	●	●	●
Virgin America				●	●	●	●	●	●	●	●
Alaska						●	●	●	●	●	●
Sky Bahamas [2/]						●	●	●	●	●	●
COPA [2/]								●	●	●	●
Norwegian Air Shuttle [2/]								●	●	●	●
Azul Linhas Aéreas Brasileiras (AZUL) [2/]									●	●	●
Transportes Aéreos Militares Ecuatorianos (TAME) [2/]									●	●	●
British Airways [2/ 9/]											●
Emirates [2/ 10/]											●
Airlines No Longer Serving the Airport [11/]											
Cape Air [12/]										●	●
Volaris [13/]									●	●	●
Condor				●	●	●	●	●	●		
AirTran [6/]	●	●	●	●	●	●	●	●	●		
US Airways [3/]	●	●	●	●	●	●	●	●	●		
Continental [7/]	●	●	●	●	●	●					
Air Jamaica	●	●	●	●	●						

NOTES:

1/ Where applicable, includes affiliated, regional and merged carriers.

2/ Provides scheduled international service in FY 2017.

3/ American and U.S. Airways announced plans to merge on February 14, 2013. The merger was completed on December 9, 2013 and a Single Operating Certificate was issued to American on April 8, 2015.

4/ Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009. All data includes Northwest carriers.

5/ Formerly Gulfstream International Airlines and rebranded as Silver Airways on December 15, 2011.

6/ AirTran merged with Southwest and the FAA granted a single operating certificate to Southwest on March 1, 2012.

7/ Continental merged with United and the FAA granted a single operating certificate to United on November 30, 2011. All data includes Continental carriers.

8/ Provides or scheduled to provide seasonal service in FY 2017.

9/ Began service at the Airport in July 2017.

10/ Began service at the Airport in December 2016.

11/ Includes scheduled airlines that have served in the last three years and at least six of the past 10 years.

12/ Ended service at the Airport in October 2016.

13/ Ended service at the Airport in January 2017.

SOURCES: Broward County Aviation Department; Innovata; August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

5.2 Air Service Analysis

5.2.1 HISTORICAL AIRLINE MARKET SHARES

Table 5-3 presents the historical share of enplaned passengers by airline at the Airport between FY 2012 and FY 2016. Enplaned passengers are spread over a large number of carriers, with no single carrier having more than 25 percent of annual enplaned passengers during the years depicted. Over this period, enplaned passengers increased for 10 of the 14 carriers listed.

In FY 2016, JetBlue, Spirit, and Southwest were the top three airlines serving the Airport in terms of enplaned passenger share. JetBlue's enplaned passenger share increased from 17.7 percent to 24.5 percent between FY 2012 and FY 2016, and the airline surpassed Southwest as the carrier with the highest share in FY 2014. JetBlue's enplaned passengers increased 69.1 percent from FY 2012 to FY 2016, from approximately 2.1 million to 3.5 million. Spirit's enplaned passengers decreased 1.9 percent from FY 2012 to FY 2013 but experienced a 29.5 percent increase from FY 2013 to FY 2016. Southwest, which held the largest share of enplaned passengers at the Airport in FY 2012 and FY 2013, increased passengers by 4.5 percent from FY 2012 to FY 2016.

5.2.2 ORIGIN AND DESTINATION MARKETS

An important Airport characteristic is the distribution of its O&D markets, which is a function of air travel demand, and available services and facilities. **Table 5-4** presents historical data on the Airport's primary (i.e., top 20) domestic O&D markets in FY 2012 and FY 2016. Demand for service into and out of the Airport comes from domestic medium-haul markets mainly situated in the eastern portion of the United States, but extending throughout the country.

Between FY 2012 and FY 2016, the average length of haul of passengers (distance travelled by passengers) to and from the Airport increased from 1,171 miles to 1,174 miles indicating a consistent geographical area of demand for the Airport. From FY 2012 through FY 2016, total domestic O&D passengers increased from approximately 17.6 million to approximately 20.0 million. Between FY 2012 and FY 2016, the largest growth in domestic O&D passengers by market increased by 104.5 percent to/from Baltimore and by 80.7 percent to/from Houston. JetBlue initiated new service to/from Baltimore in FY 2016. In addition, the increase in O&D passengers for Baltimore is attributed to new nonstop service introduced by Spirit in FY 2012. In FY 2014, Spirit began new nonstop service to Houston. Domestic O&D passengers decreased 26.4 percent to/from Washington, DC between FY 2012 and FY 2016. During this period Spirit, Frontier, and United eliminated nonstop service to/from the market. From FY 2012 to FY 2016, O&D passengers increased 13.5 percent in the Airport's top 20 domestic O&D markets and increased 13.9 percent for all other markets. Total domestic O&D passengers increased at 13.6 percent.

Table 5-3: Historical Total Enplaned Passengers by Airline

(Fiscal Years Ended September 30)

	2012		2013		2014		2015		2016	
CARRIER [1/]	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE
JetBlue	2,078,731	17.7%	2,193,831	18.6%	2,456,902	20.4%	2,886,760	21.8%	3,514,272	24.5%
Spirit	2,164,131	18.4%	2,123,104	18.0%	2,233,230	18.6%	2,492,900	18.9%	2,749,666	19.2%
Southwest [2/]	2,371,568	20.2%	2,344,448	19.9%	2,200,209	18.3%	2,293,689	17.4%	2,478,315	17.3%
Delta [3/]	1,542,924	13.1%	1,484,718	12.6%	1,523,422	12.7%	1,602,999	12.1%	1,644,358	11.5%
American [4/]	1,426,994	12.2%	1,449,727	12.3%	1,359,659	11.3%	1,345,025	10.2%	1,267,733	8.8%
United [5/]	809,240	6.9%	862,197	7.3%	805,035	6.7%	770,579	5.8%	819,022	5.7%
Air Canada	241,504	2.1%	265,071	2.2%	319,700	2.7%	354,148	2.7%	373,573	2.6%
Allegiant	109,187	0.9%	110,235	0.9%	108,155	0.9%	168,598	1.3%	288,644	2.0%
Virgin America	195,762	1.7%	167,570	1.4%	167,413	1.4%	162,283	1.2%	177,535	1.2%
Silver Airways [6/]	92,963	0.8%	123,143	1.0%	116,991	1.0%	160,634	1.2%	143,830	1.0%
Caribbean	173,651	1.5%	140,805	1.2%	115,490	1.0%	120,117	0.9%	117,224	0.8%
WestJet	120,747	1.0%	114,200	1.0%	119,094	1.0%	121,477	0.9%	109,426	0.8%
Bahamasair	113,561	1.0%	117,020	1.0%	115,908	1.0%	109,439	0.8%	106,401	0.7%
Norwegian Air Shuttle	0	0.0%	0	0.0%	0	0.0%	97,074	0.7%	100,461	0.7%
All Others [7/]	303,515	2.6%	298,202	2.5%	383,506	3.2%	528,747	4.0%	462,150	3.2%
Airport Total	**11,744,478**	**100.0%**	**11,794,271**	**100.0%**	**12,024,714**	**100.0%**	**13,214,469**	**100.0%**	**14,352,610**	**100.0%**

NOTES:

1/ Includes regional/commuter affiliates.

2/ AirTran merged with Southwest and the FAA granted a single operating certificate to Southwest on March 1, 2012. Totals include Southwest and AirTran.

3/ Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009. Totals include Delta and Northwest.

4/ US Airways merged with American and a Single Operating Certificate was issued to American on April 8, 2015. Totals included American and US Airways.

5/ Continental merged with United and the FAA granted a single operating certificate to United on November 30, 2011. Totals included United and Continental.

6/ Formerly Gulfstream International.

7/ Consists of other airlines that may no longer be serving the Airport, unaffiliated airlines, and charter airlines.

SOURCES: Broward County Aviation Department; August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table 5-4: Top 20 Origin and Destination Markets

	FY 2012				FY 2016				
RANK	MARKET	STAGE LENGTH [1]	TOTAL O&D PASSENGERS	AVERAGE ONE-WAY FARE	MARKET	STAGE LENGTH [1]	TOTAL O&D PASSENGERS	AVERAGE ONE-WAY FARE	NON-STOP SERVICE [2]
1	New York / Newark [3]	MH	3,093,097	$138	New York / Newark [3]	MH	3,102,001	$132	•
2	Atlanta	SH	936,196	$88	Atlanta	SH	1,037,952	$83	•
3	Chicago [4]	MH	900,770	$130	Baltimore	MH	982,490	$87	•
4	Washington, DC [5]	MH	759,738	$109	Chicago [4]	MH	980,463	$118	•
5	Boston	MH	673,763	$150	Boston	MH	713,462	$138	•
6	Los Angeles	MH	546,461	$191	Detroit	MH	700,203	$105	•
7	Detroit	MH	534,770	$124	Philadelphia	MH	635,828	$114	•
8	Philadelphia	MH	503,581	$148	Dallas / Fort Worth [6]	MH	594,800	$102	•
9	Baltimore	MH	480,350	$117	Washington, DC [5]	MH	559,529	$131	•
10	San Juan	SH	436,438	$101	Los Angeles	MH	516,898	$194	•
11	Dallas / Fort Worth [6]	MH	405,075	$134	San Juan	SH	484,685	$112	•
12	Denver	LH	344,362	$153	Houston [7]	MH	429,593	$112	•
13	San Francisco	LH	339,062	$217	San Francisco	LH	417,328	$215	•
14	Hartford	MH	286,477	$137	Denver	LH	408,179	$130	•
15	Atlantic City	MH	283,971	$72	Las Vegas	MH	355,986	$133	•
16	Las Vegas	MH	277,816	$168	Hartford	MH	294,598	$132	•
17	Tampa	SH	238,672	$96	Nashville	MH	271,913	$120	•
18	Houston [7]	MH	237,717	$181	Atlantic City	MH	268,506	$50	•
19	Pittsburgh	MH	216,615	$132	Providence	MH	267,601	$127	•
20	Buffalo	MH	210,522	$147	Cleveland	MH	265,278	$99	•
	Total Top 20 Airports		**11,705,455**				**13,287,295**		
	Other O&D Markets		**5,902,542**				**6,723,339**		
	Total O&D Passengers		**17,607,997**				**20,010,634**		
	AVERAGE								
	Airport	1,171		$142		1,174		$129	
	United States	1,120		$175		1,140		$171	

NOTES:

1/ Short Haul (SH) = 0 to 600 miles, Medium Haul (MH) = 601 to 1,800 miles, Long Haul (LH) = over 1,800 miles. Nautical miles.

2/ Nonstop service provided in FY 2016.

3/ Includes John F. Kennedy (JFK), LaGuardia (LGA), and Newark, NJ (EWR).

4/ Includes Chicago O'Hare (ORD) and Chicago Midway (MDW).

5/ Includes Washington Reagan National (DCA) and Washington Dulles (IAD).

6/ Includes Dallas Love Field (DAL) and Dallas/Fort Worth (DFW).

7/ Includes Houston Hobby (HOU) and Houston Bush Intercontinental (IAH).

SOURCES: U.S. DOT DB1B (O&D Survey) and Innovata schedule data, August 2017.

PREPARED BY: Ricondo & Associates, Inc., September 2017.

5.2.3 NONSTOP MARKETS

Table 5-5 presents the Airport's nonstop markets scheduled for August 31, 2017, including the markets served, daily flights, and airlines providing nonstop flights. Daily nonstop service is scheduled to 125 destinations (excluding seasonal and charter service) with a total of 347 daily flights. Forty-two daily nonstop flights are scheduled to New York City, the Airport's top O&D market. International service (excluding seasonal and charter) is provided to 51 international destinations. Other top O&D markets with a significant number of daily nonstop flights include Atlanta (23 daily flights), Baltimore and Chicago (each with 13 daily flights), and Dallas and Orlando (each with 10 daily flights). All of the Airport's top 20 domestic O&D markets are provided nonstop service with a total of 174 daily flights.

As shown in **Table 5-6,** new service commenced in 6 domestic and 5 international markets since February 2016. In FY 2017, total new service is expected in 11 domestic markets and 12 international markets. In the first half of FY 2018, 4 new domestic markets and 4 new international markets are expected to be served from the Airport. JetBlue initiated service to 5 new destinations in FY 2017, and is scheduled to add 2 new domestic market in the first half of FY 2018. Southwest initiated service to 5 new destinations in FY 2017, and is scheduled to add 3 new international markets in the first half of FY 2018. Allegiant initiated service to 5 new domestic destinations in FY 2017, and is scheduled to add 2 new destinations in the first half of FY 2018.

5.2.4 HISTORICAL TOTAL PASSENGER ACTIVITY AT THE AIRPORT

The Airport is classified by the FAA as a large-hub facility based on its percentage of nationwide passenger activity[2] and ranked 21st in the United States in CY 2016 with 29.2 million total (enplaned and deplaned) passengers.

Table 5-7 and **Exhibit 5-1** present 10 years of historical enplaned passenger activity data at the Airport. The Airport's historical share of nationwide enplaned passengers has increased over this period from 1.47 percent in FY 2007 to 1.74 percent in FY 2016. While annual enplaned passenger growth at the Airport has fluctuated when compared to United States enplaned passenger growth rates, the Airport experienced higher growth rates when compared to the total United States over the entire 10-year period. Between FY 2007 and FY 2016, enplaned passengers at the Airport increased from approximately 11.1 million, to approximately 14.4 million, a compound annual growth rate of 2.9 percent compared to a compound annual growth rate of 0.9 percent for the United States during the same timeframe. Specific details concerning passenger activity at the Airport between FY 2007 and FY 2016 are discussed below:

2 As defined by the FAA, a large primary airport enplanes 1.0 percent or more of nationwide revenue enplaned passengers during a calendar year. This percentage range of nationwide enplaned passengers equates to approximately 9.1 million to 50.5 million enplaned passengers in CY 2014. Based on preliminary FAA data, the Airport enplaned approximately 14.3 million revenue passengers in CY 2016.

Table 5-5 (1 of 3): Non-Stop Markets [1/]

MARKET	AVG DAILY NONSTOPS	NUMBER OF AIRLINES	AIRLINE (AVERAGE DAILY DEPARTURES) - AIRPORT
Aguadilla, Puerto Rico	2	2	JetBlue, Spirit
Akron/Canton [2/]	1	1	Spirit
Albany	2	2	JetBlue, Southwest
Allentown [3/]	1	1	Allegiant
Armenia, Colombia	1	1	Spirit
Aruba, Netherlands Antilles [4/]	1	2	JetBlue, Spirit
Asheville/Hendersonville	1	1	Allegiant
Atlanta	23	3	Delta (15), Spirit (4), Southwest (4)
Atlantic City	2	1	Spirit
Austin	3	2	JetBlue, Southwest (2)
Baltimore	13	3	JetBlue, Spirit (3), Southwest (9)
Barcelona, Spain [5/]	1	1	Norwegian Air Shuttle
Belize City, Belize	1	1	Southwest
Belleville [6/]	1	1	Allegiant
Bimini, Bahamas	2	1	Silver Airways
Bogota, Colombia	3	3	AVIANCA, JetBlue, Spirit
Boston	8	2	JetBlue (6), Spirit (2)
Bridgetown, Barbados	1	1	JetBlue
Buffalo	2	2	JetBlue, Southwest
Camaguey, Cuba	1	1	JetBlue
Cancun, Mexico	3	3	JetBlue, Spirit, Southwest
Cartagena, Colombia	2	2	JetBlue, Spirit
Charleston	1	1	JetBlue
Charlotte-Douglas	7	1	American
Chicago	13	5	American (3), JetBlue, Spirit (3), United (3) - ORD, Southwest (3) - MDW
Cincinnati, OH/Covington, KY [7/]	3	3	Allegiant, Delta, Frontier
Cleveland [3/]	3	3	Allegiant, JetBlue, Spirit
Columbus, OH	2	2	Southwest – CMH, Allegiant-LCK
Concord	1	1	Allegiant
Copenhagen, Denmark [8/]	1	1	Norwegian Air Shuttle
Dallas	10	3	American (6), Spirit (2) - DFW, Southwest (2) - DAL
Denver	4	3	Spirit, United (2), Southwest
Detroit	8	3	JetBlue, Delta (5), Spirit (2)
Dubai, U.A.E.	1	1	Emirates
Freeport, Bahamas	4	2	Silver Airways (2), Bahamasair (2)
George Town, Bahamas	1	1	Silver Airways
Governor's Harbour, Bahamas	1	1	Silver Airways
Grand Cayman, WestIndies	1	1	Southwest
Greenville/Spartanburg [9/]	1	1	Allegiant
Guatemala City, Guatemala	1	1	Spirit
Guayaquil, Ecuador	1	1	Tame
Hartford	4	3	JetBlue (2), Spirit, Southwest
Havana, Cuba	4	2	JetBlue (2), Southwest (2)
Holguin, Cuba	1	1	JetBlue
Houston	7	3	Southwest (2) - HOU, Spirit, United (4) - IAH
Indianapolis [9/]	2	2	Allegiant, Southwest
Jacksonville	3	1	JetBlue
Kansas City	1	1	Southwest

Table 5-5 (2 of 3): Non-Stop Markets [1/]

MARKET	AVG DAILY NONSTOPS	NUMBER OF AIRLINES	AIRLINE (AVERAGE DAILY DEPARTURES) - AIRPORT
Key West	5	1	Silver Airways
Kingston, Jamaica	4	3	JetBlue (2), Caribbean, Spirit
Knoxville	1	1	Allegiant
Las Vegas	3	3	JetBlue, Spirit, Southwest
Latrobe	1	1	Spirit
Lexington [9/]	1	1	Allegiant
Lima, Peru	2	2	JetBlue, Spirit
London-Gatwick, England [8/]	2	2	British Airways, Norwegian Air Shuttle
Long Beach	1	1	JetBlue
Los Angeles	5	3	JetBlue (2), Spirit, Virgin America (2)
Louisville [6/]	1	1	Allegiant
Managua, Nicaragua	1	1	Spirit
Marsh Harbour, Bahamas [10/]	2	2	Silver Airways, SkyBahamas
Medellin, Colombia	2	2	JetBlue, Spirit
Memphis [9/]	1	1	Allegiant
Mexico City, Mexico	1	1	JetBlue
Minneapolis/St. Paul	1	1	Delta
Montego Bay, Jamaica	5	4	JetBlue (2), Caribbean, Spirit, Southwest
Montreal-PET, Canada [11/]	3	3	Air Canada, Air Transat, WestJet
Myrtle Beach	1	1	Spirit
Nashville	4	2	JetBlue, Southwest (3)
Nassau, Bahamas	9	3	JetBlue (4), Bahamasair (4), Southwest
New Orleans	4	3	JetBlue, Spirit (2), Southwest
New York/Newark	42	5	JetBlue (6), Delta (4) - JFK, JetBlue (5), Delta (6), Spirit (4) - LGA, JetBlue (4), Spirit (4), Southwest (6), United (2) - EWR, JetBlue - SWF
Niagara Falls [2/]	1	1	Spirit
North Eleuthera, Bahamas	3	1	Silver Airways
Orlando	10	3	Silver Airways (3), Spirit (2), Southwest (5)
Oslo, Norway [8/]	1	1	Norwegian Air Shuttle
Panama City, Panama	2	2	Copa, Spirit
Paris-De Gaulle, France [8/]	1	1	Norwegian Air Shuttle
Philadelphia	6	4	American (3), JetBlue, Spirit, Southwest
Phoenix	1	1	Southwest
Pittsburgh	3	3	JetBlue, Spirit, Southwest
Plattsburgh	1	1	Allegiant
Port Au Prince, Haiti	6	3	American (2), JetBlue (3), Spirit
Port of Spain, Trinidad and Tobago	1	1	Caribbean
Providence	2	2	JetBlue, Southwest
Providenciales, Turks & Caicos	1	1	JetBlue
Punta Cana, Dominican Rep.	2	2	JetBlue, Spirit
Quito, Ecuador	1	1	JetBlue
Raleigh/Durham	4	3	JetBlue (2), Delta, Southwest
Richmond	2	1	JetBlue
San Antonio [3/]	1	1	Allegiant
San Diego	1	1	JetBlue
San Francisco	4	3	JetBlue (2), United, Virgin America
San Jose, Costa Rica	2	2	JetBlue, Spirit
San Juan	8	3	JetBlue (5), Spirit, Southwest (2)
San Pedro Sula, Honduras	1	1	Spirit
San Salvador, El Salvador [2/]	1	1	Spirit

Table 5-5 (3 of 3): Non-Stop Markets [1/]

MARKET	AVG DAILY NONSTOPS	NUMBER OF AIRLINES	AIRLINE (AVERAGE DAILY DEPARTURES) - AIRPORT
Santa Clara, Cuba	2	2	JetBlue, Southwest
Santiago, Dominican Republic	1	1	Spirit
Santo Domingo, Dominican Republic	3	2	JetBlue (2), Spirit
Sao Paulo-Viraco, Brazil	1	1	Azul
Seattle	1	1	Alaska
St. Louis	1	1	Southwest
St. Maarten, Netherlands Antilles [4/]	1	1	Spirit
St. Thomas	1	1	Spirit
Stockholm-Arlanda, Sweden [8/]	1	1	Norwegian Air Shuttle
Syracuse [6/]	1	1	Allegiant
Tallahassee	1	1	Silver Airways
Tampa	9	3	Silver Airways (3), Spirit, Southwest (5)
Toronto, Canada [12/]	5	4	Air Canada (2), Air Transat, Sunwing, WestJet
Treasure Cay, Bahamas	1	1	Silver Airways
Trenton	1	1	Frontier
Varadero, Cuba	1	1	Southwest
Washington, DC	9	4	United, Southwest - IAD, American, JetBlue (4), Southwest (2) - DCA
White Plains	2	1	JetBlue
Worcester	1	1	JetBlue
Total Daily Departure	**347**		

NOTES:

1/ Non-stop scheduled service as of August 2017 unless otherwise noted.

2/ Twice weekly service provided by Spirit. Average daily departures not included in total.

3/ One weekly operation provided by Allegiant. Average daily departures not included in total.

4/ One weekly operation provided by Spirit. Average daily departures not included in total.

5/ One weekly operation provided by Norwegian Air Shuttle. Average daily departures not included in total.

6/ Twice weekly service provided by Allegiant. Average daily departures not included in total.

7/ Three times weekly service provided by Frontier. Average daily departures not included in total.

8/ Twice weekly service provided by Norwegian Air Shuttle. Average daily departures not included in total.

9/ Three times weekly service provided by Allegiant. Average daily departures not included in total.

10/ Twice weekly service provided by SkyBahamas. Average daily departures not included in total.

11/ One weekly operation provided by Air Transat and one by WestJet. Average daily departures not included in total.

12/ One weekly operation provided by Air Transat and one by Sunwing. Average daily departures not included in total.

SOURCE: Innovata, August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table 5-6: New Published Scheduled Service

DOMESTIC SERVICE		
DATE OF NEW SERVICE	AIRLINE	DESTINATION
April 2016	Spirit	Philadelphia
May 2016	Allegiant	Fort Walton/Destin
May 2016	JetBlue	Aguadilla
June 2016	JetBlue	Nashville
June 2016	JetBlue	San Diego
September 2016	JetBlue	New Orleans
October 2016	Spirit	Newark
October 2016	Allegiant	Ogdensburg
November 2016	Spirit	Akron/Canton
November 2016	Allegiant 1/ 2/	Niagara Falls
January 2017	JetBlue	Chicago-O'Hare
February 2017	Allegiant 1/ 2/	Allentown
February 2017	Allegiant	Cleveland
May 2017	JetBlue 2/	Long Beach
May 2017	Allegiant	Louisville
June 2017	Spirit	Hartford
June 2017	Spirit	Pittsburgh
November 2017	Allegiant	Milwaukee
November 2017	Allegiant	Norfolk
November 2017	JetBlue, Delta 2/	Salt Lake City
March 2018	JetBlue	Atlanta
INTERNATIONAL SERVICE		
DATE OF NEW SERVICE	AIRLINE	DESTINATION
February 2016	JetBlue	Quito
April 2016	JetBlue	Barbados
August 2016	Southwest	Nassau
August 2016	Norwegian Air Shuttle	Paris-De Gaulle
August 2016	JetBlue	Santa Clara
November 2016	JetBlue	Camaguey
November 2016	JetBlue	Havana
December 2016	Emirates	Dubai
December 2016	Southwest	Havana
December 2016	Norwegian Air Shuttle 1/	Guadalupe
January 2017	JetBlue	Aruba
June 2017	Southwest	Belize City
June 2017	Southwest	Cancun
June 2017	Southwest	Grand Caymon
June 2017	Southwest	Montego Bay
July 2017	British Airways	London-Gatwick
August 2017	Norwegian Air Shuttle	Barcelona
October 2017	Norwegian Air International	Martinique
November 2017	Southwest	Providenciales
November 2017	Southwest	Punta Cana
November 2017	Southwest	San Jose

NOTES:

1/ Seasonal service.

2/ Reinstated service.

SOURCE: Broward County Aviation Department; September 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table 5-7: Historical Enplaned Passengers

(Fiscal Years Ended September 30)

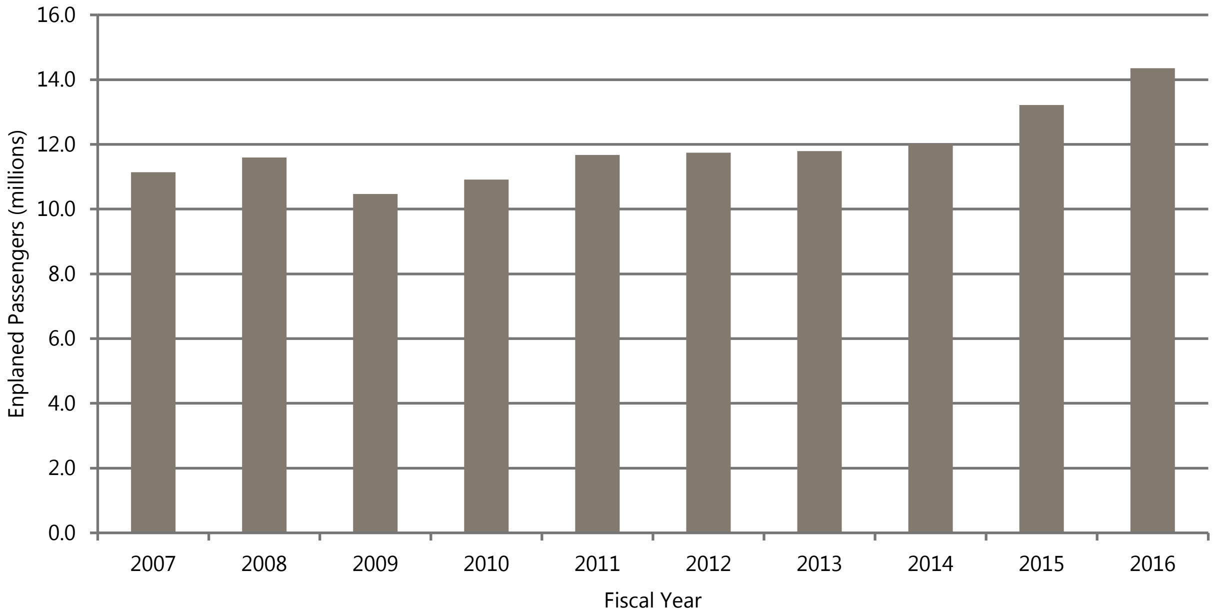
FISCAL YEAR	AIRPORT ENPLANED PASSENGERS	ENPLANED GROWTH	U.S. TOTAL ENPLANEMENTS	U.S. GROWTH	MARKET SHARE
2007	11,142,669	4.3%	756,525,464	3.2%	1.47%
2008	11,590,439	4.0%	747,466,798	(1.2%)	1.55%
2009	10,467,888	(9.7%)	695,488,533	(7.0%)	1.51%
2010	10,912,918	4.3%	702,818,621	1.1%	1.55%
2011	11,671,530	7.0%	722,970,112	2.9%	1.61%
2012	11,744,478	0.6%	731,095,391	1.1%	1.61%
2013	11,794,271	0.4%	734,044,719	0.4%	1.61%
2014	12,024,714	2.0%	747,593,187	1.8%	1.61%
2015	13,214,469	9.9%	786,389,033	5.2%	1.68%
2016	14,352,450	8.6%	822,775,195 1/	4.6%	1.74%
Fiscal Year-to-Date (Oct - Jun)					
2016	10,958,085				
2017	12,063,873	10.1%			
Compound Annual Growth Rate					
2007 - 2012	1.1%		(0.7%)		
2012 - 2016	5.1%		3.0%		
2007 - 2016	2.9%		0.9%		

NOTE:

1/ FAA estimate for Federal Fiscal Year (October - September) 2016.

SOURCES: Broward County Aviation Department; FAA Terminal Area Forecast (January 2017).
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Exhibit 5-1: Historical Enplaned Passengers



SOURCE: Broward County Aviation Department, August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

- **FY 2007 – FY 2008**. In FY 2008, Delta was the fourth largest airline behind Spirit, Southwest, and JetBlue with approximately 1.3 million enplaned passengers. In FY 2007 and FY 2008, Delta's reduction in service was primarily offset by increased service by Spirit. In FY 2008, Spirit enplaned approximately 2.1 million passengers, an increase of 34.1 percent from FY 2007. Enplaned passengers increased for Frontier, JetBlue, and Southwest from FY 2007 to FY 2008. In addition, Allegiant initiated service at the Airport in FY 2008.
- **FY 2009.** After 3.9 percent growth from FY 2007 to FY 2008, the Airport's enplaned passengers decreased in FY 2009 by 9.7 percent. Contributing to this decrease were carrier seat capacity reductions in FY 2009 (11.1 percent) and lower passenger demand caused by the economic downturn. Specifically contributing to these reductions were the following:
  - Spirit reduced or eliminated seat capacity in 32 of the 42 markets served from the Airport in FY 2008. Overall departing seat capacity for Spirit decreased from approximately 2.7 million seats in FY 2008 to 2.6 million seats in FY 2009, or 5.8 percent.
  - American decreased seat capacity by 46.7 percent and eliminated service to six destinations at the Airport.
  - Delta reduced capacity to all domestic markets (except Atlanta) and eliminated service to five markets at the Airport. Delta (including Northwest) decreased seat capacity 13.5 percent in FY 2009.

- United discontinued service (Chicago O'Hare, Denver, and Washington Dulles) at the Airport.[3]

- **FY 2010 – FY 2013.** With the economy recovering, enplaned passengers increased from 10.9 million in FY 2010 to 11.8 million in FY 2013, a compound annual growth rate of 2.6 percent. In FY 2010, enplaned passengers increased 4.3 percent followed by a 7.0 percent increase in FY 2011. During this period, Spirit and JetBlue both increased seat capacity. Spirit more than doubled capacity to Boston and Las Vegas, and added nine new destinations between FY 2010 and FY 2012. JetBlue initiated service to Hartford, Los Angeles, and Washington, DC (Reagan National) in FY 2011 and in FY 2012 added the international destinations of Bogota, Colombia and Kingston, Jamaica. In FY 2010, Condor, LAN Colombia, and Virgin America initiated scheduled service at the Airport followed by Alaska and Sky Bahamas in FY 2012. United resumed service in FY 2012.

- **FY 2014 – FY 2015.** Enplaned passengers increased at a compound annual growth rate of 5.8 percent from FY 2013 to FY 2015. In addition to new entrants at the Airport, JetBlue, Spirit, Southwest and Delta, the four largest airlines based on enplaned passengers, increased seat capacity over the period. Service was added or reinstated to several destinations in FY 2014 and FY 2015 by JetBlue (12 destinations), Spirit (3 destinations), Southwest (6 destinations), and Delta (3 destinations). Allegiant, increased enplaned passengers by a compound annual growth rate of 23.7 percent from FY 2013 through FY 2015 and added service to 6 new nonstop destinations. COPA and Norwegian Air Shuttle began operations at the Airport in FY 2014, while Azul, TAME, and Volaris added flights in FY 2015. During the period, enplaned passengers served by Air Canada and WestJet, the two largest foreign flag carriers serving the Airport based on international passengers, increased 15.6 percent and 3.1 percent respectively.

- **FY 2016.** Growth of enplaned passengers at the Airport was 8.6 percent, while United States enplaned passenger growth was 4.6 percent in FY 2016. Allegiant and JetBlue experienced the largest increases in enplaned passengers, with increases of 71.2 percent and 21.7 percent respectively. Allegiant added service to four new destinations that were not served in the previous fiscal year and increased seat capacity by 75.8 percent. Allegiant's share of total enplaned passengers increased from 1.1 percent in FY 2015 to 1.8 percent in FY 2016. JetBlue reinstated service to Syracuse and introduced flights to 13 new markets from the Airport. In FY 2016, Spirit grew enplaned passengers by 10.3 percent and added service to Philadelphia. The largest foreign flag carrier serving international passengers, Air Canada, increased enplaned passengers by 5.5 percent.

- **FY 2017 through June.** Enplaned passengers increased 10.1 percent through June 2017 over the same period in 2016. Domestic enplaned passengers increased 7.9 percent and international enplaned passengers increased 18.6 percent. JetBlue, the largest carrier based on enplaned passengers, increased 15.9 percent and Spirit, the second largest carrier based on enplaned passengers increased 15.0 percent. Southwest's enplaned passengers increased 17.1 percent. Those increases were partially offset by American's (including US Airways) decrease of 11.8 percent for the same period in FY 2017, primarily due to capacity shifts related to the American/ US Airways merger. JetBlue's international enplaned passengers increased 33.6 percent and Southwest added 10 new destinations, 6 of which are to

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[3] United discontinued service at the Airport in FY 2009; however, Continental continued to serve the Airport upon the merger completion with United. Continental merged with United and the FAA granted a single operating certificate to United on November 30, 2011. The merged carriers, branded under United, continued operations to former Continental hubs (Cleveland, Houston, New York/Newark) and reinstated operations to United's hubs in Chicago and Denver.

international destinations. Air Canada and Norwegian Air Shuttle, increased 8.6 percent and 52.0 percent respectively. British Airways and Emirates initiated scheduled service in FY 2017. Total departing seat capacity is scheduled to increase 13.4 percent in FY 2017 when compared to FY 2016 (domestic 7.7 percent and international 27.0 percent).

5.3 Aircraft Operations

Table 5-8 and **Exhibit 5-2** present historical total Airport operations (take-offs and landings) at the Airport between FY 2007 and FY 2016. Total aircraft activity at the Airport peaked at 291,178 aircraft operations in FY 2008. Total aircraft operations increased from 253,164 in FY 2009 to 278,499 in FY 2016, a compound annual growth rate of 1.4 percent. Through June of FY 2017, total aircraft operations have increased 6.5 percent.

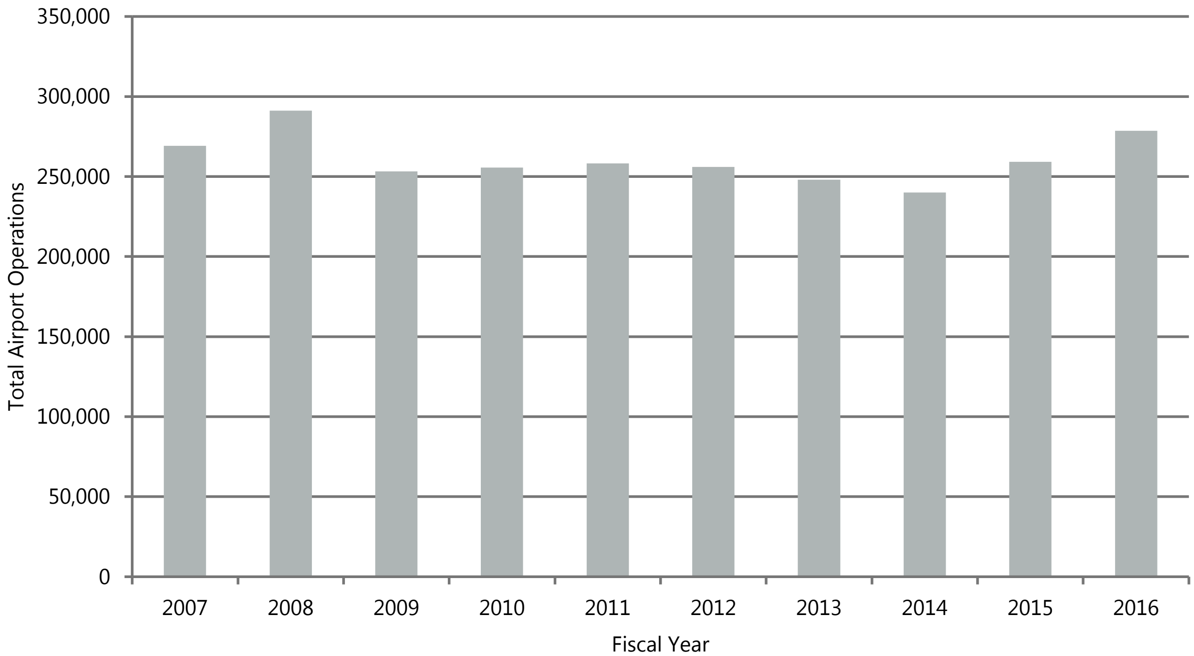
Table 5-8: Historical Aircraft Operations

(Fiscal Years Ended September 30)

FISCAL YEAR	PASSENGER AIRLINES	ALL-CARGO	GENERAL AVIATION	TOTAL	ANNUAL GROWTH
2007	226,587	6,763	35,756	269,106	16.6%
2008	231,886	6,392	52,900	291,178	8.2%
2009	201,637	5,083	46,444	253,164	(13.1%)
2010	204,830	5,336	45,438	255,604	1.0%
2011	205,673	6,053	46,568	258,294	1.1%
2012	209,532	4,561	41,936	256,029	(0.9%)
2013	204,493	4,279	39,160	247,932	(3.2%)
2014	202,481	4,318	33,232	240,031	(3.2%)
2015	220,145	4,695	34,386	259,226	8.0%
2016	231,154	4,955	42,390	278,499	7.4%
Fiscal Year-to-Date (Oct - Jun)					
2016	177,237	3,805	33,978	215,020	
2017	190,284	3,355	35,426	229,065	6.5%
Compound Annual Growth Rate					
2007 - 2012	(1.6%)	(7.6%)	3.2%	(1.0%)	
2012 - 2016	2.5%	2.1%	0.3%	2.1%	
2007 - 2016	0.2%	(3.4%)	1.9%	0.4%	

SOURCE: Broward County Aviation Department, August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Exhibit 5-2: Historical Airport Operations



SOURCE: Broward County Aviation Department, August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

- **Passenger Airlines.** Passenger airlines operations decreased 13.1 percent in FY 2009, as previously discussed in Section 5.2.4. In the past five years (FY 2012 to FY 2016), passenger airline operations have increased from 209,532 to 231,154, reflecting a compound annual growth rate of 2.5 percent. In FY 2016, passenger airline operations reached 231,154 operations, just below the historical high of 231,886 operations in FY 2008. Even with growth in passenger operations, to accommodate demand, operations have been conducted with larger aircraft and higher load factors. From FY 2012 to FY 2016, enplaned passengers increased at a compound annual growth rate of 5.1 percent, compared to 2.5 percent for passenger airline operations.
- **All-Cargo.** Over the 10-year period shown, FY 2007 experienced the highest all-cargo operations at 6,763. From FY 2009 to FY 2011, all-cargo operations increased from 5,083 to 6,053 operations. Between FY 2011 and FY 2012, all-cargo operations decreased from 6,053 to 4,561, or 24.6 percent, but have since remained fairly stable averaging approximately 4,560 annual operations. The majority of the all-cargo operations decrease in FY 2012 can be attributed to the elimination of service by Air Transport International and service reductions by UPS. In the last two fiscal years all-cargo operations increased by 8.7 percent and 5.5 percent respectively due to increased operations by FedEx.
- **General Aviation**. From FY 2007 to FY 2008 general aviation operations increased from 35,756 to 52,900, an increase of 8.2 percent. Since FY 2009, general aviation operations decreased to a low of 33,232 in FY 2014. The decrease in general aviation operations, in part, was the result of the South Runway Program which led to the need to divert some general aviation operations to Fort Lauderdale

Executive Airport (FXE) and HWO. FXE and HWO are designated as general aviation reliever airports for the Airport. According to FAA estimates, FXE and HWO handled approximately 168,000 and 154,000 general aviation operations, respectively in FY 2014. Since FY 2014, general aviation operations at the Airport increased from 33,232 to 42,390 in FY 2016, a compound annual growth rate of 12.9 percent. General aviation operations at FXE decreased from approximately 168,000 in FY 2014 to 158,000 in FY 2016, a compound annual decrease of 2.9 percent; however, general aviation operations at HWO increased from approximately 154,000 to approximately 171,000 over the comparable period, a compound annual growth rate of 5.0 percent.

5.4 Landed Weight

Table 5-9 presents the share of total landed weight by passenger airlines and combined all-cargo carriers at the Airport between FY 2012 and FY 2016. Similar to the share of enplaned passengers, no single carrier contributed more than 24 percent of annual total landed weight at the Airport during the years depicted. JetBlue, Spirit, and Southwest accounted for 54.8 percent of total landed weight at the Airport in FY 2016, with the next eleven passenger airlines combining for 36.0 percent. The remaining 9.2 percent of total landed weight in FY 2016 was allocated to all-cargo carriers (3.1 percent) and others (6.1 percent). From FY 2012 to FY 2016, landed weight for JetBlue and Spirit increased 68.9 percent and 15.4 percent respectively, while it decreased 8.0 percent for Southwest (including AirTran). All-cargo carriers have remained generally constant and accounted for approximately 3.0 percent of total landed weight at the Airport from FY 2012 to FY 2016. Over the same period, landed weight for all-cargo carriers increased 15.6 percent.

5.5 Factors Affecting Aviation Demand

Factors that could influence future aviation demand at the Airport are discussed in this section. While not all of the data and information related to these factors have directly been incorporated into the projections of Airport activity discussed in Section 5.6, these factors were indirectly considered and analyzed in developing the projections.

5.5.1 NATIONAL ECONOMY

Historically, trends in airline travel have been closely correlated with national economic trends, most notably changes in GDP. Chapter 4 of this Report presents an analysis of general economic trends, both national and local, that may influence demand for air service over time. As noted in Chapter 4, United States GDP is expected to increase 2.1 percent annually (CY 2017 to CY 2027) and the Air Trade Area's GRP is expected to increase 2.3 percent annually through the Projection Period. These factors indicate increasing demand for air service. Actual economic activity is likely to differ from these forecasts of economic growth, especially on a year-to-year basis, with demand for air service likely reacting in kind.

Table 5-9: Historical Total Landed Weight by Airline

(Fiscal Years Ended September 30)

	2012		2013		2014		2015		2016	
CARRIER [1/]	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE
JetBlue	2,287,729	16.4%	2,464,164	17.7%	2,773,394	19.7%	3,194,414	21.0%	3,864,740	23.7%
Spirit	2,241,665	16.1%	2,145,141	15.4%	2,220,967	15.8%	2,391,000	15.7%	2,586,412	15.8%
Southwest [2/]	2,718,506	19.5%	2,635,634	19.0%	2,402,628	17.1%	2,367,258	15.6%	2,501,648	15.3%
Delta [3/]	1,804,838	13.0%	1,719,826	12.4%	1,767,831	12.6%	1,867,115	12.3%	1,849,392	11.3%
American [4/]	1,454,460	10.4%	1,454,460	10.5%	1,454,460	10.4%	1,454,460	9.6%	1,454,460	8.9%
United [5/]	846,600	6.1%	934,926	6.7%	858,495	6.1%	808,258	5.3%	839,269	5.1%
Air Canada	266,000	1.9%	305,528	2.2%	347,484	2.5%	400,363	2.6%	434,628	2.7%
Allegiant	121,986	0.9%	119,416	0.9%	108,242	0.8%	165,802	1.1%	293,382	1.8%
Virgin America	236,986	1.7%	196,754	1.4%	185,454	1.3%	186,082	1.2%	212,200	1.3%
Silver Airways [6/]	142,520	1.0%	164,362	1.2%	168,026	1.2%	229,042	1.5%	208,307	1.3%
Azul	0	0.0%	0	0.0%	0	0.0%	141,729	0.9%	163,564	1.0%
Caribbean	253,152	1.8%	191,622	1.4%	160,992	1.1%	158,400	1.0%	158,960	1.0%
WestJet	128,930	0.9%	126,639	0.9%	128,123	0.9%	137,590	0.9%	140,328	0.9%
Norwegian Air Shuttle	0	0.0%	0	0.0%	122,360	0.9%	140,197	0.9%	135,709	0.8%
All-Cargo	435,876	3.1%	438,301	3.2%	474,781	3.4%	478,284	3.1%	503,860	3.1%
All Others [7/]	989,637	7.1%	1,006,458	7.2%	872,779	6.2%	1,081,028	7.1%	993,579	6.1%
Airport Total	**13,928,885**	**100.0%**	**13,903,230**	**100.0%**	**14,046,015**	**100.0%**	**15,201,021**	**100.0%**	**16,340,437**	**100.0%**

NOTES:

1/ Includes regional/commuter affiliates.

2/ AirTran merged with Southwest and the FAA granted a single operating certificate to Southwest on March 1, 2012.

3/ Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009.

4/ American and U.S. Airways announced plans to merge on February 14, 2013. The merger was completed on December 9, 2013 and a Single Operating Certificate was issued to American on April 8, 2015.

5/ Continental merged with United and the FAA granted a single operating certificate to United on November 30, 2011.

6/ Formerly Gulfstream International.

7/ Consists of airlines no longer serving the Airport, unaffiliated airlines, and/or charter airlines.

SOURCES: Broward County Aviation Department; Innovata; August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

5.5.2 STATE OF THE AIRLINE INDUSTRY

In the aftermath of the terrorist attacks on September 11, 2001, the United States airline industry experienced a material adverse shift in the demand for airline travel, which exacerbated problems for an airline industry already weakened by a slowing economy and rising labor and fuel costs. The result was 4 years of reported industry operating losses in 2001 through 2004, totaling more than $22 billion (excluding extraordinary charges and gains). Following these restructuring years, the airline industry gained ground through 2007, with United States airlines posting combined operating profits in all three years.[4] In 2008 and through the first half of 2009, the combination of record-high fuel prices, weakening economic conditions, and a weak dollar resulted in the worst financial environment for United States network and low-cost airlines since the September 11 terrorist attacks. In 2008, many of the domestic network competitors announced significant capacity reductions, increases in fuel surcharges, airfares and fees, and other measures to address the challenges. After a $4.6 billion loss in 2009, the global airline industry has remained profitable. After a nearly $34.8 billion net profit for the global airline industry in 2016, the International Air Transport Association projects a drop in net profits in 2017 to $31.4 billion. North American airline net profits are projected to be $15.4 billion in 2017, compared with $16.5 billion in 2016.[5] This increase is due, in part, to lower oil prices and continued control by airlines on capacity, referred to as "capacity discipline".

5.5.3 AIRLINE MERGERS AND ACQUISITIONS

Over the last decade, airlines have experienced increased costs and industry competition both domestically and internationally. As a result, airlines have merged and acquired competitors in an attempt to increase operational synergies and become more competitive and cost efficient. In 2009, Delta completed its merger with Northwest Airlines, initiating a wave of United States airline mergers and acquisitions. That same year, Republic Airways Holdings, a regional airline, acquired Frontier Airlines of Denver and Midwest Airlines of Milwaukee.

In October 2010, United and Continental merged, creating the world's largest airline in terms of operating revenue and revenue passenger miles. In 2011, Southwest Airlines acquired AirTran Holdings, Inc., the former parent company of low-cost competitor AirTran. Southwest and AirTran were fully integrated in December 2014. Effective December 9, 2013, American and US Airways merged, creating the largest airline in terms of operating revenue and revenue passenger miles (surpassing United). On April 8, 2015, American received a Single Operating Certificate, effectively recognizing American and US Airways as a single airline (branded American). Alaska Air Group acquired Virgin America on December 14, 2016, and announced that Alaska Airlines and Virgin America will merge and operate under the Alaska Airlines brand, (planned completion in 2019). The two carriers are expected to obtain a Single Operating Certificate from the FAA in early 2018. Additional consolidation in the United States industry could affect the amount of capacity offered to passengers and alter the competitive landscape industry wide.

Historically, airline mergers and acquisitions have led in some instances to capacity reductions. The Delta/Northwest merger and the Southwest/AirTran acquisition led to decreased capacity at the Airport, as these carriers integrated routes and networks. After the economic downturn in FY 2009, United discontinued service at the Airport; however, Continental continued to serve the Airport, and service was reinstated to United

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4 Source: Airlines for America, *2009 Economic Report*.

5 Source: International Air Transport Association, *Economic Performance of the Airline Industry,* June 2017.

hub destinations when the United/Continental merger was completed. However, with the exception of FY 2009, other carriers provided additional capacity at the Airport as the newly merged carriers decreased capacity and worked through their network integrations, highlighting the strong O&D demand for the region. With the recent consolidation of airlines, it is anticipated that none of the largest carriers (American, Delta, JetBlue, Southwest, Spirit, and United) will merge or be acquired. In the event a merger or acquisition does occur, it is expected that the region's strong O&D demand will result in other carriers adding capacity to replace any capacity that may be eliminated or reduced.

5.5.4 COST OF AVIATION FUEL

The cost of fuel is one of the most volatile factors affecting the airline industry today. In 2008, jet fuel surpassed labor as an airline's largest operating expense and, according to Airlines for America, accounted for 30.6 percent of an airline's total operating costs, while labor accounted for 20.3 percent. As oil prices fell in the first quarter of 2009, fuel expenses decreased and labor once again became the airline industry's largest operating expense on average, accounting for 25.8 percent of total operating expenses, while fuel accounted for 21.3 percent. After 2009, fuel expenses grew through 2014 before falling again.

In June 2017, the average price of jet fuel was a relatively low $1.55 per gallon. This has enabled airlines to carry more passengers at lower fares and maintain profitability. If jet fuel prices approach or surpass their mid-2008 peak (July 2008 average price was $3.84), aviation activity nationwide may be negatively impacted by capacity reductions or higher ticket prices.

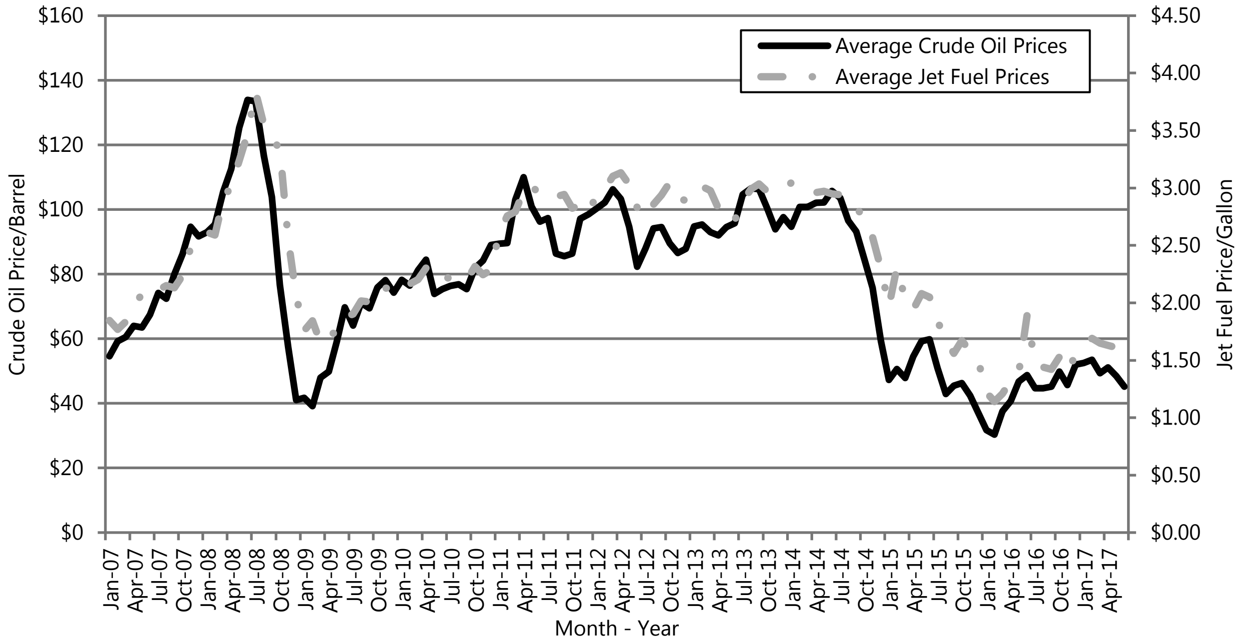
Exhibit 5-3 shows the monthly averages for jet fuel and crude oil prices from January 2007 through June 2017.

5.5.5 THREAT OF TERRORISM AND GEOPOLITICAL ISSUES

The recurrence of terrorism incidents against either domestic or world aviation during the Projection Period remains a risk to achieving the activity projections contained herein. Tighter security measures since September 11, 2001, have restored the public's confidence in the integrity of United States and world aviation security systems. However, any terrorist incident aimed at aviation could have an immediate and significant impact on the demand for aviation services.

Additionally, geopolitical issues may affect aviation activity during the Projection Period. Potential governmental or regional instability in certain countries or locations may affect access to, or demand of aviation service in these places. As an international gateway, the Airport provides direct service to major regions of the world. Future governmental or regional instability may have an impact on international aviation service demand at the Airport.

Exhibit 5-3: Historical Monthly Averages of Jet Fuel and Crude Oil Prices



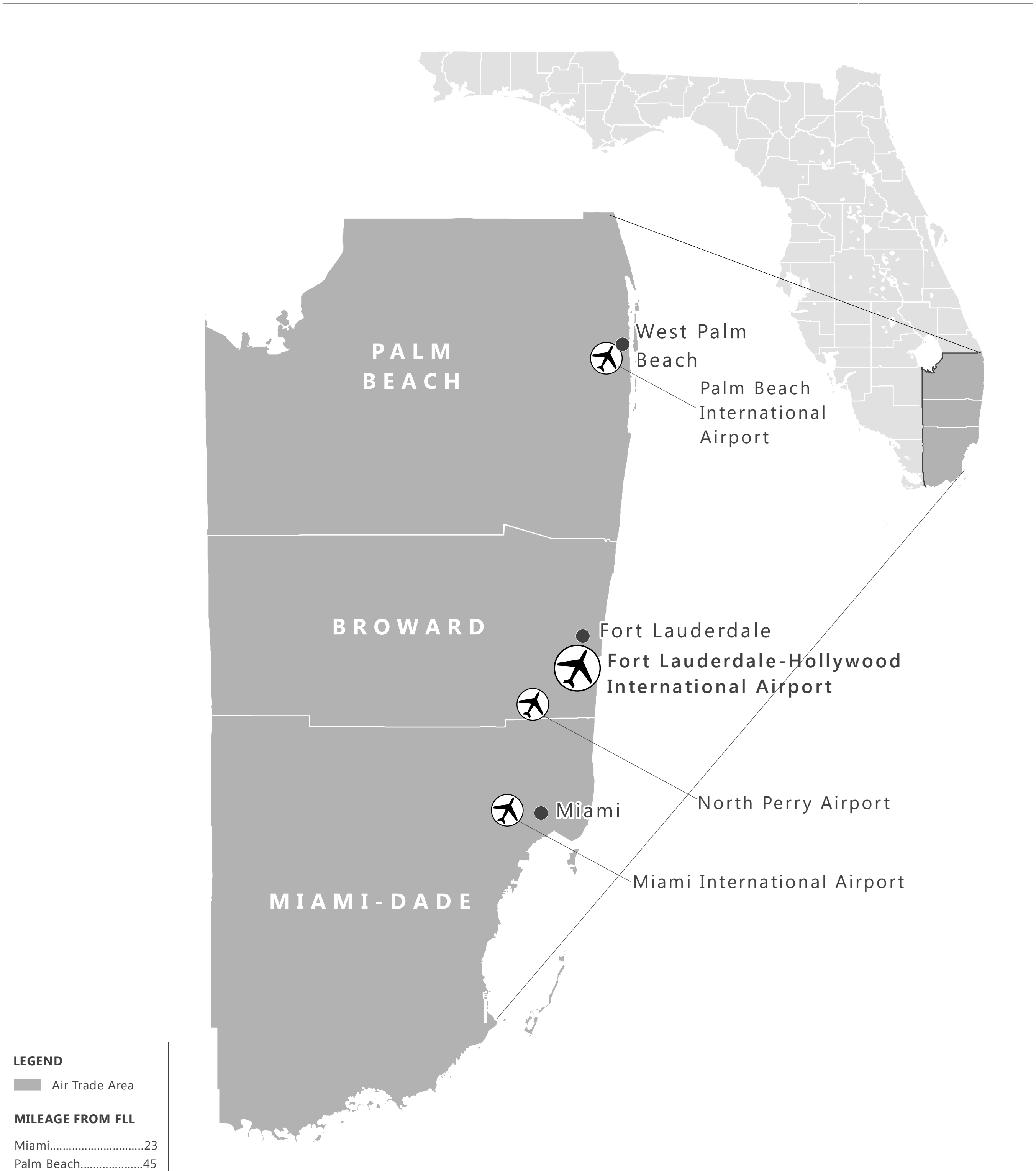
SOURCES: U.S. Bureau of Transportation Statistics, U.S. Energy Information Administration, August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

5.5.6 OTHER AIRPORTS IN THE SOUTH FLORIDA REGION

The Airport is subject to competition for passengers traveling to and from South Florida primarily from 2 nearby airports - Miami International Airport (MIA) located approximately 30 miles to the south of the Airport and Palm Beach International Airport (PBI) located approximately 50 miles to the north (**Exhibit 5-4**).

As depicted on **Exhibit 5-5**, total airline seat capacity among the region's 3 airports has remained generally constant, and the Airport has maintained a uniform share relative to MIA and PBI, between 34 and 36 percent. MIA has maintained the largest share, between 53 and 58 percent, while PBI has maintained a smaller share between 8 and 11 percent. These departing airline seat shares are reflective of total enplaned passenger shares among the airports within the region.

The Airport and PBI primarily serve passengers traveling to and from the South Florida region as the origin or destination point of their journeys (O&D passengers). MIA, a major hub for American Airlines, has historically served a significant share of the region's O&D passengers and also provides a greater component of connecting passengers that use MIA as a waypoint on journeys between two other airports. **Table 5-10** presents the historical components of total enplaned passengers at the region's airports.



SOURCES: Global Airports Database, 2015 (airports); Esri, TomTom (water polygon); Esri USA Data, 2010 (cities); TigerLine/Shapefiles, 2016 (counties).
PREPARED BY: Ricondo & Associates, Inc., September 2017.

EXHIBIT 5-4

NORTH 0 20 mi.

South Florida Region Airports

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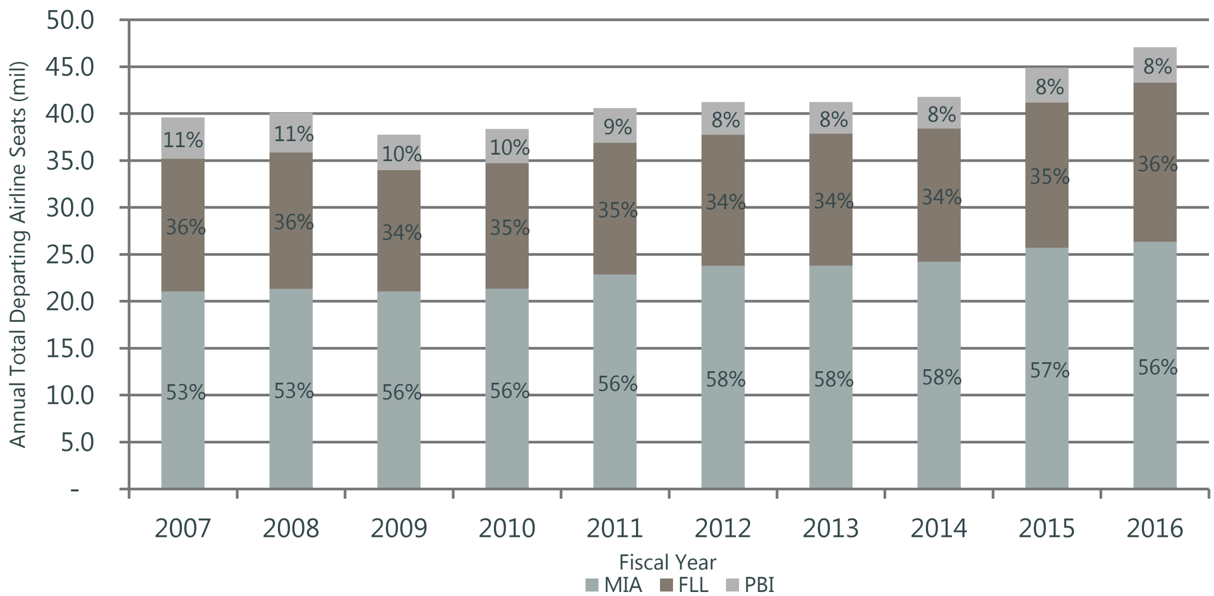
Exhibit 5-5: Annual Share of South Florida Region Airports Total Departing Airline Seats



SOURCE: U.S. DOT T-100, August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table 5-10: Historical Components of Total Enplaned Passengers – South Florida Commercial Airports

(Fiscal Years Ended September 30)

	FLL		MIA		PBI	
FISCAL YEAR	**O&D**	**CONNECTING**	**O&D**	**CONNECTING**	**O&D**	**CONNECTING**
2007	93%	7%	59%	41%	98%	2%
2008	92%	8%	58%	42%	97%	3%
2009	92%	8%	56%	44%	97%	3%
2010	92%	8%	56%	44%	98%	2%
2011	90%	10%	56%	44%	98%	2%
2012	92%	8%	56%	44%	98%	2%
2013	91%	9%	56%	44%	99%	1%
2014	90%	10%	57%	43%	99%	1%
2015	90%	10%	57%	43%	99%	1%
2016	89%	11%	62%	38%	99%	1%

SOURCES: U.S. DOT DB1B (O&D Survey) and T-100 data, August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

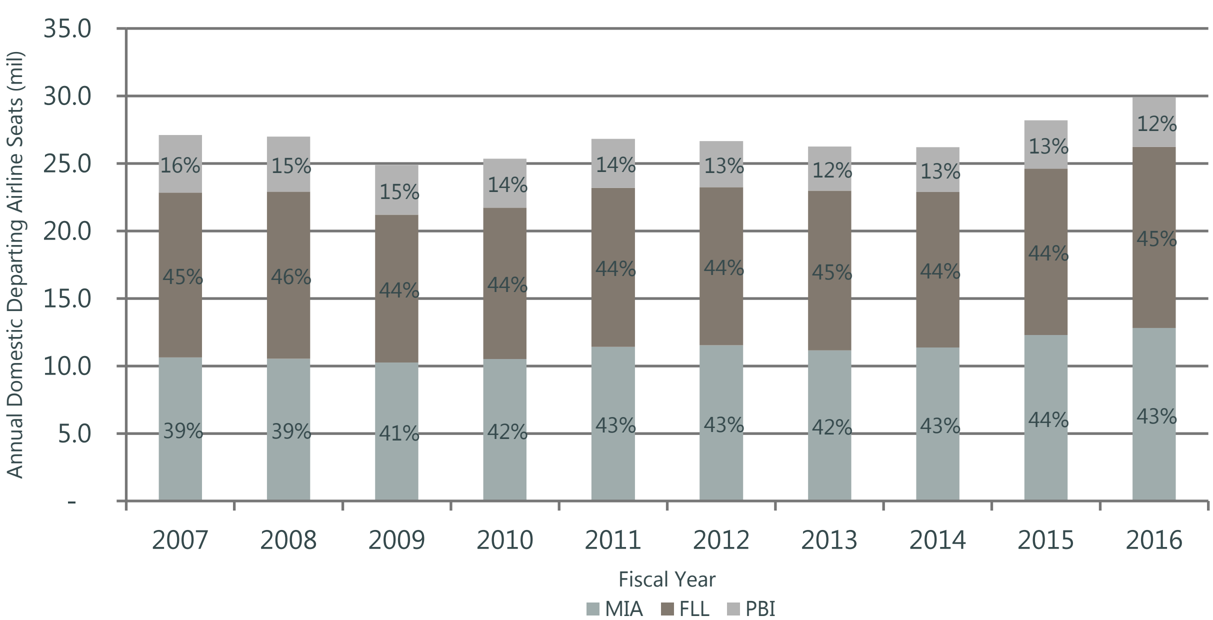
5.5.6.1 Domestic Passengers

Airlines serving the Airport combine to offer the greatest volume of airline seats to domestic destinations among the airports in the region (**Exhibit 5-6**). As depicted on **Exhibit 5-7**, competition among airlines serving domestic destinations differs markedly at the three airports, particularly when comparing the Airport and PBI to MIA. At MIA, American provided 80 percent of domestic seat capacity in FY 2016, while at the Airport and PBI, service was spread more evenly across competitors. In FY 2016, no single airline at the Airport had more than 23 percent domestic seat capacity share.

With the robust competition between airlines operating domestically at the Airport, and because a substantial portion of American's domestic seat capacity to and from MIA is held for connecting passengers, the Airport maintains a share of domestic O&D passenger activity that is disproportionately higher than its share of domestic airline seat capacity as depicted on **Exhibit 5-8**. As presented in **Table 5-11**, the Airport was the only airport of the 3 regional competitors to have nonstop airline service to all of the region's top 20 domestic O&D markets in FY 2016. This service was marked by lower than average fares to each of those markets, generating the highest passenger shares to 16 of the 20 domestic markets shown.

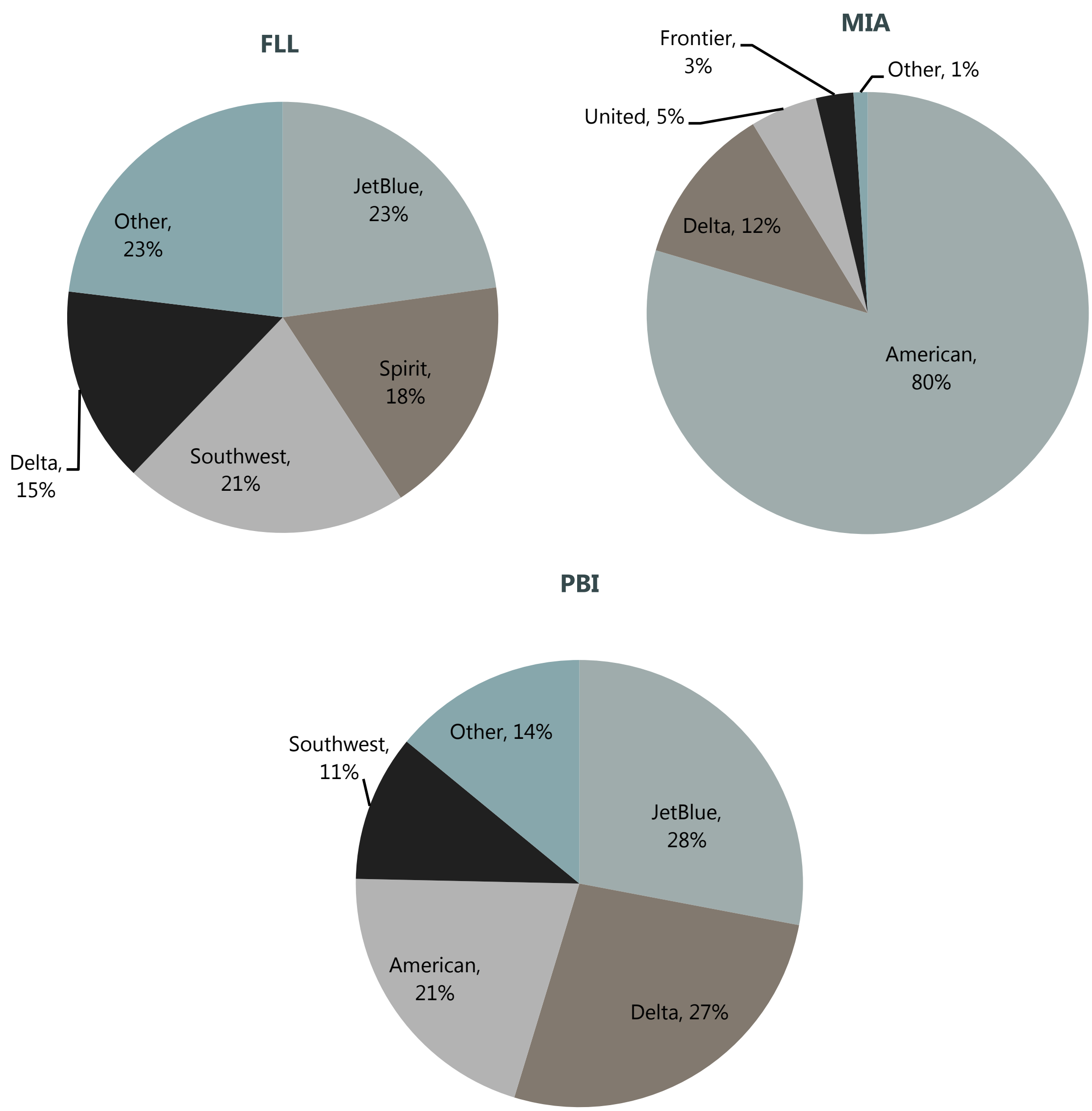
Continued robust competition at the Airport and the on-going use of MIA by American as a hub supporting both O&D and connecting passengers will support the Airport's continued role as the region's primary domestic O&D airport.

Exhibit 5-6: Annual Share of South Florida Region Airports Domestic Departing Airline Seats



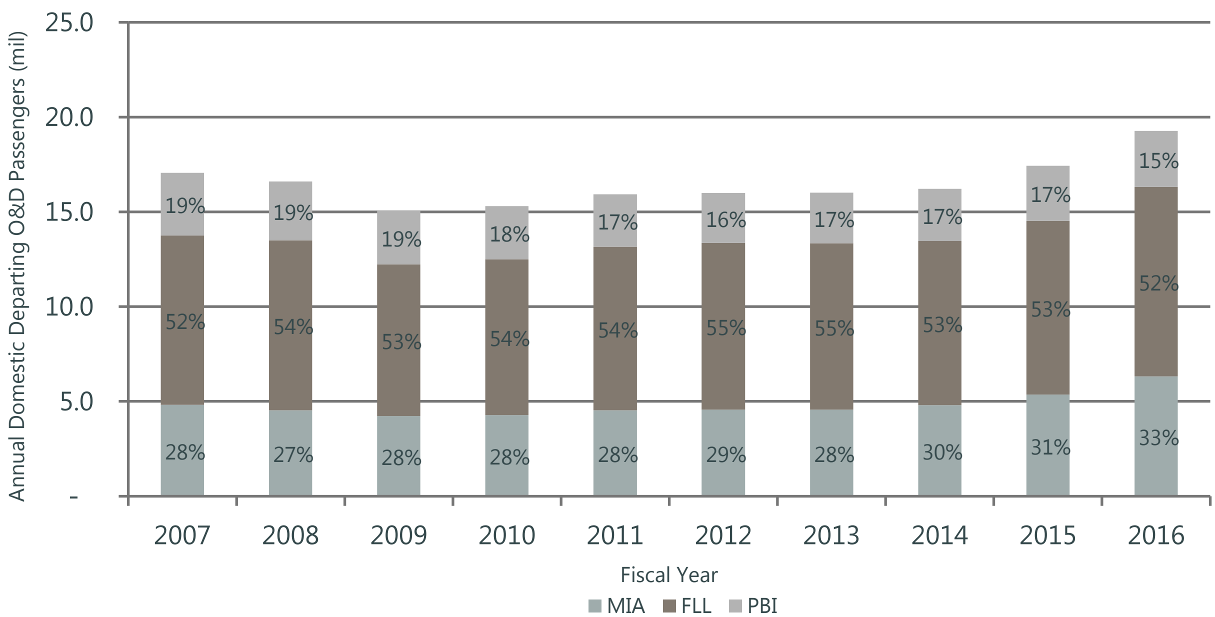
SOURCE: U.S. DOT T-100, August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Exhibit 5-7: Airline Shares of Domestic Seat Capacity from South Florida Airports



SOURCE: U.S. DOT T-100, August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Exhibit 5-8: Annual Share of South Florida Region Airports Domestic Origin and Destination Passengers



SOURCE: U.S. DOT DB1B (O&D Survey), August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table 5-11: Service and Fare Comparison from South Florida Region Airports to Top 20 Domestic Origin and Destination Markets

		AVERAGE FARE (ONE WAY)			NONSTOP SERVICE IN 2016			O&D PASSENGER SHARE 2016			
O&D MARKET	ANNUAL ONE WAY O&D PASSENGERS	FLL	REGION	DIFFERENCE (%)	FLL	MIA	PBI	FLL	MIA	PBI	FLL HIGHEST SHARE
New York / Newark [1/]	3,764,620	$133	$145	-8.7%	•	•	•	41%	35%	24%	•
Atlanta	1,036,130	$83	$100	-16.5%	•	•	•	50%	36%	14%	•
Chicago [2/]	941,615	$119	$141	-15.6%	•	•	•	52%	38%	10%	•
Boston	828,525	$139	$152	-8.7%	•	•	•	43%	30%	27%	•
Washington, DC [3/]	698,254	$131	$140	-6.5%	•	•	•	40%	43%	17%	
Philadelphia	688,745	$115	$133	-13.5%	•	•	•	46%	36%	18%	•
Baltimore	660,389	$88	$115	-23.7%	•	•	•	74%	14%	12%	•
Los Angeles	650,745	$194	$216	-10.4%	•	•		40%	57%	4%	
Dallas / Fort Worth [4/]	537,747	$103	$140	-26.4%	•	•	•	55%	37%	8%	•
Detroit	530,007	$106	$140	-24.2%	•	•	•	66%	25%	9%	•
Houston [5/]	409,327	$111	$156	-28.9%	•	•	•	53%	43%	3%	•
Denver	398,057	$132	$144	-8.0%	•	•	•	51%	41%	8%	•
San Juan	382,408	$110	$155	-29.4%	•	•		63%	37%	0%	•
Las Vegas	380,297	$131	$174	-24.5%	•	•		47%	49%	4%	
San Francisco	379,738	$215	$234	-7.8%	•	•		55%	40%	5%	•
Hartford	261,751	$131	$153	-14.1%	•	•	•	56%	18%	26%	•
Minneapolis / St. Paul	226,071	$158	$179	-12.1%	•	•		46%	44%	9%	•
Raleigh	215,676	$115	$127	-9.8%	•	•		49%	43%	9%	•
White Plains	201,009	$151	$172	-12.3%	•			39%	1%	60%	
Nashville	191,934	$120	$150	-20.0%	•	•	•	71%	21%	8%	•
Total	**13,383,045**	**$129**	**$153**	**-15.7%**				**49%**	**35%**	**16%**	

NOTES:

1/ Includes John F. Kennedy (JFK), LaGuardia (LGA), and Newark, NJ (EWR).

2/ Includes Chicago O'Hare (ORD) and Chicago Midway (MDW).

3/ Includes Washington Reagan National (DCA) and Washington Dulles (IAD).

4/ Includes Dallas Love Field (DAL) and Dallas/Fort Worth (DFW).

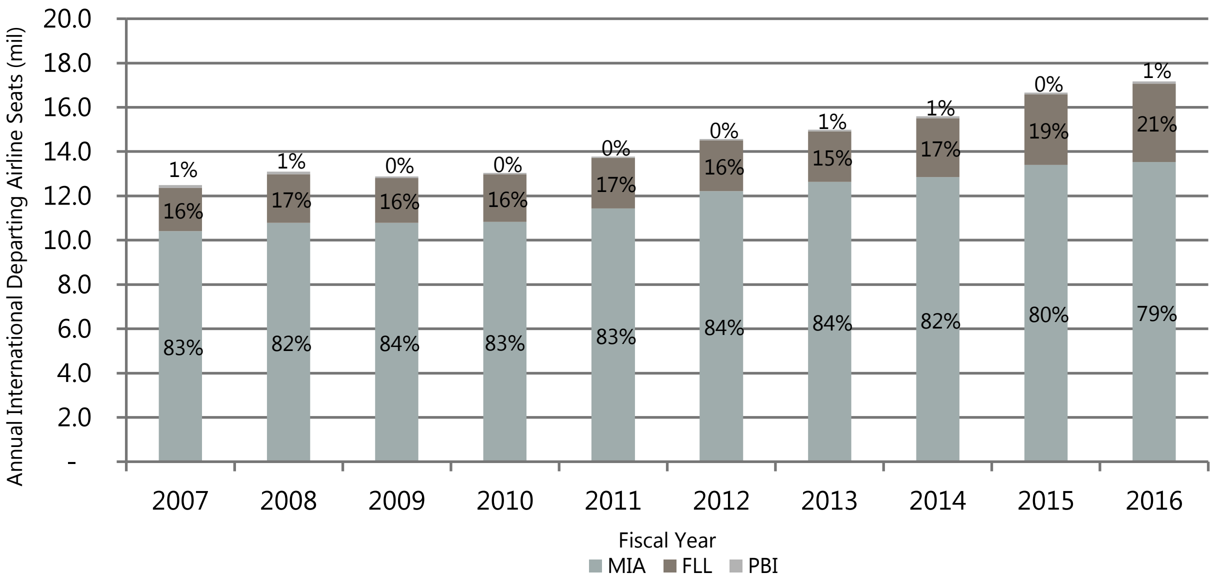
5/ Includes Houston Hobby (HOU) and Houston Bush Intercontinental (IAH).

SOURCES: U.S. DOT DB1B (O&D Survey) and Innovata schedule data, August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

5.5.6.2 International Passengers

The Airport has maintained a relatively small, but increasing, share of nonstop international airline seat capacity in the South Florida region due to MIA's prominence as an international connecting hub within American's network (**Exhibit 5-9**). As presented in **Table 5-12**, the Airport maintains a distribution of international seats across regions also served from MIA (albeit in different proportions), with a focus primarily to destinations in Latin America, the Caribbean, Mexico, and Canada.

Exhibit 5-9: Annual Share of South Florida Region Airports International Departing Airline Seats



SOURCE: U.S. DOT T-100, August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table 5-12: Fiscal Year 2016 Distribution of International Seats by Region (South Florida Airports)

	SHARE OF AIRPORT'S INTERNATIONAL SEATS		
DESTINATION REGION	**FLL**	**MIA**	**PBI**
Latin America / Caribbean	58%	45%	34%
South America	19%	32%	0%
Europe / Middle East / Africa	3%	19%	0%
Canada	20%	3%	66%
Total Annual Departing Seats	**3,513,994**	**13,008,837**	**89,664**

SOURCE: Innovata schedule data, August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

As shown in **Table 5-13,** between FY 2015 and FY 2016, scheduled nonstop international seats grew by 8.3 percent at the Airport, supported by additional capacity and service by JetBlue and Spirit. Similar to domestic service, international service remains highly competitive at the Airport, with the highest share of international seat capacity held by JetBlue (29.5 percent) followed closely by Spirit (23.6 percent) in FY 2016. MIA's highest share of international seat capacity is held by American (55.5 percent) followed by Avianca (4.5 percent).

The competitive environment offered to air carriers serving international destinations from the Airport, and the favorable geographic location relative to major points of international service (South America and Latin/Caribbean destinations), will support continued growth of service by a variety of airlines. Southwest recently opened a new concourse in Terminal 1, Concourse A. The concourse is equipped with a Customs Inspection Facility and five new gates built to handle both international and domestic operations the carrier plans to serve from the Airport. As such, the Airport should continue to support a share of international O&D passenger activity in the South Florida region that is at or above its historical share of international seats.

5.6 Projections of Passenger Demand and Aircraft Operations

5.6.1 PROJECTION METHODOLOGY

The projection of total enplaned passengers at the Airport comprises both a short-term projection for FY 2017 – FY 2018 and a long-term projection through FY 2027.

- The short-term projection for FY 2017 – FY 2018 was based on published schedule data and projected load factors.
- The long-term projection through FY 2027 was developed using two basic methodologies: socioeconomic regression analysis and market share analysis.
  - <u>Socioeconomic Regression Methodology</u> - Statistical linear regression modeling was employed in this methodology, with local and national socioeconomic and demographic factors as independent variables, and 15 years of historical O&D passenger data as the dependent variable. Independent variables considered for this analysis include population, employment, income, gross regional and domestic product, and per-capita personal income. Of interest in the analysis, among other factors, was how well each independent variable explained the variations in the dependent variable (i.e., the model's coefficient of determination, or "R-squared"). A result of 100 percent is the maximum value possible for a coefficient of determination, and it represents a perfect fit among the variables analyzed.
  - <u>Market Share Methodology</u> - In this methodology, judgments were made as to how the Airport's rate of growth will differ from that projected for the United States by the FAA. On a macro scale, the United States projection provides a base of comparison reflecting how industry traffic is anticipated to grow in the future. The growth rate used for the Airport can be reflected as an increase or decrease in its future share of the national market.

Table 5-13: Recent Changes in International Nonstop Airline Service From South Florida Airports

		FY 2015			FY 2016			CHANGE			PERCENT CHANGE		
CARRIER TYPE	METRIC	FLL	MIA	PBI	FLL	MIA	PBI	FLL	MIA	PBI	FLL	MIA	PBI
U.S. Carriers	Number	4	3	1	7	5	1	3	2	0	75.0%	66.7%	0.0%
	Annual Departing Seats	1,851,220	7,684,484	11,220	2,121,810	7,298,373	10,676	270,590	(386,111)	(544)	14.6%	-5.0%	-4.8%
International Carriers	Number	14	41	2	13	45	3	(1)	4	1	-7.1%	9.8%	50.0%
	Annual Departing Seats	1,392,000	5,110,905	64,860	1,392,184	5,710,464	78,988	184	599,559	14,128	0.0%	11.7%	21.8%
All Carriers	Number	18	44	3	20	50	4	2	6	1	11.1%	13.6%	33.3%
	Annual Departing Seats	3,243,220	12,795,389	76,080	3,513,994	13,008,837	89,664	270,774	213,448	13,584	8.3%	1.7%	17.9%
Airline Competition	Highest Carrier Seat Share	26.2%	58.2%	61.1%	29.5%	55.5%	58.1%						
	Carrier	JetBlue	American	Air Canada	JetBlue	American	Air Canada						
	Second Highest Seat Share	24.5%	4.4%	24.2%	23.6%	4.5%	21.7%						
	Carrier	Spirit	LATAM	Bahamasair	Spirit	Avianca	Bahamasair						

SOURCE: Innovata schedule data, August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Short-term projections of enplaned passengers, as shown in **Table 5-14,** reflect an increase from approximately 14.4 million enplaned passengers in FY 2016 to approximately 16.1 million in FY 2017, and 17.4 million in FY 2018. For FY 2017 (through June), total enplaned passengers have increased 10.1 percent (7.8 domestically and 18.9 percent internationally) compared to the same period in FY 2016.

Socioeconomic regression analysis was conducted to identify predictive relationships between South Florida O&D passenger demand (comprising FLL, MIA, and PBI) and socioeconomic variables for the nation, the Miami-Fort Lauderdale-Port St. Lucie Combined Statistical Area (CSA), and the Miami-Fort Lauderdale-West Palm Beach Metropolitan Statistical Area (MSA). Regression analysis was performed separately for domestic and international O&D passengers. Several reasonable predictive relationships were identified for both domestic and international O&D passengers considering the R-squared values of those relationships. These relationships are summarized in **Table 5-15**. Long-term growth, compound annual growth rate, for domestic O&D passengers estimated by this means ranged from 2.0 percent to 2.6 percent and from 2.5 percent to 3.5 percent for international O&D passengers. Combining domestic and international O&D passenger forecasts of South Florida resulted in a compound annual growth rate of 2.3 percent between FY 2016 and FY 2027.

Market Share analysis was conducted under two assumptions: growth at the FAA's projected rate for the United States and growth at the rate experienced at the Airport over the past decade. Based on the market share projected by the FAA for the United States, enplaned passengers are projected to increase to approximately 19.6 million in FY 2027, a 2.0 percent compound annual growth rate. Applying the Airport's historical market share trend through FY 2027, enplaned passengers are projected to increase to approximately 22.6 million in FY 2027, which represents a 3.5 percent compound annual growth rate. These results are summarized in **Table 5-16**.

5.6.2 KEY GLOBAL AND LOCAL ASSUMPTIONS

The forecast projections are based on a number of underlying key global and local assumptions, including:

Global Assumptions:

- While year-to-year fluctuations in economic activity are likely, the historical long-term trends of generally expanding economic activity, both nationally and within the South Florida Air Trade Area, will continue through the Projection Period, resulting in increased demand for air service.
- Airline consolidation/mergers that may occur during the Projection Period are less likely to materially impact passenger activity levels at the Airport due to its predominantly O&D passenger base. It is assumed that none of the three largest low cost carriers (JetBlue, Spirit, and Southwest) or none of the three largest legacy carriers (American, Delta, and United) will merge or consolidate operations with one another over the Projection Period. In FY 2016, these six carriers accounted for approximately 87.0 percent of total enplaned passengers at the Airport. Over the Projection Period, individual airline shares of total enplaned passengers will fluctuate; however, these six carriers are projected to continue to enplane the majority of passengers at the Airport.

Table 5-14: Short-Term Enplaned Passenger Forecast

(Fiscal Years Ended September 30)

	DOMESTIC			INTERNATIONAL			TOTAL		
FISCAL YEAR	**ENPLANED PASSENGERS**	**SCHEDULED DEPARTING SEATS**	**LOAD FACTOR**	**ENPLANED PASSENGERS**	**SCHEDULED DEPARTING SEATS**	**LOAD FACTOR**	**ENPLANED PASSENGERS**	**SCHEDULED DEPARTING SEATS**	**LOAD FACTOR**
2016	11,329,962	13,463,454	84.2%	3,022,648	3,513,994	86.0%	14,352,610	16,977,448	84.5%
Fiscal Year-to-Date (Oct - Jun)									
2016	8,707,902	10,389,770	83.8%	2,250,183	2,639,926	85.2%	10,958,085	13,029,696	84.1%
2017	9,389,284	11,187,966	83.9%	2,674,589	3,353,818	79.7%	12,063,873	14,541,784	83.0%
Projected									
2017	12,456,000	14,776,321	84.3%	3,638,000	4,468,189	81.4%	16,094,000	19,244,510	83.6%
2018	13,285,000	15,755,823	84.3%	4,119,000	4,927,273	83.6%	17,404,000	20,683,096	84.1%
Compound Annual Growth Rate									
FYTD 2016 - 2017	7.8%	7.7%		18.9%	27.0%		10.1%	11.6%	
2016 - 2017	9.9%	9.8%		20.4%	27.2%		12.1%	13.4%	
2017 - 2018	6.7%	6.6%		13.2%	10.3%		8.1%	7.5%	

NOTES:

Enplaned passenger included scheduled and nonscheduled passengers.

FY 2018 scheduled departing seats are based on published data for the first half of the fiscal year (Oct - Mar) and estimated for the second half of the fiscal year (Apr - Sep).

SOURCES: Broward County Aviation Department (2016 and FYTD enplaned passengers); Innovata (Scheduled seats); Ricondo & Associates, Inc., August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table 5-15: Long-Term Socioeconomic Regression and Market Share Results

(Fiscal Years Ended September 30)

DEPENDENT VARIABLE	INDEPENDENT VARIABLE	RANGE OF R-SQUARED	2016 – 2027 CAGR RANGE	CONSENSUS GROWTH
South Florida Domestic O&D Passengers	Earnings Income Net Earnings Per Capita Personal Income GRP	75% - 82%	2.0% - 2.6%	2.0%
South Florida International O&D Passengers	Population Employment Year (Trend)	84% - 96%	2.5% - 3.5%	3.1%
South Florida Total O&D Passengers				2.3%

NOTE: CAGR = Compound Annual Growth Rate

SOURCES: Woods & Poole Economics, Inc. (February 2017); Ricondo & Associates, Inc., August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table 5-16: Long-Term Market Share Results

(Fiscal Years Ended September 30)

	CONSTANT MARKET SHARE			HISTORICAL MARKET SHARE TREND		
FISCAL YEAR	AIRPORT	U.S.	MARKET SHARE	AIRPORT	U.S.	MARKET SHARE
2006	10,680,736	732,886,397	1.46%	10,680,736	732,886,397	1.46%
2016	14,352,610	822,775,195	1.74%	14,352,610	822,775,195	1.74%
2017	16,094,000	857,909,254	1.88%	16,094,000	857,909,254	1.88%
2027	19,604,000	1,045,039,240	1.88%	22,604,000	1,045,039,240	2.16%
CAGR 2017 - 2027	2.0%	2.0%		3.5%	2.0%	

NOTE:

CAGR = Compound Annual Growth Rate

Airport enplaned passenger included scheduled and nonscheduled passengers. U.S. enplaned passengers include revenue passengers only.

SOURCES: Broward County Aviation Department (August 2017); FAA Terminal Area Forecast (January 2017); Ricondo & Associates, Inc., August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

- Domestic carriers will remain disciplined in capacity additions and reductions, due to recent industry consolidation and mergers as discussed in section 5.5.3. Domestic carriers may add, reduce, or eliminate service over the Projection Period; however projected domestic passenger operations are expected to increase gradually as airlines continue to track toward financial rather than market share targets.
- For these analyses, and similar to the FAA's assumptions for its nationwide projections, no terrorist incidents that materially impact United States air traffic demand during the Projection Period are anticipated to occur. Additionally, we do not assume any airline bankruptcies or industry consolidation during the Projection Period that would result in a major contraction within the aviation industry.
- It is important to note that many of the factors influencing aviation demand cannot be quantified. As a result, the projection process should not be viewed as precise, particularly given the major structural changes that have occurred in the aviation industry since deregulation. Actual future traffic levels at the Airport may differ from projections presented herein because of unforeseen events.

Local Assumptions:

- The Airport will continue its role of primarily serving O&D passengers, with the majority of destinations offered within one-stop of the Airport. Airlines will continue to operate as efficiently as possible, actively managing capacity and seeking to maintain or increase load factors on flights.
- The Airport serves as an important element in both Spirit and JetBlue's system-wide network structure and it is anticipated that the Airport's role in each network will be primarily to provide O&D traffic over the Projection Period. However, it is expected the Airport will provide increased connections within JetBlue's network as the airline expands international service at the Airport. In addition, the Airport will provide an increasing role in Southwest's network as the Airport becomes one of the main international connection points for the airline's network.
- Although marketing efforts to attract new carriers to the Airport are expected to continue through the Projection Period, domestic enplaned passenger projections do not assume any incremental increases resulting from the potential initiation of service by any new domestic carriers at the Airport.

5.6.3 PROJECTIONS OF PASSENGER DEMAND

Projections of short-term passenger demand were developed as explained in section 5.6.1. The results are shown in Table 5-14.

Long-term passenger demand projections were developed based on the following:

- The socioeconomic analysis of O&D passengers in the South Florida region and the market share analysis provided a range of passenger growth for the region and the Airport. Based on these analyses long-term passenger growth ranged from 2.0 percent to 3.5 percent compound annual growth rate.

- As a conservative approach, domestic O&D passengers are projected to increase at 2.0 percent which is based on the lower range of the socioeconomic analysis. Domestic connecting passengers are expected to increase at the same rate as domestic O&D passengers. However, the projection is slightly more aggressive than the historical domestic enplaned passenger growth experienced at the Airport from FY 2007 to FY 2016 (1.7 percent compound annual growth rate).
- International O&D passengers (data restricted) are projected to increase at a rate of 3.1 percent reflecting market share growth derived by socioeconomic regressions and a projected increased share shift in FY 2017 and FY 2018.
- Increased international passenger growth at the Airport resulted in a market share shift from other South Florida airports. This growth was estimated through the analysis of publicly available airline growth plans, as well as expectations of service changes at the Airport as additional terminal facilities become available, enabling domestic and international service expansion.
- The competitive environment offered to airlines serving international destinations from the Airport, and the favorable geographic location relative to major focal points of international service (South America and Latin/Caribbean destinations), are expected to support continued growth of service by a variety of airlines. As such, it is forecast that the Airport will support a share of international O&D passenger activity in the South Florida region that is above its historical share. New and additional international service scheduled for FY 2017 and FY 2018 is assumed to increase the Airport's share of international O&D passengers in the short-term; however, over the long-term Projection Period, the Airport's share of international O&D passengers in the South Florida region is assumed to increase slightly.
- The Airport's O&D passenger volumes were assumed to grow 2.3 percent (compound annual growth rate) between FY 2016 and FY 2027, which is consistent and conservative considering the range of potential growth explained by both the regression and market share analyses. Considering the short-term projection of growth in FY 2017 and FY 2018, it was assumed that much of the FY 2016 – FY 2027 growth occurs in those years. Connecting percentage may vary among airlines; however, the Airport's connecting percentage of passengers is assumed to increase slightly over the Projection Period.

Table 5-17 includes the forecasts of future enplaned passenger activity at the Airport through the Projection Period. Total annual enplaned passengers are projected to increase from approximately 14.4 million in FY 2016 to approximately 18.9 million in FY 2027 or at a compound annual growth rate of 2.5 percent. Domestic enplaned passengers are projected to increase from approximately 11.3 million to approximately 14.1 million, while international enplaned passengers are projected to increase from approximately 3.0 million to approximately 4.8 million, or at compound annual growth rates of 2.0 percent and 4.3 percent, respectively. The projected growth rate (2.5 percent) reflects a reasonable rate when compared to the average growth rates identified in the socioeconomic regression and market share analyses. As presented in Table 5-7, from FY 2007 – FY 2016, historical Airport enplaned passengers have increased at a rate higher than the United States. Similar to the previous historical 10-year trend, the Airport's enplaned passengers are projected to increase at a compound annual growth rate of 2.5 percent above the rate of 2.2 percent projected for the United States by the FAA Terminal Area Forecast (TAF)[6] from FY 2016 – FY 2027. **Exhibit 5-10** compares the forecast (Series 2017) with the following enplaned passenger forecasts: Series 2015, Master Plan Update 2016 (Baseline and Accelerated Baseline forecasts), and the FAA TAF for 2016 and Preliminary FAA TAF for 2017.

The Master Plan Update Baseline and Accelerated Baseline forecasts were developed with a projection period from FY 2015 to FY 2035. Some of the assumptions and results used in the Master Plan forecasts varied from the assumptions and results presented in the Series 2017 forecast. Notable changes are listed below:

- The Baseline forecast was developed based on statistical regression and market share analysis, in which a range of acceptable growth rates were used to develop the forecast. Similar to the forecast methodology presented in section 5.6.1, short-term and long-term projections were developed. Published scheduled data in FY 2016 and FY 2017 did not reflect the planned new and additional services in their entirety. As a result, short-term projections in the Baseline forecast are below levels projected in the Accelerated Baseline and Series 2017 forecasts. In FY 2027, enplaned passengers in the Baseline forecast are approximately 19.1 million compared to 18.9 million in the Series 2017 forecast. From FY 2016 to FY 2027, enplaned passengers are projected to increase at a compound annual growth rate of 2.7 percent in the Baseline forecast compared to 2.5 percent in the Series 2017 forecast.

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6 The FAA Terminal Area Forecasts (TAF) are prepared to meet the budget and planning needs of FAA and provide information for use by state and local authorities, the aviation industry, and the public. The TAF are unconstrained forecasts and generally more aggressive than a financial forecast. For the Airport, the FAA TAF for 2016 projects a 3.0 percent annual increase in enplaned passengers, compared to the 2.5 percent growth projected in this Report over the comparable period (FY 2016 to FY 2027). The Preliminary FAA TAF for 2017 projects a 3.7 percent annual increase in enplaned passengers over the comparable period. FAA TAF enplaned passenger data excludes nonrevenue passengers.

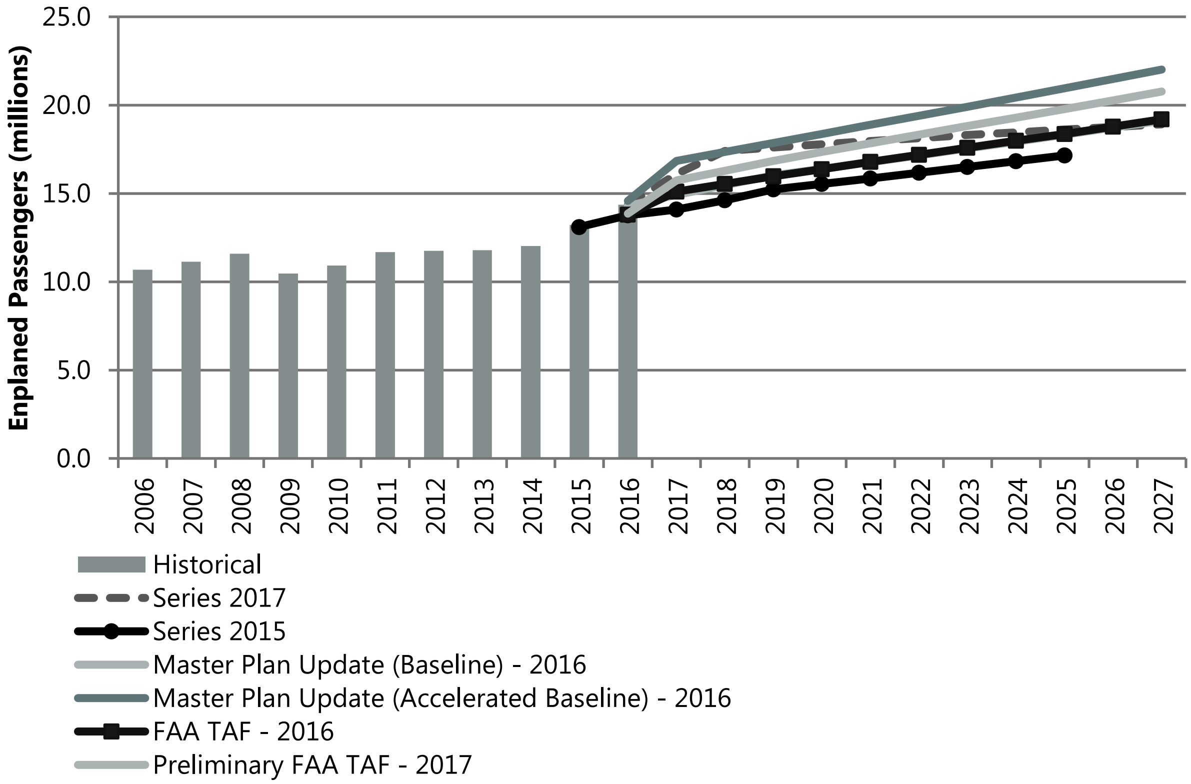
Table 5-17: Enplaned Passenger Projections

(Fiscal Years Ended September 30)

FISCAL YEAR	DOMESTIC ENPLANEMENTS	INTERNATIONAL ENPLANEMENTS	TOTAL ENPLANEMENTS	ANNUAL GROWTH
Historical				
2007	9,776,771	1,365,898	11,142,669	4.3%
2008	10,006,392	1,584,047	11,590,439	4.0%
2009	8,947,048	1,520,840	10,467,888	(9.7%)
2010	9,260,615	1,652,303	10,912,918	4.3%
2011	9,836,081	1,835,449	11,671,530	7.0%
2012	9,962,653	1,781,825	11,744,478	0.6%
2013	10,033,252	1,761,019	11,794,271	0.4%
2014	9,844,866	2,179,848	12,024,714	2.0%
2015	10,515,257	2,699,212	13,214,469	9.9%
2016	11,329,802	3,022,648	14,352,450	8.6%
FYTD (Oct - Jun)				
2016	8,707,742	2,250,183	10,957,925	
2017	9,389,284	2,674,589	12,063,873	10.1%
Projected				
2017	12,456,000	3,638,000	16,094,000	12.1%
2018	13,285,000	4,119,000	17,404,000	8.1%
2019	13,395,000	4,210,000	17,605,000	1.2%
2020	13,495,000	4,288,000	17,783,000	1.0%
2021	13,593,000	4,365,000	17,958,000	1.0%
2022	13,690,000	4,441,000	18,131,000	1.0%
2023	13,784,000	4,517,000	18,301,000	0.9%
2024	13,872,000	4,590,000	18,462,000	0.9%
2025	13,957,000	4,663,000	18,620,000	0.9%
2026	14,036,000	4,735,000	18,771,000	0.8%
2027	14,108,000	4,805,000	18,913,000	0.8%
Compound Annual Growth Rate				
2007 - 2016	1.7%	9.2%	2.9%	
2016 - 2027	2.0%	4.3%	2.5%	

SOURCES: Broward County Aviation Department (Historical), August 2017; Ricondo & Associates, Inc. (Projected), August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Exhibit 5-10: Enplaned Passenger Forecast Comparisons



NOTE: FAA TAF represents revenue enplaned passengers only.

SOURCES: Broward County Aviation Department (Historical), August 2017; FAA Terminal Area Forecast (FAA TAF – 2016 and Preliminary FAA TAF – 2017), August 2017; Ricondo & Associates, Inc. (Series 2015, Series 2017, Master Plan Update Baseline and Master Plan Accelerated Baseline), August 2017.

PREPARED BY: Ricondo & Associates, Inc., September 2017.

- The Accelerated Baseline forecast was informed by the Baseline's statistical regression and market share analysis and confidential growth plans provided by select airlines. Short-term projections were based on published scheduled data for FY 2016 and FY 2017 and the confidential information provided by the airlines. As a result, short-term projections in the Series 2017 forecast are slightly below projections in the Accelerated Baseline forecast due to planned growth not materializing on the timeline provided by the airlines. However, the planned growth materialized and became public information through published schedule data for FY 2017 and FY 2018. As a result, FY 2018 enplaned passengers are projected to reach approximately 17.4 million in the Series 2017 forecast which closely aligns with the approximately 17.3 million enplaned passengers projected in the Accelerated Baseline forecast for FY 2018. The confidential growth plans which were used in the Accelerated Baseline forecast were primarily based on anticipated average daily departures. These airlines also provide long-term assumptions on fleet mix, load factors, and connecting percentages which provided guidance for long-term growth. The Series 2017 forecast only incorporated published schedules and public available information and did not incorporate nor was provided any confidential airline growth plans. In FY 2027, enplaned passengers in the Accelerated Baseline forecast are approximately 22.0 million compared to 18.9 million in the Series 2017 forecast. From FY 2016 to FY 2027, enplaned passengers are projected to increase at a compound annual growth rate of 3.8 percent in the Accelerated Baseline forecast compared to 2.5 percent in the Series 2017 forecast.

5.6.4 AIRCRAFT OPERATIONS PROJECTIONS

Table 5-18 presents historical and projected aircraft operations at the Airport through FY 2027. Total Airport operations are projected to increase to 326,560 in FY 2027. From FY 2016 to FY 2027, total Airport operations are projected to increase at a compound annual growth rate of 1.5 percent. Each category (passenger, all-cargo, and general aviation) are discussed in further detail below.

Passenger carrier operations are projected to increase from approximately 231,200 in FY 2016, to 272,800 in FY 2027, a compound annual growth rate of 1.5 percent during that period. In general, the projected number of passenger carrier operations between 2016 and 2027 was based on historical relationships among enplaned passengers, load factors, and average seating capacities of aircraft serving the Airport. While mainline carriers have historically kept their share of the market steady in terms of enplaned passengers and operations, regional carriers have seen fluctuations as a general shift to larger aircraft has resulted in a slight reduction in frequencies. In addition to the regional carriers shift to larger aircraft, JetBlue utilizes larger Airbus A321 (198 seats) aircraft, Spirit operates larger Airbus A321 (228 seats) aircraft, and Southwest has added capacity to its fleet by adding seats to their Boeing 737-700 aircraft (137 to 143 seats) while operating more Boeing 737-800 (175 seats) aircraft . As JetBlue, Spirit, Southwest and the regional carriers adjust their operations with different aircraft and seat configurations, the average number of available seats per departure from the Airport is expected to increase.

- After incorporating the short-term (FY 2017 and FY 2018) projections, it is assumed projected increases in domestic passenger demand will be accommodated through a combination of (1) increasing demand on current routes and possible new routes and (2) an increase in the average seats per departure from 155 seats in FY 2017 to 168 seats in FY 2027. Load factors are assumed to remain relatively stable at 84 percent through FY 2027.
- After incorporating the short-term (FY 2017 and FY 2018) projections, it is assumed projected increases in international passenger demand will be accommodated through a combination of (1) increasing demand on current routes and the initiation of new international service by existing and possible new carriers; (2) an increase in average seats per departure from 138 seats in FY 2016 to 155 seats in FY 2027; and (3) an increase in load factors from approximately 80 percent in FY 2016 to 84 percent in FY 2027.
- Southwest initiated international operations beginning in FY 2017. Southwest's service is projected to increase from 8 daily international departures in the second half of FY 2017, to 14 daily international departures in FY 2018.
- In addition to new international service initiated by Southwest in FY 2017, Emirates initiated service to Dubai and British Airways to London-Gatwick. Norwegian Air initiated service to Pointe-à-Pitre (Guadalupe) and Barcelona in FY 2017, and is scheduled to start service to Fort-de-France (Martinique) in early FY 2018.

- Overall load factors are anticipated to remain stable and average 84 percent from FY 2017 to FY 2027 as the airlines continue to focus on balancing seat capacity to demand.

Table 5-18: Aircraft Operations Projections

(Fiscal Years Ended September 30)

FISCAL YEAR	PASSENGER AIRLINES	ALL-CARGO	GENERAL AVIATION	TOTAL	ANNUAL GROWTH
Historical					
2007	226,587	6,763	35,756	269,106	16.6%
2008	231,886	6,392	52,900	291,178	8.2%
2009	201,637	5,083	46,444	253,164	(13.1%)
2010	204,830	5,336	45,438	255,604	1.0%
2011	205,673	6,053	46,568	258,294	1.1%
2012	209,532	4,561	41,936	256,029	(0.9%)
2013	204,493	4,279	39,160	247,932	(3.2%)
2014	202,481	4,318	33,232	240,031	(3.2%)
2015	220,145	4,695	34,386	259,226	8.0%
2016	231,154	4,955	42,390	278,499	7.4%
FYTD (Oct - Jun)					
2016	177,237	3,805	33,978	215,020	
2017	190,284	3,355	35,426	229,065	6.5%
Projected					
2017	251,200	4,350	43,870	299,420	7.5%
2018	265,700	4,370	44,420	314,490	5.0%
2019	267,000	4,390	44,930	316,320	0.6%
2020	267,900	4,410	45,420	317,730	0.4%
2021	268,800	4,430	45,920	319,150	0.4%
2022	269,700	4,460	46,430	320,590	0.5%
2023	270,500	4,480	46,960	321,940	0.4%
2024	271,200	4,500	47,480	323,180	0.4%
2025	271,900	4,520	48,020	324,440	0.4%
2026	272,400	4,540	48,600	325,540	0.3%
2027	272,800	4,560	49,200	326,560	0.3%
Compound Annual Growth Rate					
2007 - 2016	0.2%	(3.4%)	1.9%	0.4%	
2016 - 2027	1.5%	(0.8%)	1.4%	1.5%	

SOURCES: Broward County Aviation Department (Historical), August 2017; Ricondo & Associates, Inc. (Projected), August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table 5-19 presents the projected relationship between enplaned passengers, load factors, operations and average seats per departure for the Projection Period. The average number of available seats per departure from the Airport is projected to increase from 153 seats in FY 2017 to 165 seats in FY 2027.

Table 5-19: Historical and Projected Average Seats per Departure

(Fiscal Years Ended September 30)

FISCAL YEAR	ENPLANED PASSENGERS	DEPARTING SEATS	LOAD FACTOR	OPERATIONS	AVERAGE SEATS PER DEPARTURE
Historical					
2016	14,352,610	16,977,448	84.5%	231,154	146.9
FYTD (Oct - Jun)					
2016	10,958,085	13,029,696	84.1%	177,237	147.0
2017	12,063,873	14,541,784	83.0%	190,284	152.8
Projected					
2017	16,094,000	19,244,510	83.6%	251,200	153.2
2018	17,404,000	20,683,096	84.1%	265,700	155.7
2019	17,605,000	20,921,098	84.1%	267,000	156.7
2020	17,783,000	21,130,052	84.2%	267,900	157.7
2021	17,958,000	21,336,026	84.2%	268,800	158.8
2022	18,131,000	21,540,222	84.2%	269,700	159.7
2023	18,301,000	21,739,023	84.2%	270,500	160.7
2024	18,462,000	21,929,570	84.2%	271,200	161.7
2025	18,620,000	22,114,056	84.2%	271,900	162.7
2026	18,771,000	22,290,262	84.2%	272,400	163.7
2027	18,913,000	22,456,926	84.2%	272,800	164.6
Compound Annual Growth Rate					
2016 - 2017	12.1%	13.4%		8.7%	
2016 - 2027	2.5%	2.6%		1.5%	

SOURCES: Broward County Aviation Department (Historical); Innovata (Historical and projected seats); Ricondo & Associates, Inc. (Projected), August 2017.

PREPARED BY: Ricondo & Associates, Inc., September 2017.

As shown on Table 5-18, all-cargo operations are projected to decrease from 4,955 in FY 2016, to 4,560 in FY 2027, at a compound annual decrease of 0.8 percent. FY 2017 through June all-cargo operations have decreased 11.8 percent due to a reduction in FedEx flight operations. After FY 2017, it is assumed there will not be significant decreases in all-cargo operation as experienced between FY 2011 and FY 2013 and FY 2016 and FY 2017. It is assumed FedEx, Mountain Air Cargo, and UPS will continue to operate at the Airport and no new all-cargo airlines will initiate service at the Airport over the Projection Period. After a projected 12.2 percent decrease in all-cargo operations in FY 2017, it is assumed these operations will return to their historical five-year average of 4,560 operations by FY 2027, but still below FY 2016 levels. From FY 2017 to FY 2027, all-cargo operations are projected to increase from 4,350 operations to 4,560 operations, or at a compound annual growth rate of 0.5 percent. All-cargo operations are assumed to represent 1.4 percent of total operations over the Projection Period.

General aviation operations at the Airport are expected to increase over the Projection Period, to 49,200 annual operations. From FY 2016 to FY 2027, the FAA projects general aviation operations nationwide to increase at a compound annual growth rate of 0.4 percent; however due to the Airport's FY 2017 projected increase, general aviation operations at the Airport are projected to increase at a compound annual growth rate of 1.4 percent over the comparable period. Projections for general aviation operations were based on similar growth rates provided in the FAA's TAF for the Airport's general aviation and air taxi operations.

5.6.5 LANDED WEIGHT PROJECTIONS

Table 5-20 presents historical and projected landed weight at the Airport. As shown, the landed weight of passenger airlines serving the Airport is projected to increase from 15,340,919 thousand pound units in FY 2016, to 19,887,600 thousand pound units in FY 2027, a compound annual growth rate of 2.4 percent. This rate is lower than the historical growth rate of 4.1 percent experienced from FY 2012 to FY 2016. In FY 2017, the primary fleet mix for passenger aircraft operating at the Airport included: Airbus A320 (29.3 percent – 158 average seats), Boeing 737-700 (13.9 percent – 143 average seats), Airbus A321 (12.4 percent – 210 average seats), and Boeing 737-800 (12.2 percent – 168 average seats). In FY 2027, the projected primary fleet mix for passenger aircraft includes: Airbus A320 (24.0 percent), Boeing 737-800 (23.5 percent), Airbus A321 (21.8 percent), and Boeing 737-700 (5.3 percent). All-cargo and general aviation combined landed weight is projected to increase from 999,518 thousand pound units in FY 2016 to 1,013,400 thousand pound units in FY 2027, a compound annual growth rate of 0.1 percent. As shown, total Airport landed weight is projected to increase from 16,340,437 thousand pound units in FY 2016, to 20,901,000 thousand pound units in FY 2027, a compound annual growth rate of 2.3 percent.

Table 5-20: Landed Weight Projections

(Fiscal Years Ended September 30)

FISCAL YEAR	PASSENGER AIRLINES	ALL-CARGO AIRLINES & GENERAL AVIATION	TOTAL
Historical			
2012	13,073,988	854,899	13,928,887
2013	13,045,464	857,766	13,903,230
2014	13,185,824	860,193	14,046,017
2015	14,287,804	913,217	15,201,021
2016	15,340,919	999,518	16,340,437
FYTD (Oct - Jun)			
2016	12,106,164	499,238	12,605,401
2017	13,155,985	450,391	13,606,376
Projected			
2017	17,341,600	904,100	18,245,700
2018	18,648,600	915,300	19,563,900
2019	18,833,700	925,700	19,759,400
2020	18,971,000	935,800	19,906,800
2021	19,105,700	946,100	20,051,800
2022	19,238,800	956,700	20,195,500
2023	19,381,400	967,600	20,349,000
2024	19,517,200	978,300	20,495,500
2025	19,647,800	989,300	20,637,100
2026	19,771,600	1,001,200	20,772,800
2027	19,887,600	1,013,400	20,901,000
Compound Annual Growth Rate			
2012 - 2016	4.1%	4.0%	4.1%
2016 - 2027	2.4%	0.1%	2.3%

SOURCES: Broward County Aviation Department (Historical), August 2017; Ricondo & Associates, Inc. (Projected), August 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

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6. Financial Analysis

This Chapter examines the financial framework of the Airport, and the cost and other financial implications following the issuance of the 2017 Bonds and the future bonds necessary to complete the funding of the Airport CIP described in Chapter 2. Chapter 6 presents the following projections: Operation and Maintenance (O&M) Expenses, non-airline revenues, other available revenues, Net Airport System Debt Service, airline revenues, Net Revenue Requirements, Signatory Airline Cost per Enplaned Passenger, and Debt Service Coverage. Tables with financial projections discussed in this Chapter are included in Appendix A of this Report.

6.1 Financial Framework

6.1.1 AUTHORITY ACCOUNTING

The County utilizes cost centers, which include those areas or functional activities of the Airport System used for the purposes of accounting for O&M Expenses, Revenues, and Airport System Debt Service.

Airport Cost Centers used in the determination of rates for rentals, fees, and charges under the Airline-Airport Lease and Use Agreement (Airline Agreement) include:

- **Airfield Cost Center.** This cost center includes all debt service; all direct, indirect, and general administrative O&M Expenses; and Revenues for the Airfield. The Airfield Cost Center includes those portions of the Airport areas provided for the landing, take-off, and taxiing of aircraft, including approach and clear zones and navigation easements, as well as the fuel farm and distribution system used for jet fuel.
- **Terminal Cost Center.** This cost center includes all debt service; all direct, indirect, and general administrative O&M Expenses; and Revenues within the Airport system facilities and properties other than the Airfield Cost Center.

6.1.2 AIRLINE USE AND LEASE AGREEMENT

The County and the airlines serving the Airport entered into a new Airline Agreement, effective October 1, 2011. The Airline Agreement establishes the operational and financial relationship between the Airport and the airlines that executed the Airline Agreement (Signatory Airlines.) The term of the current Airline Agreement, which has been extended through September 30, 2026, incorporates the lease and use of the Terminal Building and Airfield and establishes a residual rate-setting methodology, described in Section 6.6 of this Chapter.

The Airline Agreement also establishes annual rates and charges for non-signatory airlines and non-airline tenant leasing space in the passenger terminals at the Airport each year, such that rates and charges are no less than 130 percent of the applicable Signatory Airlines rates and charges. The financial projections included in this Chapter are in accordance with the terms and conditions set forth in the Airline Agreement, and assume a continuation of the rate-setting methodology set forth in the current Airline Agreement through the Projection Period.

6.2 Operating and Maintenance Expenses

O&M Expenses at the Airport are budgeted by department, and designated as one of the following types of expenses: personnel, contractual services, police and fire fighting services, utilities, insurance, repairs and maintenance, North Perry Airport, and administrative expenses. O&M Expenses are allocated to the Airfield and Terminal Cost Centers for rate-setting purposes.

Historical O&M Expenses, and the resulting O&M Expenses per enplaned passenger, are presented in **Table 6-1**.

Table 6-1: Historical Operation and Maintenance Expenses, Fiscal Year 2012- Fiscal Year 2016

(Dollars in Thousands for Fiscal Years Ending September 30)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	COMPOUND ANNUAL GROWTH RATE
Total O&M Expenses (thousands)	$119,548	$125,660	$127,935	$135,406	$141,890	4.4%
O&M Expenses annual growth rate		5.1%	1.8%	5.8%	4.8%	
Enplaned Passengers(thousands)	11,744	11,794	12,025	13,214	14,352	5.1%
Enplaned passengers growth rate		0.4%	2.0%	9.9%	8.6%	
Total O&M Expenses per Enplaned Passenger	$10.18	$10.65	$10.64	$10.25	$9.89	-0.7%

SOURCE: Broward County Aviation Department, *Financial Statements for the Years Ended September 30, 2016 and 2015*, March 2017; Broward County Aviation Department, *Financial Statements for the Years Ended September 30, 2014 and 2013*, February 2015.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

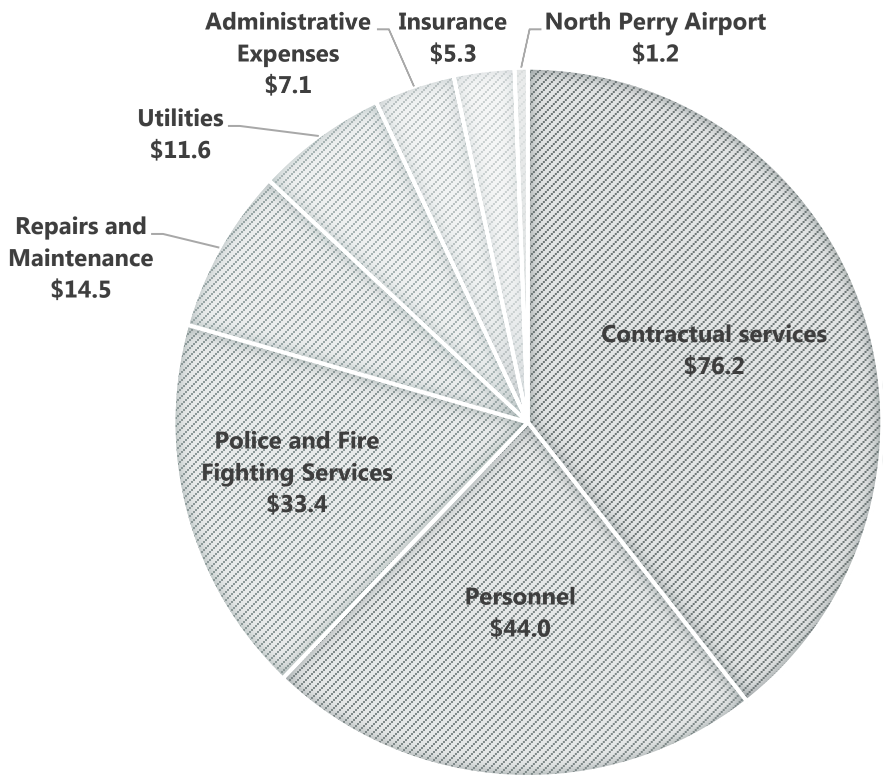
O&M Expenses increased from approximately $119.5 million in FY 2012 to approximately $141.9 million in FY 2016, reflecting a compound annual growth rate of 4.4 percent. O&M Expenses per enplaned passenger increased in FY 2013 before declining between FY 2014 and FY 2016. Enplaned passenger growth outpaced growth in O&M Expenses, resulting in an overall compound annual growth rate of -0.7 percent between FY 2012 and FY 2016.

O&M Expenses are estimated to be $162.3 million in FY 2017, which reflects a 14.4 percent increase over FY 2016 actual O&M Expenses. The increase is primarily attributable to increased costs of contractual services (security, shuttle services, janitorial, and software supply and maintenance) associated with the opening of on-going terminal projects described in Chapter 3 of this Report, along with continued increases in airline activity at the Airport.

Exhibit 6-1 presents the budget FY 2018 O&M Expenses by cost category.

Exhibit 6-1: Budget Fiscal Year 2018 Operating and Maintenance Expense by Cost Category

(For Fiscal Year Ending September 30, in millions)



SOURCE: Broward County Aviation Department, July 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

As shown, total O&M Expenses are budgeted to be $193.5 million in FY 2018; an increase of $31.2 million, or 19.2 percent, over budgeted FY 2017 O&M Expenses. The increase is primarily attributable to budgeted increases in contractual services required based on the completion of the Terminal 4 project, Concourse A construction, and fleet replacement budgeted in FY 2018. Airfield contractual services are estimated to increase an additional $1.2 million associated with airfield vehicle fleet replacement included in the Airport CIP. The Terminal Area janitorial and electrician contractual services are estimated to increase an additional $2.0 million and $1.5 million, related to the Terminal 4 project and Concourse A construction, respectively.

6.2.1 O&M EXPENSE PROJECTIONS

The Airport's FY 2018 budget serves as the base year from which O&M Expenses are projected. O&M Expenses are projected to increase based on the type of expense, impacts of the completion of capital projects previously described, and expectations of future inflation rates (assumed to be 3.0 percent annually).

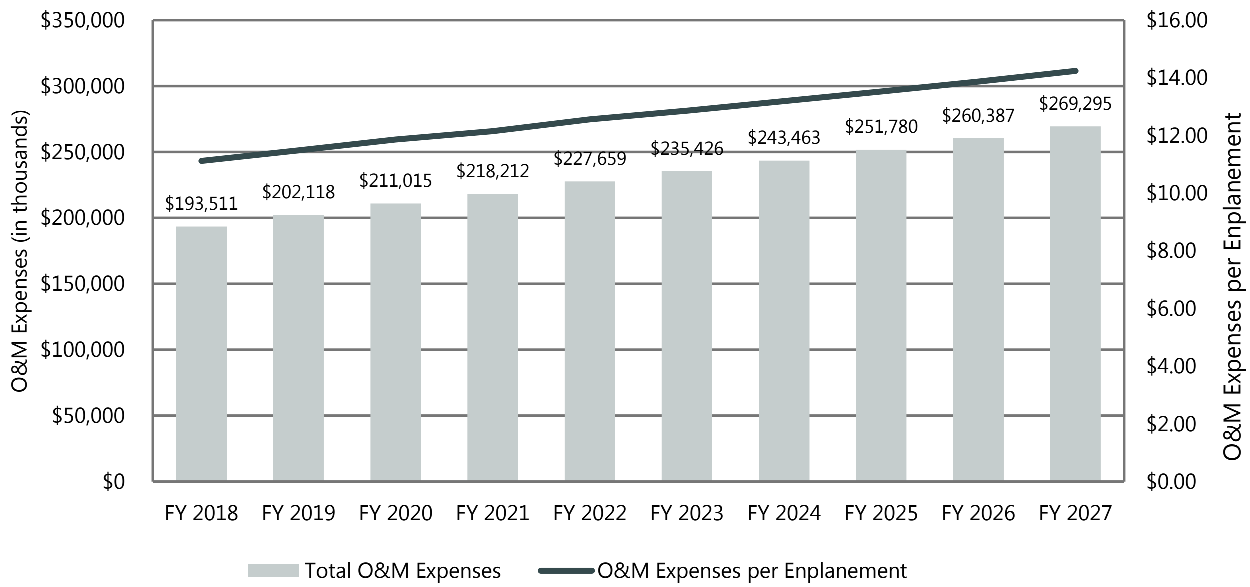
For purposes of the financial analysis in this Report, Terminal Area janitorial and electrician contractual services are estimated to increase an additional $2.0 million in FY 2019, FY 2020 and FY 2022. The increase is related to the Terminal Connectors, Gate Expansion, and Terminal Modernization projects (as described in Chapter 3), respectively.

As shown in **Exhibit 6-2**, O&M Expenses are projected to increase from $193.5 million in FY 2018 to $269.3 million in FY 2027, representing a compound annual growth rate of 3.7 percent. Table A-1**,** in **Appendix A** of this Report, presents budgeted and projected O&M Expenses from FY 2018 through FY 2027, the allocation of O&M Expenses to the Airport cost centers, and the required deposits to the O&M Reserve.

O&M Expense categories are discussed below.

Exhibit 6-2: Projected Operating and Maintenance Expenses

(For Fiscal Years Ending September 30)



SOURCES: Broward County Aviation Department, July 2017 (FY 2018 budget); Ricondo & Associates, Inc., September 2017 (projections).
PREPARED BY: Ricondo & Associates, Inc., September 2017.

6.2.1.1 Personnel

Personnel expenses include Airport staff compensation and benefits. Expenses for personnel, which account for 22.8 percent of total operating expenses in FY 2018, are projected to increase at a compound annual growth rate of 4.0 percent through FY 2027. This increase is attributable primarily to salary increases, escalating insurance premiums, and other benefit increases.

6.2.1.2 Contractual Services

Contractual services expenses include outside legal and airport consulting services as well as services provided by County departments other than BCAD. Contractual services account for 39.4 percent of the total operating expenses in FY 2018. These expenses are projected to increase at a compound annual growth rate of 3.8 percent through the Projection Period, which includes the incremental O&M expenses budgeted in FY 2018, and projected in FY 2019, FY 2020, and FY 2022, described above.

6.2.1.3 Police and fire fighting services

Police and fire fighting services include expenses associated with the County Sheriff's Office law enforcement officers and airport rescue and firefighting. The police and fire fighting services expenses at the Airport account for 17.3 percent of the total operating expenses in FY 2018, and are projected to increase at a compound annual growth rate of 4.0 percent through the Projection Period.

6.2.1.4 Utilities

Utilities expenses include electricity, water and sewer, and natural gas expenses. Utilities expenses account for 6.0 percent of total operating expenses and are projected to increase at a compound annual growth rate of 3.0 percent through the Projection Period.

6.2.1.5 Insurance

Insurance expenses account for 2.8 percent of total operating expenses and are projected to increase at a compound annual growth rate of 3.5 percent through the Projection Period.

6.2.1.6 Repairs and Maintenance

Repairs and maintenance expenses account for 7.5 percent of total operating expenses and are projected to increase at a compound annual growth rate of 3.0 percent through the Projection Period.

6.2.1.7 North Perry Airport

Expenses at North Perry Airport account for 0.6 percent of total operating expenses and are projected to increase at a compound annual growth rate of 3.0 percent through the Projection Period.

6.2.1.8 Administrative Expenses

Administrative expenses account for 3.7 percent of total operating expenses and are projected to increase at a compound annual growth rate of 3.0 percent through the Projection Period.

6.3 Non-Airline Revenues

Non-Airline Revenues include all Revenues generated for the Airport other than Revenues generated from the Airline Agreement. **Table 6-2** presents concession revenues and enplaned passengers from FY 2012 through FY 2016 and the resulting historical concessions revenues per enplaned passenger.

Table 6-2: Historical Concession Revenues Fiscal Year 2012- Fiscal Year 2016

(Dollars in Thousands for Fiscal Years Ending September 30)

CONCESSION REVENUES (THOUSANDS)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	CAGR
Food and Beverage	$9,907	$10,323	$10,725	$12,916	$15,505	11.8%
News and Gift	6,629	6,040	6,405	6,545	6,973	1.3%
Duty Free	1,238	1,258	1,375	1,503	1,288	1.0%
Ground Transportation 1/	1,807	2,784	3,519	3,676	6,383	37.1%
Advertising	1,869	1,868	955	746	1,162	-11.2%
Other Concessions 2/	1,212	1,249	1,494	1,948	2,058	14.2%
Subtotal Terminal Concessions	**$22,662**	**$23,520**	**$24,474**	**$27,334**	**$33,370**	**10.2%**
Car Rental 3/	$27,005	$27,841	$29,961	$33,200	$35,328	6.9%
Parking	39,661	40,765	41,775	44,221	47,554	4.6%
Total Concession Revenues	**$89,328**	**$92,127**	**$96,210**	**$104,755**	**$116,252**	**6.8%**
Total Concession Revenues annual growth rate		3.1%	4.4%	8.9%	11.0%	
Enplaned Passengers (thousands)	11,744	11,794	12,025	13,214	14,352	5.1%
Enplaned Passenger growth rate		0.4%	2.0%	9.9%	8.6%	
Total Concession Revenues per Enplaned Passenger	$7.61	$7.81	$8.00	$7.93	$8.10	1.6%

NOTES:

1/ Includes taxi and limousine, ground transportation, and TNC fees beginning in FY 2016.

2/ Includes in-flight catering, aircraft service/ground handling, baggage carts, business services, and concession vending lockers.

3/ Excludes CFC revenues.

SOURCE: Broward County Aviation Department, July 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

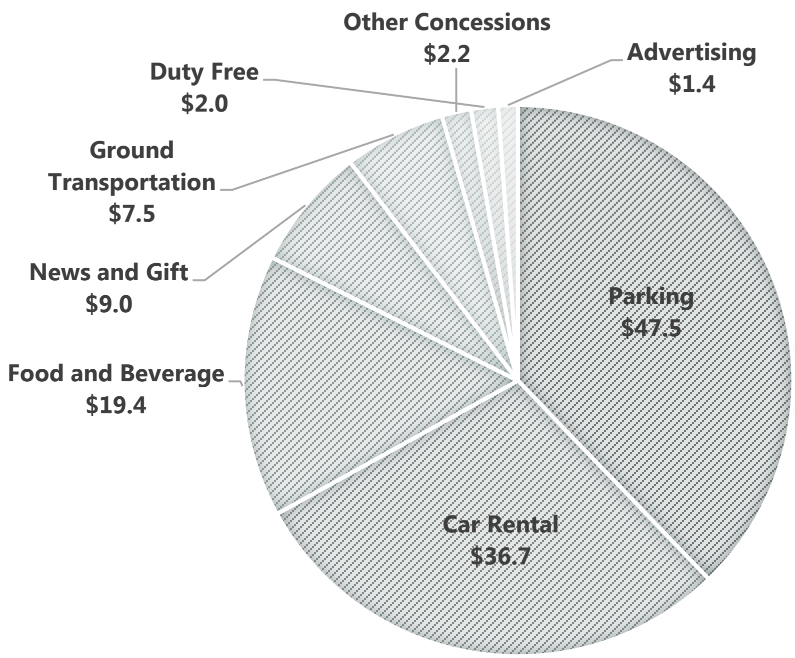
From FY 2012 through FY 2016, 68.7 percent of the Airport's Non-Airline Revenues were generated from concessions (e.g. food and beverage, news and gift, other terminal concessions, car parking, and car rentals, excluding Customer Facility Charge (CFC) revenues). As shown, total concession revenues were approximately $89.3 million in FY 2012. These revenues increased in each of the subsequent years as a result of annual growth in enplaned passengers as well as additional concession spending per passenger from FY 2012 to FY 2016, indicative of the economic recovery. Additionally, the introduction of TNC fees in FY 2016 has resulted in increases in ground transportation concession revenues. Total concession revenues increased to approximately $116.3 million in FY 2016, representing a compound annual growth rate of 6.8 percent from FY 2012 through FY 2016. As shown in Table 6-2, total concession revenues per enplaned passenger have increased at a compound annual growth rate of 1.6 percent, from $7.61 per enplaned passenger in FY 2012 to $8.10 in FY 2016.

Concession revenues are currently estimated to total $120.6 million in FY 2017, which is consistent with what had been budgeted for concession revenues in FY 2017 and is a 3.8 percent increase over actual FY 2016 concession revenues.

Exhibit 6-3 presents the breakdown of budget FY 2018 concession revenues (excludes CFC revenues).

Exhibit 6-3: Budget Fiscal Year 2018 Concession Revenues by Category

(For Fiscal Year Ending September 30, in millions)



SOURCE: Broward County Aviation Department, July 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

In addition to concession revenues, Non-Airline Revenues include elements such as: fuel farm and fuel flowage fees; non-airline space rentals, including building and hangar rentals and commercial and industrial rentals; revenues generated at North Perry Airport; CFC revenues; interest income; and other reimbursements. Total Non-Airline Revenues increased from $132.7 million in FY 2012 to $163.6 million in FY 2016, a compound annual rate of 5.4 percent. Growth in concession revenues was the largest factor of the increase in total Non-Airline Revenues during this period.

Additional information regarding Non-Airline Revenues, by Cost Center, is provided below.

6.3.1 AIRFIELD

Airfield Non-Airline Revenues, which include fuel flowage fees and revenues from the fuel farm, are budgeted to be approximately $2.2 million in FY 2018. Total Airfield Non-Airline Revenues are projected to remain stable through the Projection Period and increase slightly to $2.4 million in FY 2027, at a compound annual growth rate of 0.6 percent.

6.3.2 TERMINAL

Detailed descriptions of Non-Airline Revenues in the Terminal Cost Center generated by car parking, car rentals and CFC revenues, and Terminal concessions (which account for 88.3 percent of total Non-Airline Revenues in the Airport's FY 2018 budget) follow:

Parking

As described in Chapter 2, the Palm, Hibiscus, and Cypress Garages provide for terminal parking. Parking revenues are budgeted to be $47.5 million in FY 2018, accounting for 27.0 percent of total non-airline revenues.

Car Rental

Each rental car company is party to a concession agreement with the Airport, expiring December 31, 2018. Off-Airport rental car companies also pay concession fees to the Airport. Total car rental revenues, including on and off-Airport rental car concession revenues, are budgeted to be $36.7 million in FY 2018, accounting for 20.8 percent of total non-airline revenues.

CFC Revenue

The Board established by resolution a CFC of $3.95 per contract day on any rental car company operating under the concession agreement. Each rental car company is required to collect a CFC from the rental car customer and remit the revenues to the County. The use of the CFC revenues is unrestricted, however the funds collected through the CFC are being used to pay a portion of the O&M costs and the debt service cost for the RCC. The Rental Car Agreement provides that, in the event of a shortfall in CFC revenues, Contingent Rent may be imposed on the On-Airport rental car companies. Off-Airport rental car companies do not pay a CFC. CFC revenues are budgeted to be $31.5 million in FY 2018, accounting for 17.9 percent of total non-airline revenues.

Terminal Concessions

Terminal concessions revenues include food and beverage, news and gift, duty free, taxi and limousine, TNC fees, ground transportation, advertising, in-flight catering, aircraft service and ground handling, baggage carts and other miscellaneous revenues in the Terminal.

- Two concessionaires, Host International and Lauderdale Food & Beverage, operate a total of 29 food and beverages outlets at the Airport under a concession agreement that expires December 31, 2032.
- Two concessionaires, AMS South Florida (Hudson) and Paradies-Broward, operate a total of 16 news and gift outlets and 10 specialty retail outlets at the Airport under a concession agreement that expires December 31, 2027.
- Broward Duty Free operates four duty free shop locations in the Airport under a concession agreement that expires December 31, 2024.

6.3.3 NON-AIRLINE REVENUE PROJECTIONS

The Airport's FY 2018 budget serves as the base year from which Non-Airline Revenues are projected. For purposes of this Report it is assumed that the terms and conditions in all existing contracts reflected in budgeted terminal concessions in FY 2018 will be extended through the Projection Period.

Total terminal concessions are budgeted to be $41.5 million in FY 2018; an increase of $3.9 million, or 10.5 percent, over estimated FY 2017 terminal concessions. This increase is primarily attributable to budgeted increases in food and beverage and news and gift revenues associated with the completion of the Terminal 4 project and Concourse A construction budgeted in FY 2018.

The County is continually working with concessionaires to introduce new concession concepts and to implement strategies that may increase the average spend per passenger on terminal concessions. The Terminal Connectors and Terminal Modernization projects (described in Chapter 3), anticipated to be completed in FY 2019 and FY 2022, respectively, are anticipated to expand and improve concessions, providing further opportunities to increase concession revenues. For purposes of this Report, it is assumed that food and beverage and news and gift revenues will each increase approximately 5.0 percent in FY 2019 and FY 2022, in addition to the projected growth described below, as a result of the improved and expanded concessions implementation.

Concession revenues per enplaned passenger are projected to increase at a compound annual growth rate of 1.3 percent through the Projection Period.

Projected Concessions Growth

Concessions revenues are projected to increase at a compound annual growth rate of 2.3 percent during the Projection Period and are projected using the following methodologies:

- **Parking.** Public parking is projected to increase by a combination of enplaned passenger growth plus half the rate of inflation, reflecting a gradual increase in parking prices over the Projection Period instead of specific timing or amount. Employee parking is projected to increase consistent with the rate of inflation.

  Taxi service, as a well-established alternative, factors into the current level of Airport parking demand, and with limited ability to develop new products or facilities, is not expected to result in any material incremental long-term effect to on-Airport parking revenues. However, TNCs offer a relatively new and increasingly popular transportation alternative that may impact on-Airport parking revenues. The impact of TNCs to on-Airport parking revenues will be clearer as the industry matures and tracking of TNC activity at airports improves.

- **Car Rental. Car rental revenue is p**rojected to increase by a combination of enplaned passenger growth plus half the rate of inflation. Rents paid by the rental car companies are projected to increase by the rate of inflation.

  Currently there is no plan to increase the CFC collection level, which is projected to increase at the rate of enplaned passenger growth. For purposes of this Report, no increase in the CFC collection level or increase in rental car transaction days per enplaned passenger are assumed.

- **Food and Beverage.** In addition to the increases associated with the completion of capital projects, food and beverage revenue is projected to increase by a combination of enplaned passenger growth plus half the rate of inflation.

- **News and Gift.** In addition to the increases associated with the completion of capital projects, news and gift revenue is projected to increase by a combination of enplaned passenger growth plus half the rate of inflation.
- **Duty Free.** Duty free revenue is projected to increase by a combination of enplaned passenger growth plus half the rate of inflation.
- **Ground Transportation.** Ground transportation revenue is projected to increase by a combination of enplaned passenger growth plus half the rate of inflation.

  Beginning in FY 2016, TNCs are charged a $3.00 per pickup rideshare fee. Given the recent emergence of TNCs, there is not sufficient data available to meaningfully assess the degree to which they are capturing demand share at the expense of Airport parking or other forms of ground transportation such as taxis.
- **Advertising.** Advertising revenue is projected to increase by half the rate of inflation.
- **Other Concessions.** Other concessions revenue is projected to increase by a combination of enplaned passenger growth plus half the rate of inflation.

Exhibit 6-4 presents budgeted and projected non-airline revenues from FY 2018 through FY 2027. As depicted, total non-airline revenues (including interest income and reimbursements) are budgeted to be $176,175,000 in FY 2018, and projected to increase to $211,448,000 in FY 2027, reflecting a compound annual growth rate of 2.1 percent. Growth in non-airline revenues results from projected increases in aviation activity, impacts of the completion of capital projects, as well as inflationary factors, assumed in this report to be 3.0 percent. Projected non-airline revenues are also provided in Table A-2 in Appendix A of this Report.

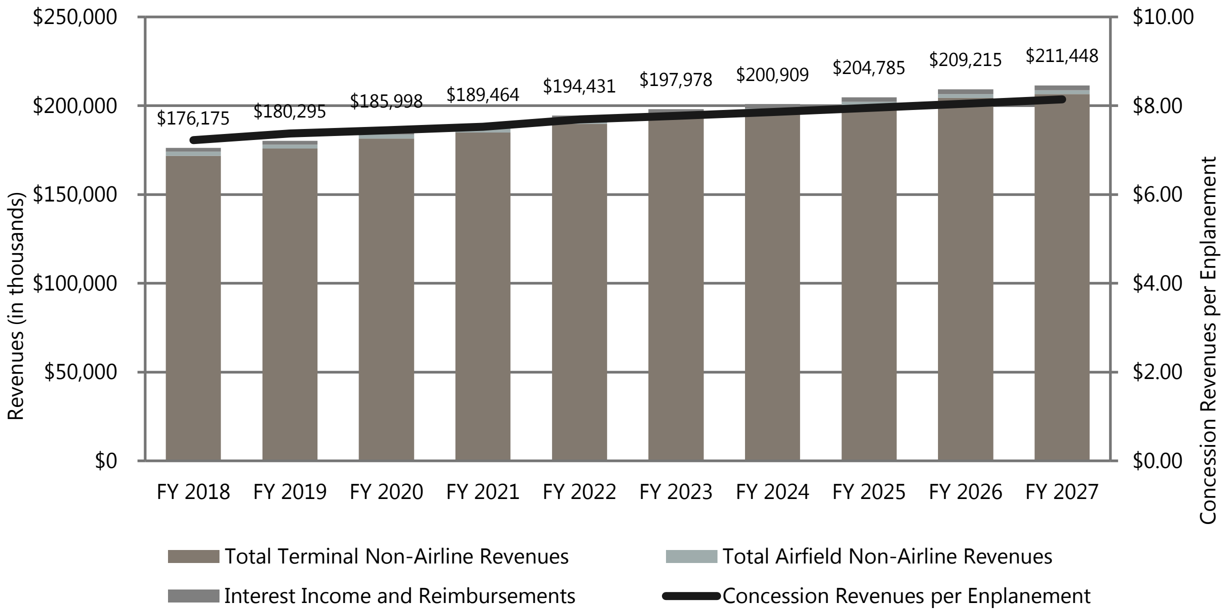
6.4 Passenger Facility Charges

The Airport has received approval from the FAA to collect a $4.50 PFC per eligible enplaned passenger and to use PFC Revenues for approved capital projects, including financing costs, totaling approximately $1.8 billion, in 13 separate PFC applications. The PFC Charge Expiration Date for PFC collections is currently August 1, 2031, based on estimates of future enplaned passengers. As depicted on **Exhibit 6-5**, PFC Revenues are projected to increase from approximately $71.1 million in FY 2018 to approximately $77.2 million in FY 2027, based on the projected growth in enplaned passengers.

PFCs are irrevocably committed to pay debt service on the following series of Bonds: 2012 Series P-2, 2012 Series Q-1, 2013 Series C, and 2015 Series C, also depicted on **Exhibit 6-5**. The use of PFCs reduces the amount of debt service to be paid from Net ASR Revenues. PFCs are pledged to pay debt service through FY 2021, and for purposes of this Report it is assumed that the Airport will continue to use PFCs to pay debt service through the Projection Period.

Exhibit 6-4: Projected Non-Airline Revenues

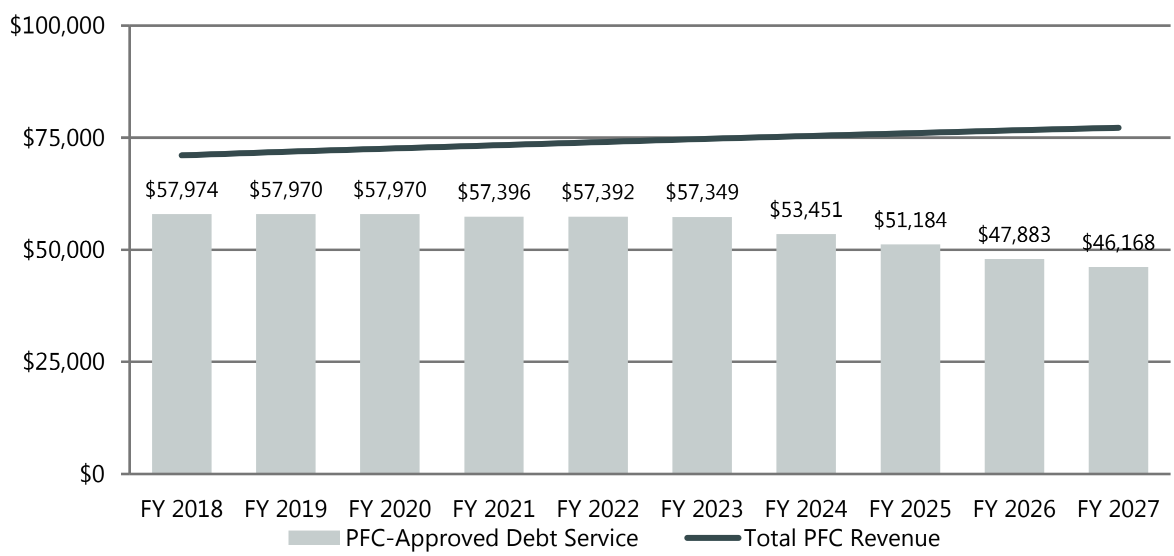
(For Fiscal Years Ending September 30)



SOURCES: Broward County Aviation Department, July 2017 (FY 2018 budget); Ricondo & Associates, Inc., September 2017 (projections).
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Exhibit 6-5: Projected Passenger Facility Charge Revenues

(Dollars in Thousands for Fiscal Years Ending September 30)



SOURCES: Broward County Aviation Department, July 2017 (FY 2018 budget); Ricondo & Associates, Inc., September 2017 (projections).
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table A-3, in Appendix A of this Report, presents projected annual PFC Revenue based on existing FAA approvals, projected enplaned passengers, and an assumed PFC level of $4.50 per eligible enplaned passenger, assuming a PFC-eligibility of 93 percent of enplaned passengers through the Projection Period.

6.5 Debt Service

The County currently has debt service payable on bonds issued in 2001, 2009, 2012, 2013, and 2015, totaling approximately $153.7 million in FY 2018, of which approximately $58.0 million is funded using PFC Revenues.

The 2017 Bonds are assumed to have a term of 30 years, and for purposes of this Report, interest on the 2017 Bonds is assumed at the current market interest rate as of August 16, 2017, plus 75 basis points.

After the issuance of the 2017 Bonds, total debt service on bonds issued and outstanding is projected to be approximately $153.7 million in FY 2018 and is projected to increase to approximately $174.3 million by FY 2021. Debt service on existing bonds and the 2017 Bonds is projected to decrease to $135.0 million in FY 2027.

For purposes of the financial analysis in this Report, future bond issuances are assumed in FY 2018 and FY 2019 to fund anticipated future projects at the Airport, assuming 30-year bonds and an interest rate of 6.0 percent on each future GARB issuance.

Table 6-3 presents the amount of assumed future bond issuances.

Table 6-3: Assumed Future GARB Issuances

FUTURE BOND ISSUANCE	ASSUMED PROJECT FUNDING ($ MILLIONS)
2018 GARBs	$379.1
2019 GARBs	140.0
Total	**$519.1**

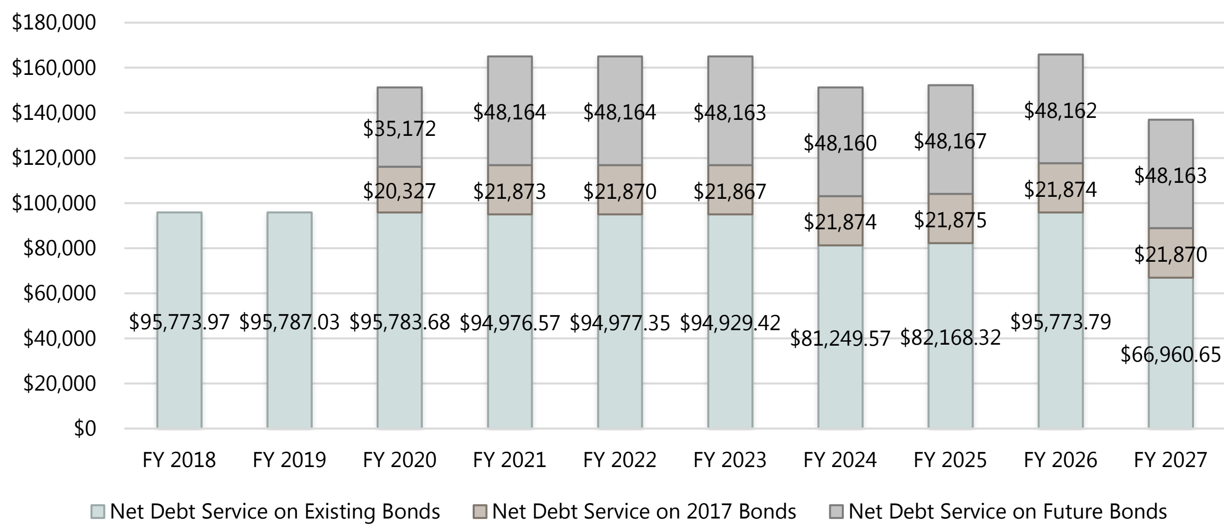
SOURCES: Broward County Aviation Department; Frasca & Associates, September 2017
PREPARED BY: Ricondo & Associates, Inc., September 2017.

The estimated debt service on such assumed future bond issues is assumed to be paid with Airport System Revenues in the amount of approximately $35.2 million beginning in FY 2020, then increase to approximately $48.2 million in FY 2021, and continue at this level through the remaining Projection Period.

As depicted on **Exhibit 6-6**, the Airport System's Net Debt Service payable under the ASR Bond Resolution, net of PFC revenues (including debt service on existing bonds, projected debt service on the 2017 Bonds, and projected debt service on anticipated future bonds) is projected to be approximately $95.8 million in FY 2018 and FY 2019. The Net Debt Service payable increases to approximately $151.3 million in FY 2020 and approximately $165.0 million in FY 2021, as debt service on the 2017 Bonds and future assumed bonds becomes payable. Net Debt Service is projected to then range from between $151.3 million and $165.8 between FY 2022 and FY 2026, before decreasing to approximately $137.0 million in FY 2027.

Exhibit 6-6: Projected Net ASR Bond Resolution Debt Service

(Dollars in Thousands for Fiscal Years Ending September 30)



NOTE: Excludes PFC-funded debt service. Assumes August 16, 2017 market rate plus 75 basis points on 2017 bonds, 6 percent interest on future bonds.

SOURCE: Broward County Aviation Department, September 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table A-4, in Appendix A of this Report, presents the details of the debt service on outstanding bonds at the Airport as well as the debt service on the 2017 Bonds and future bond issuances for FY 2018 through FY 2027.

6.6 Airline Revenues

Rates are calculated for the Airfield and Terminal Cost Centers. The resulting revenues are collectively known as Airline Revenues. The current Airline Agreement expires on September 30, 2026. The financial projections included in this Chapter are in accordance with the terms and conditions set forth in the Airline Agreement, and assume a continuation of the rate-setting methodology set forth in the current Airline Agreement through the Projection Period.

The items included in the total requirement for the landing fee and terminal rental rate are as follows:

- **O&M Expenses.** Includes the O&M expenses (direct and allocated indirect) attributable to the specific rate-setting area.
- **O&M Reserve Requirement.** Includes amounts needed to maintain the Trust Agreement's O&M reserve requirement within the specific rate-setting area.
- **Debt Service.** Includes the Signatory Airline portion of the annual debt service payment attributable to the specific rate-setting area.
- **Debt Service Coverage Requirement.** Includes amounts needed to maintain the ASR Bond Resolution's debt service coverage requirement of 1.25x within the specific rate-setting area.

- **Renewal and Replacement Account Deposit.** Includes amounts to be included in Airline rates and charges to fund certain capital replacement projects within the specific rate-setting area.
- **Improvements Account.** Includes amounts to be included in Airline rates and charges to fund certain capital improvement projects within the specific rate-setting area.

The following sections present additional information with regards to each specific rate calculation.

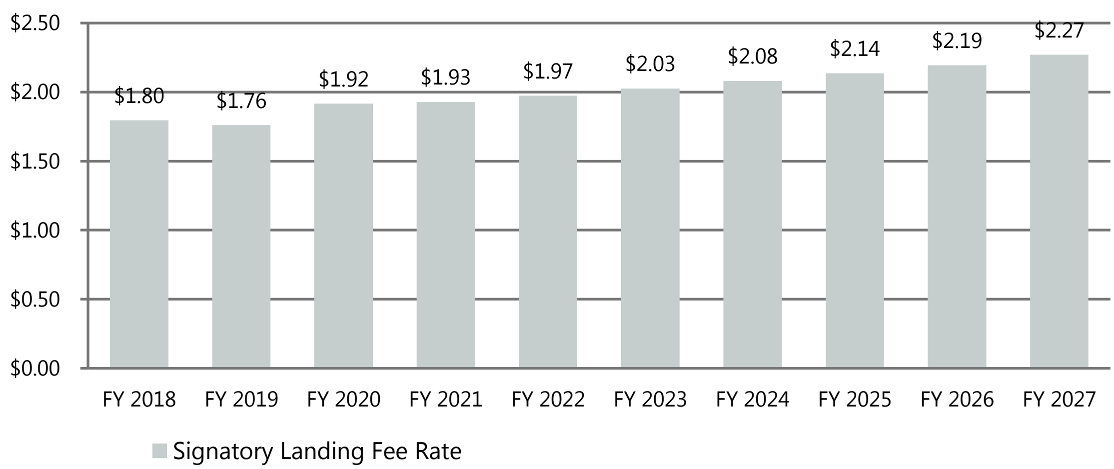
6.6.1 AIRFIELD

The landing fee is calculated pursuant to the Airline Agreement by combining the items described above for the Airfield cost center to determine the total airfield requirement. The total airfield requirement is reduced by fuel flowage fees, fuel farm revenues, non-signatory airline landing fees, remote parking, interest income, and transfers from the General Purpose Account to calculate a net airfield requirement. The net airfield requirement is divided by the Signatory Airlines total landed weight to determine the signatory landing fee. Total landing fee revenues are equal to the sum of the signatory landing fee multiplied by the total signatory landed weight. The affiliate landing fee rate and non-signatory landing fee rate are designed as premiums based on the signatory landing fee rate. Under the current Airline Agreement, the affiliate landing fee rate is 120 percent of the calculated signatory landing fee rate, while the non-signatory landing fee rate is 130 percent of the calculated signatory landing fee rate. A residual landing fee calculation is presented in Table A-5 in Appendix A of this Report.

As depicted on **Exhibit 6-7**, the signatory landing fee is projected to increase from $1.80 per thousand pounds landed weight in FY 2018 to $2.27 per thousand pounds of landed weight in FY 2027.

Exhibit 6-7: Projected Landing Fees (per 1,000 pounds of landed weight)

(For Fiscal Years Ending September 30)



NOTE: FY 2018 signatory landing fee rate calculated using budget FY 2018 net airfield requirement and FY 2018 Signatory Airline landed weight forecast by Ricondo & Associates, Inc.

SOURCES: Broward County Aviation Department, July 2017 (FY 2018 budget); Ricondo & Associates, Inc., September 2017 (projections).
PREPARED BY: Ricondo & Associates, Inc., September 2017.

6.6.2 TERMINAL BUILDING

The total terminal requirement is reduced by non-airline concession revenues, joint use fees, FIS fees, per use fees, non-signatory rental revenues, other terminal operating revenues, and the transfer from the general purposes account to arrive at the net signatory airline terminal requirement. The net signatory airline terminal requirement is divided by the total Signatory Airline leased square footage to determine the signatory average terminal rental rate per square foot. Total signatory average terminal rental rate revenues are equal to the sum of the signatory terminal rental rate per square foot multiplied by the total Signatory Airline leased square footage.

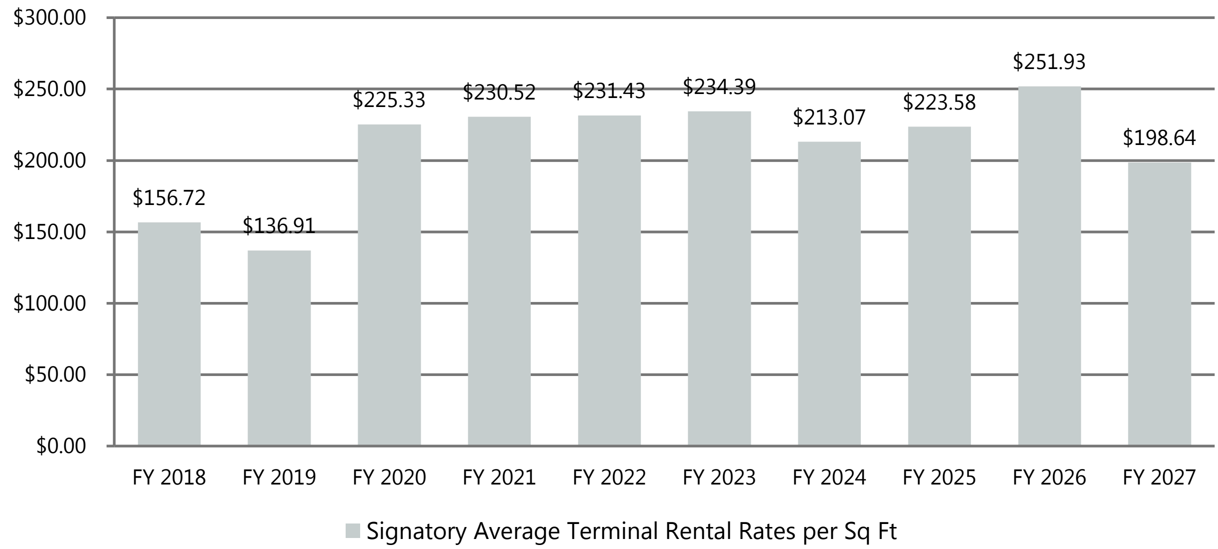
The Airline Agreement defines premises leased by Signatory Airlines in the Terminal according to four types of space for the purpose of establishing differential rental rates by location and function of the Airport. The signatory average terminal rental rate per square foot in each period is converted to differential terminal rental rates by weighting the amount of Type 1, 2, and 3 spaces of all Signatory Airlines by the relative rate value factors 1.00, 0.93, and 0.72, respectively, to obtain a weighted equivalent amount of space. The net terminal requirement is divided by the weighted equivalent space to determine the rate for the Type 1 premium space. Rates for Type 2 and Type 3 space are determined by multiplying the respective relative factors for the spaces by the Type 1 premium rate. The Airline Agreement establishes the terminal rental rate for non-signatory airlines and non-airline tenant leasing space in the passenger terminals at the Airport each year; such rates and charges are no less than 130 percent of the applicable signatory average terminal rental rate per square foot.

Table A-6**,** in Appendix A of this Report, presents the calculation of the net signatory airline terminal requirement and the residual signatory average terminal rental rate per square foot calculations, pursuant to the Airline Agreement, by combining the above items for the Terminal cost center to determine the total terminal requirement.

As depicted on **Exhibit 6-8**, the signatory average terminal rental rate is projected to increase from a rate of $156.72 per square foot in FY 2018 to $225.33 per square foot in FY 2020, as the debt service becomes payable on the 2017 Bonds as well as the assumed future 2018 GARBs. Between FY 2020 and FY 2026, the signatory average terminal rental rate is projected to range from $213.07 and $251.93 and is projected to fall to $198.64 per square foot in FY 2027.

Exhibit 6-8: Projected Signatory Average Terminal Rental Rate (per square foot)

(For Fiscal Years Ending September 30)



SOURCES: Broward County Aviation Department, July 2017 (FY 2018 budget); Ricondo & Associates, Inc., September 2017 (projections).
PREPARED BY: Ricondo & Associates, Inc., September 2017.

6.7 Net Signatory Airline Requirement

The projections of O&M expenses, non-airline revenues, and non-signatory airline revenues, including annual coverage requirements, are included in Table A-7, in Appendix A of this Report. The net signatory airline requirement constitutes the total amount that must be paid by the Signatory Airlines under the Airline Agreement, through landing fees and terminal rental revenues during the year.

The net Signatory Airline requirement is projected to increase from $113.5 million in FY 2018 to $170.8 million in FY 2020 as additional debt service becomes payable. The amount then remains relatively level until FY 2025, ranging between $169.7 million and $179.9 million, as O&M expenses and non-airline revenues are projected to grow at similar rates. The net Signatory Airline requirement is then projected to increase to $195.3 million in FY 2026, due primarily to an increase in existing debt service scheduled in that year; before decreasing to $167.5 million in FY 2027, as net debt service decreases.

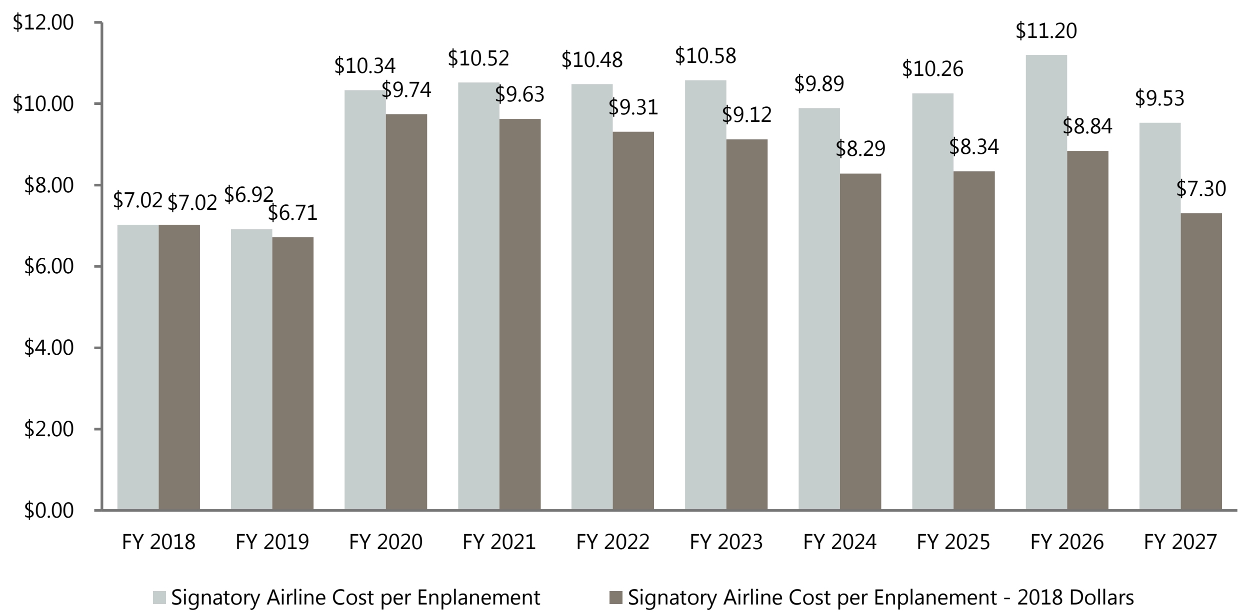
Table A-7 indicates the ability of the Airport System to generate sufficient revenues to pay O&M expenses, net ASR Bond Resolution debt service, and fund deposit requirements during the Projection Period.

6.8 Cost per Enplaned Passenger

A general test of reasonableness of airport user fees is to compare airline costs in a manner that accounts for airline activity. One approach is to measure airport user fees on a cost per enplaned passenger (CPE) basis. By comparing this metric on a year-over-year basis and by comparing it to airline revenue and estimated costs allocated to the Airport, the reasonableness of Airport user fees can be determined. **Exhibit 6-9** presents the calculation of the Signatory Airline CPE calculated from the Signatory Airline revenues (Signatory Airline terminal building rents, Signatory Airline landing fees, Signatory Airline remote parking revenues, Signatory Airline terminal joint use fees, and Signatory Airline FIS and per use fees), projected during the Projection Period. As depicted, the Signatory Airline cost per enplaned passenger is projected to increase from $7.02 in FY 2018 to $10.34 in FY 2020, resulting from the increase Net Debt Service as debt service on the 2017 Bonds becomes payable. Signatory Airline CPE is projected to remain between $9.89 and $10.58 from FY 2020 to FY 2025, and then projected to increase to $11.20 in FY 2026 before decreasing to $9.53 in FY 2027, reflecting an increase in Net Debt Service on existing bonds in FY 2026.

Exhibit 6-9: Projected Signatory Airline Cost per Enplaned Passenger

(For Fiscal Years Ending September 30)



NOTES:

Assumes annual inflation rate of 3.0 percent.

FY 2018 Signatory Airline Cost per Enplanement calculated with FY 2018 budget and Ricondo & Associates, Inc.'s FY 2018 activity forecast.

SOURCES: Broward County Aviation Department, July 2017 (FY 2018 budget); Ricondo & Associates, Inc., September 2017 (projections).
PREPARED BY: Ricondo & Associates, Inc., September 2017.

The projected Signatory Airline CPE, depicted on Exhibit 6-9**,** are evaluated in this analysis to be reasonable based on the expectation that these fees will not deter forecasted demand for air traffic at the Airport as airlines continue to deploy capacity to airports based on available resources. The increase in Signatory Airline CPE in FY 2020 is primarily related to the financing and operation of terminal expansion projects necessary to meet air carrier demand. The terminal expansion and modernization projects may provide additional Non-Airline Revenue opportunities that could result in Non-Airline Revenues above projected, which would reduce the Signatory Airline CPE.

Airport user fees are one of many factors that are considered by airlines when evaluating air service. Airport user fees were 6.3 percent of system-wide total airline operating costs, according to the airline industry group Airlines for America[1], and are one of many factors airlines consider when allocating capacity resources. Forecast growth of population and economic base, along with the geographical location, support the reasonableness of projected Airport user fees. Table A-8, in Appendix A of this Report, presents the projected Signatory Airline cost per enplaned passenger during the Projection Period.

6.9 Net Revenue and Debt Service Coverage

As contained in the ASR Bond Resolution:

> "Broward County further agrees that it will fix, charge and collect rates, fees, rentals and charges in connection with the ownership and operation of the Airport System and for services rendered in connection therewith and shall revise such rates, fees, rentals and charges as often as may be necessary or appropriate, so that for each Fiscal Year the Net Revenues plus any Transfer for such Fiscal Year will be equal to at least 125% of Principal and Interest Requirements on all Outstanding Bonds for such Fiscal Year."

Included in the Net Revenue and debt service coverage calculation are Airline Revenues, Non-Airline Revenues, interest income, transfers from the General Purposes Account, less O&M expenses, fund deposit requirements, debt service and transfer from PFC Capital Improvements Fund. The debt service coverage ratio is projected to exceed the ASR Bond Resolution minimum requirement of 1.25x in each year of the Projection Period.

Table A-9, in Appendix A of this Report, presents the projected Net Revenue and debt service coverage calculations pursuant to the ASR Bond Resolution during the Projection Period.

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[1] 1.9 percent of passenger airline operating expenses in the fourth quarter of 2016 went to landing fees and 4.4 percent went to non-aircraft rents and ownership (airport terminal rents, principally), according to data collected by Airlines for America.

6.10 Assumptions for Financial Projections

The techniques and methodologies used in preparing this Report are consistent with industry practices for similar studies in connection with airport revenue bond sales. While R&A believes that the approach and assumptions used are reasonable, some assumptions regarding future trends and events detailed in this report including, but not limited to, implementation schedule and enplaned passenger projections may not materialize. Achievement of the projections presented in this report, therefore, is dependent upon the occurrence of future events, which cannot be assured, and the variations may be material.

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Appendix A

Financial Projection Tables

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Table A-1: O&M Expenses and Reserve Requirement

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED									CAGR
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	(2018 - 2027)
Operating Expenses by Type											
Personnel	$44,036,462	$45,797,921	$47,629,838	$49,535,031	$51,516,432	$53,577,090	$55,720,173	$57,948,980	$60,266,939	$62,677,617	4.0%
Contractual Services [1/]	76,242,810	80,530,094	84,945,997	87,494,377	92,119,208	94,882,785	97,729,268	100,661,146	103,680,981	106,791,410	3.8%
Police and Fire Fighting Services	33,443,030	34,780,751	36,171,981	37,618,860	39,123,615	40,688,560	42,316,102	44,008,746	45,769,096	47,599,860	4.0%
Utilities	11,605,450	11,953,614	12,312,222	12,681,589	13,062,036	13,453,897	13,857,514	14,273,240	14,701,437	15,142,480	3.0%
Insurance	5,342,400	5,529,384	5,722,912	5,923,214	6,130,527	6,345,095	6,567,174	6,797,025	7,034,921	7,281,143	3.5%
Repairs and Maintenance	14,546,450	14,982,844	15,432,329	15,895,299	16,372,158	16,863,322	17,369,222	17,890,299	18,427,008	18,979,818	3.0%
North Perry Airport	1,164,090	1,199,013	1,234,983	1,272,033	1,310,194	1,349,499	1,389,984	1,431,684	1,474,634	1,518,873	3.0%
Administrative Expenses	7,130,290	7,344,199	7,564,525	7,791,460	8,025,204	8,265,960	8,513,939	8,769,357	9,032,438	9,303,411	3.0%
Total Net Operating Expenses	**$193,510,982**	**$202,117,819**	**$211,014,787**	**$218,211,863**	**$227,659,374**	**$235,426,209**	**$243,463,377**	**$251,780,477**	**$260,387,453**	**$269,294,612**	3.7%
Operating Expenses by Cost Center											
Airfield	$32,487,340	$33,711,889	$34,983,161	$36,302,956	$37,673,146	$39,095,674	$40,572,559	$42,105,898	$43,697,871	$45,350,742	3.8%
Terminal	161,023,643	168,405,930	176,031,626	181,908,907	189,986,228	196,330,534	202,890,818	209,674,578	216,689,582	223,943,870	3.7%
Total Net Operating Expenses	**$193,510,982**	**$202,117,819**	**$211,014,787**	**$218,211,863**	**$227,659,374**	**$235,426,209**	**$243,463,377**	**$251,780,477**	**$260,387,453**	**$269,294,612**	3.7%
Incremental O&M Reserve Requirement											
Airfield	$770,551	$204,091	$211,879	$219,966	$228,365	$237,088	$246,147	$255,557	$265,329	$275,478	
Terminal Building	4,423,940	1,230,381	1,270,949	979,547	1,346,220	1,057,384	1,093,381	1,130,627	1,169,167	1,209,048	
Total O&M Reserve Requirement	**$5,194,491**	**$1,434,473**	**$1,482,828**	**$1,199,513**	**$1,574,585**	**$1,294,472**	**$1,339,528**	**$1,386,183**	**$1,434,496**	**$1,484,526**	

NOTE:

1/ Includes services provided by other County departments

SOURCES: Broward County Aviation Department; Ricondo & Associates, Inc., September 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table A-2: Non-Airline Revenues

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED									CAGR
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	(2018-2027)
Airfield											
Fuel Flowage Fees	$631,622	$636,279	$640,970	$645,696	$650,457	$655,252	$660,083	$664,950	$669,852	$674,791	0.7%
Fuel Farm	1,606,513	1,606,513	1,606,513	1,606,513	1,606,513	1,606,513	1,606,513	1,606,513	1,606,513	1,606,513	0.0%
Total Airfield Non-Airline Revenues	**$2,238,136**	**$2,242,792**	**$2,247,484**	**$2,252,209**	**$2,256,970**	**$2,261,765**	**$2,266,596**	**$2,271,463**	**$2,276,365**	**$2,281,304**	0.2%
Terminal											
Non-Airline Space Rental 1/	$4,326,744	$3,779,625	$6,220,611	$6,364,045	$6,387,747	$6,468,351	$5,880,224	$6,170,206	$6,952,589	$5,481,095	2.7%
Terminal Concessions											
Food and Beverage	$19,391,704	$20,596,443	$20,804,689	$21,009,425	$22,272,412	$22,481,243	$22,679,017	$22,873,107	$23,058,598	$23,233,033	2.0%
News and Gift	9,036,850	9,598,279	9,695,324	9,790,735	10,379,307	10,476,626	10,568,792	10,659,241	10,745,683	10,826,973	2.0%
Duty Free	1,986,278	2,009,217	2,029,532	2,049,504	2,069,248	2,088,650	2,107,025	2,125,057	2,142,290	2,158,496	0.9%
Ground Transportation 2/	7,510,930	7,626,838	7,737,040	7,847,711	7,959,190	8,071,209	8,181,960	8,293,323	8,404,109	8,513,743	1.4%
Advertising	1,448,991	1,448,991	1,448,991	1,448,991	1,448,991	1,448,991	1,448,991	1,448,991	1,448,991	1,448,991	0.0%
Other Concessions 3/	2,166,090	2,220,242	2,275,748	2,332,642	2,390,958	2,450,732	2,512,000	2,574,800	2,639,170	2,705,150	2.5%
Total Terminal Concessions	**$41,540,843**	**$43,500,010**	**$43,991,325**	**$44,479,007**	**$46,520,107**	**$47,017,450**	**$47,497,786**	**$47,974,520**	**$48,438,842**	**$48,886,386**	1.8%
Car Rental	$36,666,552	$37,580,516	$38,517,329	$39,477,562	$40,461,801	$41,470,646	$42,504,712	$43,564,630	$44,651,046	$45,764,622	2.5%
CFC Revenue	31,472,069	31,764,181	32,059,005	32,356,565	32,656,887	32,959,996	33,265,919	33,574,681	33,886,309	34,200,830	0.9%
Parking	47,532,091	48,720,393	49,938,403	51,186,863	52,466,535	53,778,198	55,122,653	56,500,719	57,913,237	59,361,068	2.5%
Building & Hangar Rental	1,299,909	1,332,407	1,365,717	1,399,860	1,434,856	1,470,728	1,507,496	1,545,183	1,583,813	1,623,408	2.5%
Commercial & Industrial	5,903,301	6,050,883	6,202,155	6,357,209	6,516,139	6,679,043	6,846,019	7,017,169	7,192,599	7,372,414	2.5%
North Perry Revenues	1,459,294	1,494,661	1,530,910	1,568,062	1,606,141	1,645,169	1,685,170	1,726,169	1,768,190	1,811,259	2.4%
Other	1,602,652	1,642,718	1,683,786	1,725,881	1,769,028	1,813,253	1,858,585	1,905,049	1,952,676	2,001,492	2.5%
Total Terminal Non-Airline Revenues	**$171,803,455**	**$175,865,395**	**$181,509,241**	**$184,915,055**	**$189,819,241**	**$193,302,835**	**$196,168,564**	**$199,978,327**	**$204,339,300**	**$206,502,573**	2.1%
Interest Income	$370,173	$379,427	$388,913	$398,635	$408,601	$418,816	$429,287	$440,019	$451,019	$462,295	2.5%
Reimbursements	1,762,912	1,806,985	1,852,159	1,898,463	1,945,925	1,994,573	2,044,437	2,095,548	2,147,937	2,201,636	2.5%
TOTAL NON-AIRLINE REVENUES	**$176,174,675**	**$180,294,599**	**$185,997,796**	**$189,464,363**	**$194,430,737**	**$197,977,990**	**$200,908,884**	**$204,785,358**	**$209,214,622**	**$211,447,808**	2.0%
Concession Revenues per Enplanement 4/,5/	$7.22	$7.37	$7.45	$7.53	$7.69	$7.77	$7.86	$7.95	$8.04	$8.14	1.3%

NOTES:

1/ Calculated residual rate

2/ Includes taxi and limousine, ground transportation, and TNC fees.

3/ Includes in-flight catering, aircraft service/ground handling, baggage carts, business services, and concession vending lockers.

4/ Concession Revenues includes Total Terminal Concesions, Car Rental, and Parking.

5/ Concession Revenues per Enplanement for FY 2018 is calculated using FY 2018 Ricondo forecast enplanements, not Budget FY 2018 enplanements.

SOURCES: Broward County Aviation Department; Ricondo & Associates, Inc., September 2017.

PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table A-3: Projected PFC Revenue Collections

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED								
	FY 2018[1/]	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Enplanements	17,404,000	17,605,000	17,783,000	17,958,000	18,131,000	18,301,000	18,462,000	18,620,000	18,771,000	18,913,000
Calculation of PFCs										
93% Eligibility of Enplaned Passengers	16,185,720	16,372,650	16,538,190	16,700,940	16,861,830	17,019,930	17,169,660	17,316,600	17,457,030	17,589,090
PFC Collection Level	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50
Less: Administrative Fee	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)
Net PFC Level	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39
Total PFC Revenue	**$71,055,311**	**$71,875,934**	**$72,602,654**	**$73,317,127**	**$74,023,434**	**$74,717,493**	**$75,374,807**	**$76,019,874**	**$76,636,362**	**$77,216,105**

NOTE:
1/ FY 2018 based on R&A activity forecast and financial assumptions instead of BCAD FY 2018 Budget.

SOURCES: Broward County Aviation Department; Ricondo & Associates, Inc., September 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table A-4 (1 of 2): Debt Service

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED								
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Outstanding Bond Debt Service										
2001 Series J-2	$15,782,020	$15,783,155	$15,781,675	$15,783,784	$0	$0	$0	$0	$0	$0
2009 Series O	7,327,838	7,329,338	7,327,276	7,324,276	7,328,025	7,327,773	7,328,275	7,329,025	7,328,438	16,295,488
2012 Series P-1	14,375,650	14,384,150	14,377,750	14,369,250	30,157,250	30,161,000	21,824,250	21,826,000	35,427,000	0
2012 Series P-2	7,629,819	7,627,939	7,629,530	6,841,315	6,826,132	6,781,595	1,433,998	2,359,438	2,359,438	0
2012 Series P-2 (PFC) [1/]	5,561,431	5,560,061	5,561,220	4,986,685	4,975,618	4,943,155	1,045,252	1,719,812	1,719,812	0
2012 Series Q-1 (PFC) [1/]	32,072,700	32,070,200	32,073,200	32,070,200	32,070,200	32,071,800	32,072,550	32,070,800	32,070,050	32,073,550
2012 Series Q-2	6,980,000	6,982,000	6,983,750	6,980,000	6,980,750	6,980,500	6,984,000	6,980,750	6,980,750	6,983,500
2013 Series A	10,989,650	10,991,400	10,990,650	10,987,150	10,990,650	10,990,400	10,991,150	10,987,463	10,988,013	10,987,013
2013 Series B	3,636,713	3,635,513	3,637,013	3,637,013	3,638,513	3,636,613	3,638,363	3,636,863	3,637,113	3,638,863
2013 Series C (PFC) [1/]	14,090,388	14,092,388	14,089,888	14,092,638	14,094,888	14,091,138	14,091,138	14,091,538	14,093,025	14,094,813
2015 Series A	28,573,535	28,574,785	28,577,285	28,575,035	28,577,285	28,572,785	28,570,785	28,570,035	28,574,285	28,577,035
2015 Series B	478,750	478,750	478,750	478,750	478,750	478,750	478,750	478,750	478,750	478,750
2015 Series C (PFC)	6,249,000	6,247,500	6,245,250	6,246,750	6,251,250	6,243,000	6,242,000	3,302,250	0	0
Total Outstanding Bond Debt Service	**$153,747,493**	**$153,757,178**	**$153,753,236**	**$152,372,845**	**$152,369,310**	**$152,278,508**	**$134,700,510**	**$133,352,723**	**$143,656,673**	**$113,129,011**
Estimated Series 2017 Bond Debt Service										
Series 2017 [2/]	$0	$0	$20,326,750	$21,872,500	$21,869,500	$21,867,000	$21,874,250	$21,875,000	$21,873,750	$21,869,750
Total Series 2017 Bond Debt Service	**$0**	**$0**	**$20,326,750**	**$21,872,500**	**$21,869,500**	**$21,867,000**	**$21,874,250**	**$21,875,000**	**$21,873,750**	**$21,869,750**
Total Existing and Series 2017 Senior Lien Debt Service	**$153,747,493**	**$153,757,178**	**$174,079,986**	**$174,245,345**	**$174,238,810**	**$174,145,508**	**$156,574,760**	**$155,227,723**	**$165,530,423**	**$134,998,761**
Anticipated Future Bond Estimated Debt Service										
Future Series 2018 [3/]	$0	$0	$35,171,800	$35,174,000	$35,171,300	$35,172,500	$35,170,800	$35,174,700	$35,172,100	$35,171,500
Future Series 2019 [3/]	0	0	0	12,989,600	12,992,200	12,990,500	12,989,200	12,992,700	12,990,100	12,991,100
Total Anticipated Future Bond Debt Service	**$0**	**$0**	**$35,171,800**	**$48,163,600**	**$48,163,500**	**$48,163,000**	**$48,160,000**	**$48,167,400**	**$48,162,200**	**$48,162,600**
Total Existing and Future Bond Debt Service	**$153,747,493**	**$153,757,178**	**$209,251,786**	**$222,408,945**	**$222,402,310**	**$222,308,508**	**$204,734,760**	**$203,395,123**	**$213,692,623**	**$183,161,361**

Table A-4 (2 of 2): Debt Service

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED								
	FY 2018	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**
Total Existing and Future Bond Debt Service	**$153,747,493**	**$153,757,178**	**$209,251,786**	**$222,408,945**	**$222,402,310**	**$222,308,508**	**$204,734,760**	**$203,395,123**	**$213,692,623**	**$183,161,361**
Allocation to Cost Centers										
Airfield Area	$5,276,377	$5,275,600	$6,289,730	$6,662,875	$6,664,629	$6,662,641	$6,664,967	$6,663,089	$6,663,191	$6,921,133
Terminal Area	90,497,597	90,511,429	144,992,498	158,349,798	158,345,726	158,296,774	144,618,854	145,547,634	159,146,546	130,071,865
PFC funded	57,973,519	57,970,148	57,969,558	57,396,272	57,391,955	57,349,092	53,450,939	51,184,399	47,882,887	46,168,363
Total Existing and Future Bond Debt Service	**$153,747,493**	**$153,757,178**	**$209,251,786**	**$222,408,945**	**$222,402,310**	**$222,308,508**	**$204,734,760**	**$203,395,123**	**$213,692,623**	**$183,161,361**
Less: PFC Funded Debt Service	($57,973,519)	($57,970,148)	($57,969,558)	($57,396,272)	($57,391,955)	($57,349,092)	($53,450,939)	($51,184,399)	($47,882,887)	($46,168,363)
Net ASR Bond Resolution Debt Service	**$95,773,975**	**$95,787,030**	**$151,282,228**	**$165,012,673**	**$165,010,355**	**$164,959,416**	**$151,283,821**	**$152,210,723**	**$165,809,736**	**$136,992,998**
Debt Service Coverage (25 percent)										
Airfield Area	$1,319,094	$1,318,900	$1,572,433	$1,665,719	$1,666,157	$1,665,660	$1,666,242	$1,665,772	$1,665,798	$1,730,283
Terminal Area	22,624,399	22,627,857	36,248,125	39,587,449	39,586,431	39,574,194	36,154,713	36,386,909	39,786,636	32,517,966
Total Bond Debt Service Coverage	**$23,943,494**	**$23,946,757**	**$37,820,557**	**$41,253,168**	**$41,252,589**	**$41,239,854**	**$37,820,955**	**$38,052,681**	**$41,452,434**	**$34,248,250**

NOTES:

1/ Debt service funded from PFC Revenues

2/ Assumes August 16, 2017 market interest rate plus 75 basis points.

3/ Assumes 6 percent interest rate.

SOURCES: Broward County Aviation Department; Ricondo & Associates, Inc., September 2017.

PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table A-5: Landing Fee Rate Calculation

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED 2/								
	FY 2018 1/	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Net Airfield Requirement Calculation										
Airfield O&M Expenses	$32,487,340	$33,711,889	$34,983,161	$36,302,956	$37,673,146	$39,095,674	$40,572,559	$42,105,898	$43,697,871	$45,350,742
Airfield O&M Reserve Requirement	770,551	204,091	211,879	219,966	228,365	237,088	246,147	255,557	265,329	275,478
Airfield Debt Service	5,276,377	5,275,600	6,289,730	6,662,875	6,664,629	6,662,641	6,664,967	6,663,089	6,663,191	6,921,133
Airfield Debt Service Coverage Requirement	1,319,094	1,318,900	1,572,433	1,665,719	1,666,157	1,665,660	1,666,242	1,665,772	1,665,798	1,730,283
Improvements Account	570,000	0	965,000	0	0	0	0	0	0	0
Total Airfield Requirement	$40,423,363	$40,510,481	$44,022,202	$44,851,516	$46,232,298	$47,661,064	$49,149,916	$50,690,316	$52,292,189	$54,277,637
Less:										
Fuel Flowage Fees	$631,622	$636,279	$640,970	$645,696	$650,457	$655,252	$660,083	$664,950	$669,852	$674,791
Fuel Farm Revenues	1,606,513	1,606,513	1,606,513	1,606,513	1,606,513	1,606,513	1,606,513	1,606,513	1,606,513	1,606,513
Non-Signatory Airline Landing Fees	5,986,228	5,928,599	6,499,875	6,589,522	6,795,836	7,025,016	7,264,070	7,511,262	7,768,566	8,088,537
Remote Parking	705,303	726,462	748,256	770,703	793,825	817,639	842,168	867,433	893,456	920,260
Interest Income	62,146	63,286	64,476	66,319	67,615	69,550	71,540	73,585	75,689	77,853
Transfer from General Purpose Account	907,455	1,319,094	1,318,900	1,572,433	1,665,719	1,666,157	1,665,660	1,666,242	1,665,772	1,665,798
Net Airfield Requirement	**$30,524,096**	**$30,230,247**	**$33,143,212**	**$33,600,329**	**$34,652,333**	**$35,820,936**	**$37,039,881**	**$38,300,330**	**$39,612,338**	**$41,243,885**
Signatory Airline Landed Weight (1,000 lb units)1	16,999,411	17,169,284	17,297,362	17,423,355	17,548,219	17,681,597	17,808,894	17,931,933	18,049,845	18,161,240
Signatory Landing Fee Rate	**$1.80**	**$1.76**	**$1.92**	**$1.93**	**$1.97**	**$2.03**	**$2.08**	**$2.14**	**$2.19**	**$2.27**
Affiliate Landing Fee Rate (20% Premium)	**$2.15**	**$2.11**	**$2.30**	**$2.31**	**$2.37**	**$2.43**	**$2.50**	**$2.56**	**$2.63**	**$2.73**
Non-Signatory Landing Fee Rate (30% Premium)	**$2.33**	**$2.29**	**$2.49**	**$2.51**	**$2.57**	**$2.63**	**$2.70**	**$2.78**	**$2.85**	**$2.95**

NOTE:
1/ Budget FY 2018 information with exception of landed weight, which is Ricondo & Associates, Inc. forecast.
2/ Assumes a continuation of all terms and conditions and rate-setting methodology of existing Airline Use and Lease Agreement through the Projection Period.

SOURCES: Broward County Aviation Department; Ricondo & Associates, Inc., September 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table A-6: Terminal Building Rental Rates

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED 2/								
	FY 2018 1/	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Net Signatory Airline Terminal Requirement Calculation										
Terminal O&M Expenses	$161,023,643	$168,405,930	$176,031,626	$181,908,907	$189,986,228	$196,330,534	$202,890,818	$209,674,578	$216,689,582	$223,943,870
Terminal O&M Reserve Requirement	4,423,940	1,230,381	1,270,949	979,547	1,346,220	1,057,384	1,093,381	1,130,627	1,169,167	1,209,048
Terminal Debt Service	90,497,597	90,511,429	144,992,498	158,349,798	158,345,726	158,296,774	144,618,854	145,547,634	159,146,546	130,071,865
Terminal Debt Service Coverage Requirement	22,624,399	22,627,857	36,248,125	39,587,449	39,586,431	39,574,194	36,154,713	36,386,909	39,786,636	32,517,966
Renewal & Replacement Account Deposit	7,620,000	5,770,000	8,088,000	7,780,000	7,780,000	7,780,000	7,780,000	7,780,000	7,780,000	7,780,000
Improvements Account Deposit	6,302,500	9,254,523	1,490,000	1,630,000	1,630,000	1,630,000	1,630,000	1,630,000	1,630,000	1,630,000
Total Terminal Requirement	$292,492,079	$297,800,121	$368,121,198	$390,235,701	$398,674,605	$404,668,887	$394,167,765	$402,149,748	$426,201,931	$397,152,749
Less:										
Non-Airline Concession Revenue	$165,874,059	$170,443,052	$173,604,844	$176,825,129	$181,662,467	$185,021,231	$188,429,755	$191,903,072	$195,434,036	$199,019,986
Other Fees (Joint Use, FIS, and Per Use)	36,966,216	43,676,372	72,439,772	74,669,309	73,390,956	74,132,310	67,867,296	71,703,679	81,322,875	64,124,333
Non-Signatory Rentals	7,008,963	6,122,676	10,076,869	10,309,220	10,347,615	10,478,187	9,525,470	9,995,216	11,262,612	8,878,914
Interest Income	308,027	316,141	324,437	332,316	340,986	349,266	357,747	366,433	375,330	384,442
Other Terminal Operating Revenue	11,097,544	11,273,238	17,710,271	18,869,569	19,062,675	19,261,155	19,468,682	19,682,027	19,902,256	20,129,167
Transfer from General Purposes Account	21,779,731	22,624,399	22,627,857	36,248,125	39,587,449	39,586,431	39,574,194	36,154,713	36,386,909	39,786,636
Net Signatory Airline Terminal Requirement	**$49,457,539**	**$43,344,242**	**$71,337,149**	**$72,982,033**	**$74,282,458**	**$75,840,307**	**$68,944,620**	**$72,344,606**	**$81,517,914**	**$64,829,271**
Signatory Airlines Leased Square Footage	315,585	316,595	316,595	316,595	320,966	323,570	323,570	323,570	323,570	326,365
Signatory Average Terminal Rental Rates per Sq Ft	**$156.72**	**$136.91**	**$225.33**	**$230.52**	**$231.43**	**$234.39**	**$213.07**	**$223.58**	**$251.93**	**$198.64**

1/ Budget FY 2018 information with exception of Other Fees based on Ricondo & Associates, Inc. activity forecast.

2/ Assumes a continuation of all terms and conditions and rate-setting methodology of existing Airline Use and Lease Agreement through the Projection Period.

SOURCES: Broward County Aviation Department; Ricondo & Associates, Inc., September 2017.

PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table A-7: Net Signatory Airline Requirement

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED								
	FY 2018[1/]	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
O&M Expenses	$193,510,982	$202,117,819	$211,014,787	$218,211,863	$227,659,374	$235,426,209	$243,463,377	$251,780,477	$260,387,453	$269,294,612
O&M Expense Reserve Requirement	5,194,491	1,434,473	1,482,828	1,199,513	1,574,585	1,294,472	1,339,528	1,386,183	1,434,496	1,484,526
Net Debt Service [2/]	95,773,975	95,787,030	151,282,228	165,012,673	165,010,355	164,959,416	151,283,821	152,210,723	165,809,736	136,992,998
Debt Service Coverage Requirement	23,943,494	23,946,757	37,820,557	41,253,168	41,252,589	41,239,854	37,820,955	38,052,681	41,452,434	34,248,250
Fund Deposit Requirement	14,492,500	15,024,523	10,543,000	9,410,000	9,410,000	9,410,000	9,410,000	9,410,000	9,410,000	9,410,000
Total Expenses, Net Debt Service and Fund Deposits	$332,915,441	$338,310,602	$412,143,400	$435,087,217	$444,906,903	$452,329,951	$443,317,681	$452,840,064	$478,494,120	$451,430,386
Less:										
Non-Airline Revenue	$175,804,503	$179,915,172	$185,608,884	$189,065,727	$194,022,136	$197,559,173	$200,479,598	$204,345,339	$208,763,603	$210,985,513
Non-Signatory Airline Revenue	20,515,207	20,951,567	31,415,626	32,274,109	32,639,579	33,230,865	31,445,547	32,800,022	35,931,797	31,045,720
Interest Income	370,173	379,427	388,913	398,635	408,601	418,816	429,287	440,019	451,019	462,295
Transfer from General Purposes Account	22,687,185	23,943,494	23,946,757	37,820,557	41,253,168	41,252,589	41,239,854	37,820,955	38,052,681	41,452,434
Total Non-Airline and Non-Signatory Revenue	$219,377,067	$225,189,660	$241,360,180	$259,559,029	$268,323,484	$272,461,444	$273,594,285	$275,406,335	$283,199,100	$283,945,962
Net Signatory Airline Requirement	**$113,538,374**	**$113,120,942**	**$170,783,220**	**$175,528,188**	**$176,583,418**	**$179,868,507**	**$169,723,396**	**$177,433,729**	**$195,295,020**	**$167,484,424**

NOTE:

1/ Budget FY 2018 information with exception of Non-Signatory Airline Revenue based on Ricondo & Associates, Inc. activity forecast.

2/ Net of debt service funded from PFC Revenues

SOURCES: Broward County Aviation Department; Ricondo & Associates, Inc., September 2017.

PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table A-8: Signatory Airline Cost per Enplanement

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED								
	FY 2018[1/]	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Signatory Airline Cost per Enplanement										
Signatory Airline Landing Fees	$30,524,096	$30,230,247	$33,143,212	$33,600,329	$34,652,333	$35,820,936	$37,039,881	$38,300,330	$39,612,338	$41,243,885
Signatory Airline Remote Parking	$520,047	$535,648	$551,718	$568,269	$585,317	$602,877	$620,963	$639,592	$658,780	$678,543
Signatory Terminal Building Rents	49,542,002	43,428,706	71,421,612	73,066,497	74,366,921	75,924,771	69,029,084	72,429,070	81,602,377	64,913,734
Signatory Terminal Joint Use Fees	10,562,878	9,227,197	15,186,375	15,536,541	15,594,403	15,791,182	14,355,388	15,063,320	16,973,351	13,380,994
Signatory Terminal FIS and Per Use Fees	22,389,351	29,699,144	50,480,304	52,756,553	51,384,443	51,728,742	48,678,080	51,001,417	56,448,173	47,267,268
Total Signatory Airline Revenue	$113,538,374	$113,120,942	$170,783,220	$175,528,188	$176,583,418	$179,868,507	$169,723,396	$177,433,729	$195,295,020	$167,484,424
Total Signatory Airline Enplanements	16,171,337	16,358,101	16,523,494	16,686,099	16,846,846	17,004,806	17,154,402	17,301,212	17,441,517	17,573,460
Signatory Airline Cost per Enplanement	**$7.02**	**$6.92**	**$10.34**	**$10.52**	**$10.48**	**$10.58**	**$9.89**	**$10.26**	**$11.20**	**$9.53**
Signatory Airline Cost per Enplanement (2018 dollars)	$7.02	$6.71	$9.74	$9.63	$9.31	$9.12	$8.29	$8.34	$8.84	$7.30

NOTE:
1/ Budget FY 2018 with exception of activity, which is Ricondo & Associates, Inc. forecast.

SOURCES: Broward County Aviation Department; Ricondo & Associates, Inc., September 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

Table A-9: Calculation of Net Revenue and Debt Service Coverage

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED [1/]								
	FY 2018	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**
Net Revenues										
Signatory Airline Revenue	$113,538,374	$113,120,942	$170,783,220	$175,528,188	$176,583,418	$179,868,507	$169,723,396	$177,433,729	$195,295,020	$167,484,424
Non-Airline Revenue	175,804,503	179,915,172	185,608,884	189,065,727	194,022,136	197,559,173	200,479,598	204,345,339	208,763,603	210,985,513
Non-Signatory Airline Revenue	20,515,207	20,951,567	31,415,626	32,274,109	32,639,579	33,230,865	31,445,547	32,800,022	35,931,797	31,045,720
Interest Income	370,173	379,427	388,913	398,635	408,601	418,816	429,287	440,019	451,019	462,295
Transfer from General Purposes Account	22,687,185	23,943,494	23,946,757	37,820,557	41,253,168	41,252,589	41,239,854	37,820,955	38,052,681	41,452,434
Total Revenue	$332,915,441	$338,310,602	$412,143,400	$435,087,217	$444,906,903	$452,329,951	$443,317,681	$452,840,064	$478,494,120	$451,430,386
Less:										
O&M Expenses	$193,510,982	$202,117,819	$211,014,787	$218,211,863	$227,659,374	$235,426,209	$243,463,377	$251,780,477	$260,387,453	$269,294,612
Total Net Revenue Available for Debt Service	$139,404,459	$136,192,783	$201,128,613	$216,875,354	$217,247,529	$216,903,742	$199,854,304	$201,059,587	$218,106,666	$182,135,774
Total Debt Service	$153,747,493	$153,757,178	$209,251,786	$222,408,945	$222,402,310	$222,308,508	$204,734,760	$203,395,123	$213,692,623	$183,161,361
Less: Transfer from PFC Capital Improvements Fund [2/]	57,973,519	57,970,148	57,969,558	57,396,272	57,391,955	57,349,092	53,450,939	51,184,399	47,882,887	46,168,363
Net ASR Bond Debt Service	$95,773,975	$95,787,030	$151,282,228	$165,012,673	$165,010,355	$164,959,416	$151,283,821	$152,210,723	$165,809,736	$136,992,998
Debt Service Coverage	**1.46**	**1.42**	**1.33**	**1.31**	**1.32**	**1.31**	**1.32**	**1.32**	**1.32**	**1.33**
Required ASR Bond Debt Service Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25

NOTE:

1/ Assumes a continuation of all terms and conditions and rate-setting methodology of existing Airline Use and Lease Agreement through the Projection Period.

2/ Includes PFCs and Grants used to pay debt service.

SOURCES: Broward County Aviation Department; Ricondo & Associates, Inc., September 2017.
PREPARED BY: Ricondo & Associates, Inc., September 2017.

APPENDIX C

BROWARD COUNTY AVIATION DEPARTMENT
SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

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Broward County Aviation Department

A Major Fund of Broward County, Florida

Financial Statements

For the Years Ended September 30, 2016 and 2015

BROWARD COUNTY AVIATION DEPARTMENT

FINANCIAL STATEMENTS

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FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

MOORE STEPHENS LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Broward County Aviation Department ("BCAD"), an enterprise fund of Broward County, as of and for the years ended September 30, 2016 and 2015, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BCAD, an enterprise fund of Broward County, as of September 30, 2016 and 2015, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

Enterprise Fund Presentation

As discussed in Note 1 to the financial statements, the financial statements present only BCAD and do not purport to, and do not, present the financial position of Broward County, Florida as of September 30, 2016 and 2015, the changes in its financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Funding Progress – Other Post-Employment Benefits, and pension schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 22, 2017, on our consideration of BCAD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BCAD's internal control over financial reporting and compliance.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 22, 2017

The following discussion and analysis of the financial performance and activity of the Broward County Aviation Department (BCAD) is to provide an introduction and overview for readers to interpret BCAD's financial statements for the years ended September 30, 2016 and 2015. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Introduction

BCAD operates the Fort Lauderdale/Hollywood International Airport (FLL) and the North Perry Airport (HWO). FLL is a large hub airport and has had scheduled airline service since 1953. HWO is a general aviation facility that is categorized as a basic utility high activity airport and is currently designated as a general aviation reliever airport for FLL.

BCAD operates as an enterprise fund of the County. It is self-supporting and does not rely on local tax dollars to fund its operations. Operating revenues must therefore be generated from aviation users, automobile parking, concessions, investment income, and other non-operating revenues in order to (1) cover the airport system's operating expenses, debt service payments, certain capital outlays, and other requirements, and (2) comply with the rate covenant provided in the Bond Resolution.

Financial Highlights for fiscal year 2016

- BCAD's assets and deferred outflows of resources exceeded liabilities and deferred inflows at the close of fiscal year 2016 by $1.5 billion.

- Total revenue bonds payable were $1.9 billion at September 30, 2016. The increase of $381.3 million, or 25.0%, over fiscal year 2015 represents additional debt of $482.2 million from a bond issuance in November 2015 less a repayment of debt of $100.9 million during fiscal year 2016.

- Operating revenues were $232.1 million in fiscal year 2016, which represents an 8.5% increase over fiscal year 2015, primarily due to an increase in the airline revenues as a result of an increase in enplanements and landed weights of 8.6% and 7.5%, respectively. There were also noteworthy increases in non-airline revenues, such as concessions, parking, and rental car revenues due to higher levels of passenger spending in addition to the increased activity levels.

- Operating expenses were $141.9 million in fiscal year 2016, representing a 4.8% increase over fiscal year 2015. The increase is mainly due to increases in salaries, wages and benefits, and maintenance, equipment and supplies.

- Capital contributions were $98.9 million in fiscal year 2016 and are comprised primarily of amounts received from the Federal Aviation Administration's (FAA), Florida Department of Transportation (FDOT) and Transportation Security Administration (TSA).

- Net position increased by $102.7 million, or 7.4%, over fiscal year 2015.

Activity Highlights

Passenger enplanements at FLL increased by 8.6% during fiscal year 2016, resulting in another year of record levels of enplanements. The increase in enplanements in fiscal year 2015 over fiscal year 2014 was 9.9%. An increase in commercial aviation operations of 7.4%, an increase in cargo operations of 5.3% and an increase in general aviation operations of 14.3% resulted in an overall increase in aircraft operations in fiscal year 2016 of 7.5% compared with fiscal year 2015. Below is a comparative table of these activities by fiscal year:

Activity	Fiscal Years Ended September 30		
	2016	2015	2014
Enplanements	14,352,450	13,214,469	12,024,714
Landed weight (1,000 pounds)			
Passenger airlines	15,351,187	14,297,942	13,187,189
Cargo airlines	503,860	478,284	474,781
General aviation	485,391	424,794	384,047
Total landed weight	16,340,438	15,201,020	14,046,017
Aircraft operations	278,499	259,168	240,031

Airline Market Share and Passenger Enplanements

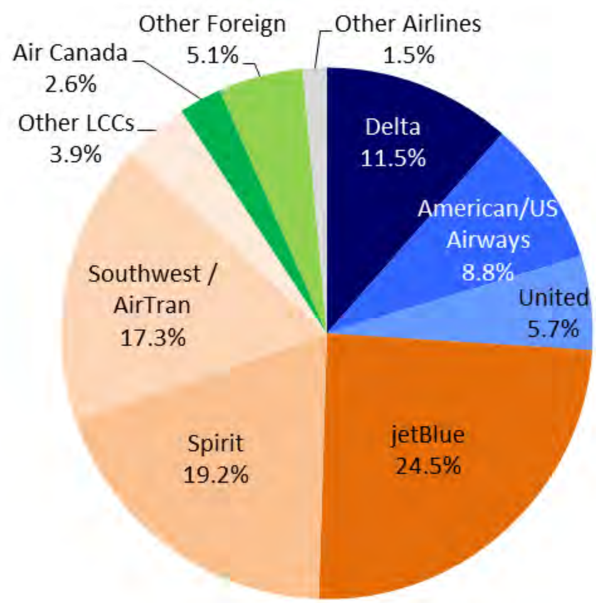
In fiscal year 2016, the ten Signatory Airlines represented 93.8% of enplanements, of which the top five airlines totaled 81.2% and with no carrier above 24.5%. This diversity reduces the reliance on the performance of one dominant airline.

Passenger Enplanements	Fiscal Years Ended September 30					
	2016		2015		2014	
JetBlue Airways	3,514,272	24%	2,886,760	22%	2,456,902	20%
Spirit Airlines	2,749,666	19%	2,492,900	19%	2,233,434	19%
Southwest Airlines / Air Tran Airways*	2,478,315	17%	2,293,689	17%	2,200,005	18%
Delta Air Lines	1,644,358	11%	1,602,977	12%	1,519,218	13%
American Airlines, Inc. / US Airways**	1,267,733	9%	1,345,025	10%	1,359,659	11%
United Airlines	819,022	6%	770,579	6%	805,035	7%
Air Canada	373,573	3%	354,148	3%	319,700	3%
Allegiant Air	288,644	2%	168,598	1%	108,155	1%
Virgin America	177,535	1%	162,283	1%	167,413	1%
Silver Airways Corp	143,830	1%	160,634	1%	116,991	1%
Others	895,502	6%	976,876	7%	738,202	6%
Total Enplanements	**14,352,450**	**100%**	**13,214,469**	**100%**	**12,024,714**	**100%**

* Southwest Airlines and Air Tran Airways operated under two separate signatory agreements during fiscal year 2014

** American Airlines and US Airways operated under two separate signatory agreements during fiscal years 2014 and 2015

The Low Cost Carriers' (LCC) market share of enplanements (shaded in orange hues below) was 64.8% in fiscal year 2016, which represents an increase of 3.3 percentage points compared with fiscal year 2015 and a significant increase from the LCC's 39.9% market share ten years ago. There has also been a significant increase in international market share from 11.0% of total enplanements in fiscal year 2006 to 21.1% in fiscal year 2016.



Overview of the Financial Statements

As an enterprise fund, BCAD engages only in business-type activities, which are reported in the financial statements using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place. Capital assets are capitalized and, with the exception of land and construction in progress, are depreciated over their useful lives.

The ***Statement of Net Position*** includes all of BCAD's assets, deferred outflows of resources, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether BCAD's financial position is improving or deteriorating.

Revenues and expenses are accounted for in the ***Statement of Revenues, Expenses and Changes in Net Position***. This statement measures the success of BCAD's operations over the past year and can be used to determine whether BCAD has recovered all of its costs through its user fees and other charges.

The ***Statement of Cash Flows*** provides information about BCAD's cash receipts, cash payments and net changes in cash resulting from operating activities, capital and related financing activities, and investing activities.

The notes to the financial statements provide required disclosures and other information that are essential to the full understanding of data provided in the statements.

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the progress in funding the obligation to provide other post-employment benefits.

Financial Position

The Statement of Net Position presents BCAD's financial position at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. The following is a comparative summary of BCAD's assets, deferred outflow of resources, liabilities and net position for the fiscal years ended September 30, 2016, 2015, and 2014 (in thousands):

Net Position	2016	2015	2014
Assets			
Current and other assets	$ 1,106,499	$ 798,504	$ 966,992
Capital assets, net	2,624,342	2,410,537	2,204,773
Total assets	3,730,841	3,209,041	3,171,765
Deferred outflow of resources	8,668	6,278	5,759
Liabilities			
Current liabilities	226,231	236,156	207,514
Noncurrent liabilities	2,029,395	1,596,538	1,645,690
Total liabilities	2,255,626	1,832,694	1,853,204
Deferred inflow of resources	531	1,970	5,845
Net investment in capital assets	979,295	949,462	926,489
Restricted	391,556	354,470	314,365
Unrestricted	112,501	76,723	77,621
Total Net Position	**$ 1,483,352**	**$ 1,380,655**	**$ 1,318,475**

Total net position as of September 30, 2016, was $1.5 billion, representing an increase of $102.7 million, or 7.4% compared to 2015. Total net position as of September 30, 2015, was $1.4 billion, representing an increase of $62.2 million, or 4.7%, compared to 2014.

At September 30, 2016, 68.8% of BCAD's net position is represented by its net investment in capital assets. These capital assets are used to provide services to passengers and visitors to the airport. The restricted portion (25.7% at September 30, 2016), of net position relates to assets that are subject to external restrictions on how they can be used under bond resolution covenants and Passenger Facility Charge regulations. The remaining unrestricted net position (5.6% at September 30, 2016), may be used to meet any of BCAD's ongoing obligations.

Capital assets, net of depreciation increased by $213.8 million, or 8.9%, from $2.4 billion at September 30, 2015, to $2.6 billion at September 30, 2016. This increase is mainly attributable to construction in progress relating to the new Concourses A and G and other major terminal projects. Capital assets, net of depreciation, increased by $205.8 million, or 9.3%, during fiscal year 2015 mainly attributable to the South Runway Expansion and construction in progress relating to terminal projects.

Current and other assets at September 30, 2016, totaled $1.106 billion, representing an increase of $308.0 million, or 38.6 %, compared to September 30, 2015, primarily due to unspent bond proceeds and an increase in bond reserves from bonds issued in November 2015 for the Terminal Projects and other major capital projects.

Other assets at September 30, 2015, totaled $798.5 million, representing a decrease of $168.5 million, or 17.4 %, compared to September 30, 2014, primarily due to a reduction in unspent bond proceeds as construction in progress on major projects continued.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 65, ***deferred outflows and inflows of resources*** are reported separately from assets and liabilities. BCAD has two items that qualify for reporting as deferred outflows and inflows of resources. The first item relates to a loss on refunding from a bond refunding in fiscal year 2014, offset by a gain on refunding from a bond refunding during fiscal year 2016 that is reported as a deferred outflow of resources. The decrease in the deferred charge on refunding of $2.5 million during fiscal year 2016 relates to the gain on refunding from the 2016 bond refunding and amortization. The second item relates to deferred variances according to GASB Statement No. 68. These deferred variances can occur due to actuarial assumptions that differ between the actual pension plan experience and the original actuarial assumed rates. Differences can result from, among others, earnings on investments, changes in assumptions, and other experience gains or losses. A variance represents a gain or a loss, shown as deferred inflows of resources or deferred outflows of resources, respectively, in the statements of net position. These deferred outflows and inflows are amortized in accordance with the provisions of GASB Statement No. 68. Furthermore, employer contributions subsequent to the measurement date of the net pension liability are required to be reported as deferred outflows of resources. Deferred outflows on pensions increased by $4.9 million in fiscal year 2016 compared to fiscal year 2015 and deferred inflows on pensions decreased by $1.4 million during the same period.

Current liabilities at September 30, 2016, are $226.2 million representing a decrease of $9.9 million, or 4.2%, over the prior year. This is attributable to a decrease in unearned revenues as excess revenues carried over from fiscal year 2015 were used in fiscal year 2016. Current liabilities increased $28.8 million, or 13.9%, during fiscal year 2015 due to an in increase in unearned revenues and accounts payable relating to capital projects.

Noncurrent liabilities increased by $432.9 million, or 27.1%, during fiscal year 2016 due to the issue of the Series 2015A-B-C Bonds in November 2015. Noncurrent liabilities decreased by $49.2 million, or 3.0%, during fiscal year 2015 compared to fiscal year 2014 due to the reduction in revenue bonds payable.

At September 30, 2016, there are $147.6 million in unamortized bond premiums, net of unamortized bond discounts, primarily from the new money issues in fiscal years 2012, 2014 and 2016, and the refunding issues in fiscal years 2012 and 2016. At September 30, 2015, there were $100.6 million in unamortized bond premiums, net of unamortized bond discounts.

Revenues, Expenses and Changes in Net Position

Below is a comparative summary of BCAD's revenues, expenses and changes in net position for the fiscal years ended September 30, 2016, 2015, and 2014 (in thousands):

Summary of Revenues, Expenses and Changes in Net Position	Fiscal Years Ended September 30		
	2016	2015	2014
Operating Revenues	$ 232,076	$ 213,940	$ 194,448
Operating Expenses	141,890	135,406	127,935
Operating income before depreciation	90,186	78,534	66,513
Depreciation	87,777	67,908	60,052
Operating Income	2,409	10,626	6,461
Nonoperating Revenues (Expenses)	1,407	(10,555)	(7,984)
Capital Contributions	98,881	67,269	91,551
Transfer Out	-	(5,160)	-
Change in Net Position	**102,697**	**62,180**	**90,028**
Total Net Position - Beginning of Year, as Restated *	**1,380,655**	**1,318,475**	**1,228,447**
Total Net Position - End of Year	**$ 1,483,352**	**$ 1,380,655**	**$ 1,318,475**

* The October 1, 2013 beginning balance in the table above was restated due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No 68*.

In fiscal year 2016, operating revenues increased by $18.1 million, or 8.5%, while operating expenses increased $6.5 million, or 4.8%, compared to the same period last year.

During fiscal year 2015, operating revenues increased by $19.5 million, or 10.0%, while operating expenses increased $7.5 million, or 5.8%, compared to fiscal year 2014.

Overall, BCAD's net position increased by $102.7 million in fiscal year 2016 compared to an increase of $62.2 million during fiscal year 2015. Details of operating revenues and expenses and variances to prior years are provided in the following sections.

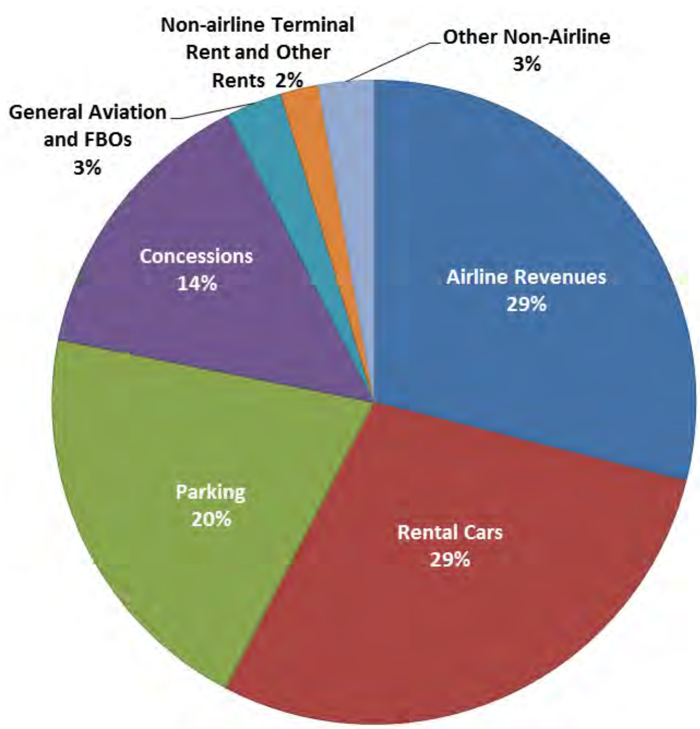
Operating Revenues

The major sources of operating revenues for the fiscal years ended September 30, 2016, 2015, and 2014 are (in thousands):

Operating Revenues	**Fiscal Years Ended September 30**		
	2016	2015	2014
Airline revenues	$ 67,168	$ 60,398	$ 53,577
Rental cars	66,583	63,864	58,982
Parking	47,554	44,221	41,775
Concessions[1]	33,370	27,379	24,545
General aviation and fixed based operators	6,532	7,169	6,351
Non-airline terminal rent and other rents	4,448	4,851	3,927
North Perry Airport	1,343	1,259	1,276
Cargo	1,840	2,164	1,757
Miscellaneous operating revenues	3,238	2,635	2,258
Total Operating Revenues	**$ 232,076**	**$ 213,940**	**$ 194,448**

[1]Concessions exclude rental car commissions, which are included in Rental cars.

Fiscal year 2016 operating revenues by source as a percentage of total operating revenues are:



Airline revenues are calculated in accordance with the Airline Lease and Use Agreements. The contractual rate-making formula in the agreements is based on a residual cost approach, which annually projects non-airline operating revenues and deducts this amount from the projected operating expenses, including debt service and cash-funded capital costs. The residual amount remaining is the amount the Signatory Airlines pay through their annual terminal rentals and landing fees, and forms the basis of the airline Cost Per Enplanement ("CPE"), a common industry measure. The airline agreements require that landing fees and terminal rentals be reviewed annually and adjusted, as necessary, so that the total revenue is sufficient to meet BCAD's requirements, as determined by the agreements. At the end of a fiscal year, after all required deposits have been made, any remaining excess funds are used to meet the requirements in the following fiscal year. This excess is recorded as a liability (unearned revenues) through a revenue accounting adjustment to current year operating revenues.

Airline revenues increased by $6.8 million, or 11.2%, in fiscal year 2016, mainly due to excess revenues carried over from fiscal year 2015, as well as an increase in airline activity compared to the prior year. The airline rates and charges for fiscal year 2015 were set based on a conservative assumption of airline activity and as actual airline activity in fiscal year 2015 was much higher than anticipated, excess funds of $16.8 million were generated to be used in future years. Airline revenues represented only 28.9% of overall operating revenues in fiscal year 2016, resulting in a favorable CPE of $3.94 that is significantly below the industry average for a large hub airport.

Airline Cost per Enplanement	**Fiscal Years Ended September 30**		
(in thousands)	2016	2015	2014
Airline revenues	$ 67,168	$ 60,398	$ 53,577
Take out: Airline revenue adjustment	(10,550)	16,767	807
Airline revenues, excluding revenue adjustment	$ 56,618	$ 77,165	$ 54,384
Enplaned passengers	14,352,450	13,214,469	12,024,714
Average Cost Per Enplanement (CPE)	$3.94	$5.84	$4.52

Airline revenues increased by $6.8 million, or 12.7%, in fiscal year 2015, in accordance with the residual rate-making formula in the airline agreements, as well as an increase in the level of activity. Airline revenues represented 28.2% and 27.6% of overall operating revenues in fiscal years 2015 and 2014, respectively.

Non-airline revenues represented 71.1% of total operating revenues in fiscal year 2016. The main categories of non-airline revenues, rental car revenues, parking revenues, and concessions, have steadily been increasing over the last few years, due to increases in passenger activity and also increases in sales per passenger. This increase in non-airline revenues has contributed to the ability to maintain low terminal rents and landing fees that result in a low CPE. This low-cost structure makes the Airport attractive to air carriers, especially low-cost carriers.

Rental car revenues, including customer facility charges ("CFCs") and rental car commissions increased by $4.9 million, or 8.3% in fiscal year 2016, and increased by $2.9 million, or 5.1%, in fiscal year 2015 over the prior fiscal year. The increases are mainly attributable to an increase in visitors, especially international, to South Florida. Rental car revenues represented the largest source of revenues in fiscal year 2016 at 29.9% of total operating revenues. CFCs are fees charged by the on-airport rental car companies and are a per-day charge on a car rental. In addition to certain ground rental payments, BCAD receives revenues from automobile rental companies under agreements which guarantee annual minimum payments or, if greater, a percentage of gross revenues from automobile rentals at the airport. BCAD has agreements with 12 rental car companies operating at the consolidated rental car facility located on airport property.

Parking revenues increased $2.4 million, or 5.9% in fiscal year 2016, following an increase in fiscal year 2015 of $1.0 million, or 2.5%, compared to fiscal year 2014. At 20.7% of operating revenues for fiscal year 2016, the County-owned parking facilities at the Airport are one of the largest sources of revenues other than payments by the airlines and rental car revenue. Despite the steady increases in recent years, parking revenues in fiscal year 2016 are still $3.5 million below their peak of $47.7 million in fiscal year 2008. The decrease since fiscal year 2008 is attributed to a significant increase in rates which encouraged passengers to seek alternative transportation to and from the airport during the economic downturn and a shift toward less expensive off-site airport parking. Also, there has been a shift in the mix of passengers from local residents, who use the parking facilities, towards visitors to South Florida. The parking facilities compete with several off-airport private parking operators that provide free shuttle service to their customers.

Concession revenues (excluding rental car commissions) increased by $2.8 million, or 11.5%, in fiscal year 2016, compared to fiscal year 2015, and by $900,000, or 4.0%, during fiscal year 2015, compared to the prior fiscal year. Concession revenues, which accounted for 12.8% of total operating revenues in fiscal year 2016, increased mainly due to improved concessions and the introduction of new food and beverage concessions. Within the category of concessions, food and beverage and news and gift concessions amounted to $12.9 million (6.0%) and $6.5 million (3.1%) of fiscal year 2016 operating revenues, respectively. BCAD has a proactive approach to increasing non-airline revenues, which includes the renovation of concession areas and soliciting new concession vendors. The revenues paid to BCAD under these concession agreements are usually based on the greater of certain annual minimum guarantees or a percentage of gross revenues received by the concessionaires.

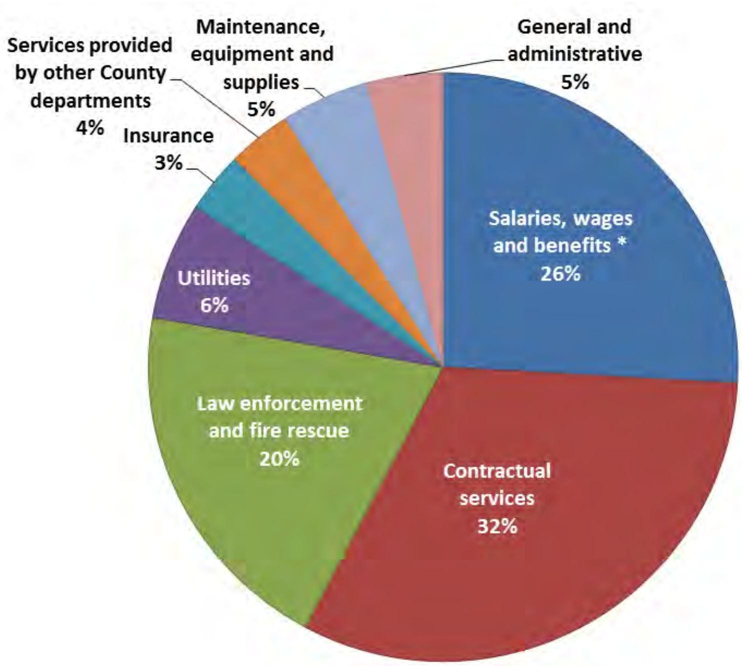
Operating Expenses

The table below shows the major categories of operating expenses for the fiscal years ended September 30, 2016, 2015, and 2014 (in thousands):

Operating Expenses	**Fiscal Years Ended September 30**		
	2016	2015	2014
Salaries, wages and benefits *	$ 36,719	$ 32,874	$ 32,631
Contractual services	45,232	43,110	40,367
Law enforcement and fire rescue	28,300	27,619	25,590
Utilities	9,157	9,342	8,735
Insurance	4,744	4,774	4,950
Services provided by other County departments	4,964	5,075	6,162
Maintenance, equipment and supplies	6,817	6,051	3,406
General and administrative	5,957	6,561	6,094
Total Operating Expenses	**$ 141,890**	**$ 135,406**	**$ 127,935**

*The Salaries, wages and benefits in the table above for the fiscal year ended September 30, 2014 was restated due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No 68*.

The chart below shows the distribution of operating expenses for the fiscal year 2016:



Overall operating expenses in fiscal year 2016 increased by $6.5 million or 4.8% compared to fiscal year 2015. This increase is attributable to various factors within all the expense categories

Salaries, wages and benefits increased by $3.8 million, or 11.7%, in fiscal year 2016 from fiscal year 2015 due to increased headcount, salary adjustments as a result of a compensation study, increased pension expenses and increased healthcare costs. Salaries, wages and benefits increased insignificantly $243,000, or 0.7%, in fiscal year 2015 from fiscal year 2014. Salaries, wages and benefits accounted for 25.9% of total operating expenses before depreciation in fiscal year 2016.

Contractual services consist mainly of parking management fees, ground transportation management fees, janitorial and other maintenance contracts, and shuttle service costs. Contractual services increased by $2.1 million, or 4.9%, in fiscal year 2016 from fiscal year 2015 as a result of increased parking management, janitorial and security costs.

Contractual services increased by $2.7 million, or 6.8%, in fiscal year 2015 from fiscal year 2014 primarily as a result of increased parking management, shuttle service and security upgrades and maintenance fees.

Law enforcement and fire rescue expenses increased $0.7 million, or 2.5% in fiscal year 2016 to $28.3 million from $27.6 million in fiscal year 2015. These expenses represented 19.9% of total operating expenses before depreciation in fiscal year 2016. Law enforcement and fire rescue expenses increased $2.1 million, or 4.9% in fiscal year 2015 compared to fiscal year 2014. $850,000 of this relates to law enforcement dispatch services that were reported under Services provided by other County departments in fiscal year 2014.

Utilities decreased by $0.1 million, or 2.0%, in fiscal year 2016 to $9.2 million from $9.3 million in fiscal year 2015. The decrease is due to a reduction in electricity costs.

Services provided by other County departments decreased by $111,000, or 2.2%, in fiscal year 2016 to $5.0 million from $5.1 million in fiscal year 2015. The decrease in services provided by other County departments is mainly attributable to services previously provided by other County departments now provided by BCAD. Services provided by other County departments decreased by $1.1 million, or 17.6%, in fiscal year 2015 as law enforcement dispatch services, previously reported as services provided by other County departments in fiscal year 2014 were reported under law enforcement and fire rescue expenses in fiscal year 2015.

Maintenance, equipment and supplies increased by $0.8 million, or 12.7%, from fiscal year 2015 to fiscal year 2016, mainly due to increased runway and grounds maintenance. Maintenance, equipment and supplies increased by $2,6 million, or 77.7%, from fiscal year 2014 to fiscal year 2015 primarily due to a reclassification of expenses to maintenance, equipment and supplies from contractual services.

General and administrative services decreased by $0.6 million, or 9.2%, in fiscal year 2016, compared to fiscal year 2015, which, in turn, was $0.5 million, or 7.7%, higher than fiscal year 2014. The higher costs in fiscal year 2015 compared to both fiscal year 2016 and 2014 are primarily due to the costs associated with an airline incentive program and a new parking advertising campaign.

Depreciation

Depreciation expense increased $19.9 million or 29.3% in fiscal year 2016 due to the completion of major capital projects relating to the airport's expansion/development program. Depreciation expense increased $7.9 million, or 13.1%, in fiscal year 2015 compared to prior year due to the completion of other major capital projects.

Non-Operating Revenues (Expenses)

Non-operating revenues (expenses), represent passenger facility charges (PFCs), interest income and expense, bond issuance costs, and other non-operating revenues and expenses. Overall non-operating revenues, net of expenses, are higher in fiscal year 2016 than the prior year by $11.9 million, or 113.3%. This is attributable to a capital asset donation of a navigational aid structure to the Federal Aviation Administration (FAA) of $15.9 million in fiscal year 2015 compared to capital asset donation of an airport surveillance radar, also to the Federal Aviation Administration (FAA), of $7.2 million in fiscal year 2016; an increase in PFC collections and an increase in interest income. These were partially offset by $3.0 million in bond issuance costs in 2016.

Overall non-operating revenues, net of expenses, are lower in fiscal year 2016 than the prior year by $2.6 million, or 32.2%. This is attributable to a capital asset donation of a navigational aid structure to the Federal Aviation Administration (FAA) of $15.9 million, partially offset by $3.6 million in interest income, the reduction of $2.8 million in bond issuance costs, and an increase in PFC collections.

PFCs increased $4.9 million, or 9.0% in fiscal year 2016 compared to fiscal year 2015 due to increased passenger numbers, which is also the reason for the $5.7 million or 11.7% increase in fiscal year 2015 over the prior fiscal year. PFCs are authorized for collection at the Airport at $4.50 per enplaning passenger and remitted to the Airport net of an $0.11 collection charge retained by the airlines.

Capital Contributions

Capital contributions consist mainly of grants from Federal and State governments. During fiscal year 2015, $98.9 million was earned, compared to 67.3 million in fiscal year 2015, mainly due to an increase in grants from the TSA to assist with the funding of in-line baggage handling systems in the terminals. Contributions were reduced in fiscal year 2015 by $24.3 million or 26.5% compared to the prior year.

The FAA has approved through a Letter of Intent, approximately $250 million of funding for the South Runway Expansion project and FDOT also authorized, through a multi-year agreement, approximately $129 million of funding for the project. Both sources of funding will be available subject to annual limits through fiscal year 2022.

Capital Acquisition and Construction Activities

During fiscal year 2016, BCAD expended $308.9 million on capital acquisitions and projects under construction, compared to $290.0 million during fiscal year 2015, mainly on the major terminal projects. The amounts expended (including capitalized interest) on capital acquisitions and major projects under construction during fiscal year 2016 are as follows (in thousands):

Capital Acquisitions and Projects under Construction during Fiscal Year 2016	
Capital Acquisitions:	
South Runway Expansion Project	$ 36,226
Miscellaneous Acquisitions <$1 million	1,589
Projects Under Construction:	
Terminal 1 Concourse A	61,222
Terminal 4 Concourse G	64,706
Terminal Improvements	53,753
Terminal In-line Baggage Systems	25,230
Noise Mitigation for South Runway Expansion	22,382
Terminal 4 Federal Inspection Facility	14,445
Terminal 4 Ramp	12,139
Parking Facility and System Improvements	1,468
Utilities Upgrades	2,772
Pedestrian Bridges	2,089
Miscellaneous Projects < $1 million	10,883
Total	**$ 308,904**

Major projects completed and the amounts transferred to fixed assets during fiscal year 2016 are as follows (in thousands):

Capital Projects Completed during Fiscal Year 2016	
Terminal 4 Concourse G	$ 151,544
Terminal 4 Ramp	59,358
Terminal In-line Baggage Systems	53,809
Terminal Improvements	7,831
Utilities Upgrades	6,551
Airport Information Management System	2,489
Parking	2,460
Miscellaneous (Projects < $1 million)	5,538
Total	**$ 289,580**

Note 4 to the financial statements provides additional information about BCAD's capital assets.

Debt Administration

As of September 30, 2016, 2015, and 2014, BCAD had $1.9 billion, $1.5 billion and $1.6 billion, respectively, in outstanding long-term revenue bonds. These bonds are secured by a pledge of and lien on net revenues, as defined in the Bond Resolution.

On November 16, 2015, BCAD issued $426,315,000 in Airport System Revenue Bonds, Series 2016A (AMT) with interest rates ranging from 2.00% to 5.00%, $9,575,000 in Airport System Revenue Bonds, Series 2016B (Non-AMT) with an interest rate of 5.00%, and $46,305,000 in Airport System Revenue Refunding Bonds, Series 2016C (AMT) with interest rates ranging from 2.00% to 5.00%, with a combined premium of $56,813,000 resulting in a combined true interest rate of 4.01%. The Series 2016A and Series 2016B Bonds were issued to provide funding for terminal renovation and expansion projects and related airport improvement projects, fund the reserve account to satisfy the reserve requirements, and pay the underwriters' discount and certain other costs of issuance. The Series 2016C Bonds were issued to advance refund $52,915,000 of Series 2004L Bonds, which had interest rates ranging from 4.00% to 5.00%.

The following table summarizes the outstanding bonded indebtedness as of September 30, 2016

(in thousands):

Airport System Revenue Bonds				
	Outstanding Principal	Expected To Be Paid From PFCs/Grants	Expected To Be Paid From Airport Revenues	Final Maturity *
Bond Series				
2001 J-2	$ 75,460	$ -	$ 75,460	2021
2009 O	87,160		87,160	2029
2012 P-1	163,260		163,260	2026
2012 P-2	88,840	37,455	51,385	2026
2012 Q-1	490,120	490,120		2042
2012 Q-2	102,235		102,235	2042
2013 A	160,225		160,225	2043
2013 B	53,620		53,620	2043
2013 C	204,525	204,525		2043
2015 A	426,315		426,315	2045
2015 B	9,575		9,575	2045
2015 C	46,305	46,305		2025
Total Bond Indebtedness	**$ 1,907,640**	**$ 778,405**	**$ 1,129,235**	

*Calendar year

Additional information about BCAD's long-term debt can be found in Note 7 to the financial statements.

BCAD's Bond Resolution enables it to adopt a resolution irrevocably designating certain revenues as revenues (which may include, without limitation, PFC revenues, state and federal grants, or other identified revenues) to be used to pay debt service on Airport System Revenue Bonds. In addition to airport net revenues, $58.1 million of PFC and grant revenues, available from the subsequent reimbursement of capital outlays, were used to pay principal and interest due for fiscal year 2016.

In accordance with the Bond Resolution, BCAD is required to set its rates and charges to provide sufficient net revenues that, together with transfers (which include excess airline fees and charges from the prior year), are at least equal to 1.25 times the debt service on all outstanding bonds. Historically, BCAD has maintained a debt service coverage ratio higher than its requirement:

Debt Service Coverage	Fiscal Years Ended September 30		
	2016	2015	2014
Airport System Revenue Bonds	1.75	1.68	1.44

BCAD's Airport System Revenue Bonds are rated A+ (with stable outlook) by Standard and Poor's Ratings Services, A1 (with stable outlook) by Moody's Investors Service and A (with stable outlook) by Fitch Ratings.

Economic Factors and Outlook

FLL is located in Broward County, which, together with neighboring Miami-Dade and Palm Beach counties, comprises the Miami-Fort Lauderdale-Pompano Beach Metropolitan Statistical Area (MSA) according to the U.S. Census Bureau. The MSA is the nation's eighth largest with a population of approximately 5.8 million residents.

Population growth rates over the last couple of decades have exceeded growth rates for the United States as a whole. Furthermore, the local economy continues to recover from the recession. Broward County's unemployment rate was 4.6% in September 2016, compared to 4.9% for the same period in September 2015 and the national rate of 4.9%. However, as South Florida is a major tourist destination, the majority of FLL passengers are visitors to Broward County and South Florida. There were approximately 15 million visitors to Broward County in 2015. BCAD partners with the Convention and Visitors Bureau (CVB), Office of Economic Development (OED) and Airport Everglades on marketing and promotional activities.

FLL is one of the fastest growing Large Hub airports in the United States. As of September 30, 2016 there had been thirty consecutive months of growth in total passenger traffic. The last couple of years has seen a significant increase in international travel as international enplaned passengers grew by 16.5% and 30.45% in fiscal year 2016 and 2015, respectively. According to FAA 2015 calendar year data, FLL was ranked 21st in total passenger traffic in the United States and ranked 11th in total international traffic. The US Department of Transportation (DOT) data for the same period indicated that FLL ranked 14th in terms of domestic origin and destination passengers. The airport offers non-stop flights to 49 of its top 50 domestic markets. Also, with the exception of Hawaiian Airlines, all of the major domestic airlines provide service from FLL.

In order to accommodate current and future anticipated growth, BCAD's approximately $2.4 billion ten-year capital improvement program is underway. The extended South Runway was opened in September 2014 and the west portion of Concourse G in Terminal Four, with five new gates, opened in December 2015. A new Concourse A in Terminal One, with five additional gates and international arrivals facilities, is scheduled to open in 2017 as is the majority of the east portion of Concourse G. All four existing terminals and the international arrivals facility in Terminal Four are being renovated. The South Runway extension increased the capacity for airfield operations by 44% by permitting simultaneous dual operations of air carrier aircraft of all sizes. The terminal renovations will include additional space, new interior finishes, a new concessions program, improvements to the ticketing lobbies, passenger security checkpoints, restrooms, passenger hold rooms, and baggage claim areas.

The capital improvement program is funded through federal and state grants, PFCs, and bond issues. Part of the debt will be funded through airline rates and charges, which will increase the overall CPE in future years, although passenger growth and planned improvements in non-airline revenues are anticipated to mitigate the impact.

Request for Information

This financial report is designed to provide a general overview of BCAD's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, Broward County Aviation Department, 2200 S.W. 45th Street, Suite 101, Dania Beach, FL 33312.

BROWARD COUNTY AVIATION DEPARTMENT
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2016 AND 2015
(in thousands)

ASSETS	2016	2015
Current Assets		
Unrestricted Assets		
Cash and cash equivalents	$ 49,527	$ 29,631
Investments	106,343	105,910
Accounts receivable,		
net of allowance of $371 and $371, respectively	12,883	10,358
Due from other governments	4,723	990
Inventories	405	380
Prepaid items	7,137	7,025
Other accounts receivable	227	228
Total current unrestricted assets	181,245	154,522
Restricted Assets		
Cash and cash equivalents	174,908	175,374
Other accounts receivable	873	109
Total current restricted assets	175,781	175,483
Total current assets	357,026	330,005
Noncurrent Assets		
Restricted Assets		
Cash and cash equivalents	157,163	14,936
Investments	578,304	449,671
Passenger facility charges receivable	4,918	3,892
Due from other governments	9,088	-
Capital assets		
Land and improvements	363,371	363,365
Buildings and facilities	2,089,943	1,806,112
Property held for leasing	499,022	441,878
Equipment	42,730	40,638
Construction in progress	391,573	434,159
Total capital assets	3,386,639	3,086,152
Less accumulated depreciation	(762,297)	(675,615)
Total capital assets, net	2,624,342	2,410,537
Total noncurrent assets	3,373,815	2,879,036
TOTAL ASSETS	**$ 3,730,841**	**$ 3,209,041**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	$ 1,301	$ 3,806
Deferred outflows on pensions	7,367	2,472
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$ 8,668**	**$ 6,278**

See accompanying notes to financial statements

BROWARD COUNTY AVIATION DEPARTMENT
STATEMENTS OF NET POSITION (Continued)
SEPTEMBER 30, 2016 AND 2015
(in thousands)

LIABILITIES	2016	2015
Current Liabilities		
Payable from Unrestricted Assets		
Accounts payable	$ 9,033	$ 8,422
Accrued liabilities	2,821	3,126
Due to other County funds	4,253	4,397
Due to other governments	1,193	1,301
Deposits	5,269	5,417
Unearned revenue	25,907	36,131
Compensated absences	1,974	1,879
Total current liabilities payable from unrestricted assets	50,450	60,673
Payable from Restricted Assets		
Accounts payable	86,817	89,193
Accrued interest payable	37,974	38,275
Revenue bonds payable	50,990	48,015
Total current liabilities payable from restricted assets	175,781	175,483
Total current liabilities	226,231	236,156
Noncurrent Liabilities		
Revenue bonds payable, net of discount and premiums	2,004,264	1,578,912
Compensated absences	2,708	2,573
Other post employment benefits	1,196	1,110
Net pension liability	21,227	13,943
Total noncurrent liabilities	2,029,395	1,596,538
TOTAL LIABILITIES	**$ 2,255,626**	**$ 1,832,694**
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows on pensions	**$ 531**	**$ 1,970**
NET POSITION		
Net investment in capital assets	979,295	949,462
Restricted for		
Debt service	251,818	211,068
Capital projects	139,738	143,402
Unrestricted	112,501	76,723
TOTAL NET POSITION	**$ 1,483,352**	**$ 1,380,655**

See accompanying notes to financial statements

BROWARD COUNTY AVIATION DEPARTMENT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015
(in thousands)

	2016	2015
Operating Revenues		
Airline revenues	$ 67,168	$ 60,398
Rental cars	66,583	63,864
Parking	47,554	44,221
Concessions	33,370	27,379
General aviation and fixed based operators	6,532	7,169
Non-airline terminal rent and other rents	4,448	4,851
North Perry Airport	1,343	1,259
Cargo	1,840	2,164
Miscellaneous	3,238	2,635
Total operating revenues	232,076	213,940
Operating Expenses		
Salaries, wages and benefits	36,719	32,874
Contractual services	45,232	43,110
Law enforcement and fire rescue	28,300	27,619
Utilities	9,157	9,342
Insurance	4,744	4,774
Services provided by other County departments	4,964	5,075
Maintenance, equipment and supplies	6,817	6,051
General and administrative	5,957	6,561
Total operating expenses before depreciation	141,890	135,406
Operating Income before Depreciation	90,186	78,534
Depreciation	87,777	67,908
Operating Income	2,409	10,626
Nonoperating Revenues (Expenses)		
Passenger facility charges	59,529	54,606
Interest income	6,893	6,906
Interest expense, net of capitalized interest	(54,926)	(56,129)
Bond issuance costs	(3,026)	-
Capital asset donation	(7,195)	(15,900)
Discontinued project cost	-	(122)
Gain on disposal of capital assets	105	210
Other	27	(126)
Total nonoperating revenues (expenses)	1,407	(10,555)
Profit (Loss) before Capital Contributions and Transfers	3,816	71
Capital contributions	98,881	67,269
Transfer out	-	(5,160)
	98,881	62,109
Change in Net Position	102,697	62,180
Total Net Position - Beginning of Year	1,380,655	1,318,475
Total Net Position - End of Year	$ 1,483,352	$ 1,380,655

See accompanying notes to financial statements

BROWARD COUNTY AVIATION DEPARTMENT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015
(in thousands)

	2016	2015
Cash Flows from Operating Activities		
Cash received from customers	$ 219,054	$ 228,074
Cash payments to suppliers for goods and services	(104,457)	(98,312)
Cash payments to employees for services	(36,214)	(33,107)
Other cash received	27	163
Other cash paid	-	(289)
Net cash provided by operating activities	78,410	96,529
Cash Flows from Noncapital Financing Activities		
Transfer out	-	(5,160)
Net cash used for noncapital financing activities	-	(5,160)
Cash Flows from Capital and Related Financing Activities		
Proceeds from issuance of bonds	484,033	-
Proceeds from bond refunding	52,808	-
Payment to refunded bond escrow agent	(53,241)	-
Payment of bond issuance costs	(770)	(89)
Acquisition and construction of property, plant and equipment	(290,249)	(269,990)
Proceeds from sale of capital assets	106	217
Debt principal payment	(48,015)	(42,580)
Interest and fiscal charges	(83,052)	(77,448)
Capital contributions	86,060	86,460
Receipt of passenger facility charges	58,503	53,758
Net cash provided by (used for) capital and related financing activities	206,183	(249,672)
Cash Flows from Investing Activities		
Purchase of investment securities	(769,573)	(429,086)
Proceeds from sale and maturities of investment securities	640,507	579,033
Interest and dividends on investments	6,130	7,051
Net cash provided by (used for) investing activities	(122,936)	156,998
Net Increase (Decrease) in Cash and Cash Equivalents	161,657	(1,305)
Cash and Cash Equivalents, Beginning of Year	219,941	221,246
Cash and Cash Equivalents, End of Year	$ 381,598	$ 219,941
Cash and Cash Equivalents - Unrestricted Assets	$ 49,527	$ 29,631
Cash and Cash Equivalents - Restricted Assets	332,071	190,310
	$ 381,598	$ 219,941

See accompanying notes to financial statements

BROWARD COUNTY AVIATION DEPARTMENT

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

(in thousands)

	2016	2015
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ 2,409	$ 10,626
Adjustments to reconcile operating income to cash flows from operating activities		
Depreciation expense	87,777	67,908
Other nonoperating revenues (expenses)	27	(126)
(Increase) Decrease in assets and deferred outflows of resources		
Accounts receivable	(2,525)	(2,094)
Inventories	(25)	80
Prepaid items	(112)	201
Deferred outflows on pensions	(4,895)	(865)
Increase (Decrease) in liabilities and deferred inflows of resources		
Accounts payable	522	2,627
Accrued liabilities	(305)	(225)
Due to other County funds	(144)	687
Due to other governments	(108)	1,059
Deposits	(148)	142
Unearned revenues	(10,224)	15,960
Compensated absences	230	101
Other post employment benefits liability	86	92
Net pension liability	7,284	4,231
Deferred inflows on pensions	(1,439)	(3,875)
Net adjustments	76,001	85,903
Net cash provided by operating activities	$ 78,410	$ 96,529

	2016	2015
Noncash Investing, Capital and Financing Activities		
Amortization of bond discount and premiums	$ (7,371)	$ (5,402)
Amortization of deferred charge on refunding	126	346
Bond issuance costs deducted from bond proceeds	(2,167)	-
Capital contributions	13,811	990
Capital assets acquired through current accounts payable	86,817	89,193
Capital asset donation	(7,195)	(15,900)
Change in fair value of investments	423	3,000

See accompanying notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

These financial statements present the financial position, changes in net position and cash flows of the Broward County Aviation Department (BCAD), a major enterprise fund of Broward County (the County), and not the County as a whole.

The Board of County Commissioners (the Board) is responsible for legislative and fiscal control of the County. A County Administrator is appointed by the Board and is responsible for administrative and fiscal control of all County departments through the administration of directives and policies established by the Board.

Pursuant to the general laws of Florida, the County owns Fort Lauderdale-Hollywood International Airport (FLL), a major air carrier airport, and the North Perry Airport (HWO), a general aviation airport, both of which are operated by BCAD. All accounts of FLL and HWO are included in BCAD's reporting entity; there are no other financial activities or funds considered for inclusion.

B. Measurement Focus and Basis of Accounting

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

BCAD operates as a major enterprise fund of the County and uses the enterprise fund type to account for all of its operations. The financial statements are presented using the flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place.

Operating revenues and operating expenses are distinguished from non-operating items. Operating revenues and expenses generally result from providing services in connection with BCAD's principal ongoing operations. BCAD's principal operating revenues are from airlines, rental cars, parking, and concessions. Operating expenses include employee wages and benefits, purchases of services and other expenses related to operating the airport, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Implementation of Governmental Accounting Standards Board Statements

BCAD adopted the following Governmental Accounting Standards Board (GASB) Statements during the fiscal year ended September 30, 2016:

1. ***GASB Statement No. 72 "Fair Market Value Measurement and Application"***

   Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement requires a government to use valuation techniques which are appropriate under the circumstances and for which sufficient data are available to measure fair value. The techniques should be consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

This Statement also establishes a hierarchy of inputs to valuation techniques used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices, included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. This Statement also requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The adoption of this Statement is reflected in Note 2.

2. GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68"

Statement No. 73 establishes requirements for defined benefit and defined contribution pension plans that are not within the scope of Statement No. 68 and also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement No. 68 for pension plans and pensions that are within their respective scopes. This Statement also clarifies the application of certain provisions of Statement No. 67 and No. 68 with regard to information that is required to be presented as notes to the ten year schedules of required supplementary information about investment related factors that significantly affect trends in the amounts reported, accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions and timing of employer recognition of revenue for the support of nonemployer contributing entities not in a special funding situation. This Statement had no impact on BCADs financial statements.

3. GASB Statement No. 76 "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"

Statement No. 76 identifies the hierarchy of generally accepted accounting principles (GAAP) used to prepare financial statements of state and local governmental entities and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP. The first category of authoritative GAAP consists of GASB Statements. The second category consists of GASB Technical Bulletins and Implementation Guides, and literature of the American Institute of Certified Public Accountants (AICPA) cleared by the GASB. This Statement also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement had no impact on the BCAD's financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Deposits and Investments

Cash and cash equivalents consist of cash on hand, demand deposits, as well as investments with original maturities at time of purchase, of three months or less.

BCAD participates in the cash and investment pool maintained by the County. BCAD's portion of the pool is presented as "cash and cash equivalents," "investments," or "restricted assets," as appropriate. Earnings are allocated to BCAD based on the average daily balances of cash and investments. BCAD also maintains cash and investments outside of the County pool relating to bond proceeds for the purpose of funding debt service payments and bond reserve requirements, as well as for investment purposes. All investments are carried at fair value as determined from quoted market prices.

E. Accounts Receivable

Accounts receivable are composed primarily of monthly billings to airlines and concessionaires operating at BCAD for various rentals and other fees. An allowance for doubtful accounts is provided for receivables where there is a question as to ultimate collectability. Receivables for BCAD are presented in the accompanying financial statements, net of an allowance for uncollectible accounts.

F. Due from Other Governments

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

G. Inventories and Prepaid Items

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

Prepaid items consist primarily of insurance costs that will benefit future accounting periods.

H. Capital Assets

Capital assets, which include property, plant and equipment, are recorded at cost or, if donated, at acquisition value at the date of donation. The capitalization levels are $1,000 for equipment and $5,000 for land and improvements and buildings and facilities. 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. Capital assets are depreciated on the straight-line basis over the following estimated useful lives:

Buildings and Facilities (including property held for leasing)	3-40 years
Equipment	3-15 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capitalized Interest

Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. The total interest expense incurred by BCAD during the fiscal year ended September 30, 2016, was $68,498,000 and, of this, $13,572,000 was included as part of the cost of construction-in-progress (CIP). During the fiscal year ended September 30, 2015, total interest expense was $71,496,000 and $15,367,000 was included as part of the cost of CIP.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The category of deferred outflows of resources reported in BCAD's Statement of Net Position relates to debt refunding and pensions. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt. Deferred outflows on pension activities are more fully disclosed in Note 1, Section O and Note 11.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources reported by BCAD relate to pension activities and are more fully disclosed in Note 1, Section O and Note 11.

K. Due to or from Other County Funds

During the course of operations, BCAD has activity with other County funds for various purposes. Any residual balances outstanding at year end are reported as due to or from other County funds.

L. Unearned Revenue - Airline Fees and Charges

Unearned revenue represents revenues collected in excess of certain required deposits in accordance with the Airline-Airport Lease and Use Agreement.

M. Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable unamortized bond premium or discount.

N. Compensated Absences

BCAD's policy is to permit employees to accumulate earned but unused vacation and sick leave. The cost of earned but unused vacation is accrued as a liability in the period in which the leave is earned. A liability for earned but unused sick leave is accrued only to the extent that the leave will result in cash payments at termination.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pensions

In the Statement of Net Position, pension liabilities are recognized for BCAD's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (Pension Plan) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan, and additions to and deductions from the Pension Plan's and the HIS's fiduciary net position, have been determined on the same basis as they are reported by the Pension Plan and HIS plans. Changes in the net pension liability during the period are recoded as pension expense, deferred outflows of resources, or deferred inflows of resources depending on the nature of the change. Those changes in the net pension liability that are recoded as deferred outflows of resources or deferred inflows of resources that arise from changes in actuarial assumptions or other inputs, changes in the proportionate share of that net pension.

P. Net Position and Net Position Flow Assumption

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

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

Q. Capital Contributions

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

R. Passenger Facility Charges

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Effective January 1, 1995, the FAA authorized BCAD to impose and use collected PFCs of $3.00 per departing passenger at FLL. In July 2005, FLL received approval from the FAA to implement a $4.50 PFC effective October 1, 2005. The ticketing airline includes the departing PFC in the price of each ticket when it is sold to the traveler. The $4.50 PFC collected by the airlines is remitted monthly to FLL, less an $0.11 per passenger administrative fee.

Through initial and subsequent FAA approvals, BCAD is currently authorized to collect PFCs up to $1,882,637,000, of which $794,054,000 has been collected as of September 30, 2016. The net receipts from PFCs are nonrefundable and restricted for use on FAA-approved capital projects and debt service on revenue bonds that fund approved PFC-eligible projects.

As of September 30, 2016, $659,420,000 of the collected PFCs had been spent on approved projects or debt service, and the remaining $134,634,000, along with a PFC receivable of $4,918,000 and interest receivable of $186,000, is reflected in the net position restricted for capital projects.

S. Reclassifications

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

T. Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2016 and 2015, BCAD's deposits and investments consisted of the following (in thousands):

	September 30,	
	2016	2015
Cash Deposits	$ 80,453	$ 29,483
Investments:		
U.S. Treasuries	94,558	135,829
U.S. Agencies	551,758	457,110
Commercial Paper	23,334	9,638
World Bank	14,997	3,103
Money Market Mutual Funds	301,145	140,359
Total Investments	985,792	746,039
Total Cash, Cash Equivalents and Investments	$ 1,066,245	$ 775,522

Cash and cash equivalents and investments are classified in the Statements of Net Position as follows (in thousands):

	September 30,	
	2016	2015
Current Assets		
Cash and cash equivalents, unrestricted	$ 49,527	$ 29,631
Cash and cash equivalents, restricted	174,908	175,374
Investments, unrestricted	106,343	105,910
Noncurrent Assets		
Cash and cash equivalents, restricted	157,163	14,936
Investments, restricted	578,304	449,671
Total Cash, Cash Equivalents and Investments	$ 1,066,245	$ 775,522

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk - The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The County mitigates custodial credit risk by requiring public funds to be deposited in a qualified public depository pursuant to State Statutes. Under the State Statutes, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depositories' collateral pledging level. The pledging level may range from 25% to 150% 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.

Investments

BCAD follows the County's investment practices, which are governed by 218.415 of the Florida Statutes, County Code of Ordinances, Chapter 1, Article 1, Section 1-10, and the requirements of outstanding bond covenants. The County has a formal investment policy that, in the opinion of management, is designed to ensure conformity with State Statutes and seeks to limit exposure to investment risks. The investment policy specifies the types, issuer, maturity, and performance measurement of investment securities that are permissible. Securities are held to maturity with limited exceptions outlined in the investment policy. Qualified institutions utilized for investment transactions are also addressed within the policy, as well as diversification requirements for the investment portfolio.

Under State Statutes and County Ordinances, the County is authorized to invest in obligations of the U.S. Government, its agencies and instrumentalities, the Florida Local Government Investment Trust, repurchase agreements with primary dealers, commercial paper, bonds, notes or obligations of the State of Florida or any municipality, political subdivision or agency or authority of the State, certificates of deposit, securities in certain open-end or closed-end investment companies or trusts, World Bank notes, bonds and discount notes, obligations of the Tennessee Valley Authority, and certain money market funds, The County may also invest in collateralized mortgage obligations and reverse repurchase agreements with the approval of the County's Chief Financial Officer. County policy requires that securities underlying repurchase agreements must have a market value of at least 102% of the cost of the repurchase agreements.

Interest Rate Risk - In accordance with its investment policy, the County manages its exposure to interest rate volatility by limiting the weighted average maturity of its investment portfolio within the following maturity categories: overnight 35%; 1-30 days 80%; 31-90 days 80%; 91 days to 1 year 70%; 1-2 years 40%; 2-3 years 25%; 3-4 years 20%; 4-5 years 15%; and 5-7 years 10%. Assets held pursuant to bond covenants are exempt from these maturity limitations. As of September 30, 2016, the portfolio weighted average maturity was 576 days and was in accordance with the County's investment policy.

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk -The County's investment policy contains specific rating criteria for certain investments. The policy states that commercial paper, as well as bonds, notes, or obligations of the State of Florida, any municipality or political subdivision, or any agency or authority of the State, if such obligations are rated, must be rated in one of the two highest rating categories by at least two nationally recognized rating agencies. Commercial paper not rated must be backed by a letter of credit or line of credit rated in one of the two highest rating categories.

Any investments in World Bank notes, bonds, and discount notes must be rated AAA or equivalent by Moody's Investors Service and/or Standard & Poor's Ratings Services. Investments in Securities and Exchange Commission registered money market funds must have the highest credit quality rating from a nationally recognized rating agency.

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

Concentration of Credit Risk - The County places no limit on the amount that may be invested in securities of the U. S. Government and U.S. Agencies thereof, or government-sponsored corporation securities. The County requires that all other investments be diversified with no more than 5% of the value of the portfolio invested in the securities of any single issuer. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3*" requires disclosure when 5% or more is invested in any one issuer. The investment in the Federal Home Loan Bank is 17.52%, the Federal Home Loan Mortgage Corporation is 12.35%, the Federal National Mortgage Association is 22.46%, the Federal Farm Credit Bank is 9.73% and the Federal Agricultural Mortgage Corporation is 7.35%.

Fair Value Measurement - The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the asset and liability. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County does not have any investments that are categorized as Level 3.

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

BCAD has the following recurring fair value measurements (in thousands):

As of September 2016	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level			
Debt Securities:			
U.S. Treasuries	$ 94,558	$ -	$ 94,558
U.S. Agencies	551,758		551,758
Commercial Paper	23,334		23,334
World Bank	14,997		14,997
Total Debt Securities	$ 684,647	$ -	$ 684,647
Money Market Mutual Funds	$ 301,145	$ 301,145	$ -
Total Investments at Fair Value	$ 985,792	$ 301,145	$ 684,647

As of September 2015	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level			
Debt Securities:			
U.S. Treasuries	$ 135,829	$ -	$ 135,829
U.S. Agencies	457,110		457,110
Commercial Paper	9,638		9,638
World Bank	3,103		3,103
Total Debt Securities	$ 605,680	$ -	$ 605,680
Money Market Mutual Funds	$ 140,359	$ 140,359	$ -
Total Investments at Fair Value	$ 746,039	$ 140,359	$ 605,680

U.S. Treasuries, U.S. Agencies, Commercial Paper and World Bank debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices (Level 2 inputs).

Money market mutual funds are valued using the quoted market prices (Level 1 inputs).

The investment balances categorized by fair value above include BCAD's investment in the County "pool" and the input levels presented are based on the actual allocation of the underlying investments held directly by the County.

NOTE 3 - RESTRICTED ASSETS

Restricted assets of BCAD at September 30, 2016 and 2015, represent amounts restricted for debt service and for construction and improvements of the FLL and HWO airport and aviation facilities under the terms of outstanding bond agreements and regulatory requirements. The bond reserve accounts represents 125% of the average annual principal and interest requirements for all series of bonds secured by the reserve account. The debt service accounts contain the principal and interest amounts required for payment due on October 1 in addition to funds restricted for future debt service payments. The PFC account contains amounts collected and receivables, but unspent. The bond construction accounts include bond proceeds available for the design and construction of major capital projects.

The composition of restricted accounts is as follows (in thousands):

	September 30,	
	2016	2015
Bond reserve accounts	$ 126,322	$ 96,725
Debt service accounts	289,792	249,343
Passenger facility charges account	139,738	143,403
Bond construction accounts	369,348	154,511
Grant proceeds	54	-
	$ 925,254	$ 643,982

Restricted assets are classified in the Statements of Net Position as follows (in thousands):

	September 30,	
	2016	2015
Current Restricted Assets		
Cash and cash equivalents	$ 174,908	$ 175,374
Other accounts receivable	873	109
Noncurrent Restricted Assets		
Cash and cash equivalents	157,163	14,936
Investments	578,304	449,671
Passenger facility charges receivable	4,918	3,892
Due from other governments	9,088	-
	$ 925,254	$ 643,982

NOTE 4 - CAPITAL ASSETS

Changes in capital assets for the years ended September 30, 2016 and 2015, are as follows (in thousands):

	Balance October 1, 2015	Increases	Decreases	Balance September 30, 2016
Capital assets not being depreciated:				
Construction in progress	$ 434,159	$ 254,317	$ 296,903	$ 391,573
Land and improvements	363,365	6		363,371
Total capital assets not being depreciated	797,524	254,323	296,903	754,944
Capital assets being depreciated:				
Buildings and facilities	1,806,112	283,831		$ 2,089,943
Property held for leasing	441,878	57,144		$ 499,022
Equipment	40,638	3,188	1,096	$ 42,730
Total capital assets being depreciated	2,288,628	344,163	1,096	2,631,695
Less accumulated depreciation:				
Buildings and facilities	483,811	$ 69,466		$ 553,277
Property held for leasing	161,763	15,027		$ 176,790
Equipment	30,041	3,284	$ 1,095	$ 32,230
Total accumulated depreciation	675,615	87,777	1,095	762,297
Total capital assets being depreciated, net	1,613,013	256,386	1	1,869,398
Total capital assets, net	$ 2,410,537	$ 510,709	$ 296,904	$ 2,624,342

	Balance October 1, 2014	Increases	Decreases	Balance September 30, 2015
Capital assets not being depreciated:				
Construction in progress	$ 899,556	$ 265,268	$ 730,665	$ 434,159
Land and improvements	359,410	3,955	-	363,365
Total capital assets not being depreciated	1,258,966	269,223	730,665	797,524
Capital assets being depreciated:				
Buildings and facilities	1,075,618	730,552	58	1,806,112
Property held for leasing	441,831	47	-	441,878
Equipment	36,561	4,615	538	40,638
Total capital assets being depreciated	1,554,010	735,214	596	2,288,628
Less accumulated depreciation:				
Buildings and facilities	432,708	51,103	-	483,811
Property held for leasing	147,684	14,079	-	161,763
Equipment	27,811	2,726	496	30,041
Total accumulated depreciation	608,203	67,908	496	675,615
Total capital assets being depreciated, net	945,807	667,306	100	1,613,013
Total capital assets, net	$ 2,204,773	$ 936,529	$ 730,765	$ 2,410,537

NOTE 5 - LEASE AND CONCESSION AGREEMENTS

Property held for leasing consists of property leased under operating leases to commercial enterprises. Lease terms vary from one to fifty 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 by years of minimum future revenues from non-cancelable agreements as of September 30, 2016 (in thousands):

Fiscal Year	Amount
2017	81,918
2018	79,065
2019	61,121
2020	54,790
2021	53,638
2022-2026	256,230
2027-2031	91,622
2032-2036	37,136
2037-2041	9,880
2042-2046	3,539
2047-2051	177
Total minimum future revenues	$ 729,116

Minimum future revenues for fiscal years 2018 onwards are based on fiscal year 2017 established rates. Rates are subject to change on an annual basis effective October 1. Total minimum future revenues does not include revenues that may be received under certain concession leases on the basis of a percentage of the tenant's gross revenue in excess of stipulated minimum annual guarantees (MAGs). MAGs amounted to approximately $43,406,000 and $38,845,000 for the years ended September 30, 2016 and 2015, respectively.

NOTE 6 - AIRLINE-AIRPORT LEASE AND USE AGREEMENT

BCAD has entered into lease and use agreements with its major airline tenants (Signatory Airlines). The airline agreements, which are based on a residual rate-setting methodology for the terminal complex and the airfield, will terminate on September 30, 2026.

The agreements require that landing fees and terminal rentals be reviewed annually and adjusted, as necessary, so that the total revenue is sufficient to meet BCAD's requirements, as determined by the signatory airline agreements. At the end of the fiscal year, after all required deposits have been made, any remaining excess funds are used to meet the requirements in the following fiscal year. These excess funds have been recorded as unearned revenue by BCAD and have been included in current liabilities payable from unrestricted assets. For the years ended September 30, 2016 and 2015, these funds amounted to $23,216,000 and $33,766,000, respectively.

NOTE 7 - LONG-TERM OBLIGATIONS

Changes in long-term obligations for the years ended September 30, 2016 and 2015, are as follows (in thousands):

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016	Amount Due Within One Year	Amount Due After One Year
Revenue Bonds payable	$ 1,526,375	$ 482,195	$ 100,930	$ 1,907,640	$ 50,990	$ 1,856,650
Unamortized bond premiums and discount	100,552	56,813	9,751	147,614	-	147,614
Compensated absences	4,452	2,056	1,826	4,682	1,974	2,708
Other post employment benefits	1,110	171	85	1,196	-	1,196
Net pension liability	13,943	7,284	-	21,227	-	21,227
Total	$ 1,646,432	$ 548,519	$ 112,592	$ 2,082,359	$ 52,964	$ 2,029,395

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015	Amount Due Within One Year	Amount Due After One Year
Revenue Bonds payable	$ 1,568,955	$ -	$ 42,580	$ 1,526,375	$ 48,015	$ 1,478,360
Unamortized bond premiums and discount	105,954	-	5,402	100,552	-	100,552
Compensated absences	4,351	1,940	1,839	4,452	1,879	2,573
Other post employment benefits	1,018	185	93	1,110	-	1,110
Net pension liability	9,712	4,231	-	13,943	-	13,943
Total	$ 1,689,990	$ 6,356	$ 49,914	$ 1,646,432	$ 49,894	$ 1,596,538

NOTE 7 - LONG-TERM OBLIGATIONS (Continued)

The following is a summary of the major provisions and significant debt service requirements for the outstanding bonds at September 30, 2016 (in thousands):

Airport System Revenue Bonds	Primary Purpose	Type	Interest Payment		Optional (O) or Mandatory (M) Redemption *		Final Maturity Date	Original Amount Issued	Retired/ Refunded	Outstanding September 30
			Rate %	Date		Year				
2001 J-2	Improvements	Serial	5.8-6.8	4/1 & 10/1	N/A	N/A	10/1/2015	$ 73,725	$ (73,725)	$ -
2001 J-2	Improvements	Term	6.9	4/1 & 10/1	M	2016	10/1/2021	75,460	-	75,460
2004 L	Improvements	Serial	3.0-5.0	4/1 & 10/1	O	2014	10/1/2027	142,015	(142,015)	-
2009 O	Refunding	Serial	2.0-5.0	4/1 & 10/1	O	2019	10/1/2020	29,395	(13,980)	15,415
2009 O	Refunding	Term	5.0-5.375	4/1 & 10/1	M	2021	10/1/2029	71,745	-	71,745
2012 P-1	Refunding	Serial	3.0-5.0	4/1 & 10/1	O	2022	10/1/2026	217,080	(53,820)	163,260
2012 P-2	Refunding	Serial	3.25-5.0	4/1 & 10/1	O	2022	10/1/2026	92,775	(3,935)	88,840
2012 Q-1	Improvements	Serial	3.0-5.0	4/1 & 10/1	O	2022	10/1/2033	283,600	(25,500)	258,100
2012 Q-1	Improvements	Term	4.0-5.0	4/1 & 10/1	M	2034	10/1/2042	232,020	-	232,020
2012 Q-2	Improvements	Serial	5.0	4/1 & 10/1	O	2022	10/1/2032	51,800	(3,475)	48,325
2012 Q-2	Improvements	Term	5.0	4/1 & 10/1	M	2033	10/1/2042	53,910	-	53,910
2013 A	Improvements	Serial	1.25-5.25	4/1 & 10/1	O	2023	10/1/2033	81,345	(5,080)	76,265
2013 A	Improvements	Term	5.125-5.25	4/1 & 10/1	M	2034	10/1/2043	83,960	-	83,960
2013 B	Improvements	Serial	2.00-5.50	4/1 & 10/1	O	2023	10/1/2033	27,395	(1,780)	25,615
2013 B	Improvements	Term	5.00-5.25	4/1 & 10/1	M	2034	10/1/2043	28,005	-	28,005
2013 C	Improvements	Serial	1.25-5.50	4/1 & 10/1	O	2023	10/1/2033	103,265	(6,450)	96,815
2013 C	Improvements	Term	5.125-5.25	4/1 & 10/1	M	2034	10/1/2043	107,710	-	107,710
2015 A	Improvements	Serial	2.0-5.0	4/1 & 10/1	O	2025	10/1/2037	248,120	-	248,120
2015 A	Improvements	Term	5.0	4/1 & 10/1	M	2040	10/1/2040	61,990	-	61,990
2015 A	Improvements	Term	5.0	4/1 & 10/1	M	2045	10/1/2045	116,205	-	116,205
2015 B	Improvements	Term	5.0	4/1 & 10/1	O	2025	10/1/2045	9,575	-	9,575
2015 C	Refunding	Serial	2.0-5.0	4/1 & 10/1	M	2025	10/1/2025	46,305	-	46,305
										$ 1,907,640

* The optional and mandatory redemptions are at par

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

Fiscal Year	Principal	Interest	Total
2017	$ 50,990	$ 94,241	$ 145,231
2018	53,840	91,551	145,391
2019	63,620	88,437	152,057
2020	67,010	85,008	152,018
2021	70,485	81,391	151,876
2022-2026	365,910	349,878	715,788
2027-2031	314,165	261,999	576,164
2032-2036	283,780	193,403	477,183
2037-2041	361,095	114,175	475,270
2042-2046	276,745	25,934	302,679
	$ 1,907,640	$ 1,386,017	$ 3,293,657

NOTE 7 - LONG-TERM OBLIGATIONS (Continued)

Airport System Revenue Bonds are issued to finance the construction or improvement of the Airports' facilities and are payable solely from and are secured by a pledge of net revenues, as defined in the Bond Resolution. In accordance with Section 704(a) of the Bond Resolution, the debt service coverage for the fiscal years ended September 30, 2016 and 2015, are as follows (in thousands):

	2016	2015
Revenues	$ 232,076	$ 213,940
Interest income*	6,470	3,906
Current expenses**	(140,939)	(135,915)
Net revenues	97,607	81,931
Transfer from General Purposes Account	23,216	33,766
Current revenues pledged	$ 120,823	$ 115,697
Debt Service***		
Deposit to Principal Account	$ 51,294	$ 48,015
Deposit to Interest Account	75,743	76,552
Passenger facility charge and grant offset	(58,082)	(55,696)
Total debt service	$ 68,955	$ 68,871
Debt service coverage	175%	168%
Required debt service coverage	125%	125%
Percentage of debt service to pledged revenues	57%	60%
Total future revenues pledged****	$ 3,293,657	$ 2,580,785
Passenger facility charge and grant offset	(1,348,241)	(1,414,074)
Net future revenues pledged	$ 1,945,416	$ 1,166,711

*Interest Income excludes net unrealized gains on investments of $423,000 and $3,000,000 for fiscal year 2016 and fiscal year 2015, respectively.

**Current expenses exclude pension adjustments relating to GASB Statement No. 68 of $951,000 and $(509,000) for fiscal year 2016 and fiscal year 2015, respectively.

*** Fiscal year 2016 revenues are pledged for 4/1/2016 and 10/1/2016 debt service payments and fiscal year 2015 revenues are pledged for 4/1/2015 and 10/1/2015 debt service payments.

****Total future pledged revenues are to repay principal and interest on a cash basis through fiscal year 2046.

NOTE 8 - BOND ISSUANCE

On November 16, 2015, BCAD issued $426,315,000 in Airport System Revenue Bonds, Series 2016A (AMT) with interest rates ranging from 2.00% to 5.00%, $9,575,000 in Airport System Revenue Bonds, Series 2016B (Non-AMT) with an interest rate of 5.00%, and $46,305,000 in Airport System Revenue Refunding Bonds, Series 2016C (AMT) with interest rates ranging from 2.00% to 5.00%, with a combined premium of $56,813,000 resulting in a combined true interest rate of 4.01%. The Series 2016A and Series 2016B Bonds were issued to provide funding for terminal renovation and expansion projects and related airport improvement projects, fund the reserve account to satisfy the reserve requirements, and pay the underwriters' discount and certain other costs of issuance. The Series 2016C Bonds were issued to advance refund $52,915,000 of Series 2004L Bonds, which had interest rates ranging from 4.00% to 5.00%. The net proceeds of $53,241,000 (consisting of the par amount of $46,305,000, plus original issue premium of $6,656,000, plus $521,000 accumulated in the Debt Service Fund relating to the refunded bonds and after the payment of underwriting fees and other issuance costs of $241,000), were deposited in an irrevocable trust with an escrow agent to provide funds for the debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position.

BCAD completed the advance refunding to reduce its total debt service payment over the next 12 years by $10,459,000, which represents an economic gain (the difference between the present values of the old and new debt service payments) of $8,335,000.

NOTE 9 - CAPITAL CONTRIBUTIONS

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

	2016	2015
Federal Grants	$ 90,939	$ 48,297
State of Florida Grants	7,942	18,972
	$ 98,881	$ 67,269

NOTE 10 - RISK MANAGEMENT

BCAD is exposed to various risks and losses related to alleged torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Self-Insurance Program

BCAD participates in the County's self-insured program, for its Workers' Compensation, Health Insurance, Auto Liability and General liability claims which are not covered under the airport owners and operators general liability, environmental liability, or cyber liability insurance policies that BCAD purchases.

NOTE 10 - RISK MANAGEMENT (Continued)

Workers' Compensation benefits are provided in accordance with Florida State Statutes by the County's Self-insurance fund up to a maximum of $1,500,000 (Self-Insured Retention Limit) for each occurrence. BCAD is insured for losses above the self-insured retention limit by the County's purchased excess workers' compensation policy.

The Owner Controlled Insurance Program (OCIP) is a large deductible self-insurance program for County construction projects providing qualified participants with workers' compensation, general liability, and environmental insurance coverage. The program has a $250,000 per occurrence deductible for workers' compensation and general liability claims and a $25,000 deductible for environmental claims. BCAD participates in the OCIP program.

The County has entered into a contract with Humana to provide for employee health insurance through a self-insurance program with Humana as a third party payer. The County has also purchased stop-loss coverage for the group medical and pharmacy plan with a specific deductible of $400,000.

BCAD makes payments for the County's Self-Insurance Programs to the Self-Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year BCAD claims and to establish reserves for all BCAD losses. The estimated liabilities for self-insured losses were determined by independent actuarial valuations performed as of September 30, 2016. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors.

Other Insurance Coverage

BCAD also participates in other insurance policies purchased by the County, including Government Crime, Pollution Liability, Terrorism, Fine Arts coverage, and numerous smaller policies that are required by lease agreements, union contracts, State Statutes, etc. In addition, BCAD carries separate policies for airport owner's and operator's general liability insurance, property insurance, environmental liability insurance, and cyber liability insurance.

Property Insurance - BCAD has a property portfolio consisting of 40 individual structures comprising over $1.2 billion in insurable values. The property insurance in place affords $500,000,000 in coverage per occurrence with a deductible of $250,000. Coverage for property losses emanating from "Terrorism" are covered up to $350,000,000 per occurrence. Losses attributable to named windstorm are subject to a limit of $125,000,000 per occurrence with a deductible of $25,000,000. Flood losses are subject to a limit of $25,000,000 per occurrence with a minimum deductible of $500,000. BCAD's facilities are also covered under the Boiler and Machinery policy purchased for the County. This program provides $200,000,000 of coverage with a $250,000 deductible.

BCAD also insures the elevated section of the new runway for a limit of $220,000,000, with a deductible of $250,000 per occurrence. This policy excludes losses resulting from named windstorm events.

Airport Owners and Operators General Liability Insurance - Due to the unique nature of the exposures presented by airport operations, BCAD purchases airport owner's and operator's general liability insurance coverage limits of $400,000,000 per occurrence with no deductible.

NOTE 10 - RISK MANAGEMENT (Continued)

Environmental Liability Insurance - BCAD carries an environmental liability insurance policy with coverage limits of $10,000,000 per occurrence and $20,000,000 in the aggregate. BCAD is responsible for the first $100,000 of each loss under this policy.

Cyber Liability Insurance - BCAD carries a cyber-liability policy with limits of $5,000,000 per occurrence and in the aggregate, with a per claim retention of $50,000. BCAD is responsible for the first $50,000 of each loss under this policy and extends coverage for information security and privacy breach response.

Settled claims have not exceeded commercial coverage in the past three years.

NOTE 11 - PENSION PLAN

RETIREMENT PLANS

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

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

A. Pension Plan

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

The general classes of membership for BCAD are as follows:

- Regular Class - Members of the FRS who do not qualify for membership in the other classes
- Senior Management Service Class (SMSC) - Members in senior management level positions

Employees enrolled in the Pension Plan prior to July 1, 2011, vest after six years of creditable service, and employees enrolled in the Pension Plan on or after July 1, 2011, vest after eight years of creditable service.

NOTE 11 - PENSION PLAN (Continued)

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

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

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

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value (Per Year of Service)
Regular Class Members Initially Enrolled Before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%
Regular Class Members Initially Enrolled On or After July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%
Senior Management Service Class	2.00%

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

NOTE 11 - PENSION PLAN (Continued)

Contributions - Effective July 1, 2011, all enrolled members of the Pension Plan, other than DROP participants, are required to contribute 3.0% of their salary to the Pension Plan. In addition to member contributions, governmental employers are required to make contributions to the Pension Plan based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from July 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016, respectively, were as follows: Regular - 5.56% and 5.80%, Senior Management Service – 19.73% and 20.05% and DROP participants 11.22% and 11.33%. The employer contribution rates by job class for the period from July 1, 2014 through June 30, 2015 were as follows: Regular - 6.07%, Senior Management Service – 19.84% and DROP participants 11.02%. These employer contribution rates do not include the HIS Plan contribution rate and the administrative cost assessment.

For the fiscal years ended September 30, 2016 and 2015, contributions, including employee contributions of $614,000 and $548,000 respectively, to the Pension Plan for BCAD totaled $1,803,000 and $1,736,000 respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2016 and 2015, BCAD reported liabilities of $13,186,000 and $7,029,000, respectively, for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2016 and June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2016 and July 1, 2015. BCAD's proportionate share of the net pension liability was based on its share of the County's 2015-2016 and 2014-2015 fiscal year contributions relative to the 2015-2016 and 2014-2015 fiscal year contributions of all participating members. At June 30, 2016, the County's proportionate share was 0.76293%, which was a decrease of 0.03506% from its proportionate share measured at June 30, 2015. At June 30, 2015, the County's proportionate share was 0.79799%, which was a decrease of 0.00620% from its proportionate share measured at June 30, 2014.

For the fiscal years ended September 30, 2016 and 2015, BCAD recognized pension expense of $1,842,000 and $455,000, respectively. In addition, BCAD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

As of September 30, 2016	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,014	$ (123)
Change of assumptions	801	
Net difference between projected and actual earnings on Pension Plan investments	3,423	
Changes in proportion and differences between Pension Plan contributions and proportionate share of contributions	275	(332)
Pension Plan contributions subsequent to the measurement date	391	
Total	$ 5,904	$ (455)

NOTE 11 - PENSION PLAN (Continued)

As of September 30, 2015	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 742	$ (167)
Change of assumptions	467	
Net difference between projected and actual earnings on Pension Plan investments		(1,678)
Changes in proportion and differences between Pension Plan contributions and proportionate share of contributions	356	(56)
Pension Plan contributions subsequent to the measurement date	281	
Total	$ 1,846	$ (1,901)

The deferred outflows of resources related to the Pension Plan, totaling $391,000 for BCAD, resulting from contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows (in thousands):

Years Ending September 30	
2017	$ 724
2018	724
2019	2,059
2020	1,357
2021	149
Thereafter	45
Total	$ 5,058

Actuarial Assumptions - The total pension liabilities as of June 30, 2016 and 2015 in the actuarial valuations were determined using the following actuarial assumptions:

Inflation	2.60%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	7.60% in 2016 and 7.65% in 2015, net of pension plan investment expense, including inflation

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

NOTE 11 - PENSION PLAN (Continued)

The actuarial assumptions used in the July 1, 2016 and 2015 valuations were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013. The assumptions used in the July 1, 2016 valuation were unchanged from those used in the prior valuation as of July 1, 2015 with two exceptions; 1) the investment return assumption was decreased from 7.65% to 7.60%; and 2) the mortality assumption applied to members while in FRS covered employment, was updated to better anticipate expected future experience.

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

As of September 30, 2016 Asset Class	Target Allocation*	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.00%	3.00%	1.70%
Fixed Income	18.00%	4.70%	4.60%	4.60%
Global Equity	53.00%	8.10%	6.80%	17.20%
Real Estate (Property)	10.00%	6.40%	5.80%	12.00%
Private Equity	6.00%	11.50%	7.80%	30.00%
Strategic Investments	12.00%	6.10%	5.60%	11.10%
	100.00%			
Assumed Inflation - Mean		2.60%		1.90%

As of September 30, 2015 Asset Class	Target Allocation*	Annual Arithmetic Return	Compound Annual	Standard Deviation
Cash	1.00%	3.20%	3.10%	1.70%
Fixed Income	18.00%	4.80%	4.70%	7.00%
Global Equity	53.00%	8.50%	7.20%	17.70%
Real Estate (Property)	10.00%	6.80%	6.20%	12.00%
Private Equity	6.00%	11.90%	8.20%	30.00%
Strategic Investments	12.00%	6.70%	6.10%	11.40%
	100.00%			
Assumed Inflation - Mean		2.60%		1.90%

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

NOTE 11 - PENSION PLAN (Continued)

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2016 and 2015 was 7.60% and 7.65% respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at the statutorily required rates. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 216.136(10), Florida Statutes. In 2016, the rate of return assumption is a prescribed assumption as defined by the Actuarial Standards of Practice No. 27 (ASOP 27) and the 7.60% assumption was adopted by the 2016 FRS Actuarial Assumption Conference.

Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents BCAD's proportionate share of the net pension liability calculated using the discount rates of 7.60% and 7.65% respectively, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.60% and 6.65%) or one percentage point higher (8.60% and 8.65%) than the current rate (in thousands):

As of September 30, 2016	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Proportional Share of the Net Pension Liability	$24,234	$13,186	$3,989

As of September 30, 2015	1% Decrease 6.65%	Current Discount Rate 7.65%	1% Increase 8.65%
Proportional Share of the Net Pension Liability	$18,214	$7,029	($2,279)

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

Payables to the Pension Plan - At September 30, 2016 and 2015, BCAD reported payables in the amount of $142,000 and $93,000, respectively, for outstanding contributions to the Pension Plan required for the fiscal years ended September 30, 2016 and 2015.

B. HIS Plan

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

NOTE 11 - PENSION PLAN (Continued)

Benefits Provided - For the fiscal year ended September 30, 2016, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. The employer contribution rates for the periods from July 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2016 were 1.26% and 1.66% respectively. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

For the fiscal years ended September 30, 2016 and 2015, contributions to the HIS Plan for BCAD totaled $340,000 and $230,000 respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2016 and 2015, BCAD reported liabilities of $8,041,000 and $6,914,000, respectively, for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The net pension liability measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. Liabilities originally calculated as of the July 1, 2014 actuarial valuation date have been recalculated as of June 30, 2015 using a standard actuarial roll-forward technique. BCAD's proportionate share of the net pension liability was based on its share of the County's 2015-2016 and 2014-2015 fiscal year contributions relative to the 2015-2016 and 2014-2015 fiscal year contributions of all participating members. At June 30, 2016, the County's proportionate share was 1.01065% which was an increase of 0.01660% from its proportionate share measured at June 30, 2015. At June 30, 2015, the County's proportionate share was 0.99405% which was a decrease of 0.00414% from its proportionate share measured at June 30, 2013.

NOTE 11 - PENSION PLAN (Continued)

For the fiscal years ended September 30, 2016 and 2015, BCAD recognized pension expense of $637,000 and $454,000 respectively. In addition, BCAD reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources (in thousands):

As of September 30, 2016	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$ (19)
Change of assumptions	1,271	
Net difference between projected and actual earnings on Pension Plan investments	4	
Changes in proportion and differences between Pension Plan contributions and proportionate share of contributions	92	(57)
Pension Plan contributions subsequent to the measurement date	96	
Total	$ 1,463	$ (76)

As of September 30, 2015	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$
Change of assumptions	544	
Net difference between projected and actual earnings on Pension Plan investments	4	
Changes in proportion and differences between Pension Plan contributions and proportionate share of contributions		(69)
Pension Plan contributions subsequent to the measurement date	78	
Total	$ 626	$ (69)

The deferred outflows of resources as of September 30, 2016 related to the HIS Plan, totaling $96,000 for BCAD, resulting from contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Years Ending September 30	
2016	$ 227
2017	227
2018	226
2019	226
2020	203
Thereafter	182
Total	$ 1,291

NOTE 11 - PENSION PLAN (Continued)

Actuarial Assumptions - Actuarial valuations for the HIS plan are conducted biennially. The July 1, 2016 HIS valuation is the most recent actuarial valuation and was used to develop the liabilities as of June 30, 2016. The July 1, 2014 actuarial valuation was used to develop the liabilities for June 30, 2015. Liabilities originally calculated as of the July 1, 2014 actuarial date were recalculated as of June 30, 2015 using a standard actuarial roll-forward technique. The total pension liabilities as of June 30, 2016 and 2015 were determined using the following actuarial assumptions:

Inflation	2.60%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	2.85% in 2016 and 3.80% in 2015, net of pension plan investment expense, including inflation

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

The actuarial assumptions that determined the total pension liability as of June 30, 2016 and 2015 were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2016 and 2015 was 2.85% and 3.80% respectively. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The change between the two measurement dates is due to the changes in the applicable municipal bond index between the dates.

Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents BCAD's proportionate share of the net pension liability calculated as of September 30, 2016 and 2015 using the discount rate of 2.85% and 3.80%, respectively, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.85% and 2.80%) or one percentage point higher (3.85% and 4.80%) than the current rate (in thousands):

As of September 30, 2016

	1% Decrease 1.85%	Current Discount Rate 2.85%	1% Increase 3.85%
Proportional Share of the Net Pension Liability	$9,226	$8,041	$7,059

As of September 30, 2015	1% Decrease 2.80%	Current Discount Rate 3.80%	1% Increase 4.80%
Proportional Share of the Net Pension Liability	$7,878	$6,914	$6,110

NOTE 11 - PENSION PLAN (Continued)

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

Payables to the HIS Plan - At September 30, 2016 and 2015, BCAD reported payables in the amount of $34,000 and $23,000, respectively, for outstanding contributions to the HIS plan required for the fiscal years ended September 30, 2016 and 2015.

C. Investment Plan

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal years ended September 30, 2016 and 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to BCAD.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options.

NOTE 11 - PENSION PLAN (Continued)

Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Investment Plan pension expense for BCAD totaled $489,000 for the fiscal year ended September 30, 2016.

Payables to the Investment Plan - At September 30, 2016, BCAD reported a payable in the amount of $40,000, for outstanding contributions to the Investment Plan required for the fiscal year ended September 30, 2016.

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

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

Funding Policy and Annual OPEB Cost

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

BCAD's annual OPEB cost for the plan is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *"Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*".

The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

The annual OPEB cost for BCAD for the 2016 and 2015 fiscal years, and the related information for the plan, is as follows (in thousands):

	2016	2015
Required contributions rates:		
Employer	Pay as you go	Pay as you go
Plan members	N/A	N/A
Annual required contribution	$ 185	$ 191
Interest on net OPEB obligations	47	43
Adjustment to annual required contribution	(61)	(49)
Annual OPEB cost	171	185
Contributions made	(85)	(93)
Increase in net OPEB obligation	86	92
Net OPEB obligation - beginning of year	1,110	1,018
Net OPEB obligation - end of year	$ 1,196	$ 1,110

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2016, 2015 and 2014 for BCAD were as follows (in thousands):

	2016	2015	2014
Annual OPEB cost	$ 171	$ 185	$ 184
Percentage of OPEB cost contributed	50.00%	49.99%	47.92%
Net OPEB obligation	$ 1,196	$ 1,110	$ 1,018

Funded Status and Funding Progress

The funded status of the County's plan as of October 1, 2015, the date of the latest actuarial valuation, was as follows (in thousands):

Actuarial accrued liability	$ 24,196
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	24,196
Funded ratio	0.00%
Covered payroll	$ 265,122
Unfunded actuarial accrued liability as a percentage of covered payroll	9.13%

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

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

Actuarial Methods and Assumptions

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

Significant methods and assumptions were as follows:

Actuarial valuation date	10/1/2015
Actuarial cost method	Entry age
Amortization method	Level Percent, closed
Remaining amortization period	22 years
Asset valuation method	Unfunded
Actuarial assumptions:	
Investment rate of return*	3.75%
Projected salary increases*	3.70% - 7.80%
Healthcare inflation rate	8.5% initial, 4.5% ultimate

*Includes 2.60% general inflation rate

NOTE 13 - TRANSACTIONS WITH OTHER COUNTY DEPARTMENTS

BCAD reimburses the General Fund of the County for an allocated portion of certain support department costs, which include such services as management, administrative, fiscal, internal audit, legal, personnel, purchasing, computer services and information systems, and communication costs. Furthermore, BCAD is charged for the cost of services provided by the Risk Management, Fleet Services and Print Shop Funds. The total cost for the above services was approximately $11,291,000 and $11,358,000 for the years ended September 30, 2016 and 2015, respectively. BCAD also pays the Water and Wastewater Fund, an enterprise fund of the County, for water. The water charges for the years ended September 30, 2016 and 2015 totaled approximately $2,322,000 and $1,585,000, respectively.

BCAD contracts directly with the Broward County Sheriff's Office for security services at FLL. The cost of these services was approximately $18,217,000 and $17,114,000 for the years ended September 30, 2016 and 2015, respectively.

NOTE 13 - TRANSACTIONS WITH OTHER COUNTY DEPARTMENTS (Continued)

BCAD also contracts with Broward Sheriff's Office Department of Fire Rescue for fire-rescue services at FLL. The cost of these services was approximately $9,233,000 and $9,641,000 for the years ended September 30, 2016 and 2015, respectively.

The Port Everglades Fund, an enterprise fund of the County, reimburses BCAD for their allocation of maintenance costs for the landscaping on U.S. 1 at FLL. The amount invoiced for the years ended September 30, 2016 and 2015, was approximately $17,000 and $11,000, respectively. Similarly, the Public Works Department, through the General Fund of the County, reimburses BCAD for their allocation of maintenance costs for the landscaping on U.S. 1 at FLL. The reimbursements for the years ended September 30, 2016 and 2015, were approximately $85,000 and $55,000, respectively.

At September 30, 2016 and 2015, there was no receivable from other County funds and departments and approximately $4,253,000 and $4,397,000, respectively, was payable to other County funds for security and fire-rescue services and permits.

NOTE 14 - COMMITMENTS AND CONTINGENT LIABILITIES

Claims have been submitted by contractors to the County related to the construction of the south runway, improvements to Terminal 3 security screening check points and Taxiway C construction at FLL. Additionally, three lawsuits were filed regarding the expansion of the south runway at FLL. Two of those lawsuits assert claims in state court for unconstitutional takings under the Florida Constitution on behalf of individuals who reside in close proximity to the south runway. All but two of the plaintiffs in one of the state court cases voluntarily dismissed their lawsuits in order to participate in noise mitigation programs adopted by the County and both approved and financially supported by the FAA; the two remaining plaintiffs will join the other state court case. The County has filed answers and affirmative defenses, and is conducting discovery and pursuing summary judgment against each remaining plaintiff in turn. The third lawsuit purported to state a class action in federal court against the County for due process violation claims under the United States and Florida Constitutions and negligence, and claims against numerous airlines for unjust enrichment and civil trespass. The federal case was dismissed after County and the airlines filed motions challenging its legal sufficiency. That matter is presently on appeal.

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

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

At September 30, 2016, BCAD had in process various uncompleted construction projects with commitments totaling $470,094,000. The retainage payable on these contracts totaled $28,995,000. Funding of these projects is made primarily through the proceeds of the related bond issues.

Schedule of Funding Progress - Other Post Employment Benefits

(in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2011		$ 24,800	$ 24,800		$ 231,302	10.72%
10/1/2013		$ 25,389	$ 25,389		$ 242,246	10.48%
10/1/2015		$ 24,196	$ 24,196		$ 265,122	9.13%

This schedule shows the County's actuarial accrued liability (AAL). An estimated 7% of this liability can be attributed to BCAD

Schedule of the Proportionate Share of the Net Pension Liability
Florida Retirement System Pension Plan
Last Ten Fiscal Years
(in Thousands)

	2016	2015	2014
BCAD's proportion of the net pension liability (asset)	0.05%	0.05%	0.05%
BCAD's proportionate share of the net pension liability (asset)	$ 13,186	$ 7,029	$ 3,347
BCAD's covered-employee payroll	$ 19,142	$ 18,433	$ 18,608
BCAD's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	68.88%	38.13%	17.98%
Plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%	96.00%

The amounts presented for each fiscal year were determined as of June 30th

Schedule of Contributions
Florida Retirement System Pension Plan
Last Ten Fiscal Years
(in Thousands)

	2016	2015	2014
Contractually required contribution	$ 1,189	$ 1,188	$ 1,170
Contributions in relation to the contractually required contribution	$ (1,189)	$ (1,188)	$ (1,170)
Contribution deficiency (excess)	$ -	$ -	$ -
BCAD's covered-employee payroll	$ 20,474	$ 18,258	$ 19,529
Contributions as a percentage of covered-employee payroll	5.81%	6.51%	5.99%

The amounts presented for each fiscal year were determined as of September 30th.

GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

Schedule of the Proportionate Share of the Net Pension Liability
Florida Retirement System Health Insurance Subsidy Plan
Last Ten Fiscal Years
(in Thousands)

	2016	2015	2014
BCAD's proportion of the net pension liability (asset)	0.07%	0.07%	0.07%
BCAD's proportionate share of the net pension liability (asset)	$ 8,041	$ 6,914	$ 6,365
BCAD's covered-employee payroll	$ 19,142	$ 18,433	$ 18,608
BCAD's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	42.01%	37.51%	34.21%
Plan fiduciary net position as a percentage of the total pension	0.97%	0.50%	0.99%

The amounts presented for each fiscal year were determined as of June 30th

Schedule of Contributions
Florida Retirement System Health Insurance Subsidy Plan
Last Ten Fiscal Years
(in Thousands)

	2016	2015	2014
Contractually required contribution	$ 340	$ 232	$ 234
Contributions in relation to the contractually required contribution	$ (340)	$ (232)	$ (234)
Contribution deficiency (excess)	$ -	$ -	$ -
BCAD's covered-employee payroll	$ 20,474	$ 18,258	$ 19,529
Contributions as a percentage of covered-employee payroll	1.66%	1.27%	1.20%

The amounts presented for each fiscal year were determined as of September 30th.

GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

NOTE 1 – PENSION INFORMATION

The discount rate used to measure the pension liability of the Pension Plan at June 30, 2016 was decreased from 7.65% to 7.60%. The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 216.136(10), Florida Statutes. The rate of return assumption is a prescribed assumption as defined by the Actuarial Standards of Practice No. 27 (ASOP 27) and the 7.60% assumption was adopted by the 2016 FRS Actuarial Assumption Conference.

MOORE STEPHENS LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements, as listed in the table of contents, of the Broward County Aviation Department ("BCAD"), an enterprise fund of Broward County, Florida as of and for the year ended September 30, 2016, and have issued our report thereon dated March 22, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered BCAD's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of BCAD's internal control. Accordingly, we do not express an opinion on the effectiveness of BCAD's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

We noted certain other matters that we reported to management in a separate letter dated March 22, 2017.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of BCAD's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BCAD's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 22, 2017

APPENDIX D

BOND RESOLUTION

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Resolution 2012-320

RESOLUTION NO. 2012-320 ADOPTED MAY 8, 2012

AMENDING AND RESTATING

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

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RESOLUTION NO. 2012-____

A RESOLUTION AMENDING AND RESTATING IN ITS ENTIRETY RESOLUTION NO. 82-A-2 ADOPTED ON NOVEMBER 9, 1982, AS PREVIOUSLY AMENDED AND SUPPLEMENTED, WHICH RESOLUTION WAS ENTITLED:

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

; AND PROVING FOR AN EFFECTIVE DATE

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

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

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

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

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

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

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

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

WHEREAS, the County has determined to provide for the issuance of revenue bonds payable and secured from the Net Revenues and, to the extent provided herein, other Available Revenues derived or received by the County, to finance the costs of such airports and aviation facilities;

WHEREAS, the Board of County Commissioners (the "Board") of the County adopted Resolution No. 82-A-2 on November 9, 1982, as amended and supplemented by Resolution No. 82-A-3, adopted by the Board on March 11, 1983, and as further amended and supplemented by Resolution No. 89-1126, adopted by the Board on April 11, 1989, Resolution No. 93-740, adopted by the Board on July 6, 1993, Resolution No. 1998-1178, adopted by the Board on December 1, 1998 and Resolution No. 2004-857, adopted by the Board on October 5, 2004 (collectively, the "Existing ASR Bond Resolution" and, together with the amendments contained in this amended and restated resolution upon their effective date as set forth in Section 1312 hereof, the "Resolution"); and

WHEREAS, pursuant to the existing ASR Bond Resolution, the County has previously issued and has outstanding its (a) $75,560,000 Airport System Revenue Refunding Bonds, Series E, dated July 15, 1998 (the "Series 1998E Bonds"), of which $39,480,000 aggregate principal amount is currently Outstanding, (b) $63,515,000 Airport System Revenue Bonds, Series G, dated December 15, 1998 (the "Series 1998G Bonds"), of which $38,175,000 aggregate principal amount is currently Outstanding, (c) $66,620,000 Passenger Facility Charge/Airport System Revenue Convertible Lien Bonds, Series 1998H-1, dated December 15, 1998 (the "Series 1998H-1 Bonds"), of which $12,095,000 aggregate principal amount will be Outstanding after the Conversion Date (as defined herein), (d) $60,050,000 Passenger Facility Charge/Airport System Revenue Convertible Lien Bonds, Series 1998H-2, dated December 15, 1998 (the "Series 1998H-2 Bonds" and, together with the Series 1998H-1 Bonds, the "Series 1998H Bonds"), all of which will be Outstanding after the Conversion Date, (e) $41,855,000 Passenger Facility Charge/Airport System Revenue Convertible Lien Bonds, Series 2001I, dated June 1, 2001 (the "Series 2001I Bonds"), of which $31,200,000 aggregate principal amount will be Outstanding after the Conversion Date, (f) $135,970,000 Airport System Revenue Bonds, Series 2001J-1, dated June 1, 2001 (the "Series 2001J-1 Bonds"), of which $132,165,000 aggregate principal amount is currently Outstanding, (g) $149,185,000 Airport System Revenue Bonds, Taxable Series 2001J-2, dated June 1, 2001 (the "Series 2001J-2 Bonds" and, together with the Series 2001J-1 Bonds, the "Series 2001J Bonds"), of which $109,295,000 aggregate principal amount is currently Outstanding, (h) $142,015,000 Airport System Revenue Bonds, Series 2004L (the "Series 2004L Bonds"), of which $111,080,000 aggregate principal amount is currently Outstanding and (i) $101,140,000 Airport System Revenue Refunding Bonds, Series 2009O (the "Series 2009O Bonds"), of which $97,125,000 aggregate principal amount is currently Outstanding (the Series 1998E Bonds, the Series 1998G Bonds, the Series 1998H Bonds maturing after the Conversion Date, the Series 2001I Bonds maturing after the Conversion Date, the Series 2001J Bonds, the Series 2004L Bonds and the Series 2009O Bonds, together with any Additional Bonds that may be issued and from time to time Outstanding pursuant to the Resolution, are hereinafter collectively referred to as the "Bonds"); and

WHEREAS, the County desires to amend the Existing ASR Bond Resolution as set forth in this amended and restated resolution; and

WHEREAS, the Existing ASR Bond Resolution allows for the amendment thereof (i) pursuant to Section 1101 for certain purposes without the consent of Bondholders, (ii) pursuant to Section 1102 for certain purposes with the consent of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding that will be affected by the proposed amendment and (iii) pursuant to Section 1102 for certain categories of amendments with the consent of the Holders of all the Bonds then Outstanding that will be affected by the proposed amendment; and

WHEREAS, the Existing ASR Bond Resolution provides that Convertible Lien Bonds shall be considered Outstanding thereunder for purposes of determining whether the requisite level of Bondholder consent has been obtained pursuant to Section 1102 thereof in connection with the proposed adoption of a supplemental resolution under Section 1102 prior to the Conversion Date, if such supplemental resolution would have a material adverse effect on the rights of the Holders of such Convertible Lien Bonds after the Conversion Date; and

WHEREAS, the County intends to issue its Airport System Revenue Refunding Bonds, Series 2012P (the "Series 2012P Bonds"), in one or more series, to refund a portion of the Bonds currently Outstanding (the Bonds to be refunded being hereinafter referred to as the "Refunded Bonds"); and

WHEREAS, in connection with the original marketing, sale and issuance of the Series 2012P Bonds, each investor in the Series 2012P Bonds will be required to (i) provide its express and irrevocable written consent, on behalf of itself and all successors in interest in such Series 2012P Bond, to the adoption of this amended and restated resolution and the amendments to the Existing ASR Bond Resolution set forth herein, and (ii) waive certain provisions of Section 1102 of the Existing ASR Bond Resolution; and

WHEREAS, upon the issuance of the Series 2012P Bonds and the concurrent refunding of the Refunded Bonds, the County expects that the Series 2012P Bonds will constitute at least fifty-one percent (51%) of all Bonds then Outstanding under the Resolution; and

WHEREAS, this amended and restated Resolution shall be deemed adopted and the amendments to the existing ASR Bond Resolution contained herein shall become effective as set forth in Section 1312 hereof;

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

ARTICLE I

DEFINITIONS

Section 101. Meaning and Words and Terms. In addition to words or terms elsewhere defined in this Resolution the following words and terms as used in this Resolution shall have the following meanings, unless some other meaning is plainly intended:

"Accountant" means the certified public accountant or firm of certified public accountants employed by the County under the provisions of Section 718 of this Resolution.

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

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

"Additional Facilities" means (a) any airports and aviation facilities which have been or which are to be added to the Airport System, including all land, buildings, structures, equipment and appurtenances constituting a part thereof, (b) all enlargements of and improvements and additions to any existing or future buildings and structures that constitute the Airport System, and (c) all renewals and replacements of any of the foregoing, which airports, aviation facilities, enlargements, improvements, additions, renewals and replacements are financed as a whole or in part through the issuance of Additional Bonds or with money held in the Aviation Fund.

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

"Airport Consultant" means any engineer, engineering firm, firm of certified public accountants, airport consulting firm or corporation, or other qualified person, firm or corporation of favorable repute for skill and experience in performing the duties for which it is employed by the County under Section 718 of this Resolution.

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

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

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

"Available Grant Account" has the meaning set forth in Section 518.

"Available Grant Revenues" means, for any period of time, the amount of Grant Funds specified in a Series Resolution or other resolution duly adopted by the Board pursuant to Section 518.

"Available PFC Account" has the meaning set forth in Section 518.

"Available PFC Revenues" means, for any period of time, the amount of Passenger Facilities Charges specified in a Series Resolution or other resolution duly adopted by the Board pursuant to Section 518.

"Available Revenues" means for any period of time, (i) the amount of Available Grant Revenues and Available PFC Revenues to be received by the County during such period and (ii) the amount of any other future income or revenue source not then included in the definition of "Revenue" contained in Article I of this Resolution and which the County designates as an "Additional Revenue" in a future Series Resolution or other resolution duly adopted by the Board; provided, however that any such Series Resolution or other resolution adopted by the Board shall also establish a corresponding account and other functional provisions for the receipt, deposit and application of such source of income or revenue substantially similar to what is currently provided in Section 518 for Available Grant Revenues and Available PFC Revenues.

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

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

"Balloon Bonds" means, with respect to any Series of Bonds (other than Bonds or other obligations issued as part of a Commercial Paper Program), those Bonds of such Series which (i) mature on the same date or within a 12-month period (with Sinking Fund Requirements on Term Obligations deemed to be payments of matured principal) and which on the date of original issuance constitute at least 25% of the principal amount of the Bonds of such Series and (ii) are expressly designated as "Balloon Bonds" in the Series Resolution providing for the issuance of such Series of Bonds. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such indebtedness which is required, by the applicable Series Resolution, to be amortized by prepayment or redemption prior to its stated maturity date.

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

"Bond" or "Bonds" means the Project Bonds and any Additional Bonds.

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

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

"Bond Registrar" means a bank or trust company either within or without the State of Florida that is designated as such by the Board. Such bank or trust company may be the same bank or trust company designated to act as Trustee.

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

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

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

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

"Capitalized Interest" means the amount of interest on a Series of Bonds, if any, funded from the proceeds of such or another Series of Bonds or other monies that are deposited with the Trustee in the Bond Fund or the Construction Fund as shall be described or provided for in the corresponding Series Resolution for the Series of Bonds a portion of the proceeds of which are to be used to pay interest on such or another Series of Bonds.

"Chief Financial Officer" means the Chief Financial Officer of the County or the officer succeeding to his or her principal functions.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations promulgated thereunder and under the Internal Revenue Code of 1954, as amended.

"Commercial Paper Program" means a program of short-term obligations having the characteristics of commercial paper in that such obligations have a stated maturity not later than 270 days from their date of issue and that the principal of maturing obligations of such program are expected to be paid with the proceeds of renewal short-term obligations.

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

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

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

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

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

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

"Counterparty" means a financial institution whose senior long-term debt obligations, or whose obligations under any Interest Rate Swap are (a) guaranteed by a financial institution, or subsidiary of a financial institution, whose senior long-term debt obligations, are rated in one of the three highest Rating Categories by the Rating Agencies or (b) fully secured by obligations described in clause I or II of the definition of "Investment Obligations" which are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 105% to the principal amount of the investment, together with the interest accrued and unpaid thereon, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first lien on behalf of the Trustee, and (iv) free and clear from all third-party liens.

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

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

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

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

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

"Current Expenses" means the County's current expenses for the operation, maintenance and repair of the Airport System as determined in accordance with generally accepted accounting principles, including, without limiting the generality of the foregoing, all ordinary and usual expenses of operation, maintenance and repair, administrative expenses, salaries, payments to any retirement plan or plans properly chargeable to the Airport System, insurance expenses, engineering expenses relating to the operation, maintenance, or repair of the Airport System, taxes imposed by any governmental authority on the Airport System or its operations, fees and expenses of the Trustee and the Paying Agents, legal expenses, fees of consultants and any other expenses required to be paid by the County under this Resolution (including, without limitation, a Series Resolution) or by law; but Current Expenses shall not include any allowance for amortization, depreciation or obsolescence of the Airport System, any extraordinary items arising from the early extinguishment of debt, charges for the payment of principal, redemption price, purchase price, interest or other payments on any Bonds or Subordinated Debt or in respect of capital leases, any costs, or charges made therefor, for capital additions, replacements, betterments, extensions or improvements to the Airport System which under generally accepted accounting principles are properly chargeable to a capital account or a reserve for depreciation, any losses from the sale, abandonment, reclassification, revaluation or other disposition of any Airport System properties, any deposits to any Fund or Account created under this Resolution or any loss resulting from changes in valuation of any Interest Rate Swap.

For purposes of testing compliance with the rate covenant described in Section 704 and the limitations on the issuance of Additional Bonds contained in Section 209 or Section 211, Current Expenses will be calculated based upon generally accepted accounting principles, except that such calculation will include and exclude those items specifically included or excluded above.

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

"Currently Outstanding Insured Bonds" means the Series 1998E Bonds, the Series 1998G Bonds, the Series 1998H Bonds, the Series 2001I Bonds, the Series 2001J Bonds and the Series 2004L Bonds, but with respect to each such Series of Bonds only while any portion of such Series of Bonds remains Outstanding.

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

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

"Defeasance Obligations" means (i) obligations described in clause I. or II. of the definition of "Investment Obligations" in this Section 101, and (ii) obligations of states or political subdivisions thereof or U.S. territories rated in the highest Rating Category by the Rating Agencies which are not redeemable prior to the maturity thereof and that are fully secured by and payable solely from Government Obligations held pursuant to an escrow agreement satisfactory to the Trustee.

"Depositary" means any bank or trust company duly authorized by law to engage in the banking business and selected by the County as a depositary of money under this Resolution.

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

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

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

"Event of Bankruptcy" means any of the following with respect to any Person: (a) the commencement by such Person of a voluntary case under the Federal Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency or similar laws; (b) failure by such Person to timely controvert the filing of a petition with a court having jurisdiction over such Person to commence, or an order for relief being entered in, an involuntary case against such Person under the Federal Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency or similar laws; (c) such Person shall admit in writing its inability to pay its debts generally as they become due; (d) a receiver, conservator, trustee, custodian, liquidator or similar official of such Person or such Person's assets shall be appointed; (e) an assignment for the benefit of creditors shall be made by such Person; or (f) the entry by such Person into an agreement of composition with its creditors.

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

"Federal Bankruptcy Code" means Title 11 of the United States Code, as the same may be amended and supplemented, and any successor statute.

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

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

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

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

"Government Obligations" means direct obligations (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) of, or obligations the payment of the principal of and the interest on which is unconditionally guaranteed by, the United States of America.

"Grant Funds" means grants (including interest earnings thereon) to be provided to the County by the United States or the State pursuant to a written commitment in connection with Airport System facilities or projects, and which grants are permitted by the terms thereof to be used for the payment of Bonds or Subordinated Debt.

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

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

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

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

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

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

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

"Interest Payment Date" means April 1 or October 1, as the case may be, or such other date or dates as are specified as Interest Payment Dates for a particular Series of Bonds in the corresponding Series Resolution.

"Interest Rate Swap" means any contract, agreement or arrangement between the County and a Counterparty relating to the Airport System (a) providing for payments based on levels of, or changes in, interest rates or other indices, (b) providing for the exchange of cash flows or a series of payments, or (c) providing for the hedge of payment, rate spread or similar exposure, including but not limited to interest rate exposure. The term "Interest Rate Swap" includes any interest rate swap agreement, a forward purchase contract, any contract providing for payments based on levels of, or changes in, interest rates or other indices, any contract to exchange cash flows or a series of payments, or any contract, including, without limitation, an interest rate floor or cap, or an option, put or call, to hedge payment, rate, spread or similar exposure.

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

"Investment Obligations" means, except as may be provided with respect to a particular Series of Bonds in the corresponding Series Resolution, but only to the extent from time to time permitted by law and the County Code (including, without limitation, the County's investment policy, as the same may be amended from time to time, contained within the County's administrative code), as amended from time to time:

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

II. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

- U.S. Export - Import Bank (Eximbank)
  Direct obligations or fully guaranteed certificates of beneficial ownership

- Farmers Home Administration (FmHA)
  Certificates of beneficial ownership

- Federal Financing Bank

- Federal Housing Administration Debentures (FHA)

- General Services Administration
  Participation certificates

- Government National Mortgage Association (GNMA or "Ginnie Mae")
  GNMA - guaranteed mortgage-backed bonds
  GNMA - guaranteed pass-through obligations

- U.S. Maritime Administration
  Guaranteed Title XI financing

- U.S. Department of Housing and Urban Development (HUD)

- Project Notes
  Local Authority Bonds
  New Communities Debentures - U.S. government guaranteed debentures
  U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

III. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

- Federal Home Loan Bank System
  Senior debt obligations

- Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
  Participation Certificates
  Senior debt obligations

- Federal National Mortgage Association (FNMA or "Fannie Mae")
  Mortgage-backed securities and senior debt obligations

- Student Loan Marketing Association (SLMA or "Sallie Mae")
  Senior debt obligations

- Resolution Funding Corp. (REFCORP) obligations
- Farm Credit System
  Consolidated systemwide bonds and notes

IV. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard and Poor's of AAAm-G; AAAm; or AAm and having a rating by Moody's Investors Service in the highest category assigned by such agency.

V. Certificates of deposit secured at all times by collateral described in (I) and/or (II) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks which are rated at least A by Moody's Investors Service. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

VI. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC.

VII. Investment Agreements, including guaranteed investment contracts; provided, however, that in the case of the Currently Outstanding Insured Bonds, the Investment Agreement must be acceptable to the Credit Enhancer which then has a Credit Enhancement Device outstanding with respect to the applicable Series of Bonds.

VIII. Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's Investors Service and "A1" or better by Standard and Poor's.

IX. Bonds or notes issued by any state or municipality which are rated by Moody's Investors Service and Standard and Poor's in one of the two highest rating categories assigned by such agencies.

X. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's Investors Service and "A-1" or "A" or better by Standard and Poor's.

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

cash plus a yield to the municipal entity in exchange for the securities at a specified date.

Repurchase Agreements must satisfy the following criteria (or, in the case of the Currently Outstanding Insured Bonds be approved by the Credit Enhancer which then has a Credit Enhancement Device outstanding with respect to the applicable Series of Bonds):

- Repurchase agreements must be between the municipal entity and a bank or securities firm

  a. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's and Moody's Investor Services, or

  b. Banks rated "A" or above by Standard & Poor's and Moody's Investor Services.

- The written repurchase agreement contract must include the following:

  a. Securities which are acceptable for transfer are:

     (1) Direct U.S. governments, or

     (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)

  b. The term of the repurchase agreement may be up to 30 days

  c. The collateral must be delivered to the municipal entity, before/simultaneously with payment (perfection by possession of certificated securities).

  d. Valuation of Collateral

     (1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest

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

"Issuing Instrument" means, with respect to any obligations other than Bonds (Bonds shall be issued pursuant to a Series Resolution), the indenture, trust agreement, loan agreement, lease, installment purchase agreement, revolving credit agreement, or other instrument or agreement pursuant to which such obligations are issued or incurred.

"Liquidity Facility" means a letter of credit, guaranty, purchase agreement or similar facility in which the entity providing such facility agrees to provide funds to pay the purchase price of Optional Tender Bonds upon their tender by the Holders of Optional Tender Bonds or the purchase price of Bonds subject by their terms to mandatory tender, provided that such entity is at the time it issues and delivers such facility of sufficient credit quality to entitle debt backed by its Liquidity Facility to be rated in one of the two highest Rating Categories by any of the Rating Agencies.

"Mayor" means the Mayor of the County or the officer succeeding to his or her principal functions.

"Moody's" means Moody's Investors Service, Inc. and its successors.

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

"Net Payments" means, with respect to an Interest Rate Swap, the amount payable by the County on each scheduled payment date under such Interest Rate Swap net of the amount payable by the Counterparty under such Interest Rate Swap on such scheduled payment date. Under no circumstances shall Net Payments include Termination Payments.

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

"Net Revenues" means the excess of Revenues over Current Expenses.

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

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

"Original Resolution" means Resolution No. 82-A-2 adopted by the Board on November 9, 1982, as amended and supplemented by Resolution No. 82-A-3 adopted by the Board on March 11, 1983.

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

(i) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Bonds for the payment of which money, Defeasance Obligations, or a combination of both, in an amount sufficient to pay on the date when such Bonds are to be paid or redeemed the Redemption Price of and the interest accruing to such date on the Bonds to be paid or redeemed, have been deposited with the Trustee or the Paying Agents in trust for the Holders of such Bonds; Defeasance Obligations shall be deemed to be sufficient to pay or redeem Bonds on a specified date if the principal of and the interest on such Defeasance Obligations, when due, will be sufficient to pay on such date the Redemption Price of, and the interest accruing on, such Bonds to such date; and

(iii) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Resolution.

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

"Passenger Facilities Charges" mean charges collected by the County pursuant to the authority granted by the Aviation Safety and Capacity Expansion Act of 1990, the Aviation Investment Reform Act of 2000 and 14 CFR Part 158, as amended from time to time, in respect of any component of the Airport System and interest earnings thereon, net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting such passenger facility charge revenues, or any similar fee or charge authorized by any amendment thereto or by any successor federal law.

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

"Person" means an individual, corporation, firm, association, partnership, trust or other entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

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

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

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

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

(i) for paying the interest (excluding interest accreting on Capital Appreciation Bonds and Capital Appreciation and Income Bonds) accruing in such Fiscal Year on all Bonds then Outstanding, and

(ii) for paying the principal accruing in such Fiscal Year on all Serial Bonds then Outstanding, and

(iii) for paying the Sinking Fund Requirements accruing in such Fiscal Year on all Term Bonds then Outstanding.

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

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

(b) with respect to Interim Bonds or Notes, interest only and not the principal shall be included in Principal and Interest Requirements if the Series of Bonds all or a portion of the proceeds of which are expected to be used to refinance such Interim Bonds

or Notes have been duly authorized by the County; provided however, none of the interest or principal on Interim Bonds or Notes shall be included in Principal and Interest Requirements if the Board shall determine in the resolution authorizing the issuance of such Interim Bonds or Notes that (A) such Interim Bonds or Notes (i) shall be Subordinated Debt hereunder, or (ii) shall not be secured by a pledge of Net Revenues or (B) the Series of Bonds expected to be used to refinance such Interim Bonds or Notes have been duly authorized by the County as Subordinated Debt;

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

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

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

(f) if moneys or Defeasance Obligations have been irrevocably deposited with and are held by the Trustee or another fiduciary or Capitalized Interest has been set aside exclusively to be used to pay principal and/or interest on specified Bonds, then the principal and/or interest to be paid from such moneys, Defeasance Obligations or Capitalized Interest or from the earnings thereon shall be disregarded and not included in calculating Principal and Interest Requirements;

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

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

Conversion Date on Convertible Lien Bonds that are stated to mature on or after such Conversion Date shall not constitute Principal and Interest Requirements hereunder and will not be included in any calculation of Principal and Interest Requirements for any purpose whatsoever under this Resolution;

(i) if all or any portion or portions of an Outstanding Series of Bonds constitute Balloon Bonds, then, for purposes of determining Principal and Interest Requirements, each maturity which constitutes Balloon Bonds shall, unless otherwise provided in the Series Resolution pursuant to which such Balloon Bonds are issued or unless paragraph (j) of this definition then applies to such maturity, be treated as if it were to be amortized over a period of no more than 30 years and with substantially level annual debt service funding payments commencing not later than the year following the year in which such Balloon Bonds were issued, and extending not later than the stated or deemed, as the case may be, final maturity of such Balloon Bonds, but in no event later than 30 years from the date such Balloon Bonds were originally issued; and the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or its successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the County, or if the County fails to select a replacement index, that rate determined by a banking institution or an investment banking institution selected by the County knowledgeable in airport finance as the interest rate or rates at which the County could reasonably expect to borrow by incurring indebtedness with the same term as assumed above, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; with respect to any Series of Bonds only a portion of which constitutes Balloon Bonds, the remaining portion shall be treated as described in such other provision of this definition as shall be applicable and, with respect to any Series of Bonds or that portion of a Series thereof which constitutes Balloon Bonds, all funding requirements of principal and interest becoming due prior to the year of the stated maturity of the Balloon Bonds shall be treated as described in such other provision of this definition as shall be applicable;

(j) any maturity of Bonds which constitutes Balloon Bonds as described in paragraph (i) of this definition and for which the stated maturity date occurs within 12 months from the date such calculation of Principal and Interest Requirements is made, shall be assumed to become due and payable on the stated maturity date and paragraph (i) above shall not apply thereto unless there is delivered to the person making the calculation of Principal and Interest Requirements a certificate of the Aviation Director and the Chief Financial Officer confirming the County's intent to refinance such maturity and stating the probable terms of such refinancing; upon the receipt of such certificate, such Balloon Bonds shall be assumed to be refinanced in accordance with the probable terms set out in such commitment and such terms shall be used for purposes of calculating Principal and Interest Requirements, provided that such assumption shall not result in an interest rate lower than that which would be assumed under paragraph (i) above and shall be amortized over a term of not more than 30 years from the date of refinancing;

(k) with respect to any obligations which are part of a Commercial Paper Program, it shall be assumed that the authorized amount of such Commercial Paper Program will be amortized over a term certified by the Aviation Director and the Chief Financial Officer at the time the initial obligations of such Commercial Paper Program are issued or, if such expectations have changed, over a term certified by the Aviation Director and the Chief Financial Officer at the time the calculation of Principal and Interest Requirements is made, but not to exceed 30 years from the date the initial obligations of such Commercial Paper Program are issued and it shall be assumed that debt service with respect to such Commercial Paper Program shall be paid in substantially level annual debt service payments over such assumed term; the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or its successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the County, or if the County fails to select a replacement index, that rate determined by a banking institution or an investment banking institution selected by the County knowledgeable in airport finance as the interest rate or rates at which the County could reasonably expect to borrow by incurring indebtedness with the same term as assumed above, with no credit enhancement and taking into consideration whether such obligations bear interest which is or is not excluded from gross income for federal income tax purposes;

(l) With respect to any Variable Rate Bonds in connection with which there exists an Interest Rate Swap that obligates the County to pay a fixed interest rate or a different variable interest rate (for the period during which such Interest Rate Swap is reasonably expected to remain in effect), such Bonds shall be deemed to bear interest at the effective fixed annual rate or different variable rate thereon as a result of such Interest Rate Swap; in the case of any Bonds that bear interest at a fixed rate in connection with which there exists an Interest Rate Swap that obligates the County to pay a floating rate, Principal and Interest Requirements shall (for the period during which such Interest Rate Swap is reasonably expected to remain in effect) be deemed to include the interest payable on such Bonds, less the fixed amounts received by the County under the Interest Rate Swap, plus the amount of the floating payments (using the assumptions described in (a) above) to be made by the County under the Interest Rate Swap;

(m) if Available Revenues or moneys other than Revenues have been irrevocably committed pursuant to a Series Resolution or other resolution duly adopted by the Board or amounts have been actually deposited with the Trustee for the purpose of paying debt service on Bonds, then the debt service to be paid from such Available Revenues or moneys other than Revenues which have been irrevocably committed or such amounts which have been actually deposited with the Trustee, including any investment earnings thereon, shall be disregarded and not included in calculating Principal and Interest Requirements; and

(n) if all or any portion of the interest or principal due or coming due on Bonds is paid or expected to be paid from cash subsidy payments or other similar payments made or expected to be made by the United States Treasury or other federal or state governmental entity to or on behalf of the County, the amount of interest or principal so paid or expected to be paid shall not be included in calculating Principal and Interest Requirements.

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

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

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

"Qualifying Credit Enhancer" means a Credit Enhancer, but only for so long as (i) such Credit Enhancer continues to be rated in one of the three highest Rating Categories by each Rating Agency; (ii) such Credit Enhancer is not in default in the due and punctual performance of its payment obligations under its Credit Enhancement Device; (iii) such Credit Enhancement Device remains enforceable and in full force and effect; and (iv) no Event of Bankruptcy has occurred and is continuing with respect to such Credit Enhancer.

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

"Rating Category" means (i) with respect to any long-term rating category of a Rating Agency, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier and (ii) with respect to any short-term or commercial paper rating category of a Rating Agency, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

"Rating Confirmation" means written evidence from each Rating Agency then rating Outstanding Bonds at the request of the County to the effect that, following the event which requires the Rating Confirmation, the then current rating for each Outstanding Bond shall not be lowered or withdrawn solely as a result of the occurrence of such event. If no rating is in effect with respect to any Series of Bonds, references to "Rating Confirmation" herein shall be considered deleted and none shall be required with respect to such Series.

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

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

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

"Renewal and Replacement Account Requirement" for any Fiscal Year means that amount established as such from time to time by the Board.

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

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

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

"Reserve Requirement" shall mean, unless otherwise provided with respect to a particular Series of Bonds in the corresponding Series Resolution therefor, the lesser of (i) maximum Principal and Interest Requirements in the current or any subsequent Fiscal Year for all Series of Bonds secured by the Reserve Account, (ii) one hundred twenty-five percent (125%) of the average annual Principal and Interest Requirements for all Series of Bonds secured by the Reserve Account, or (iii) ten percent (10%) of the initial offering price to the public (as determined under the Code) for all Series of Bonds secured by the Reserve Account; provided, however, that (a) all Series of Bonds shall be secured by the Reserve Account unless the Series Resolution for a particular Series of Bonds expressly provides that such Series of Bonds is not to be secured by the Reserve Account, (b) as to any one or more Series of Bonds the Reserve Requirement may be such lesser amount as the County may establish in the Series Resolution authorizing such Series of Bonds, which Series Resolution may also provide that no Reserve Requirement shall be established for any specific Series of Bonds and, in that case, such Series of Bonds shall not be secured by the Reserve Account or any subaccount established therein, (c) if a lesser Reserve Requirement is established for one or more Series of Bonds, then one or more separate subaccounts within the Reserve Account shall be established solely for such Series of Bonds and such Series of Bonds shall not be secured by any other amounts in the Reserve Account or by any other subaccount in the Reserve Account established for such Series of Bonds; provided further, however, that two or more Series of Bonds whether issued at the same or different time may be secured by the same subaccount so long as the Reserve Account Requirement for each such Series of Bonds is calculated in the same manner, and (d) in computing the Reserve Requirement under clauses (i), (ii) and (iii) of this definition for all Series of Bonds secured by the Reserve Account any Series of Bonds secured by separate subaccounts in the Reserve Account shall be disregarded and the Reserve Requirement for such Series of Bonds secured by separate subaccounts in the Reserve Account shall be computed separately for each subaccount. In determining the Reserve Requirement, if any, with respect to any Variable Rate Bonds, the interest rate on such Bonds for any period as to which such interest rate has not been established shall be assumed to be such rate as set forth or provided for in the Series Resolution relating to such Series of Variable Rate Bonds. Notwithstanding anything to the contrary contained in this definition of "Reserve Requirement" or in the Resolution or any Series Resolution, with respect to each Series of Bonds being issued as a Series of Bonds the interest on which is to be excluded from gross income for federal income tax purposes, the amount of proceeds of such Series of Bonds used to fund the aggregated Reserve Requirement or a separate Reserve Requirement, as applicable, shall not exceed the lesser of the amounts described in clauses (i), (ii) and (iii) of this definition.

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

"Revenues" means (a) except to the extent hereinafter excluded, all income, receipts, earnings and revenues received by or accrued to the County from the operation and use of and for the services furnished or to be furnished at the Airport System and all income, receipts, earnings and revenues received by or accrued to the County from the ownership and rental of the Airport System and properties financed by Subordinated Debt, (b) any proceeds of business interruption insurance, (c) all income, receipts and earnings from the investment of moneys held by or on behalf of the County in any Funds and Accounts established by this Resolution and the income and gains realized upon the maturity or sale of securities held by or on behalf of the County in such Funds and Accounts, except for investment earnings, income or realized gains on or from (i) moneys deposited in escrow or trust to defease Bonds, (ii) any Capitalized Interest deposited in the Bond Fund or any account within the Construction Fund unless otherwise provided in the corresponding Series Resolution, (iii) moneys deposited in any account within the Construction Fund unless otherwise provided in the corresponding Series Resolution, (iv) moneys deposited in any rebate fund or account therein, and (v) moneys deposited in any account established pursuant to Section 518 hereof, unless otherwise provided in the corresponding Series Resolution or other resolution duly adopted by the Board and (d) amounts received by the County from any Person, including, without limitation, the federal or state government, as reimbursement of Current Expenses or other costs paid by the County under a contractual or other arrangement between the County and such Person. There shall not be included in Revenues (i) any grants, contributions or donations otherwise included in this definition of "Revenues" which are restricted by their terms to purposes inconsistent with the payment of Current Expenses or the payment of Bonds or Subordinated Debt, (ii) proceeds from the sale and disposition of the Airport System, (iii) income from the operation of any facilities to which reference is made in Section 715 and 717 hereof for so long as such facilities are not part of the Airport System, (iv) to the extent and for so long as such income is pledged to secure the financing for the same, rental income from the leasing of any land used in connection with, or income from the operation of, any facilities to which reference is made in Sections 715 and 717 hereof, (v) any unrealized gains on securities held for investment by or on behalf of the County in any Funds and Accounts established by this Resolution, (vi) any proceeds of insurance other than as mentioned above, (vii) the proceeds of any borrowing, (viii) any Transfers, (ix) cash subsidy payments or other similar payments made or expected to be made by the United States Treasury or other federal or state governmental entity to or on behalf of the County for the payment of all or any portion of the interest or principal due or coming due on Bonds, except to the extent otherwise provided in the Series Resolution corresponding to a Series of Bonds, (x) any gains resulting from changes in valuation of any Interest Rate Swap, (xi) any Passenger Facilities Charges, except to the extent that Passenger Facilities Charges are expressly included as "Revenues" for one or more Series of Bonds pursuant to the corresponding Series Resolution

or other resolution duly adopted by the Board, (xii) any Grant Funds except to the extent that Grant Funds are expressly included as "Revenues" for one or more Series of Bonds pursuant to the corresponding Series Resolution or other resolution duly adopted by the Board and (xiii) any other income revenue source described in clause (ii) of the definition of "Available Revenues" contained in Article I of this Resolution, except to the extent that such other income or revenue source is expressly included as "Revenues" for one or more Series of Bonds pursuant to the corresponding Series Resolution or other resolution duly adopted by the Board.

For purposes of testing compliance with the rate covenant described in Section 704 and the limitations on the issuance of Additional Bonds contained in Section 209 or Section 211, Revenues will be calculated based upon generally accepted accounting principles, except that such calculation will include and exclude those items specifically included or excluded above or in the definition of Principal and Interest Requirements, as applicable.

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

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

"Series Resolution" means the resolution of the Board that is required by Article II of this Resolution to be adopted prior to the issuance of any Series of Bonds under this Resolution. The Series Resolution shall (a) determine the details of the Bonds of such Series, including, among other things, the maximum principal amount of such Series, the date thereof, the method of payment of interest thereon, the maximum maturity thereof, types of Bonds to be issued including Capital Appreciation Bonds, Capital Appreciation and Income Bonds, Variable Rate Bonds, Interim Bonds or Notes, Convertible Bonds, Optional Tender Bonds and Current Interest Bonds, the redemption provisions relating thereto, including the Sinking Fund Requirements for the Term Bonds, if any, and the Bond Registrar therefor, (b) define any Additional Facilities to be financed with the proceeds of such Series (unless such Bonds are Refunding Bonds), (c) provide for the application of the proceeds of the Bonds to which such Series Resolution relates, (d) create separate subaccounts within the Aviation Fund and the Bond Fund for such Series, (e) determine the Reserve Requirement, if any, applicable to such Series of Bonds and the manner of meeting such Reserve Requirement either through (i) a deposit of Bond proceeds, (ii) the monthly deposit of Net Revenues at such times and in such equal amounts as therein determined, (iii) the obtaining of a Reserve Product, or (iv) any combination of the foregoing, and (f) set forth additional covenants and provisions with respect to such Series required in connection with the obtaining of a Credit Enhancement Device, a Liquidity Facility, a Swap Agreement or a Reserve Product, including any special provisions designed to comply with repayment requirements under reimbursement or repayment agreements with the entities providing such credit enhancement facilities, and such other matters as the Board shall determine.

"SIFMA Index" means the Securities Industry & Financial Markets Association ("SIFMA") Swap Index as of the most recent date for which such index was published or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes produced by Municipal Market Data, Inc., or its successor, or otherwise designated by SIFMA.

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

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

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

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

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

If any Term Bonds of the same maturity of any Series are paid or redeemed by operation of the Redemption Account, the Trustee shall reduce future Sinking Fund Requirements therefor by an amount equal to the principal amount of such Term Bonds paid or redeemed in such manner as shall be specified in a certificate of the Chief Financial Officer filed with the Trustee

pursuant to Section 511 of this Resolution or, if no such certificate is filed, in the inverse order of the scheduled retirement of such Term Bonds.

"S&P" means Standard & Poor's Ratings Services and its successors.

"State" means State of Florida.

"Subordinated Debt" means the indebtedness of the County authorized by Section 716 of this Resolution.

"Subordinated Debt Debt Service Reserve Account" means any Debt Service Reserve Account created by the County pursuant to a Subordinated Debt Issuing Instrument in connection with the issuance of any Subordinated Debt and that is required to be funded for the purpose of providing additional security for such Subordinated Debt as specified in the Subordinated Debt Issuing Instrument.

"Subordinated Debt Issuing Instrument" means, with respect to any Subordinated Debt, the indenture, trust agreement, resolution, loan agreement, lease, installment purchase agreement, revolving credit agreement or other instrument or agreement pursuant to which such Subordinated Debt is issued or incurred.

"Subordinated Debt Trustee" means the entity named and serving as the trustee under any Subordinated Debt Issuing Instrument, and any successor entity thereto.

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

"Tax-Exempt Bonds" means Bonds the interest on which is excludable from the gross income of the Holders thereof for federal income tax purposes.

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

"Termination Payment" means, with respect to an Interest Rate Swap, the amount payable by the County or the Counterparty as a result of the termination of such Interest Rate Swap prior to its scheduled expiration date.

"Time Deposits" means time deposits, certificates of deposit or similar arrangements with any bank or trust company that is a member of the Federal Deposit Insurance Corporation.

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

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

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

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

References to a section number, without further reference or identification, shall refer to the corresponding section of this Resolution. For example, a reference to "Section 101," means Section 101 of this Resolution.

[END OF ARTICLE I]

ARTICLE II

DETAILS OF BONDS

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

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

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

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. The principal of coupon Bonds, unless registered, and the interest on coupon Bonds shall be payable at the principal offices of the Paying Agents designated for the Bonds of such Series. Payment of the interest on coupon Bonds shall be made only upon presentation and surrender of the coupons representing such interest as the same respectively become due and payable. The payment of interest on each registered Bond without coupons shall be made by the Trustee on each Interest Payment Date to the person appearing on the registration books of the Bond Registrar as the registered owner thereof by check or draft mailed to the registered owner at his address as it appears on such registration books. Payment of the principal of all Bonds shall be made upon the presentation and surrender of such Bonds as the same become due and payable (whether at maturity or by redemption, acceleration, or otherwise). Such presentation and surrender shall be at the offices of the Paying Agents in the case of coupon Bonds not registered as to principal and at the principal office of the Trustee in the case of coupon Bonds registered as to principal and fully registered Bonds.

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

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

Section 204. Exchange of Bonds. Registered Bonds without coupons may be exchanged at the option of the registered owner thereof and upon surrender thereof at the principal office of the Trustee, together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, for an equal aggregate principal amount of coupon Bonds of the same Series and maturity, bearing interest at the same rate, having attached thereto coupons representing all unpaid interest due or to become due thereon, and except for differences between the form of coupon Bonds and the form of registered Bonds without coupons, in the same form as the registered Bonds surrendered for exchange, or for other registered Bonds without coupons of the same Series and maturity, of any denomination or denominations authorized by this Resolution, bearing interest at the same rate, and in the same form as the registered Bonds surrendered for exchange. Coupon Bonds may be exchanged, at the option of the Holder or registered owner thereof and upon surrender thereof at the principal office of the Trustee, together with all unmatured coupons and all matured coupons in default, if any, appertaining thereto, for an equal aggregate principal amount of registered Bonds without coupons of the same Series and maturity, of any denomination or denominations authorized by this Resolution, bearing interest at the same rate, and, except for differences between the form of coupon Bonds and the form of registered Bonds without coupons, in the same form as the coupon Bonds surrendered for exchange. If such coupon Bonds are registered as to principal alone, they shall be accompanied by an assignment duly executed by the

registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee.

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

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

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

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

The transfer of any fully registered Bond or any coupon Bond registered as to principal alone may be registered only upon presentation thereof to the Trustee together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, and the Trustee as Bond Registrar shall make a notation of such registration of transfer on the books maintained for such purposes and shall endorse such notation on the Bond. The registration of transfer of any coupon Bond may be to bearer and thereby transferability by delivery shall be restored, subject, however, to successive registrations and registrations of transfer. No transfer of any fully registered Bond or any coupon Bond registered as to principal alone (unless as to bearer) shall alter the ownership of such Bond for purposes of this Resolution unless such transfer is registered with the Trustee.

No charge shall be made to any Bondholder for the privilege of exchange, registration, or registration of transfer hereinabove granted, but any Bondholder requesting any such exchange, registration, or registration of transfer shall pay any tax or other governmental charge required to be paid with respect thereto and any charge for shipping and out-of-pocket costs incurred by the County and the Trustee in connection with such exchange, registration, or registration of transfer. The Trustee shall not be required to make any exchange and the Bond Registrar shall not be required to register or register the transfer of any Bond during the period of 15 days next preceding any Interest Payment Date or after notice of redemption of such Bond or any portion thereof has been given pursuant to Article III of this Resolution.

In all cases in which Bonds are exchanged, a portion of a registered Bond is redeemed, or a transferor or transferee of a Bond requests that a new Bond be issued, the County shall execute and the Trustee shall authenticate and deliver, upon the presentation or surrender to the Trustee of the Bond to be exchanged, redeemed, or transferred and at the earliest practicable time, Bonds in accordance with the provisions of this Resolution. All registered Bonds without coupons surrendered in any such exchange or in connection with any such redemption or transfer shall forthwith be cancelled by the Trustee. All coupon Bonds and unmatured coupons surrendered in any exchange or in connection with any redemption or transfer shall be retained by the Trustee in its custody.

Section 206. Ownership of Bonds. The person in whose name any registered Bond without coupons or any coupon Bond registered as to principal alone is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. The County, the Bond Registrar, and the Paying Agents may deem and treat the bearer of any coupon Bond not registered as to principal alone (unless registered to bearer) and the bearer of any coupon appertaining to any coupon Bond, whether such Bond is registered as to principal alone or not, as the absolute owner of such Bond or coupon, as the case may be, whether such Bond or coupon is overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and the County, the Bond Registrar, and the Paying Agents shall not be affected by any notice to the contrary.

Section 207. Authentication of Bonds. Only such Bonds as have endorsed thereon a certificate of authentication substantially in the form hereinabove set forth, duly executed by the Trustee, shall be entitled to any benefit or security under this Resolution. No Bonds and no coupons appertaining thereto shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Bond has been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. Before authenticating or delivering any coupon Bonds the Trustee shall detach and cancel all matured coupons, if any, appertaining thereto, except any coupons that represent unpaid interest.

With respect to a Series of Convertible Lien Bonds, the requirements of this Section 207 shall be satisfied if the Bonds of such Series of Convertible Lien Bonds that are stated to mature on or after the Conversion Date therefor bear a certificate of authentication substantially in the form described hereinabove and such Bonds are authenticated by the Trustee as provided herein. The Bonds of a Series of Convertible Lien Bonds that are stated to mature prior to the Conversion Date for such Series of Convertible Lien Bonds shall bear a certificate of authentication in substantially the form provided in the PFC Bond Resolution and shall be authenticated by the trustee under the PFC Bond Resolution as provided therein. The foregoing notwithstanding, the requirements of this Section 207 shall be deemed satisfied with respect to any Convertible Lien Bond if such Bond, regardless of whether its stated maturity is prior to, on, or subsequent to the Conversion Date therefor, bears dual certificates of authentication substantially in the respective forms described hereinabove and in the PFC Bond Resolution and

such certificates of authentication are authenticated by the Trustee hereunder and the trustee under the PFC Bond Resolution, respectively, as provided herein and therein.

Section 208. Authorization of Project Bonds. One or more Series of Project Bonds may be issued under and secured by this Resolution at one time or from time to time, subject to the conditions hereinafter provided in this Section, for the purpose of providing funds, together with other available funds, to (a) pay the Cost of the Project, (b) fund the Reserve Account in an amount equal to the Reserve Requirement, (c) pay interest accruing on the Project Bonds as specified in the Series Resolution relating thereto, and (d) pay certain expenses incurred in connection with the issuance of the Project Bonds. The County hereby authorizes the issuance of an initial Series of Project Bonds in an aggregate principal amount not to exceed $350,000,000.

Before any Project Bonds are issued under this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Project Bonds, fixing the amount and the details thereof, and describing in brief and general terms the purposes for which the Project Bonds are to be issued. The Bonds of each Series issued under this Section shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on October 1 (or such other maturity date specified in the Series Resolution) in such year or years, shall have such Paying Agents, shall bear interest, and shall have such Sinking Fund Requirements and redemption provisions, all as are then permitted by law and as are provided in the Series Resolution authorizing the issuance of such Project Bonds. Such Project Bonds shall be executed in substantially the form hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provisions of the Series Resolution.

Except as to any differences in the rate or rates of interest, the maturities, or the provisions for redemption, each Series of Bonds issued under this Section 208 shall be on a parity with and shall be entitled to the same benefit and security of this Resolution as all other Bonds issued under this Resolution.

The Project Bonds shall be deposited with the Trustee for authentication and delivery, but before such Project Bonds shall be delivered the following shall be filed with the Trustee:

(a) a copy, certified by the County Administrator to be a true and correct copy, of this Resolution;

(b) a copy, certified by the County Administrator to be a true and correct copy, of the Series Resolution, which Resolution shall also award the Project Bonds and direct the authentication and delivery of said Project Bonds to or upon the order of the purchasers named in said Series Resolution upon payment of the purchase price therein set forth, plus the accrued interest on the Project Bonds;

(c) an opinion of the General Counsel to the effect that (i) the County has obtained from such governmental authorities, boards, agencies or commissions having jurisdiction over the Airport System all approvals, consents, authorizations, certifications, and other orders that are necessary for the acquisition and construction of the Project and that reasonably could have been obtained as of the date of delivery of the Project Bonds and that if further approvals, consents, authorizations, certifications, or orders are necessary for the acquisition and construction of the Project, such counsel has no reason to believe that the County will not be able to obtain the same when required, (ii) this Resolution, the Series Resolution, and all other resolutions relating to the issuance of the Project Bonds have been duly adopted at meetings of the Board duly called and held in accordance with law and at which quorums were present and acting throughout, (iii) the issuance of the Project Bonds has been duly authorized, and (iv) all conditions precedent to the delivery of the Project Bonds have been fulfilled; and

(d) an opinion of bond counsel of suitable reputation and experience to the effect that the issuance of the Project Bonds has been duly authorized, that all legal conditions precedent to the delivery of the Project Bonds have been fulfilled, and, with respect to the initial Series of Project Bonds, that interest on the Project Bonds is exempt from all present federal income tax.

When the documents described in paragraphs (a) through (d) of this Section have been filed with the Trustee and when the Project Bonds have been executed and authenticated as required by this Resolution, the Trustee shall deliver said Project Bonds to or upon the order of the purchasers named in the Series Resolution, but only upon payment to the Trustee of the purchase price of said Project Bonds and the accrued interest thereon. The Trustee shall be entitled to rely upon the resolutions mentioned in paragraphs (a) and (b) of this Section as to all matters stated therein.

The proceeds (including accrued interest and any premium) of the Project Bonds, together with other funds made available by the County, shall be applied as provided in the Series Resolution for the Project Bonds.

Section 209. Additional Bonds for Additional Facilities. One or more Series of Additional Bonds may be issued under and secured by this Resolution at one time or from time to time, subject to the conditions hereinafter provided in this Section, for the purpose of providing funds to (a) pay all or any part of the Cost of any Additional Facilities, (b) pay any debt obligations issued by the County, or repay any advances made from any source, to finance temporarily such Cost, (c) increase the amount on deposit in the Reserve Account, (d) pay interest accruing on the Additional Bonds as specified in the Series Resolution relating thereto, and (e) pay certain expenses incurred in connection with the issuance of the Additional Bonds. Any Series of Additional Bonds issued pursuant to this Section 209, if so provided in the Series Resolution authorizing such Additional Bonds, may be issued as Convertible Lien Bonds.

Before any Additional Bonds shall be issued under this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Additional Bonds, fixing the amount and the details thereof, and describing in brief and general terms the purposes for which the Bonds are to be issued. The Bonds of each Series issued under this Section shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on October 1 (or such other maturity date specified in the Series Resolution) in such year or years, shall have such Paying Agents, shall bear interest, and shall have such Sinking Fund Requirements and redemption provisions, all as then permitted by law and as provided in the Series Resolution authorizing the issuance of such Additional Bonds. Such Additional Bonds shall be executed in

the form hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provision of the Series Resolution.

Except as to any difference in the rate or rates of interest, the maturities, the provisions for redemption, or the Reserve Requirement, if any, each Series of Bonds issued under this Section 209 shall be on a parity with and shall be entitled to the same benefit and security of this Resolution as all other Bonds issued under this Resolution; provided, however, that with respect to a Series of Convertible Lien Bonds, only such Convertible Lien Bonds as are stated to mature on or after the Conversion Date shall be so secured by this Resolution.

Such Bonds shall be deposited with the Trustee for authentication and delivery, but before such Additional Bonds shall be delivered the following shall be filed with the Trustee:

(a) a copy, certified by the County Administrator to be a true and correct copy, of the Series Resolution for such Series, which Resolution shall also award or provide for the awarding of the Additional Bonds and direct the delivery of such Additional Bonds to or upon the order of the purchasers named in said Series Resolution upon payment of the purchase price therein set forth, plus accrued interest on the Additional Bonds;

(b) Evidence of compliance with the requirements of clause (i) or clause (ii) of this subsection (b), as follows:

(i) the Aviation Director and the Chief Financial Officer have provided to the Trustee a certificate stating that Net Revenues plus any Transfer for either the most recent Fiscal Year for which audited financial statements of the Airport System are available or any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the month of issuance of the proposed Additional Bonds were sufficient to satisfy the rate covenant set forth in Section 704 for each of the next five full Fiscal Years following issuance of the Additional Bonds, or each of the next two full Fiscal Years from the issuance of the Additional Bonds during which there is no Capitalized Interest, whichever is later, including the Principal and Interest Requirements during such Fiscal Years on such proposed Additional Bonds; or

(ii) an Airport Consultant has provided to the Trustee a certificate stating that, based upon assumptions the Airport Consultant signing the certificate deems reasonable, projected Net Revenues plus Transfers will be sufficient to satisfy the rate covenant set forth in Section 704 for each of the next five full Fiscal Years following issuance of the Additional Bonds, or each of the next two full Fiscal Years from issuance of the Additional Bonds during which there is no Capitalized Interest, whichever is later, including the Principal and Interest Requirements during such Fiscal Years on such proposed Additional Bonds.

For purposes of (b)(i) above, the County shall be allowed to adjust Net Revenues for earnings arising from any increase in the rates, charges and fees for the use of the Airport System which has become effective prior to the issuance of such proposed Additional Bonds but which, during the Fiscal Year or 12-month period utilized by the County for purposes of (b)(i) above, was not in effect for the entire Fiscal Year or 12-month period under consideration, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in rates, charges and fees had been in effect during the whole Fiscal Year or 12-month period under consideration, as determined by the Aviation Director and the Chief Financial Officer.

For purposes of (b)(ii) above, in estimating Net Revenues, the Person signing the certificate required by such clause may take into account (1) Revenues from new Airport System facilities or other new capital improvements reasonably expected to become available during the period for which the estimates are provided, (2) any increase in fees, rates, charges, rentals or other sources of Revenues which has been approved by the Board and will be in effect during the period for which the estimates are provided or (3) any other increases in Revenues which the Person signing the certificate believes to be a reasonable assumption for such period. With respect to Current Expenses of the County, the Person signing the certificate required by (b)(ii) above shall use such assumptions as such Person believes to be reasonable, taking into account: (i) historical Current Expenses of the County, (ii) Current Expenses associated with the capital improvements to be funded with the proceeds of the Additional Bonds proposed to be issued and any other new capital improvements and Airport System facilities and (iii) such other factors, including inflation and changing operations or policies of the County, as the Person signing such certificate believes to be appropriate. The Person signing the certificate required by (b)(ii) above shall include in such certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Net Revenues and shall also set forth the calculations of Principal and Interest Requirements, which calculations may be based upon information provided by the County.

For purposes of preparing the certificate or certificates described above, the Aviation Director and the Chief Financial Officer or Airport Consultant, as applicable, may rely upon financial statements prepared by the County which have not been subject to audit by an Accountant if audited financial statements for the Fiscal Year or period are not available; provided, however, that the Aviation Director and the Chief Financial Officer shall certify as to their accuracy and that such financial statements were prepared substantially in accordance with generally accepted accounting principles.

(c) a certificate of the Chief Financial Officer and the Trustee to the effect that no Default has occurred and is continuing under the Resolution or, if a Default then exists, that such Default shall be cured upon issuance of such Additional Bonds and the application of the proceeds thereof as described or provided for in the Series Resolution therefor;

(d) an opinion of the General Counsel to the effect that (i) the County has obtained from such governmental authorities, boards, agencies or commissions having jurisdiction over the Airport System all approvals, consents, authorizations, certifications, and other orders that are necessary for the acquisition and construction of the Additional Facilities and that if further approvals, consents, authorizations, certifications, or orders are necessary for the acquisition and construction of the Additional Facilities, such Counsel has no reason to believe that the County will not be able to obtain the same when required, (ii) this Resolution, the Series Resolution, and all other resolutions relating to

the issuance of the Additional Bonds have been duly adopted at meetings of the Board duly called and held in accordance with law and at which quorums were present and acting throughout, (iii) the issuance of such Additional Bonds has been duly authorized, and (iv) all conditions precedent to the delivery of such Additional Bonds have been fulfilled; and

(e) an opinion of bond counsel of suitable reputation and experience to the effect that the issuance of such Additional Bonds has been duly authorized and that all legal conditions precedent to the delivery of such Additional Bonds have been fulfilled.

When the documents described in paragraphs (a) through (e) of this Section have been filed with the Trustee and when such Additional Bonds have been executed and authenticated as required by this Resolution, the Trustee shall deliver such Additional Bonds to or upon the order of the purchasers named in the Series Resolution, but only upon payment of the purchase price of such Additional Bonds and the accrued interest thereon. The Trustee shall be entitled to rely upon the Series Resolution and the other documents described in paragraphs (a) through (e) of this Section as to all matters stated therein.

The proceeds (including accrued interest and any premium) of said Additional Bonds shall be applied by the Trustee as provided in the Series Resolution for such Additional Bonds.

Notwithstanding anything to the contrary contained in this Resolution, for purposes of applying the additional bonds tests contained in this Section 209 in connection with the issuance of a Series of Convertible Lien Bonds as Additional Bonds hereunder or a Series of Additional Bonds subsequent to the issuance of Convertible Lien Bonds hereunder, the Principal and Interest Requirements for Convertible Lien Bonds shall be taken into account in the required calculations only on and after the Conversion Date for such Convertible Lien Bonds. Without limiting the generality of the foregoing, interest accruing prior to the Conversion Date on Convertible Lien Bonds that are stated to mature on or after the Conversion Date shall not be taken into account as part of the Principal and Interest Requirements in the required calculations.

Notwithstanding anything to the contrary contained in this Resolution, a Series of Convertible Lien Bonds (or the applicable portion thereof, as the case may be) shall be deposited with the Trustee solely for purposes of authentication as provided in Section 207 hereof, and after such authentication shall be deposited with the trustee under the PFC Bond Resolution for delivery as provided in the PFC Bond Resolution; provided, however, that on or prior to the date of delivery of such Convertible Lien Bonds there shall have been filed with the Trustee hereunder the documents, certificates and opinions required by this Section 209. The proceeds (including accrued interest and any premium) of a Series of Convertible Lien Bonds shall be applied as provided in the series resolution adopted under the PFC Bond Resolution authorizing such Series of Convertible Lien Bonds.

Section 210. Additional Bonds for Completion Purposes. If and to the extent necessary (as shown by the documents described in paragraphs (a) and (b) of this Section) to provide additional funds for completing the payment of the Cost of the Project or any Additional Facilities, one or more Series of Additional Bonds may be issued under and secured by this Resolution, at one time or from time to time, in an amount, together with any other available funds, sufficient to (a) complete payment of such Cost, (b) pay any debt obligations issued by the County or repay any advances made from any source, to finance temporarily such Cost, (c) increase the amount on deposit in the Reserve Account, (d) pay interest accruing on the Additional Bonds as specified in the Series Resolution relating thereto, and (e) pay certain expenses incurred in connection with the issuance of the Additional Bonds.

Before any Additional Bonds shall be issued under this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Additional Bonds, fixing the amount and the details thereof, and determining that it is desirable to complete the Project or Additional Facilities, as the case may be. The Bonds of each Series issued under this Section shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on October 1 (or such other maturity date specified in the Series Resolution) in such year or years, shall have such Paying Agents, shall bear interest, and shall have such Sinking Fund Requirements and redemption provisions, all as then permitted by law and as provided in the Series Resolution authorizing the issuance of such Additional Bonds. Such Additional Bonds shall be executed in the form hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provisions of the Series Resolution for such Additional Bonds.

Except as to any difference in the rate or rates of interest, the maturities, the provisions for redemption, or the Reserve Requirement, if any, each Series of Bonds issued under this Section 210 shall be on a parity with, and shall be entitled to the same benefit and security of this Resolution as, all other Bonds issued under this Resolution.

Such Additional Bonds shall be deposited with the Trustee for authentication and delivery but before such Additional Bonds shall be delivered the following shall be filed with the Trustee:

(a) a copy, certified by the County Administrator to be a true and correct copy, of the Series Resolution for such Series, which resolution shall also award or provide for the awarding of the Additional Bonds and direct the delivery of such Additional Bonds to or upon the order of the purchasers named in said Series Resolution upon payment of the purchase price therein set forth, plus accrued interest on the Additional Bonds;

(b) a statement, signed by the Airport Consultant, setting forth its estimate of the date on which the Project or the Additional Facilities being financed with the Additional Bonds to be issued will be placed in operation and certifying that, according to its estimate the total amount required to pay the balance of the Cost of the Project or Additional Facilities, the proceeds of such Additional Bonds will be sufficient to pay such balance;

(c) the documents and opinions set forth in paragraphs (c) and (e) of Section 209 of this Resolution; and

(d) an opinion of the General Counsel to the effect that (i) the County has obtained from such governmental authorities, boards, agencies or commissions having jurisdiction over the Airport System all approvals, consents, authorizations, certifications,

and other orders that are necessary for the acquisition and construction of the Project or the Additional Facilities, as the case may be, and that reasonably could have been obtained as of the date of such opinion and that if further approvals, consents, authorizations, certifications, or orders are necessary for the acquisition and construction of the Project or the Additional Facilities, as the case may be, such Counsel has no reason to believe that the County will not be able to obtain the same when required, (ii) this Resolution, the Series Resolution, and all other resolutions relating to the issuance of the Additional Bonds have been duly adopted at meetings of the Board duly called and held in accordance with law and at which quorums were present and acting throughout, (iii) the issuance of such Additional Bonds has been duly authorized, and (iv) that all conditions precedent to the delivery of such Additional Bonds have been fulfilled.

When the documents mentioned in clauses (a) through (d) of this Section have been filed with the Trustee and when the Additional Bonds have been executed and authenticated as required by this Resolution, the Trustee shall deliver such Additional Bonds to or upon the order of the purchasers named in the Series Resolution, but only upon payment of the purchase price of such Additional Bonds and accrued interest thereon. The Trustee shall be entitled to rely upon the Series Resolution as to all matters stated therein.

The proceeds (including accrued interest and any premium) of said Additional Bonds shall be applied as provided in the Series Resolution for such Additional Bonds.

Section 211. Additional Bonds for Refunding Purposes. Additional Bonds may be issued under and secured by this Resolution, at one time or from time to time, subject to the conditions hereinafter provided in this Section, for the purpose of providing funds for paying at maturity or redeeming prior to maturity all or any part of the Outstanding Bonds of any one or more Series, including the payment of any redemption premium thereon and any interest that will accrue on such Bonds to the redemption date or stated maturity dates and any expenses incurred in connection with such refunding. Any Series of Additional Bonds issued pursuant to this Section 211, if so provided in the Series Resolution authorizing such Additional Bonds, may be issued as Convertible Lien Bonds.

Before any such Additional Bonds shall be issued under this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Additional Bonds, fixing the amount and details thereof, and describing the Bonds to be refunded, paid and redeemed. The Bonds of each Series issued under this Section shall be appropriately designated with the inclusion of the term "refunding" in the designation, shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on the October 1 (or such other maturity date specified in the Series Resolution) in such year or years, shall have such Paying Agents, shall bear interest, and shall have such Sinking Fund Requirements and redemption provisions, all as then permitted by law and as provided in the Series Resolution authorizing the issuance of such Additional Bonds.

Except as to any difference in the maturities thereof or the rate or rates of interest, the maturities, the provisions for redemption, or the Reserve Requirement, if any, each series of Bonds issued under this Section 211 shall be on a parity with and shall be entitled to the same benefits and security under this Resolution as all other then Outstanding Bonds issued under this

Resolution; provided, however, that with respect to a Series of Convertible Lien Bonds, only such Convertible Lien Bonds as are stated to mature on or after the Conversion Date shall be so secured by this Resolution.

Such Additional Bonds shall be deposited with the Trustee for authentication and delivery, but before such Additional Bonds shall be delivered the following shall be filed with the Trustee:

(a) a copy, certified by the County Administrator to be a true and correct copy, of the Series Resolution for such Series, which Resolution shall also award or provide for the awarding of the Additional Bonds and direct the delivery of such Additional Bonds to or upon the order of the purchasers named in said Series Resolution upon payment of the purchase price therein set forth, plus accrued interest on the Additional Bonds;

(b) a certificate of the Chief Financial Officer and the Trustee to the effect that no Default has occurred and is continuing under the Resolution or, if a Default then exists, that such Default shall be cured upon issuance of such Additional Bonds and the application of the proceeds thereof as described or provided for in the Series Resolution therefor;

(c) an opinion of the General Counsel to the effect that (i) this Resolution, the Series Resolution, and all other resolutions relating to the issuance of the Additional Bonds have been duly adopted at meetings of the Board duly called and held in accordance with law and at which quorums were present and acting throughout, (ii) the issuance of such Additional Bonds has been duly authorized, and (iii) all conditions precedent to the delivery of such Additional Bonds have been fulfilled;

(d) an opinion of bond counsel of suitable reputation and experience to the effect that the issuance of such Additional Bonds has been duly authorized and that all legal conditions precedent to the delivery of such Additional Bonds have been fulfilled;

(e) a certificate of the Aviation Director and the Chief Financial Officer evidencing compliance with the requirements of Section 209(b) or stating that, assuming the issuance of such Additional Bonds and the refunding of the Bonds to be refunded, the Principal and Interest Requirements for the Additional Bonds proposed to be issued in each Fiscal Year through the last Fiscal Year in which the Bonds to be refunded would otherwise be Outstanding are not more than one hundred five percent (105%) of the Principal and Interest Requirements which would be due in each such year for the Outstanding Bonds to be refunded if such refunding did not occur; and

(f) such documents as shall be required by the Trustee to show that provision has been duly made in accordance with the provisions of this Resolution for the payment or redemption of all of the Bonds to be paid or redeemed.

When the documents described in paragraph (a) through (f) of this Section have been filed with the Trustee and when the Additional Bonds have been executed and authenticated as required by this Resolution, the Trustee shall deliver such Additional Bonds to or upon the order

of the purchasers named in the Series Resolution, but only upon payment of the purchase price of such Additional Bonds and the accrued interest thereon. The Trustee shall be entitled to rely upon the Series Resolution as to all matters stated therein, but shall not deliver such Additional Bonds unless in the determination of the Trustee, the proceeds (excluding accrued interest) of such Additional Bonds, together with any other money deposited with the Trustee for such purpose and the interest to accrue upon any Defeasance Obligations acquired pursuant to clause (1) below of this Section, shall be not less than an amount sufficient to pay the principal of, and the redemption premium, if any, on the Bonds to be refunded, the interest that will accrue thereon to the redemption date or to the respective maturity dates, and the expenses incident to such refunding.

The Trustee, after making provision for payment of the expenses incident to such refunding, shall apply the proceeds of such Additional Bonds (including accrued interest) and any other money provided for such purpose, as follows:

(i) an amount that, together with the interest accruing on the Defeasance Obligations acquired pursuant to this clause (1), shall be sufficient to pay the principal and redemption premium of and the interest on the Bonds to be refunded hereunder, shall be deposited by the Trustee in trust for the sole and exclusive purpose of paying such principal, redemption premium and interest; and money so held shall, as nearly as may be practicable and reasonable, be invested by the Trustee in Defeasance Obligations that shall mature or that shall be subject to redemption by the holder thereof at the option of such holder not later than the respective dates when the money so held will be required for the purposes intended,

(ii) such amount shall be deposited in or credited to any Fund or Account established under Section 501 of this Resolution as shall be required by reason of the issuance of the Additional Bonds then requested to be authenticated and delivered and the Series Resolution authorizing the issuance of the Additional Bonds, and

(iii) the balance of such proceeds shall be applied as provided in the corresponding Series Resolution.

Notwithstanding anything to the contrary contained in this Resolution, a Series of Convertible Lien Bonds (or the applicable portion thereof, as the case may be) shall be deposited with the Trustee solely for purposes of authentication as provided in Section 207 hereof, and after such authentication shall be deposited with the trustee under the PFC Bond Resolution for delivery as provided in the PFC Bond Resolution; provided, however, that on or prior to the date of delivery of such Convertible Lien Bonds there shall have been filed with the Trustee hereunder the documents, certificates and opinions required by this Section 211. The proceeds (including accrued interest and any premium) of a Series of Convertible Lien Bonds shall be applied as provided in the series resolution adopted under the PFC Bond Resolution authorizing such Series of Convertible Lien Bonds.

Section 212. Temporary Bonds. Until the definitive Bonds of any Series are ready for delivery, there may be executed, and upon direction of the County Administrator, the Trustee shall deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, except as to identifying numbers, printed, engraved, lithographed or typewritten temporary Bonds in the denomination of Five Thousand Dollars ($5,000) or any whole multiple thereof, substantially of the tenor hereinabove set forth, with or without coupons and with or without the privilege of registration as to principal, as the Board may provide, and with such appropriate omissions, insertions and variations as may be required. The County shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it of any temporary Bond and all unmatured coupons appertaining thereto, shall cancel the same or cause the same to be cancelled and shall deliver, in exchange therefor, at the place designated by the Holder, without expense to the Holder, a definitive Bond or Bonds of the same Series and in the same aggregate principal amount, maturing on the same date and bearing interest at the same rate as the temporary Bond surrendered. Upon any such exchange all coupons appertaining to the definitive Bonds and representing interest theretofore paid shall be detached and cancelled by the Trustee. Until so exchanged, the temporary Bonds shall be entitled to the same benefit of this Resolution as the definitive Bonds to be issued and authenticated hereunder, including the privilege of registration if so provided. Until definitive Bonds are ready for exchange, interest on temporary Bonds shall be paid when due and payable upon presentation of such temporary Bonds, and notation of such payment shall be endorsed thereon, or such interest shall be paid upon the surrender of the appropriate coupons if interest coupons are attached to such temporary Bonds.

Section 213. Mutilated, Destroyed, Lost, or Stolen Bonds. The County shall cause to be executed, and the Trustee shall deliver a new Bond of like date, number and tenor in exchange and substitution for and upon the cancellation of any mutilated Bond, or in lieu of and in substitution for any destroyed, lost, or stolen Bond or any Bond the coupons of which are destroyed, lost, or stolen, and the Holder shall pay the reasonable expenses and charges of the County in connection therewith. Prior to the delivery of a substitute Bond the Holder of any Bond which was destroyed, lost, or stolen, or the coupons of which were destroyed, lost, or stolen, shall file with the Trustee evidence satisfactory to it of the destruction, loss, or theft of such Bond or coupons, and of the Holder's ownership thereof and shall furnish to the County and the Trustee such security or indemnity as may be required by them to save each of them harmless from all risks, however remote.

Every Bond issued pursuant to the provisions of this Section 213 in exchange or substitution for any Bond which is mutilated, destroyed, lost or stolen or the coupons of which are mutilated, destroyed, lost, or stolen shall constitute an additional contractual obligation of the County, whether or not the destroyed, lost or stolen Bond or coupons are found at any time or are enforceable by anyone, and shall be entitled to all the benefits and security hereof equally and proportionately with any and all other Bonds and coupons duly issued under this Resolution. All Bonds and coupons shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost

or stolen Bonds and coupons and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

[END OF ARTICLE II]

ARTICLE III

REDEMPTION

Section 301. Redemption Generally. Except as hereinafter provided, the Bonds of each Series issued under this Resolution shall be subject to redemption, as a whole or in part, at such times and prices, and in such order as may be provided by the Series Resolution authorizing the issuance of such Bonds.

Section 302. Extraordinary Redemption of all Bonds. The Bonds shall be redeemed as a whole or in part on any date upon payment of 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, if the County exercises its option to redeem the Bonds pursuant to Section 709 of this Resolution or disposes of any portion of the Airport System.

Section 303. Selection of Bonds or Portions thereof to be Redeemed. Unless otherwise provided in the Series Resolution for a Series of Bonds, the Bonds shall be redeemed only in whole multiples of $5,000. The Trustee shall select the Bonds or portions thereof to be redeemed in accordance with the terms and provisions of Section 511 of this Resolution and the Series Resolution relating to such Bonds.

Section 304. Redemption Notice. Unless otherwise provided in the Series Resolution for a Series of Bonds, at least thirty (30) but not more than sixty (60) days before the redemption date, a notice of any such redemption, either in whole or in part, signed by the Chief Financial Officer, (a) shall be filed with the Bond Registrar, and (b) shall be mailed, first class mail, postage prepaid, to all registered owners of Bonds to be redeemed at their addresses as they appear on the registration books hereinabove provided for, but failure so to mail any such notice shall not affect the validity of the proceedings for such redemption of Bonds with respect to which notice of such redemption was duly mailed. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds of a Series then Outstanding shall be called for redemption, the numbers of such Bonds. Each notice of redemption mailed to a registered owner of a Bond to be redeemed shall, if less than the entire principal amount thereof is to be redeemed, also state the principal amount thereof to be redeemed and that such Bond must be surrendered to the Bond Registrar in exchange for the payment of the principal amount thereof to be redeemed and the issuance of a new Bond or Bonds equaling in principal amount that portion of the principal sum not to be redeemed of the Bonds to be surrendered, as provided in Section 304 hereof.

In the case of an optional redemption of Bonds, the redemption notice may state that (a) it is conditioned upon the deposit of moneys with the Trustee or with a bank, trust company or other appropriate fiduciary institution acting as escrow agent (the "escrow agent"), in amounts necessary to effect the redemption, no later than the redemption date, or (b) the County retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this Section. Any such notice of Conditional Redemption shall be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time prior to the redemption date if the County

delivers a written direction to the Trustee directing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the County to make such moneys available shall constitute an Event of Default.

The provisions concerning the manner of giving notice of redemption may be changed or varied or supplemented with respect to any Series of Bonds in any Series Resolution applicable to such Series of Bonds issued under this Resolution.

Section 305. Effect of Calling for Redemption. Except for a redemption of Bonds in accordance with the Sinking Fund Requirement therefor, on or before the date upon which Bonds are to be redeemed in accordance with this Article III the County shall deposit with the Trustee money or Defeasance Obligations, or a combination of both, that will be sufficient to pay on the redemption date the Redemption Price of, and interest accruing on, the Bonds to be redeemed to such redemption date.

On the date fixed for redemption, notice having been mailed in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the Redemption Price provided therefor, plus accrued interest to such date. If money or Defeasance Obligations, or a combination of both, sufficient to pay the Redemption Price of the Bonds or portions thereof to be redeemed plus accrued interest thereon to the date of redemption are held by the Trustee or by the Paying Agents in trust for the Holders of Bonds to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue; the coupons for interest payable subsequent to the redemption date on coupon Bonds called for redemption shall be void; such Bonds or portions thereof shall cease to be entitled to any benefits or security under this Resolution or to be deemed Outstanding; and the Holders of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the Redemption Price thereof, plus accrued interest to the date of redemption. Bonds and portions of Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption at the earliest redemption date have been given to the Trustee in form satisfactory to it shall not thereafter be deemed to be Outstanding under this Resolution and shall cease to be entitled to the security of or any rights under this Resolution, and the Holders shall have no rights in respect of the same other than to receive payment of the Redemption Price thereof and accrued interest thereon, to be given notice of redemption in the manner provided in Section 304, and to the extent hereinafter provided, to receive Bonds for any unredeemed portions of registered Bonds without coupons if money or Defeasance Obligations, or a combination of both, sufficient to pay the Redemption Price of such Bonds or portions thereof, together with accrued interest thereon to the date upon which such Bonds are to be paid or redeemed, are held in separate accounts by the Trustee or the Paying Agents in trust for the Holders of such Bonds.

Section 306. Redemption of Portion of Registered Bonds Without Coupons. If less than all of an Outstanding registered Bond without coupons is selected for redemption, the registered owner thereof or his legal representative shall present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the County shall execute and the Trustee shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge, for the unredeemed portion of the principal amount of the registered Bond without coupons so surrendered, a new registered Bond without coupons, of the same Series and maturity, bearing interest at the same rate and of any denomination or denominations authorized by this Resolution.

Section 307. Use of Defeasance Obligations to Redeem Bonds. For purposes of all Sections in this Article, Defeasance Obligations shall be deemed to be sufficient to pay or redeem Bonds on a specified date if the principal of and the interest on such Defeasance Obligations, when due, will be sufficient to pay on such date the Redemption Price of, and the interest accruing on, such Bonds or portions to such date.

Section 308. Cancellation. Bonds called for redemption and all unmatured coupons appertaining thereto shall be cancelled upon the surrender thereof.

Section 309. Matured Coupons. All unpaid coupons that appertain to coupon Bonds called for redemption and that have become due and payable on or prior to the date of redemption designated in such notice shall continue to be payable to the bearers severally and respectively upon the presentation and surrender of such coupons.

Section 310. Bonds Called for Redemption or Defeased Not Outstanding. If (a) (1) Bonds shall have been duly called for redemption under the provisions of this Article, or (2) irrevocable instructions have been given by the County to the Bond Registrar or the Escrow Agent to (i) call Bonds for redemption under the provisions of this Article, (ii) pay Bonds at their maturity or maturities, or (iii) both call Bonds for redemption under the provisions of this Article and pay Bonds at their maturity or maturities in any combination (the Bonds described in clauses (a)(1) and (a)(2) are herein collectively called the "Bonds to be Paid"), and (b) cash or Sufficient Defeasance Obligations are held in separate accounts by the Bond Registrar or Escrow Agent solely for the holders of the Bonds to be Paid, then the Bonds to be Paid shall not be deemed to be Outstanding under the provisions of this Resolution and shall cease to be entitled to any benefit or security under this Resolution other than to receive payment of principal, redemption premium, if any, and interest from such moneys.

For purposes of this Section 310, 'Sufficient Defeasance Obligations' shall mean Defeasance Obligations which are in such principal amounts, bear interest at such rate or rates and mature (without the option of prior redemption) on such date or dates so that the proceeds to be received upon payment of such Defeasance Obligations at their maturity and the interest to be received thereon will provide sufficient amounts in cash on the dates required to pay the principal of and redemption premium, if any, and the interest on the Bonds to be Paid to the dates of their maturity or redemption.

Section 311. Mandatory Tenders for Purchase and Call Options. In addition, the County may, by Series Resolution, provide that (1) the Bonds of any Series issued hereunder shall be subject to mandatory tender for purchase under the same terms and conditions and with the same notice requirements as shall be fixed for the redemption of the Bonds of such Series, except that any Bonds so purchased will remain Outstanding under this Resolution, and (2) the

right to call Series of Bonds for mandatory tender for purchase may be sold by the County under terms and conditions set forth in the Series Resolution relating to such Series of Bonds.

[END OF ARTICLE III]

ARTICLE IV

CONSTRUCTION FUND

Section 401. Construction Fund. A special fund is hereby established with the Trustee and designated the "Broward County Airport Construction Fund," and within said Construction Fund there are hereby established two special accounts designated the "Project Account" and the "Additional Facilities Account," respectively. Any money received by the Trustee or the County from a source for construction of the Project shall be deposited immediately upon its receipt in the Project Account. Any money received by the Trustee or the County from any source for construction of Additional Facilities financed as a whole or in part with proceeds of Additional Bonds (other than Additional Bonds consisting of Convertible Lien Bonds) shall be deposited upon the delivery of such Additional Bonds in the Additional Facilities Account. The proceeds received by or on behalf of the County from any Additional Bonds consisting of Convertible Lien Bonds issued to finance, in whole or in part, the construction of Additional Facilities shall be deposited upon the delivery of such Convertible Lien Bonds with the trustee under the PFC Bond Resolution, for application as provided in the series resolution adopted under the PFC Bond Resolution authorizing such Series of Convertible Lien Bonds. The provisions of this Article IV shall not apply to any Series of Additional Bonds consisting of Convertible Lien Bonds, unless the Conversion Date for such Series of Convertible Lien Bonds occurs while amounts allocable to such Convertible Lien Bonds remain on deposit to the credit of the "construction fund" established under the PFC Bond Resolution or any account therein, and then only to the extent that amounts are transferred to the Trustee hereunder for deposit into the Additional Facilities Account as provided in Section 401 of the PFC Bond Resolution.

The money in the Construction Fund shall be held by the Trustee in trust and, pending application to the payment of the Cost of the Project or Additional Facilities, as the case may be, or transfer as provided herein, shall be subject to a lien and charge in favor of the Holders of Bonds issued and Outstanding under this Resolution and shall be held for the security of such Holders.

Section 402. Payments from Construction Fund. Payment of the Cost of the Project shall be made from the Project Account and payment of the Cost of Additional Facilities shall be made from the Additional Facilities Account. All payments from the Construction Fund shall be subject to the provisions and restrictions set forth in this Article, and the County shall not cause or agree to permit to be paid from the Construction Fund any sums except in accordance with such provisions and restrictions.

Section 403. Cost of Project and Additional Facilities. For the purpose of this Resolution, the Cost of the Project and Additional Facilities, as the case may be, shall include such costs as are eligible costs within the purview of the County Code, and, without intending to limit or restrict any proper definition of such Cost, shall include the following:

(a) obligations incurred labor, materials, services provided by contractors, builders, and materialmen in connection with the construction, acquisition, and equipping of the Project or Additional Facilities, machinery, and equipment, for the restoration of

property damaged or destroyed in connection with such construction and acquisition, for the demolition, removal, or relocation of any structures, and for the clearing of lands;

(b) interest accruing upon any Bonds prior to the commencement of and during construction or for any additional period as may be authorized by law and provided in the Series Resolution authorizing the issuance of such Bonds;

(c) the cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding, to acquire by condemnation, such land, structures and improvements, property rights, rights-of-way, franchises, easements, and other interests in lands as may be deemed necessary or convenient in connection with such construction or operation of the Airport System, and the amount of any damages incident thereto;

(d) expenses of administration properly chargeable to such construction, legal, architectural and engineering expenses and fees, cost of audits and of preparing and issuing the Bonds, fees and expenses of consultants, financing charges, premiums of insurance in connection with construction, bond insurance premiums, the cost of funding the Reserve Account, and all other items of expense not elsewhere in this Section specified that are incident to the financing, construction, or acquisition of the Project or any Additional Facilities and the placing of the same in operation; and

(e) any obligation or expense incurred by the County for any of the foregoing purposes within five years prior to the date of delivery of the Bonds, including the cost of materials, supplies or equipment furnished by the County in connection with the construction of the Project or any Additional Facilities and paid for by the County out of the funds other than money in the Construction Fund.

Section 404. Requisitions from Construction Fund. Payments from the Construction Fund shall be made in accordance with the provisions of this Section.

Upon receipt of a requisition of the County signed by the Chief Financial Officer, the Trustee shall pay from the Construction Fund to the County at one time or from time to time, a sum or sums aggregating at any point in time not more than $8,000,000, exclusive of reimbursements as hereinafter authorized in this Section, to be used by the County as a revolving fund for the payment of items of Cost referred to in Section 403 of this Article. Such money shall be deemed to be a part of the Construction Fund until paid out. The Trustee shall apply money in the Construction Fund to reimburse the revolving fund from time to time for items of Cost paid with money in the revolving fund upon receipt from the County of a requisition that is signed by the Chief Financial Officer. The requisition shall specify the payee, the amount and the purpose by general classification of each payment from the revolving fund for which such reimbursement is requested and state that each such item of Cost so paid was a necessary item of Cost within said Section 403.

Upon request of the County, the Trustee shall pay Costs directly from the Construction Fund, but before any payment shall be made there shall be filed with the Trustee a requisition, signed by the Chief Financial Officer, stating:

(i) the item number of such payment,

(ii) the name of the person to whom such payment is due,

(iii) the amount to be paid,

(iv) the purpose by general classification for which the obligation to be paid was incurred,

(v) that the obligation in the stated amount has been incurred by the County, is presently due and payable, and is a proper charge against the Construction Fund that has not been paid,

(vi) that no notice of any lien, right to lien or attachment upon, or claim affecting the right of any such person to receive payment of, the amount stated in such requisition has been filed or attached or, if any of the foregoing has been filed or attached, that the same either has been or will be satisfied or discharged or that provisions have been made (which shall be specified) to adequately protect the Trustee and the Holders from incurring any loss as a result of the same, and

(vii) that such requisition contains no item representing payment on account of any retainage to which the County is entitled at the date of such requisition.

Upon receipt of each requisition, the Trustee shall pay the obligations set forth in such requisition out of money in the applicable Account in the Construction Fund, and each such obligation shall be paid by check signed by one or more officers or employees of the Trustee designated for such purpose by the Trustee. If for any reason the County should decide prior to the payment of any item in a requisition not to pay such item, it shall give written notice of such decision to the Trustee and thereupon the Trustee shall not make such payment.

Section 405. Requisition for Land Costs. If any requisition contains any item for the payment of the purchase price or cost of any lands, property, rights, rights-of-way, easements, franchises, or interests in or relating to lands other than lands, property, rights-of-way, easements, franchises, or interests in or relating to land constituting a part of the Airport System, there shall be attached to such requisition, in addition to the certificate mentioned in Section 404 of this Article:

(a) a certificate, signed by the Aviation Director, stating that such lands, property, rights, rights-of-way, easements, franchises, or interests are being acquired by the County in furtherance of the construction of the Project or Additional Facilities, as the case may be; and

(b) (1) an opinion of General Counsel to the effect that upon the payment of such item the County will have title in fee simple to, or perpetual easements or title or rights sufficient for the needs and purposes of the County in, such lands, free from all liens, encumbrances and defects of title that would have a materially adverse effect upon the County's right to use such lands or properties for the purposes intended or if such liens, encumbrances, or defects of title exist that the County is adequately guarded against the same by a bond or other form of indemnity; or (2) if such payment is for an option or contract to purchase, a quit-claim deed to a lease or a release of, or the

acquisition of a right or interest in, lands less than a fee simple or a perpetual easement, or if such payment is a partial payment for any such purpose, a certificate of the Chief Financial Officer approving the acquisition of such lesser right or interest or of such part payment.

Section 406. Reliance upon Requisitions. All requisitions and opinions received by the Trustee as conditions of payment from the Construction Fund may be relied upon by the Trustee. Such requisitions and opinions shall be retained by the Trustee for a period of time not less than that required by the law of the State for the retention of County records and shall be subject at all reasonable times to examination by the County and the Holders of Bonds then Outstanding.

Section 407. Completion of the Project or Additional Facilities and Disposition of Construction Fund Balance. The Completion Date for the Project and any Additional Facilities or any segment of either shall be evidenced to the Trustee by (a) a certificate, signed by the Chief Financial Officer, setting forth the Cost of the Project, the Additional Facilities, or such segment, whichever is applicable, and stating that, except for amounts then due and payable or the liability for the payment of which is being contested or disputed by the County, all costs and expenses incurred in connection therewith have been paid, and (b) a certificate signed by the Aviation Director, stating that (i) the acquisition, construction and equipping of the Project, the Additional Facilities, or such segment, whichever is applicable have been completed substantially in accordance with the plans and specifications therefor and the Cost of the same has been paid and (ii) all other facilities necessary in connection with the Project or Additional Facilities or such segment have been acquired, constructed and installed in accordance with the plans and specifications therefor. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or that may subsequently come into being.

Upon receipt of such certificate, together with an opinion of General Counsel to the effect that there are no the mechanics', workmen's, repairmen's, architects', engineers', surveyors', carriers', laborers', contractors' or material men's liens on any property constituting a part of the Project or Additional Facilities, as the case may be, on file in any public office where the same should be filed to be perfected and that the time within which such liens can be filed has expired, the Trustee shall withdraw all money then remaining in the relevant Account in Construction Fund, including any balance in the revolving fund, in excess of the amount then needed for completion of the remainder of the Project or Additional Facilities and apply the same, subject to Section 604 hereof, for such of the following purposes: (a) first, deposit in any other Account in the Construction Fund an amount not exceeding that by which the Costs to be paid from such Account exceed the amounts on deposit therein, (b) second, deposit in the Principal Account and the Sinking Fund Account, in that order, the amounts by which the sums of money required to be paid by the County to said Accounts in the then current Fiscal Year pursuant to Section 503 hereof exceed the amounts on deposit in said Accounts, (c) third, deposit in the Reserve Account the amount by which the Reserve Requirement exceeds the amount on deposit therein, (d) fourth, transfer to the County for deposit in the Improvements Account the amount by which the Improvements Appropriation for such Fiscal Year exceeds the amount on deposit therein, and (e) fifth, deposit in the Redemption Account such amount as the County designates to be applied to the redemption of Bonds in accordance with Section 511 hereof. The application by the County of money remaining in the Construction Fund after payment of the

Cost of the Project or Additional Facilities, as the case may be, shall be modified to the extent necessary to assure that such application will not cause the interest on Bonds issued as Tax-Exempt Bonds to be included in gross income for federal income tax purposes.

Section 408. Proceeds Account. If and when Net Proceeds are received and designated for use in the repair or replacement of the Airport System, the Trustee shall create a new account in the Construction Fund to be designated the Proceeds Account into which Net Proceeds shall be deposited. Payment of the Cost of repairing or replacing the Airport System shall be made from the Proceeds Account. All the provisions of this Article that relate to the Construction Fund shall apply to all Accounts within such Fund, including the Proceeds Account.

[END OF ARTICLE IV]

ARTICLE V

REVENUES AND FUNDS

Section 501. Establishment of Funds. In addition to the Construction Fund, there are hereby established the following funds:

(a) Broward County Airport Bond Fund, in which there are established six special accounts to be known as the Interest Account, the Principal Account, the Sinking Fund Account, the Reserve Account, the Redemption Account, and the Insurance and Condemnation Award Account; and

(b) Broward County Aviation Fund, in which there are established four special accounts to be known as the Revenue Account, the Renewal and Replacement Account, the Improvements Account, and the General Purposes Account.

The Bond Fund and the Accounts therein shall be established with and held by the Trustee. The Aviation Fund and the Accounts therein shall be established with and held by a Depositary selected by the County.

Additional Accounts or subaccounts may be established pursuant to a Series Resolution in any Fund or Account created herein. With respect to any Series of Additional Bonds to which the County has irrevocably committed any Available Revenues for the payment of all or a portion of the Principal and Interest Requirements thereon, the County shall, in such Series Resolution create separate subaccounts within the Interest Account, Principal Account and Sinking Fund Account, as applicable.

The money in all of said Funds and Accounts shall be held in trust and applied as hereinafter provided and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Bonds issued and Outstanding under this Resolution and for the further security of such Holders.

Section 502. Revenues Received by the County. Except as hereinafter provided, all Revenues shall be deposited when received in the Revenue Account. The County may also deposit other moneys in the Revenue Account as approved by the Board.

Section 503. Application of Money in Revenue Account. The County shall apply funds on deposit in the Revenue Account to the payment of Current Expenses. To the extent hereinafter provided in this Section 503, the County may also apply funds on deposit in the Revenue Account to the purchase of Bonds. On or before the 20th day of each month the County shall withdraw from the Revenue Account all amounts on deposit therein in excess of the Operations and Maintenance Requirement for such month and shall apply the same in the following manner and order:

(a) Beginning in the April or October next preceding an Interest Payment Date on which less than all of the interest to be paid to a Bondholder will be paid from the proceeds of Bonds, the County shall deliver to the Trustee for deposit in the Interest

Account in the Bond Fund the amount specified in the Series Resolution relating to such Bonds;

(b) Beginning in the April or October next preceding any Interest Payment Date on which none of the interest to be paid to a Bondholder will be paid from the proceeds of Bonds, and continuing until the amount on deposit in the Interest Account is equal to the interest payable on the Bonds on the next Interest Payment Date, the County shall deliver to the Trustee for deposit in the Interest Account in the Bond Fund, one-sixth (1/6) of the interest payable on the Bonds on the next ensuing Interest Payment Date, provided, however, that with respect to Bonds not dated on an Interest Payment Date and for which funded or accrued interest to the first Interest Payment Date is not available, until the next ensuing Interest Payment Date each monthly payment shall be equal to the interest to accrue on such Bonds in each month;

(c) Beginning in the October next preceding any October 1 on which principal of Serial Bonds is to be paid to a Bondholder and continuing until the amount on deposit in the Principal Account is equal to the principal of the Serial Bonds to be paid on such October 1, the County shall transfer to the Trustee for deposit in the Principal Account in the Bond Fund, one-twelfth (1/12) of the principal of all Serial Bonds due on such October 1, provided that with respect to any Serial Bonds, the first principal installment of which matures less than one year from the date of such Serial Bonds, such monthly payments shall commence in the month after the delivery of such Serial Bonds and, prior to the next succeeding October 1, shall be in amounts equal to the principal amount of such Serial maturity divided by the number of months from the date of delivery of such Serial Bonds to the next succeeding October 1;

(d) Beginning in the October next preceding any October 1 on which Term Bonds are to be redeemed pursuant to a Sinking Fund Requirement therefor or are to be paid at maturity and continuing until the amount on deposit in the Sinking Fund Account is equal to the Sinking Fund Requirement due, or amount to be paid at final maturity on such Term Bonds on, such October 1, the County shall deliver to the Trustee for deposit in the Sinking Fund Account in the Bond Fund, one-twelfth (1/12) of the amount required to retire the Term Bonds to be called by mandatory redemption pursuant to a Sinking Fund Requirement or to be paid at maturity on such October 1, provided that with respect to any Term Bonds on which the first payment of a Sinking Fund Requirement is due less than one year from the date of such Term Bonds, such monthly payments shall commence in the month after the delivery of such Term Bonds and, prior to the next succeeding October 1, shall be in amounts equal to the amount of such Sinking Fund Requirement divided by the number of months after the delivery of such Term Bonds and prior to the next succeeding October 1;

(e) In any month in which the amount on deposit in the Reserve Account (or any subaccount therein) is less than the Reserve Requirement due to the application of money therein in accordance with Section 507 of this Resolution or the loss on Investment Obligations therein, the County shall deliver to the Trustee for deposit in the Reserve Account (or one or more subaccounts therein, as applicable) the amount of such deficiency;

(f) A sufficient amount of Revenues next shall be transferred by the County to the Subordinated Debt Trustee or the paying agent for Subordinated Debt in such amounts and at such times as are sufficient to pay the principal and interest becoming due in the next succeeding month on any Subordinated Debt in the manner set forth in any Subordinated Debt Issuing Instrument;

(g) A sufficient amount of Revenues next shall be transferred by the County to the Subordinated Debt Debt Service Reserve Account, if any, as specified in the Subordinated Debt Issuing Instrument to be used in the manner provided therein;

(h) To the Renewal and Replacement Account, one-twelfth (1/12) of the Renewal and Replacement Account Requirement for such Fiscal Year, but only to the extent such deposit is required to make the amount on deposit in the Renewal and Replacement Account equal to the Renewal and Replacement Account Requirement;

(i) To the Improvements Account, one-twelfth (1/12) of the Improvements Appropriation for such Fiscal Year, but only to the extent such deposit is required to make the amount on deposit in the Improvements Account equal to the Improvements Appropriation; and

(j) The County shall deposit any amount remaining after making the deposits required by paragraphs (a) through (i) above in the General Purposes Account.

In each month following a month in which the County has failed to make any deposit or payment required by paragraphs (a) through (i) of this Section 503, the County shall deposit or pay, in addition to the amounts then due, an amount sufficient to cure the deficiency in deposit or payment in the prior month unless such deficiency is cured by a transfer, pursuant to the terms of this Resolution, of money or Investment Obligations to such Fund or Account from other Funds and Accounts created hereby.

Except as otherwise provided herein, in determining the amount of money to be deposited to each Fund and Account there shall be taken into consideration the investment earnings or losses that are to be charged to such Fund or Account in accordance with Section 602, the amounts on deposit in any subaccounts in such Fund or Account from the deposit of Available Revenues and the amounts then on deposit therein resulting from the application of Bond proceeds or the transfers as hereinafter provided.

Whenever the amount on deposit in the Revenue Account is insufficient to pay Current Expenses, the County shall transfer an amount necessary to pay the same to the Revenue Account, drawing upon funds available in the General Purposes Account, the Renewal and Replacement Account, and the Improvements Account in that order.

On or before the 45th day next preceding any October 1 on which Serial Bonds are to mature or Term Bonds are to be redeemed pursuant to the Sinking Fund Requirement or are to mature, the County may satisfy all or a portion of its obligation to make the payments required by paragraphs (c) and (d) of this Section 503 by delivering to the Trustee Serial Bonds maturing or Term Bonds maturing or required to be redeemed on such October 1. The price paid to purchase any such Bond shall not exceed the Redemption Price applicable to such Bonds at the next redemption date. Upon such delivery the County shall receive a credit against amounts required to be deposited into the Principal Account on account of such Serial Bonds or into the Sinking Fund Account on account of such Term Bonds in the amount of 100% of the principal amount of any such Serial Bonds or Term Bonds so delivered.

Section 504. Application of Money in Interest Account. Not earlier than the first business day next preceding each Interest Payment Date or date upon which Bonds are to be redeemed the Trustee shall withdraw from the Interest Account and any applicable subaccount relating to such Series of Bonds and (a) remit by mail to each owner of registered Bonds without coupons the amounts required for paying interest on such Bonds when due and payable, and (b) set aside or deposit in trust with the Paying Agents of coupon Bonds of each Series amounts sufficient to pay interest on the Bonds of such Series when due and payable.

If the County fails to make any deposit to the Interest Account, or any applicable subaccount therein, that is required by Section 503 hereof or otherwise or if the balance in the Interest Account, or any subaccount therein, on the 20^{th} day of the month next preceding an Interest Payment Date is insufficient to pay interest becoming due on the Bonds on such Interest Payment Date, the Trustee shall notify the County of the amount of the deficiency. Upon notification, the County immediately shall deliver to the Trustee an amount sufficient to cure the same, drawing upon funds available in the General Purposes Account, the Improvements Account, and the Renewal and Replacement Account in that order. If the amount so delivered is not sufficient to cure the deficiency in the Interest Account, or any subaccount therein, the Trustee shall transfer to said Account such amount as may be necessary to remedy such deficiency from the Reserve Account.

Section 505. Application of Money in Principal Account. Not earlier than the business day next preceding each October 1, the Trustee shall withdraw from the Principal Account, and any applicable subaccount relating to such Series of Bonds and (a) set aside the amount necessary to pay the principal of all coupon Serial Bonds registered as to principal alone and all registered Serial bonds without coupons at their respective maturities and (b) set aside or deposit in trust with the Paying Agents of each Series the amount necessary to pay the principal of all coupon Serial Bonds not registered as to principal at their respective maturities.

If at any date there is money in the Principal Account or any applicable subaccount relating to a Series of Bonds and no Serial Bonds are then Outstanding (or with respect to any subaccount, no Serial Bonds are then Outstanding relating to such Series of Bonds for which such subaccount was created) or if on any principal payment date money remains therein after the payment of the principal of Serial Bonds then due, the Trustee shall withdraw such money therefrom and shall apply the same as follows: (a) deposit in the Sinking Fund Account (or with respect to any subaccount, in the corresponding subaccount in the Sinking Fund Account for such Series of Bonds, if any) and the Reserve Account, in that order, the amounts then required to be paid thereto by the County pursuant to Section 503 hereof and (b) deliver all remaining amounts to the County; provided, however, with respect to any excess moneys in any subaccount for a Series of Bonds which were deposited by the County from the PFC Capital Improvements Fund created under the PFC Bond Resolution, such excess amounts shall not be applied to the Reserve Account, but shall be paid to the County for deposit to the PFC Capital Improvements Fund. Except as otherwise provided above with respect to excess moneys in a subaccount, upon

receipt thereof, the County shall deposit (i) in the Renewal and Replacement Account the amount then required to be paid thereto by the County pursuant to Section 503 hereof, (ii) in the Improvements Account such amount as is necessary to make the amount on deposit therein equal to the Improvements Appropriation, and (iii) all remaining amounts in the General Purposes Account.

If the County fails to make any deposit to the Principal Account, or any subaccount therein, that is required by Section 503 hereof or otherwise or if the balance in the Principal Account, or any subaccount therein, on the 20^{th} day of the month next preceding a principal payment date is insufficient to pay principal becoming due on such payment date, the Trustee shall notify the County of the amount of the deficiency. Upon notification, the County immediately shall deliver to the Trustee an amount sufficient to cure the same, drawing upon funds available in the General Purposes Account, the Improvements Account, and the Renewal and Replacement Account, in that order. If the amount so delivered is not sufficient to cure the deficiency in the Principal Account or any subaccount therein, the Trustee shall transfer from the Reserve Account to such Account such amount as may be necessary to remedy such deficiency.

Section 506. Application of Money in Sinking Fund Account. Money held for the credit of the Sinking Fund Account and any subaccount created therein shall be applied during each Fiscal Year to the retirement, purchase or payment of Term Bonds of each Series then Outstanding as follows:

(a) The Trustee shall endeavor to purchase Term Bonds subject to redemption by operation of the Sinking Fund Account or maturing on the next ensuing October 1 at the most advantageous price obtainable with reasonable diligence. The purchase price of each such Term Bond shall not exceed par plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such Term Bonds to the date of settlement therefor from the Interest Account and any applicable subaccount therein and the purchase price from the Sinking Fund Account or any applicable subaccount with respect to such Series of Bonds within the period of 45 days immediately preceding the next October 1 on which such Term Bonds are to mature or be redeemed by operation of a Sinking Fund Requirement. The aggregate purchase price for Term Bonds of each Series purchased during any Fiscal Year shall not exceed the amount deposited in the Sinking Fund Account and any applicable subaccount relating to such Series of Term Bonds in such Fiscal Year on account of the Sinking Fund Requirement for the Term Bonds of such Series. If in any Fiscal Year the sum of the amount on deposit in the Sinking Fund Account or any applicable subaccount for the payment of any Series of Term Bonds and the principal amount of the Term Bonds of such Series that were purchased pursuant to the provisions of this paragraph (a) or delivered to the Trustee by the County during such Fiscal Year exceeds the Sinking Fund Requirement for the Outstanding Term Bonds of such Series for such Fiscal Year, at the direction of the County, the Trustee shall endeavor to purchase Outstanding Term Bonds of such Series with such excess money;

(b) On each October 1 on which Term Bonds are to be paid or redeemed in accordance with a Sinking Fund Requirement the Trustee shall pay or call for redemption in accordance with Section 301 of this Resolution, such Term Bonds in a principal amount equal to the aggregate principal amount of Term Bonds maturing on such

October 1 or the Sinking Fund Requirement for the Term Bonds of each Series for the Fiscal Year next preceding such October 1, less the principal amount of any such Term Bonds retired by purchase pursuant to clause (a) of this Section or delivered to the Trustee by the County during such Fiscal Year. If the amount available in the Sinking Fund Account, and any applicable subaccount therein, on such October 1 is not equal to the Sinking Fund Requirement for the Term Bonds of each such Series for the preceding Fiscal Year less the principal amount of any such Term Bonds so delivered or purchased, the Trustee shall apply the amount available in the Sinking Fund Account, and any applicable subaccount for such Series of Bonds, to the redemption of all Term Bonds then subject to redemption in proportion to the Sinking Fund Requirement for such Fiscal Year for the Term Bonds of each such Series then Outstanding; provided, however, any amounts in any subaccount created for a Series of Bonds shall only be applied to such Series of Bonds. Such redemption shall be made pursuant to the provisions of Article III of this Resolution. Not earlier than the business day next preceding each October 1 on which Term Bonds are to be paid at maturity or redeemed in accordance with a Sinking Fund Requirement, the Trustee shall withdraw from the Sinking Fund Account and any applicable subaccount and set aside in a separate account or deposit with the Paying Agents, in the manner set forth in Section 505 for the payment of Serial Bonds, the amount required to pay or redeem such Term Bonds.

If at any date there is money in the Sinking Fund Account or any applicable subaccount therein and no Term Bonds are then Outstanding (or with respect to any subaccount no Term Bonds are then Outstanding relating to such Series of Bonds for which such subaccount was created) or if on any principal payment date money remains therein after Term Bonds have been paid at maturity or redeemed in accordance with the Sinking Fund Requirement therefor, the Trustee shall withdraw such money therefrom and shall apply the same as follows: (a) deposit in the Reserve Account the amount then required to be paid thereto by the County pursuant to Section 503 hereof and (b) deliver all remaining amount to the County; provided, however, with respect to any excess moneys in any subaccount for a Series of Bonds which were deposited by the County from the PFC Capital Improvements Fund created under the PFC Bond Resolution, such excess amounts shall not be applied to the Reserve Account, but shall be paid to the County for deposit to the PFC Capital Improvements Fund. Except as otherwise provided above with respect to excess moneys in a subaccount, upon receipt thereof the County shall deposit (i) in the Renewal and Replacement Account the amount then required to be paid thereto by the County pursuant to Section 503 hereof, (ii) in the Improvements Account such amount as is necessary to make the amount on deposit therein equal to the Improvements Appropriation, and (iii) all remaining amounts in the General Purposes Account.

If the County fails to make any deposit to the Sinking Fund Account, or any subaccount therein, that is required by Section 503 hereof or otherwise or if the balance in the Sinking Fund Account, or any subaccount therein, on the 20th day of the month next preceding a payment date upon which Term Bonds are to be paid at maturity or redeemed in accordance with the Sinking Fund Requirements therefor is insufficient to make such payment or satisfy such Sinking Fund Requirement, the Trustee shall notify the County of the amount of the deficiency. Upon notification, the County immediately shall deliver to the Trustee an amount sufficient to cure the same, drawing upon funds available in the General Purposes Account, the Improvements Account, and the Renewal and Replacement Account in that order. If the amount so delivered is

not sufficient to cure the deficiency in the Sinking Fund Account, or any subaccount therein, the Trustee shall transfer from the Reserve Account to such Account such amount as may be necessary to remedy such deficiency.

If, in any Fiscal Year, by the application of money in Sinking Fund Account the Trustee should purchase and cancel or receive from the County and cancel Term Bonds in excess of the aggregate Sinking Fund Requirements for such Fiscal Year, the Trustee shall file with the County not later than the 20th day prior to the next October 1 on which Term Bonds are to be redeemed a statement identifying the Term Bonds purchased or delivered during such Fiscal Year and the amount of such excess. The County shall thereafter cause a certificate of the Chief Financial Officer to be filed with the Trustee not later than the 10th day prior to such October 1, setting forth with respect to the amount of such excess the years in which the Sinking Fund Requirements with respect to Term Bonds are to be reduced and the amount by which the Sinking Fund Requirements so determined are to be reduced.

Upon the retirement of any Term Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the County a statement identifying such Bonds and setting forth the date of purchase or redemption, the amount paid to purchase or redeem such Term Bonds and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such Term Bonds are required to be paid by the County from the General Purposes Account.

Section 507. Application of Money in Reserve Account. An amount equal to the Reserve Requirement for the initial Series of Project Bonds shall be deposited in the Reserve Account on the date of issuance of such Project Bonds. If additional Project Bonds or Additional Bonds are issued, the supplement to this Resolution, if any, or the Series Resolution relating to the same shall provide for the deposit into the Reserve Account of an amount that will cause the amount then on deposit therein to equal the Reserve Requirement on all Bonds Outstanding which are secured by the Reserve Account after the issuance of such Bonds; provided, however, that the County shall not be required to fully fund the Reserve Account at the time of issuance of such additional Project Bonds or Additional Bonds hereunder if (i) it elects, by resolution adopted prior to the issuance of any such Bonds, subject to the limits described below, to fully fund the Reserve Account over a period specified in such resolution not to exceed twelve (12) months, during which it shall make substantially equal monthly installments in order that the amounts on deposit therein at the end of such period shall equal the Reserve Requirement for all Bonds Outstanding, or (ii) it provides a Reserve Product issued by a Reserve Product Provider in an amount which, together with amounts then on deposit in the Reserve Account or to be deposited therein pursuant to periodic deposits as provided in (i) above, shall equal the Reserve Requirement.

In addition to the foregoing the County may at any time elect to provide a Reserve Product to fund all or any portion of the Reserve Requirement in replacement of any cash, investments or Reserve Product then used to fund the Reserve Requirement. Any Reserve Product must provide for payment on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held hereunder for a payment with respect to Bonds which cannot be cured by funds in any other account held pursuant to this resolution and available for such purpose, and shall name the Trustee as the beneficiary thereof. In no event shall the use of such Reserve Product be permitted if it would cause an impairment in any existing rating on any Bonds Outstanding hereunder. If a disbursement is made from a Reserve Product, the County shall be obligated to reinstate the maximum limits of such Reserve Product immediately following such disbursement or to replace such Reserve Product by depositing into the Reserve Account from the first Net Revenues available for deposit pursuant to Section 503(e) above, funds in the maximum amount originally payable under such Reserve Product, plus amounts necessary to reimburse the Reserve Product Provider for previous disbursements made pursuant to such Reserve Product, or a combination of such alternatives and for purposes of Section 503(e) above, amounts necessary to satisfy such reimbursement obligation and other obligations of the County to such a Reserve Product Provider shall be deemed required deposits into the Reserve Account, but shall be used by the County to satisfy its obligations to the Reserve Product Provider.

The Trustee shall use amounts in the Reserve Account, including proceeds of any Reserve Product, to make transfers, in the following order, to the Interest Account, the Principal Account and the Sinking Fund Account to remedy any deficiency in any deposit required to be made to said Accounts by Section 503 hereof or to pay the interest on or the principal of (whether at maturity, by acceleration or in satisfaction of the Sinking Fund Requirement therefor) the Bonds when due, whenever and to the extent that the money on deposit in any or all of said Accounts, together with transfers thereto from the General Purposes Account, the Improvements Account, and the Renewal and Replacement Account, is insufficient for such purposes. The Trustee shall also use moneys in the Reserve Account to pay the interest on April 1 next preceding the final maturity of all Bonds Outstanding and the principal of and the interest on such Bonds on the final maturity date of the same.

If at any time the aggregate of the money held in the Reserve Account and the aggregate amounts available under any Reserve Products exceeds the Reserve Requirement, the Trustee shall withdraw moneys in an amount equal to such excess therefrom and shall deliver the same to the County. Upon receipt thereof the County shall deposit (a) in the Renewal and Replacement Account the amount then required to be paid thereto by the County pursuant to Section 503 hereof, (b) in the Improvements Account such amount as is necessary to make the amount on deposit therein equal to the Improvement Appropriation, and (c) all remaining amounts in the General Purposes Account.

Whenever the aggregate of the moneys on deposit in the Reserve Account and the aggregate amounts available under any Reserve Products is less than the Reserve Requirement, the Trustee shall notify the County of the amount of the deficiency. Upon notification, the County immediately shall deliver to the Trustee either an amount sufficient to cure the same, drawing upon funds available in the General Purposes Account, the Improvements Account, and the Renewal and Replacement Account, in that order or a Reserve Product in an amount sufficient to cure such deficiency.

Section 508. Application of Money in the Renewal and Replacement Account. The County shall apply money in the Renewal and Replacement Account to the payment of the cost of renewals and replacements of and unusual or extraordinary repairs to the Airport System and of engineering and other expenses incurred in connection therewith. All disbursements of money

in the Renewal and Replacement Account shall be made in accordance with procedures established by the Board from time to time.

The County shall also use amounts in the Renewal and Replacement Account to make transfers, in the following order, to (a) the Revenue Account to pay Current Expenses whenever and to the extent that the amount on deposit therein, together with transfers thereto from the General Purposes Account, is insufficient for such purpose, (b) the Interest Account, the Principal Account, and the Sinking Fund Account, in that order, upon receipt of a request from the Trustee, to remedy any deficiency in any deposit required to be made to said Accounts by Section 503 hereof or to pay the interest on and the principal of (whether at maturity, by acceleration, or in satisfaction of the Sinking Fund Requirement) the Bonds when due, whenever and to the extent that the money on deposit in any or all of such Accounts, together with transfers thereto from the General Purposes Account and Improvements Account, is insufficient for such purposes, and (c) the Reserve Account, upon receipt of a request from the Trustee, to the extent necessary to cure a deficiency therein whenever and to the extent that money transferred to the Reserve Account from the General Purposes Account is insufficient for such purpose.

If at any time the money held in the Renewal and Replacement Account exceeds the Renewal and Replacement Account Requirement, the County shall withdraw an amount equal to such excess therefrom and (a) deposit in the Improvements Account such amount as is necessary to make the amount on deposit therein equal to the Improvements Appropriation, and (b) shall deposit all remaining amounts in the General Purposes Account.

Section 509. Application of Money in the Improvements Account. The County shall apply money in the Improvements Account to the payment of the cost of additions, extensions and improvements to and enlargements and replacements of the Airport System, including engineering and other expenses incurred in connection therewith. Prior to making any disbursement from the Improvements Account, the County shall cause a notation substantially in the form of the requisition required for disbursements from the Construction Fund pursuant to Section 404 of this Resolution to be made and filed in a record book maintained for such purpose. A copy of such notation shall be delivered to the Trustee.

The County shall also use amounts in the Improvements Account to make transfers, in the following order, to (a) the Construction Fund, upon receipt of a request from the Trustee, to the extent that the amount on deposit therein is insufficient to pay the Cost of the Project or Additional Facilities, (b) the Proceeds Account, upon receipt of a request from the Trustee, to the extent that the amount on deposit therein is insufficient to pay the cost of repairing or replacing the Airport System, (c) the Revenue Account to the extent necessary to pay Current Expenses whenever and to the extent that the amount on deposit therein, together with transfers thereto from the General Purposes Account and the Renewal and Replacement Account, is insufficient for such purpose, (d) the Interest Account, the Principal Account, and the Sinking Fund Account, in that order, upon receipt of a request from the Trustee, to remedy any deficiency in any deposit required to be made to said Accounts by Section 503 hereof or to pay the interest on and the principal of (whether at maturity, by acceleration, or in satisfaction of the Sinking Fund Requirement) the Bonds when due, whenever and to the extent that the money on deposit in any or all of said Accounts, together with transfers thereto from the General Purposes Account, is insufficient for such purposes, and (e) the Reserve Account, upon receipt of a request from the

Trustee, to the extent necessary to cure a deficiency therein whenever and to the extent that money transferred thereto from the General Purposes Account is insufficient for such purpose.

If at any time the money held in the Improvements Account, including any excess created as a whole or in part by interest earnings on such Account, exceeds the Improvements Appropriation, all or a portion of such excess may be retained therein at the option of the County. The County shall withdraw any amount not designated by the County for retention therein and shall deposit the same in the General Purposes Account.

Section 510. Application of Money in the General Purposes Account. The County shall apply money on deposit in the General Purposes Account to make transfers, in the following order, to (a) the Revenue Account to the extent necessary to pay Current Expenses whenever the amount on deposit therein is insufficient for such purpose, (b) the Interest Account, Principal Account, and Sinking Fund Account, in that order, upon receipt of a request from the Trustee, to remedy any deficiency in any deposit required to be made pursuant to Section 503 hereof and pay the principal of (whether at maturity, by acceleration or in satisfaction of the Sinking Fund Requirement) and interest on the Bonds when due, whenever and to the extent that the money on deposit in any or all of said Accounts is insufficient for such purposes, (c) the Reserve Account upon receipt of a request from the Trustee, to the extent necessary to cure a deficiency therein, (d) the Subordinated Debt Trustee or other paying agent for Subordinated Debt upon a request from the Subordinated Debt Trustee to pay debt service on Subordinated Debt, whenever and to the extent that amounts previously transferred pursuant to Section 503 hereof to the Subordinated Debt Trustee or paying agent are insufficient for such purpose, (e) the Renewal and Replacement Account to the extent necessary to cure a deficiency therein, and (f) any Counterparty to which the County then owes a Termination Payment in connection with an Interest Rate Swap.

The County, at its option, may apply any amounts remaining in the General Purposes Account after making the aforementioned transfers for any one or more of the following purposes: (1) for any purpose for which money in the Construction Fund, the Renewal and Replacement Account, the Revenue Account, or the Improvements Account may be used, (2) to the purchase or redemption of Bonds, (3) to pay the cost of any airport or aviation facilities authorized by the County Code, (4) to make required payments to air carriers, (5) to make Transfers to the Revenue Account, and (6) with an approving opinion of Bond Counsel, for any lawful aviation purpose of the County.

If the County elects to redeem Bonds from money in the General Purposes Account, it shall deliver to the Trustee written notice of its intent to effect such redemption at least 45 days but not more than 60 days before the anticipated redemption date. Such notice shall refer to this Section 510, shall state the principal amount of Bonds to be redeemed pursuant to Section 301 of this Resolution, and shall direct the Trustee to redeem such principal amount of Bonds not later than 60 days following the date of such notice.

To redeem all of the Outstanding Bonds, on or before the date upon which notice of redemption is given in accordance with Section 304 hereof, the County shall deposit with the Trustee money or Government Obligations, or a combination thereof, in an amount sufficient to cause the defeasance of this Resolution pursuant to Section 1201 hereof, take such other actions as are required by said Section to effect such defeasance, and pay to the Trustee all of the fees

and expenses incurred or to be incurred by it through the date of redemption. To redeem the Bonds in part, on or before the date upon which notice of redemption is given in accordance with Article III hereof, the County shall deliver to the Trustee the amount necessary to redeem the Bonds in accordance with said Article III and shall pay directly to the Trustee all of the fees and expenses incurred and to be incurred by it through the date of redemption. The amount of any redemption payment attributable to principal and redemption premium, if any, shall be deposited by the Trustee in the Redemption Account for application in accordance with Section 511 of this Resolution and the amount attributable to interest shall be deposited by the Trustee in the Interest Account and applied to pay interest to the date of redemption.

The County shall have the right to purchase any Outstanding Bonds on the open market with money on deposit in the General Purposes Account and to surrender the same to the Trustee (with all unmatured coupons attached in the case of coupon Bonds). The principal amount thereof consisting of Serial Bonds shall be credited against transfers to the Principal Account in the Fiscal Year or Years in which such Serial Bonds would have matured in accordance with their terms. The principal amount consisting of Term Bonds shall be credited against and reduce the Sinking Fund Requirements for such Term Bonds in such manner as shall be specified in a certificate of the Chief Financial Officer that is substantially in the form of the certificate filed pursuant to Section 506 hereof and that is filed with the Trustee.

Section 511. Application of Money in the Redemption Account. The Trustee shall apply money in the Redemption Account to the purchase or redemption of Bonds as follows:

(a) Subject to the provisions of paragraph (c) of this Section, the Trustee shall endeavor to purchase and cancel Bonds or portions thereof, regardless of whether such Bonds or portions thereof are then subject to redemption, at the most advantageous price obtainable with reasonable diligence, provided that the purchase price of each Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Holder of such Bond under the provisions of Article III of this Resolution if such Bond or such portion thereof should be called for redemption on such date from the money in the Redemption Account. The Trustee shall pay the interest accrued on such Bonds or portions thereof to the date of settlement from the Interest Account and the purchase price from the Redemption Account, but no such purchase shall be made by the Trustee from money in the Redemption Account within the period of 45 days immediately preceding any Interest Payment Date on which such Bonds or portions thereof are to be redeemed.

(b) Subject to the provisions of paragraph (c) of this Section, the Trustee shall call for redemption on each Interest Payment Date such amount of Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Redemption Account as nearly as may be; provided, however, that not less than Two Hundred Fifty Dollars ($250,000) principal amount of Bonds or such lesser amount if less than $250,000 in principal amount of Bonds is then Outstanding, shall be called for redemption at any one time. Such redemption shall be made pursuant to the provisions of Article III of this Resolution. The Trustee shall pay the accrued interest on the Bonds or portions thereof to be redeemed to the date of redemption from the Interest Account and the Redemption Price of such Bonds or portions thereof from the Redemption Account.

The Trustee shall withdraw from the Redemption Account and, in the manner provided in Section 505 hereof, set aside in separate accounts or deposit with the Paying Agents the respective amounts required to pay the Redemption Price of the Bonds or portions thereof so called for redemption.

(c) Money in the Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of Bonds of any one or more Series then Outstanding in accordance with the latest certificate filed by the Chief Financial Officer with the Trustee (i) designating the one or more Series of Bonds to be purchased or redeemed, (ii) if more than one Series of Bonds is so designated, setting forth the aggregate principal amount of Bonds of each Series to be purchased or redeemed, which amount shall be determined (as nearly as practicable) by a ratio of the aggregate principal amount of Bonds of each Series, as originally issued, to the aggregate principal amount of Bonds of all such Series, as originally issued, and (iii) unless the Series Resolution relating to the Bonds to be redeemed specifies the order of redemption, designating the Bonds to be redeemed within each Series and if such Bonds are Term Bonds, the years in which future Sinking Fund Requirements are to be reduced as a result of such redemption and the amount of such reduction in each such year. In the event no such certificate is filed and unless the Series Resolution relating to the Bonds to be redeemed specifies otherwise, (i) the Trustee shall apply such money to the purchase of one or more Series of Bonds as it shall determine or to the redemption of Bonds bearing the highest rate of interest, (ii) if Bonds of more than one maturity bear the same interest rate, the Trustee shall redeem such Bonds in the inverse order of maturities, and (iii) if the Bonds bearing the highest rate of interest are Term Bonds, the Trustee shall reduce Sinking Fund Requirements for such Term Bonds in inverse order of the scheduled redemption of such Term Bonds. All Bonds shall be redeemed by lot within maturities as the Trustee, in its discretion, may determine. For purposes of this paragraph (c), Term Bonds shall be considered to mature on October 1 in amounts equal to the aggregate Sinking Fund Requirements therefor.

Upon the retirement of any Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the County a statement identifying such Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Bonds and the amount paid as interest thereon. The expenses incurred by the Trustee in connection with the purchase or redemption of any such Bonds shall be paid by the County from the General Purposes Account.

Section 512. Insurance and Condemnation Award Account. The Trustee shall deposit Net Proceeds into the Insurance and Condemnation Award Account, when and as received by the Trustee. Upon direction of the County the Trustee shall use money in the Insurance and Condemnation Award Account for the following purposes:

(a) to transfer to the Proceeds Account in the Construction Fund, the creation of which is authorized by Section 408 hereof, and thereafter to disburse the same to pay the costs of repairing or replacing the Airport System; and

(b) to transfer to the Redemption Account and the Interest Account to redeem Bonds.

Section 513. Escheat. All money that the Trustee shall have withdrawn from the Bond Fund or shall have received from any other source and set aside or deposited with the Paying Agents for the purpose of paying any of the Bonds hereby secured, either at maturity or by purchase or call for redemption, or for the purpose of paying any maturing coupons appertaining to the Bonds hereby secured shall be held in trust for the respective Holders. All interest on money so set aside or so deposited shall accrue to the benefit of the County and shall be paid to the County annually.

Any money that is so set aside and that remains unclaimed by the Holders for a period of two years after the date on which such Bonds or coupons have become payable shall be paid upon request to the County or to such officer, board or body, as may then be entitled by law to receive the same. Thereafter the Holders shall look only to the County or to such officer, board or body for payment and then only to the extent of the amounts so received, without any interest thereon, and the Trustee shall have no responsibility with respect to such money.

Section 514. Cancellation of Bonds and Coupons. Upon receipt of the same, the Trustee shall cancel (a) all Bonds (and all coupons appertaining thereto) paid, redeemed, or purchased by the Trustee or purchased by the County and delivered to the Trustee, and (b) all registered Bonds without coupons delivered to the Trustee in exchange for other Bonds or delivered to the Trustee upon the transfer of any registered Bond if a new registered Bond is delivered upon such transfer. The Trustee shall certify to the County the details of all Bonds and coupons so cancelled. All Bonds and coupons cancelled under any of the provisions of this Resolution either shall be delivered to the County or destroyed by the Trustee, as the County directs. Upon destruction of any Bonds and coupons, the Trustee shall execute a certificate in duplicate, describing the Bonds and coupons so destroyed; one executed certificate shall be filed with the County and the other shall be retained by the Trustee.

Section 515. Disposition of Fund Balances. After provision is made for the payment of all Outstanding Bonds issued under this Resolution, including the interest thereon and for the payment of all other obligations, expenses and charges required to be paid under or in connection with this Resolution, and receipt by the Trustee of a certificate of the Chief Financial Officer to the effect that there are other indentures or other agreements that impose a continuing lien on the balances hereinafter mentioned, the Trustee shall pay all amounts in any Fund or Account then held by it under this Resolution to the County. If a continuing lien has been imposed on any such balance by another resolution, any other agreement, by court order or decree, or by law, the Trustee shall pay such balance to such person as is entitled to receive the same by law or under the terms of such resolution, agreement, court order, or decree.

Section 516. Security for the Bonds. As security for the payment of the Bonds and the interest thereon, the County hereby grants to the Trustee a pledge of (a) Net Revenues, (b) its rights to receive Net Revenues, (c) the money and Investment Obligations in any and all of the Funds and Accounts established under this Resolution and the income from such Investment Obligations and the investment of such money, and (d) as and to the extent provided in a Series Resolution or other resolution duly adopted by the Board, Available Revenues; provided however, that Available Grant Revenues and Available PFC Revenues, and the amounts on deposit in the Available Grant Account and the Available PFC Account shall secure only the Bonds that are specified in the applicable Series Resolution or other resolution duly adopted by the Board to be secured thereby. It is the intent of the County that this pledge shall be effective and operate immediately and that the Trustee shall have the right to collect and receive said Net Revenues and, if applicable, Available Revenues, in accordance with the provisions hereof at all times during the period from and after the date of the Bonds issued hereunder until the Bonds have been fully paid and discharged, including, without limitation, at all times after the institution and during the pendency of bankruptcy or similar proceedings.

The aforementioned pledge shall not inhibit the sale or disposition of the Airport System in accordance with this Resolution and shall not impair or restrict the ability of the County to invest in securities and other forms of investment, subject to the provisions of this Resolution.

Section 517. Convertible Lien Bonds. Notwithstanding anything to the contrary contained in this Resolution, prior to the Conversion Date for a Series of Convertible Lien Bonds, no amounts shall be required to be deposited into the various Funds and Accounts established under this Resolution and no amounts held in such Funds and Accounts shall be applied to the payment of, or held as security for, such Convertible Lien Bonds. Amounts transferred to the Trustee hereunder from the funds and accounts established under the PFC Bond Resolution pursuant to Section 513 of said PFC Bond Resolution upon the occurrence of the Conversion Date for a Series of Convertible Lien Bonds shall be deposited by the Trustee in the corresponding Funds and Accounts hereunder. The Convertible Lien Bonds maturing on or after the Conversion Date therefor shall be payable and secured as provided in this Resolution.

Section 518. Available Revenues.

(a) At any time and from time to time, the County, without the consent of the Owner of any Bond or Subordinated Debt and without the consent of any Credit Enhancer, may adopt a resolution (which may be a Series Resolution) or enter into an Issuing Instrument that (i) specifies the amount of Passenger Facilities Charges that shall constitute Available PFC Revenues, the amount of Grant Funds that shall constitute Available Grant Revenues and the amount of such other income or revenue source that shall constitute Available Revenues during each Fiscal Year as specified in such resolution (which may be a Series Resolution) or Issuing Instrument or (ii) specifies Bonds or Subordinated Debt that shall be secured by Available Revenues. More than one Series of Bonds or Subordinated Debt may be secured by Available Revenues, and no consent from any Owner of any Bond or Subordinated Debt that is secured by any Available Revenues, or from any Credit Enhancer, shall be required as a condition to the issuance or incurring of any subsequently-issued Bonds or Subordinated Debt that is secured by any Available Revenues. Notwithstanding any other provision of this Resolution or any Issuing Instrument, the County and the Trustee may amend (including reduce) the amount of Available Revenues, specified pursuant to clause (i) of this Section 518(a) with respect to any Fiscal Year without the consent of any Owner of any Bond or Subordinated Debt or any Credit Enhancer.

(b) The Accounts set forth in clauses (i) and (ii) below are hereby established with and to be held by the County.

(i) Available Grant Account; and

(ii) Available PFC Account.

(c) The County shall, promptly upon receipt, deposit, or cause to be deposited, all Available Grant Revenues in the Available Grant Account and all Available PFC Revenues in the Available PFC Account. Unless otherwise provided in the Series Resolution or other resolution of the County which specifies Available Revenues for one or more Series of Bonds or Subordinated Debt, simultaneously with the County's withdrawal of amounts from the Revenue Fund for deposit into the Funds and Accounts as set forth in Section 503 hereof, the County shall withdraw amounts on deposit in the Available Grant Account, the Available PFC Account or such other account as has been established for a different source of Available Revenues, as applicable, and shall transfer the amounts so withdrawn to the Trustee for deposit in the subaccounts established in the Interest Account, Principal Account or Sinking Fund Account of the Bond Fund for the applicable Series of Bonds, in such amounts as are specified or provided for in the corresponding Series Resolution or other resolution of the County specifying Available Revenues for such Series of Bonds.

(d) Notwithstanding any other provision of this Resolution or any Issuing Instrument, (i) the Available Grant Account and the Available Grant Revenues shall secure on a pari passu basis all Bonds and Subordinated Debt, whenever issued, that are specified in the applicable resolution (which may be a Series Resolution) or Issuing Instrument to be secured by the Available Grant Account and the Available Grant Revenues; and (ii) Available Grant Revenues held in the Available Grant Account shall be applied by the Trustee as follows:

The Available Grant Revenues, including any investment earnings thereon, on deposit in the Available Grant Account shall be applied to the payment of such Bonds and Subordinated Debt secured thereby and such amount shall be accounted for as a credit against the amounts required to be deposited in the accounts and subaccounts of the Bond Fund for such purpose pursuant to Section 503.

(e) Notwithstanding any other provision of this Resolution or any Issuing Instrument, (i) the Available PFC Account and the Available PFC Revenues shall secure on a pari passu basis all Bonds and Subordinated Debt, whenever issued, that are specified in the applicable resolution (which may be a Series Resolution) or Issuing Instrument to be secured by the Available PFC Account and the Available PFC Revenues; and (ii) Available PFC Revenues held in the Available PFC Account shall be applied by the Trustee as follows:

The Available PFC Revenues, including any investment earnings thereon, on deposit in the Available PFC Account shall be applied to the payment of such Bonds and Subordinated Debt secured thereby and such amount shall be accounted for as a credit against the amounts required to be deposited in the accounts and subaccounts of the Bond Fund for such purpose pursuant to Section 503.

Section 519. Interest Rate Swaps.

(a) A resolution (which may be a Series Resolution) authorizing an Interest Rate Swap with respect to any Series of Bonds, including, without limitation, any Outstanding Bonds and any Bonds hereafter issued under this Resolution, may provide for deposits to the credit of the Interest Account (or a subaccount therein) in the Bond Fund under the provisions of clause (b) of Section 503 hereof for the payment of Net Payments (but not Termination Payments) to be made at such time and in such amounts, and to be set aside and held for the account of and for disposition by the County, all as shall be provided in such resolution.

(b) Under no circumstances shall a Counterparty be granted a pledge of Net Revenues ranking prior to or on a parity with the lien or pledge created by this Resolution.

(c) Termination Payments shall only be payable from the General Purpose Account.

[END OF ARTICLE V]

ARTICLE VI

DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS, INVESTMENT OF FUNDS, AND COVENANT AS TO ARBITRAGE

Section 601. Security for Deposits. Any and all money received by the County under the provisions of this Resolution shall be deposited as received with the Trustee or one or more other Depositaries as provided in this Resolution, and shall be trust funds under the terms hereof, and shall not be subject to any lien or attachment by any creditor of the County.

Until money deposited with the Trustee or any other Depositary hereunder has been invested in Investment Obligations, the amount of money in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured for the benefit of the County and the Holders in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided that it shall not be necessary for the Trustee or any Paying Agent to give security for the deposit of any money with it for the payment of the principal of or the redemption premium or the interest on any Bonds or for the Trustee or any Depositary to give security for any money that is represented by Investment Obligations purchased under the provisions of this Article.

All money deposited with the Trustee or any Depositary shall be credited to the particular Fund or Account to which such money belongs.

Section 602. Investment of Money. Money held for the credit of all Funds and Accounts shall be continuously invested and reinvested by the County, Trustee, or the Depositaries, whichever is applicable, in Investment Obligations to the extent practicable. Except as hereinafter provided with respect to the Reserve Account, Investment Obligations shall mature or be redeemable at the option of the holder thereof not later than the respective dates when the money held for the credit of such Funds or Accounts will be required for the purposes intended. Investment Obligations in the Reserve Account shall mature or be redeemable at the option of the holder thereof as follows: 25% not later than five years after the date of such investment, an additional 50% not later than ten years after the date of such investment, and the balance without limitation. Notwithstanding the foregoing, no Investment Obligations in any Fund or Account may mature on a date beyond the latest maturity date of any Bonds Outstanding at the time such Investment Obligations are deposited. For purposes of this Section, the maturity date of any repurchase agreement shall be deemed to be the stated maturity date of such agreement and not the maturity dates of the underlying Investment Obligations.

The Chief Financial Officer or his designee may at any time give to the Trustee written directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Article, and the Trustee shall then invest such money as so directed. The Trustee may request in writing direction or authorization of the Chief Financial Officer or his designee with respect to the proposed investment or shall give written directions to the Trustee respecting the investment of such money and, in the case of such directions, the Trustee then shall invest, subject to the provisions of this Article, such money in accordance with such directions.

Investment Obligations acquired with money in or credited to any Fund or Account established under this Resolution shall be deemed at all times to be part of such Fund or Account. The interest accruing on Investment Obligations held in any Fund or Account shall be credited to the Revenue Account and upon receipt thereof such interest earnings shall be deposited to the credit of the Revenue Account, except that (i) interest earnings on Investment Obligations held in escrow or trust to defease Bonds shall be credited to and retained in such defeasance escrow or trust, (ii) interest earnings on any Capitalized Interest deposited in the Bond Fund or any account within the Construction Fund shall be credited to and retained in the Bond Fund or Construction Fund, as applicable, unless otherwise provided in the corresponding Series Resolution; (iii) interest earnings on Investment Obligations held in any account within the Construction Fund shall be credited to and retained in such account unless otherwise provided in the corresponding Series Resolution; (iv) interest earnings in the Available Grant Account, the Available PFC Account or any account established for a different source of Available Revenues shall be credited to and retained in the Available Grant Account, the Available PFC Account or the account established for a different source of Available Revenues, as applicable; and (v) interest earnings on Investment Obligations held in any rebate fund or account shall be retained therein. The profit or loss realized upon the disposition or maturity of Investment Obligations in any Fund or Account shall be credited to or charged against such Fund or Account, except that prior to the final Completion Date of any Additional Facilities the interest income on Investment Obligations in the corresponding account of the Construction Fund and any profit or loss realized upon the maturity or disposition of such Investment Obligations shall be credited to, or charged against, the corresponding account in the Construction Fund. The Trustee shall sell at the best price obtainable or reduce to cash a sufficient amount of such Investment Obligations whenever it is necessary so to do to provide money to make any payment from any such Fund or Account. The Trustee shall not be liable or responsible for any loss resulting from any such investment.

Whenever a transfer of money between two or more of the Funds or Accounts established pursuant to Article V of this Resolution is permitted or required, such transfer may be made as a whole or in part by transfer of one or more Investment Obligations at a value determined at the time of such transfer in accordance with this Article VI, provided that the Investment Obligations transferred are those in which money of the receiving Fund or Account could be invested at the date of such transfer.

Section 603. Valuation. For the purpose of determining the amount on deposit in any Fund or Account, Investment Obligations in which money in such Fund or Account is invested shall be valued (a) at face value if such Investment Obligations mature within 12 months from the date of valuation thereof, and (b) if such Investment Obligations mature more than 12 months after the date of valuation thereof, at the price at which such Investment Obligations are redeemable by the holder at his option, if so redeemable, or, if not so redeemable, at the lesser of (i) the cost of such Investment Obligations plus the amortization of any premium or minus the amortization of any discount thereon, and (ii) market value of such Investment Obligations.

All Investment Obligations in all of the Funds and Accounts created hereunder, except the Revenue Account and General Purposes Account, shall be valued no earlier than the 20th day of the second month next preceding a principal payment date and no later than the 21st day of the month next preceding such principal payment date. In addition, Investment Obligations in the

Interest Account, the Principal Account, the Sinking Fund Account, and the Reserve Account shall be valued at any time requested by the County on reasonable notice to the Trustee (which period of notice may be waived or reduced by the Trustee); provided, however, that the Trustee shall not be required to value Investment Obligations more than once in any calendar month.

Whenever the value of the cash and Investment Obligations in the Reserve Account, plus interest to the date of valuation, is less than the Reserve Requirement, the Trustee shall compute the amount by which the Reserve Requirement exceeds the balance in Reserve Account and shall immediately give the County notice of such deficiency and the amount necessary to cure the same.

Section 604. Tax Covenants. The County covenants that so long as any of the Bonds remain Outstanding money on deposit in any Fund or Account maintained in connection with the Bonds, regardless of whether such money was derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner that would cause the Bonds (other than Bonds issued as Taxable Bonds) to be "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or Section 148 of the Internal Revenue Code of 1986, as amended, as applicable, and applicable regulations promulgated from time to time thereunder. Nothing provided in this resolution shall prohibit the County from issuing Additional Bonds as Taxable Bonds.

The County further covenants to comply with all other requirements of the Internal Revenue Code of 1986, as amended, and applicable regulations promulgated from time to time thereunder, in order to maintain the exclusion of gross income for federal income tax purposes of interest on Bonds issued as Tax-Exempt Bonds.

[END OF ARTICLE VI]

ARTICLE VII

GENERAL COVENANTS AND REPRESENTATIONS

Section 701. Payment of Principal, Interest and Premium. The County shall cause to be paid, when due, the principal of (whether at maturity, by acceleration, by call for redemption or otherwise) and interest on the Bonds at the places, on the dates and in the manner provided herein and in said Bonds and in any coupons appertaining to said Bonds, according to the true intent and meaning thereof. The Bonds are not general obligations of the County but are limited obligations payable solely from Net Revenues, the County's rights to receive the same, money and Investment Obligations held in the Funds and Accounts created hereunder and the income from such Investment Obligations and the investment of such money, and, as and to the extent provided in a Series Resolution or other resolution duly adopted by the Board, Available Revenues; provided however, that Available Grant Revenues and Available PFC Revenues, and the amounts on deposit in the Available Grant Account and the Available PFC Account shall be applied to pay only such Bonds as are specified in the applicable Series Resolution or other resolution duly adopted by the Board. The Bonds shall be secured as provided in Section 516 of this Resolution. The Bonds shall not constitute a debt of the County for which the faith and credit of the County is pledged. The issuance of the Bonds shall not directly or indirectly or contingently obligate the County to levy any tax or to pledge any form of taxation whatever therefor. The Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the County.

Section 702. Construction of Project and Additional Facilities. The County shall construct the Project and any Additional Facilities for the construction of which Bonds are issued or for which money repayable from the proceeds of Bonds is advanced to the County, in accordance with plans approved by the Airport Consultant. Upon the completion of the Project and such Additional Facilities the County shall operate and maintain the same as a part of the Airport System. The proceeds of any performance bond or securities furnished to the County, if any, shall be deposited in the Construction Fund and applied toward the completion of the Project or Additional Facilities in connection with which such performance bond or securities are furnished; provided, however, that with respect to Additional Facilities that are financed in whole or in part with a Series of Convertible Lien Bonds for which the Conversion Date has not yet occurred at the time that proceeds of any performance bond or securities become available: (a) if no portion of the Additional Facilities has been financed with a Series of Bonds hereunder other than Convertible Lien Bonds, then the entire amount of the proceeds of the performance bond or securities shall be applied as provided in the PFC Bond Resolution and (b) if any portion of such Additional Facilities has been financed with a Series of Bonds other than Convertible Lien Bonds, then the proceeds of the performance bond or securities shall be allocated between the Construction Fund established hereunder and the application required by the PFC Bond Resolution pro rata, based on the relationship that the original principal amount of each such Series of Bonds bears to the aggregate original principal amount of such Series of Bonds.

Section 703. Operation of Airport System. The County shall establish and enforce reasonable rules and regulations governing the operation and use of the Airport System, operate the Airport System in an efficient and economical manner, maintain the properties constituting the Airport System in good repair and in sound operating condition for so long as the same are

necessary to the operation of the Airport System upon a revenue-producing basis, and comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body that are applicable to the Airport System.

For so long as any Bonds are Outstanding, the County shall not construct, maintain, or operate, or cause to be constructed, maintained, or operated, or participate with any person, entity, or governmental unit or subdivision in the construction, operation, or maintenance of, any facilities that would impair the revenue-producing capacity of the Airport System unless prior to such construction, operation or maintenance (a) the construction, maintenance and operation of such facilities are authorized herein or such facilities are incorporated into the Airport System, and (b) the County shall have delivered to the Trustee a statement of the Airport Consultant to the effect that based upon such Consultant's knowledge and analysis of the financial performance and operations of the Airport System, nothing has come to its attention that would lead it to believe that the County would not be able to meet its obligations under Sections 503 and 704 of this Resolution as a result of such construction, operation and maintenance.

Section 704. Rate Covenant. (a) The County shall, while any of the Bonds remain Outstanding, fix, charge and collect rates, fees, rentals and charges in connection with the ownership and operation of the Airport System and for services rendered in connection therewith, and shall revise such rates, fees, rentals and charges as often as may be necessary or appropriate, so that Net Revenues plus any Transfer in each Fiscal Year will be at least equal to 100% of the aggregate amount required to be applied and/or deposited by the County pursuant to Section 503(a) through (i) during such Fiscal Year.

(b) The County further agrees that it will fix, charge and collect rates, fees, rentals and charges in connection with the ownership and operation of the Airport System and for services rendered in connection therewith and shall revise such rates, fees, rentals and charges as often as may be necessary or appropriate, so that for each Fiscal Year the Net Revenues plus any Transfer for such Fiscal Year will be equal to at least 125% of Principal and Interest Requirements on all Outstanding Bonds for such Fiscal Year.

(c) The County covenants that if Net Revenues plus any Transfer in any Fiscal Year are less than the amount specified in subsection (a) of this Section, or that if Net Revenues together with any Transfer in any Fiscal Year are less than the amount specified in subsection (b) of this Section, the County will retain and direct an Airport Consultant to make recommendations as to the revision of the County's business operations and its schedule of rates, fees, rentals and charges for the use of the Airport System and for services rendered by the County in connection with the Airport System. After receiving such recommendations, the County shall, subject to applicable requirements or restrictions imposed by law, and subject to a good faith determination of the Board that such recommendations, in whole or in part, are in the best interests of the County, take all lawful measures to comply with the recommendations of the Airport Consultant as to revisions of the County's business operations and schedule of rates, fees, rentals and charges as may be necessary to produce Net Revenues, together with any Transfer, in the amounts specified in subsection (a) and (b) of this Section in the next Fiscal Year.

In the event that Net Revenues together with any Transfer for any Fiscal Year (referred to in this paragraph as "Fiscal Year One") are less than the amount specified in subsection (a) or (b) of this Section but, prior to or during the next succeeding Fiscal Year (referred to in this paragraph as "Fiscal Year Two"), the County has taken all lawful measures to comply with the recommendations of the Airport Consultant as to revisions of the County's business operations and schedule of rates, fees, rentals and charges as required by this subsection (c) such deficiency in Net Revenues for Fiscal Year One shall not constitute an Event of Default under the provisions of Section 802(f). Nevertheless, even if the measures required by this subsection (c) to revise the schedule of rates, fees, rentals and charges have been taken by the County, in the event the Net Revenues in Fiscal Year Two (as evidenced by the audited financial statements of the County for such Fiscal Year), together with any Transfer, are less than the amounts specified in subsection (a) or (b) of this Section, such deficiency in Net Revenues for Fiscal Year Two, as the second successive year of deficiencies in Net Revenues, shall, with the applicable notice, constitute an Event of Default under the provisions of Section 802(f).

(d) The County shall file with the Trustee within one hundred twenty (120) days after the end of each Fiscal Year a calculation or other evidence from the Aviation Director and the Chief Financial Officer or an Accountant demonstrating compliance (or non-compliance) with the coverage requirements of this Section 704.

Section 705. Budgets and Covenant as to Current Expenses. On or before the 90th day next preceding the beginning of each Fiscal Year, the County shall prepare a preliminary budget for the ensuing Fiscal Year for the Airport System in the form of the budget then required by law and shall file copies of each such preliminary budget with the Trustee and mail copies to the Airport Consultant.

Each budget shall be prepared in such manner as to specify Current Expenses and the amounts to be deposited in the various Funds and Accounts created by this Resolution during the Fiscal Year for which such budget was prepared. The budget shall be accompanied by a pro forma statement of Revenues, Transfers, Current Expenses and rates, fees, rentals, and charges estimated to be necessary to meet the requirements of Section 704 of this Resolution and shall include or make reference to a Capital Funds Budget that shows separately the amounts to be deposited in the Improvements Account during the Fiscal Year for which the budget is prepared and the amounts to be expended during such Fiscal Year from money in the Improvements Account and the Construction Fund.

On or before the first day of each Fiscal Year, the County shall adopt the budget for the Airport System (which budget together with any amendments thereof or supplements thereto as hereinafter permitted is herein collectively called the "Annual Budget"). Copies of the Annual Budget shall be filed with the Trustee, mailed by County to the Airport Consultant, Moody's Investors Service, Inc., Standard and Poor's Corporation, and each Holder of Record requesting the same, and made available for inspection at the office of the Chief Financial Officer.

If the County has not adopted the Annual Budget before the first day of any Fiscal Year, the preliminary budget for such Fiscal Year or, if there is none, the budget for the preceding Fiscal Year, shall be deemed to be in force and shall be treated as the Annual Budget under the provisions of this Article until the adoption of the Annual Budget.

The County may at any time adopt an amended or supplemented Annual Budget for the remainder of the then current Fiscal Year, and shall do so when any quarterly financial statement indicates that the County is unable to maintain or operate the Airport System and comply with the requirements of Section 704 hereof within the budgetary guidelines and statements related thereto, and when so adopted the Annual Budget as so amended or supplemented shall be treated as the Annual Budget under the provisions of this Article. Copies of any such amended or supplemental Annual Budget shall be filed with the Trustee, mailed by the County to the Airport Consultant, Moody's Investors Service, Inc., Standard and Poor's Corporation, and each Holder of Record requesting the same, and made available for inspection at the office of the Chief Financial Officer.

If the County has adopted a Capital Funds Budget extending beyond one Fiscal Year, the capital expenditures covered by such Capital Funds Budget need not be covered by the Annual Budget except that such Annual Budget shall contain the same references to any such Capital Funds Budget as are required by the second paragraph of this Section 705.

Section 706. Records, Accounts and Audits. The County shall keep the Funds, Accounts, money and investments of the Airport System separate from all other funds, accounts, money and investments of the County or any of its departments and shall keep accurate records and accounts of all items of costs and of all expenditures relating to the Airport System and of the Revenues collected and the application of such Revenues. Such records and accounts shall be open to the inspection of all interested persons.

At least once during each quarter of each Fiscal Year, beginning with the first full Fiscal Year following the date of delivery of the initial Series of Project Bonds pursuant to Section 208 of this Resolution, the County shall cause to be filed with the County Administrator and Trustee copies of a report, signed by the Aviation Director setting forth all revisions of the rates, fees, rentals, and charges for use of the Airport System during the preceding three-month period and an unaudited interim report, signed by the Chief Financial Officer, identifying all Defaults that occurred during the preceding three-month period and setting forth in respect of such period:

(a) a separate income and expense account of the Airport System, showing the Revenues, Transfers and the Current Expenses for such quarter, for all quarters of the current Fiscal Year, including such quarter, and for the corresponding periods in the next preceding Fiscal Year,

(b) a summary of deposits in and withdrawals from each Fund and Account created under the provisions of this Resolution,

(c) the details of all Bonds issued, paid, purchased, redeemed, and cancelled during such period, and

(d) the amounts on deposit at the end of such three-month period in the Funds and Accounts held by each Depositary.

Within 120 days after the close of such Fiscal Year the County shall cause the Accountant to prepare an audit of its books and accounts pertaining to the Airport System. Reports of each such audit shall be filed with the Board, the Chief Financial Officer, and the

Trustee and each Depositary, and copies of each such report shall be mailed to Moody's Investors Service, Inc., Standard and Poor's Corporation and each Holder of Record requesting the same and shall be made available for inspection at the office of the Chief Financial Officer. Each such audit report shall be accompanied by an opinion of the Accountant stating that the examination of the financial statements was conducted in accordance with generally accepted auditing standards and stating whether such financial statements present fairly the financial position of the Airport System and the results of its operations and changes in its financial position for the period covered by such audit report in conformity with generally accepted accounting principles applied on a consistent basis.

If for any reason beyond its control, the County is unable to obtain the foregoing opinion as to compliance with generally accepted accounting principles, the County shall be deemed to be in compliance with this Section if it is taking all reasonable and feasible action to obtain such opinion in subsequent Fiscal Years, and if, in lieu of a statement as to compliance and conformity, such opinion states the reasons for such non-compliance or non-conformity.

There shall also be filed with the Trustee within 120 days after the end of each Fiscal Year a certificate of the Aviation Director and the Chief Financial Officer stating to the best of their knowledge, (i) whether there existed at the end of the Fiscal Year, any violation of any covenants or agreements herein contained and (ii) whether at any time during the Fiscal Year, any Event of Default occurred, and if so, the nature of such Event of Default.

For purposes of this Resolution each Fund created hereunder shall be a series of accounts within the book of accounts of the Aviation Fund and shall connote a segregation of accounts that will support special purpose disclosure reports, and nothing herein shall be construed as requiring a separate set of books and accounts or separate bank accounts.

The County shall cause any additional reports or audits relating to the Airport System to be made as required by law or by any applicable rules or regulations or any governmental authority having jurisdiction over the Airport System. The cost of such audits shall be treated as a part of the cost of operation of the Airport System.

Section 707. Insurance. The County shall purchase and maintain insurance covering such properties belonging to the Airport System as are customarily insured against loss or damage from such causes as are customarily insured against by enterprises of a similar nature, business interruption insurance, and comprehensive general liability insurance on the Airport System for bodily injury and property damage, provided that the same shall meet the following minimum requirements:

(a) fire (with Uniform Standard Extended Coverage Endorsements or equivalent coverage obtainable through federal or State programs) and vandalism and malicious mischief insurance as may be approved for issuance in the State, including insurance against loss or damage from lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles and smoke, subject to deductibles of not more than 50% of the then applicable Renewal and Replacement Account Requirement per accident, at all times in amounts equal to the greater of (1) the principal amount of all Bonds Outstanding and (2) the full replacement cost of the properties

constituting the Airport System, which amount shall be sufficient to ensure that the County could not become a co-insurer under the terms and conditions of the applicable policy or policies. The replacement cost of the properties constituting the Airport System shall be determined at least once every five years, or more often upon the request of the insurer or the Trustee, by an appraisal by qualified appraisers or other persons or entities selected by the County. The County shall provide a copy of the appraisal to the Trustee within 30 days after the receipt thereof. To the extent that any contractor for the construction of the Project or Additional Facilities provides an insurance policy or certificate of insurance showing that the same coverage as is herein required is being carried by such contractor and adequately protects the interest of the County and the Holders in the Project or Additional Facilities or any part thereof, the insurance provided for by this subparagraph (a) with respect to all or any part of the Project or Additional Facilities shall not be required for such construction period while all or any part of the Project or Additional Facilities is so covered by such other insurance;

(b) comprehensive general liability insurance with limits of not less than $50,000,000 combined single limit for bodily injury and property damage occurrence;

(c) use and occupancy insurance, covering loss of anticipated Revenues by reason of the total or partial suspension of, or interruption in, the operation of the Airport System, with such exceptions as are customarily imposed by insurers, in an amount equal to the sum of the Reserve Requirement and 200% of the Operations and Maintenance Requirement; and

(d) workers' compensation insurance in such amounts as are required by law.

If the Insurance Consultant and the County certify to the Trustee that the amount of insurance coverage required by this Section 707 is not available on reasonable terms and conditions, the insurance coverage required by this Section may be modified in accordance with such determination, and the coverage as modified shall constitute the minimum requirements of this Section.

Unless the insurance coverage required by this Section is maintained through Qualified Self Insurance as hereinafter provided, such coverage shall be maintained through policies that (i) are issued by a financially responsible insurer or insurers qualified to write the respective insurance in the State and of recognized standing, (ii) are in such form and contain such provisions (including, without limitation, the loss payable clause, the waiver of subrogation clause, clauses relieving the insurer of liability to the extent of minor claims, and the designation of the named insured parties) as are generally considered customary provisions for the type of insurance involved, and (iii) prohibit cancellation or substantial modification by the insurer without at least 60 days' prior written notice to the County and the Trustee. The insurance policies carried pursuant to paragraphs (a) and (c) of this Section shall name the County and the Trustee as parties insured thereunder as their respective interests appear. Each policy shall provide that losses thereunder shall be adjusted with the insurer by the County on behalf of the insured parties. Copies of each policy shall be provided to the Trustee upon request.

The County shall, and the Trustee may, demand, collect, sue and receipt for the insurance money that may become due and payable under any policies payable to it. Any appraisement or adjustment of any loss of damages and any settlement or payment of indemnity therefor that may be agreed upon between the County and any insurer shall be evidenced to the Chief Financial Officer by a certificate signed by the Aviation Director.

Notwithstanding the foregoing, the County shall be entitled to provide the coverage required by this Section through Qualified Self Insurance, provided that the requirements hereinafter set forth in this Section are satisfied. "Qualified Self Insurance" means insurance maintained through a program of self insurance or insurance maintained with a fund, company or association in which the County has a material interest or of which the County has control, either singly or with others.

Prior to participation in any plan of Qualified Self Insurance not currently in effect, the County shall deliver to the Trustee (i) a copy of the proposed plan, and (ii) from an Insurance Consultant an evaluation of the proposed plan together with an opinion to the effect that (A) the proposed Qualified Self Insurance will provide the coverage required by this Section and (B) the proposed Qualified Self Insurance plan provides for the creation of fiscally sound reserves.

Each plan of Qualified Self Insurance shall be in written form, shall provide that upon the termination of such plan reserves will be established or insurance acquired in amounts adequate to cover any potential retained liability in respect of the period of Qualified Self Insurance, and shall deliver to the County a report on the adequacy of the reserves established thereunder in light of claims made. If the Insurance Consultant determines that such reserves are inadequate in light of the claims made, he shall make a recommendation as to the amount of reserves that should be established and maintained, and the County shall comply with such recommendation unless it can establish to the satisfaction of the Trustee that such recommendation is unreasonable in light of the nature of the claims or the history of recovery against the County for similar claims.

The Net Proceeds paid in satisfaction of any claim made under policies providing the coverage required by clauses (a) and (c) of this Section shall be applied as provided in Section 709 of this Resolution.

Section 708. Notice of Taking; Cooperation of Parties. If any public authority or entity attempts to take or damage all or any part of the Airport System through Eminent Domain proceedings, the County shall take prompt and appropriate measures to protect and enforce its rights and interests and those of the Trustee and the Holders in connection with such proceedings. Upon receiving notice of the institution of Eminent Domain proceedings by any public instrumentality, body, agency, or officers, the County shall deliver written notice thereof to the Trustee.

Section 709. Insurance and Eminent Domain Proceeds. (a) All Net Proceeds of all insurance required by Section 707(a) of this Resolution and all Net Proceeds resulting from Eminent Domain proceedings shall be delivered to the Trustee for deposit in the Insurance and Condemnation Award Account and shall be applied at the election of the County:

(i) to promptly replace, repair, rebuild or restore the Airport System to substantially the same condition as that which existed prior to such damage or destruction, with such alterations and additions as the County may determine and as will not impair or otherwise adversely affect the revenue-producing capability of the Airport System, provided that prior to the commencement of such replacement, repair, rebuilding or restoration, the County shall deliver to Trustee a report of an Airport Consultant setting forth (A) an estimate of the total cost of the same, (B) the estimated date upon which such replacement, repair, rebuilding or restoration will be substantially complete, and (C) a statement to the effect that Net Proceeds, together with other funds made available or to be made available by the County, will be sufficient to pay the costs of the replacement, repair, rebuilding or restoration of the Airport System; or

(ii) to the redemption of Bonds, provided that Bonds may be redeemed only if (A) the Airport System has been restored to substantially the same condition as prior to such damage or destruction, or (B) the County has determined that the portion of the Airport System damaged or destroyed is not necessary to the operation of the Airport System and that the failure of the County to repair or restore the same will not impair or otherwise adversely affect the revenue-producing capability of the Airport System; or (C) the Airport Consultant has been unable to make the statement required by subparagraph (i) (C) of this paragraph (a).

If the County does not apply Net Proceeds or cause them to be applied, to replace, repair, rebuild, or restore the Airport System, the County shall direct the Trustee to redeem Bonds in accordance with Article III of this Resolution and to transfer from the Insurance and Condemnation Award Account to the Redemption Account an amount sufficient to pay the Redemption Price of the Bonds to be redeemed and to the Interest Account an amount that, together with amounts then on deposit therein, is sufficient to pay interest accruing on the Bonds to be redeemed to the date of redemption.

If the County elects to apply Net Proceeds, or cause them to be applied, to replace, repair, rebuild, or restore the Airport System, the Trustee shall create a Proceeds Account in the Construction Fund, shall transfer such Net Proceeds from the Insurance and Condemnation Award Account to the Proceeds Account, and shall make disbursements therefrom, to the extent practicable, in accordance with the procedures and requirements set forth in Section 404 of this Resolution for requisitions from the Construction Fund.

(b) The proceeds of use and occupancy insurance carried pursuant to paragraph (c) of Section 707 of this Resolution shall be applied as follows: (i) an amount equal to 1/3 of the Operations and Maintenance Requirement shall be deposited in the Revenue Account, (ii) an amount equal to the excess of that required to be deposited in the Interest Account, the Principal Account, and the Sinking Fund Account, pursuant to Section 503 hereof in the then current Fiscal Year over the amounts on deposit in said accounts shall be deposited in said Accounts, and (iii) any balance remaining shall be deposited in the Revenue Account and applied to pay Current Expenses.

Section 710. Compliance with Applicable Law. So long as any Bond is Outstanding, the County shall comply or cause there to be compliance with all applicable laws, orders, rules, regulations and requirements of any municipal or other governmental authority relating to the construction, use and operation of the Airport System. Nothing contained in this section shall prevent the County from contesting in good faith the applicability or validity of any law, ordinance, order, rule, regulation, or requirement, so long as its failure to comply with the same during the period of such contest will not materially impair the operation or the revenue-producing capability of the Airport System.

Section 711. Payment of Charges and Covenant Against Encumbrances. Except as provided herein, the County shall not create or suffer to be created any lien or charge upon the Airport System or any part thereof, or on the Revenues. The County shall pay or cause to be discharged, or shall make adequate provision to satisfy and discharge, within 60 days after the same become due and payable, all lawful costs, expenses, liabilities and charges relating to the maintenance, repair, replacement or improvement of the properties constituting the Airport System and the operation of the Airport System and lawful claims and demands for labor, materials, supplies or other objects that might by law become a lien upon the Airport System or Revenues if unpaid. Nothing contained in this Section shall require the County to pay or cause to be discharged, or make provision for the payment, satisfaction and discharge of, any lien, charge, cost, liability, claim or demand so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Section 712. Disposition of Airport System. Except as provided in this Section 712, the County shall not sell or otherwise dispose of all or any part of the properties constituting the Airport System.

(a) The County shall have the right to sell or dispose of any machinery, fixtures, apparatus, tools, instruments, or other moveable property acquired by it in connection with the Airport System, or any materials used in connection therewith if the County determines that such articles are no longer needed or useful in connection with the construction or maintenance of the properties constituting the Airport System or the operation of the Airport System and that such sale or disposition will not impair the operating efficiency of the Airport System or reduce the revenue-producing capability of the Airport System.

(b) The County, without notice to the Trustee and free of any obligation to make any replacement thereof or substitution therefor, shall have the right to demolish or remove any real property and structures now or hereafter existing as part of the Airport System provided that the Board, by resolution, determines that such removal or demolition does not impair the operating efficiency of the Airport System or reduce the revenue-producing capability of the Airport System.

(c) Notwithstanding the provisions of paragraph (b) of this section, if the County determines that any real property or structure constituting a part of the Airport System has become inadequate, unsuitable or unnecessary, the County shall then have the right to demolish or remove such property and, to the extent permitted by law, may sell or otherwise dispose of all or a part of the same, if:

(i) prior to such removal or demolition the County gives written notice thereof to the Trustee, which notice shall describe the real property or structures to be

demolished or removed, the reason for such demolition or removal, and the estimated fair market value thereof; and

(ii) (A) the County shall construct, acquire, replace or substitute real property or structures having a fair market value at least equal to that of the property demolished or removed, or

(B) any such real property and structure now or hereafter existing as part of the Airport System may be demolished or removed by the County from time to time and the County shall not be required to construct or acquire any real property or structures in substitution or in replacement thereof if there shall be filed with the County Administrator and Trustee prior to such demolition or removal, a certificate, signed by the Chief Financial Officer and approved by the Airport Consultant, stating (i) that no Default has occurred and is continuing under this Resolution, or, if any Default then exists, that the same will be cured by action taken pursuant to this Section 712, and (ii) that the Net Revenues and Transfers for the Fiscal Year next succeeding that in which such demolition or removal occurs will be sufficient to enable the County to meet its obligations under Section 704(a) and (b) hereof.

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

Section 713. Additional Facilities; Additions to the Airport System. All buildings, structures, and items of personal property that are constructed, placed or installed in or upon the properties constituting the Airport System as an addition or improvement to, as a substitute for, or in renewal, replacement or alteration of, any buildings, structures, and personal property constituting part of the Airport System, and all real property acquired as an addition to, in replacement of, or as a substitute for real property constituting a part of the Airport System shall thereupon become a part of the Airport System.

Other facilities not financed by the issuance of Bonds under this Resolution may be incorporated in and made a part of the Airport System upon satisfaction of the conditions set forth in Sections 715 and 717 hereof.

Section 714. Contracts, Leases and Other Agreements. Subject to the provisions of Section 604, the County may lease, as lessor, all or any part of the Airport System, or contract or agree for the performance by others, of operations or services on or in connection with the Airport System or any part thereof, for any lawful purpose, provided, that:

(a) each such lease, contract or agreement, or any amendment or rescission thereof, is not inconsistent with the provisions of this Resolution,

(b) the County shall remain fully obligated and responsible under this Resolution to the same extent as if such lease, contract or agreement, or any amendment or rescission thereof, had not been executed, and

(c) the obligation of the County under such lease, contract or agreement shall be subordinate to the County's obligations under this Resolution.

Section 715. Financing of Special Purpose Facilities. Nothing in this Resolution shall be construed as prohibiting the County from financing the acquisition or construction of any special purpose facilities permitted by law so long as the following conditions are satisfied:

(a) such special purpose facilities shall either be located on property that constitutes the Airport System and thereby made a part of the same or the documentation relating to the financing for such facilities shall provide that such facilities and the land upon which they are located will become incorporated into the Airport System upon defeasance of the obligations issued to finance the same,

(b) the debt obligations issued to finance the special purpose facilities are not directly or indirectly secured by or payable from Revenues but are secured by and payable from such other sources as are then permitted by the County Code,

(c) the County shall levy upon the user of such facilities charges sufficient to pay the principal of, and the premium, if any, and interest on obligations issued to finance the same,

(d) the County shall have delivered to the Trustee an opinion of General Counsel to the effect that the underlying obligations issued to finance such facilities are not, directly or indirectly, secured by or payable from Revenues or issued under or secured by the provisions of this Resolution and that the financing of such special purpose facilities will not conflict with or constitute on the part of the County a breach of or default under any of the covenants or provisions of this Resolution, and

(e) the County shall have delivered to the Trustee a statement, signed by the Airport Consultant, to the effect that in its opinion the acquisition or construction of such special purpose facilities will not materially reduce Revenues or impair the operating efficiency of the Airport System.

Section 716. Subordinated Debt. The County may incur and issue Subordinated Debt for any lawful airport or aviation-related purposes permitted by law, except for special purpose facilities described in Section 715 hereof, if the following conditions are met:

(a) the County shall adopt a resolution authorizing the issuance of any such Subordinated Debt, setting forth the amount and details thereof and approving the execution and delivery of any corresponding Subordinated Debt Issuing Instrument;

(b) Subordinated Debt may consist of bonds, notes or other debt instruments issued or otherwise entered into by the County, must rank junior and subordinate to the Bonds issued and outstanding under this Resolution and may be paid from moneys

constituting Net Revenues only if all amounts of principal and interest which have become due and payable on the Bonds whether by maturity, redemption or acceleration have been paid in full and the County is current on all payments, if any, required to be made to replenish the Reserve Account and any separate sub-accounts therein. In all cases Subordinated Debt shall be secured on a junior and subordinate basis to the Bonds by the pledge of the Net Revenues or shall be secured by assets that are not Net Revenues or shall be unsecured. No Bond, note or other instrument of indebtedness shall be deemed to be "Subordinated Debt" for purposes of this Resolution and payable on a subordinated basis from Net Revenues unless specifically designated by the County as a "Subordinated Debt" in the authorizing resolution and Subordinated Debt Issuing Instrument;

(c) the principal of, and the redemption premium, if any, and interest on any such Subordinated Debt is payable as a whole or in part solely from the proceeds of other Subordinated Debt, Additional Bonds, Net Revenues transferred to the Subordinated Debt Trustee pursuant to the provisions of Section 503 hereof, any money available therefor in the General Purposes Account, or from any other legally available source, provided that such Subordinated Debt shall be payable from Additional Bonds only to the extent such indebtedness was issued for any purpose for which Additional Bonds may be issued under this Resolution; except for payments from the proceeds of Additional Bonds, Net Revenues transferred to the Subordinated Debt Trustee pursuant to the provisions of Section 503 hereof, and the General Purposes Account, no money in any other Fund or Account created pursuant to the provisions of this Resolution shall be used to pay the principal of, or the interest or redemption premium, if any, on, any Subordinated Debt; and

(d) simultaneously with the delivery of and payment for any such Subordinated Debt there shall be filed with the Trustee a certificate of the Chief Financial Officer stating that no Default has occurred and is continuing under this Resolution or, if any Default then exists, that the proceeds of such Subordinated Debt will be applied to cure the same.

Section 717. Financing of Other Facilities. Nothing in this Resolution expressed or implied shall be construed as preventing the County, if then authorized or permitted by law, from financing the acquisition or construction at any portion of the Airport System or any other airport property hereafter acquired by the County, of any facility or project through the issuance of obligations that are not issued under or secured by any of the items constituting security for the Bonds under the provisions of this Resolution. Subject to Section 713 hereof, any such facility or project so financed or otherwise acquired by the County and not constituting a part of the Airport System may be added to the Airport System by resolution of the County provided that at the date of inclusion of such facility or project in the Airport System the County shall deliver to the Trustee:

(a) a certificate of the Chief Financial Officer stating that no Default has occurred and is continuing or, if any Default then exists, that action taken pursuant to this Section will cure the same, and

(b) a report of the Airport Consultant stating that based upon its knowledge and analysis of the financial performance and operations of the Airport System, nothing has come to its attention that would lead it to believe that for each of the five Fiscal Years following the inclusion of such facility or project in the Airport System the County would not be able to meet its obligations under Sections 503 and 704 of this Resolution.

Section 718. Employment of Accountant, Insurance Consultant, and Airport Consultant. For the purpose of causing to be performed and carried out the duties imposed on the Accountant under this Resolution, the County shall employ as the Accountant an independent certified public accountant or a firm of independent certified public accountants having a favorable repute for skill and experience in such work.

For the purpose of performing and carrying out the duties imposed upon an Insurance Consultant under this Resolution, the County shall from time to time employ an Insurance Consultant as defined in Section 101 hereof. A signed copy of any reports of any Insurance Consultant required hereby shall be filed with the County, and copies thereof shall be sent to the Trustee.

For the purpose of causing to be performed and carried out the duties imposed on the Airport Consultant under this Resolution, the County will employ one or more airport consultants having a favorable repute for skill and experience for such work. Except for any fees and expenses incurred under the provisions of Section 403 of this Resolution, the cost of employing the Airport Consultant shall be treated as a part of the cost of operation and maintenance of the Airport System.

The Accountant and the Airport Consultant shall at all times have free access to all properties constituting the Airport System for the purposes of inspection and examination, and the books, records and accounts of the County may be examined by the Accountant and the Airport Consultant at all reasonable times.

Section 719. Further Instruments and Actions. The County shall, from time to time, execute and deliver such further instruments or take such further actions as may be required to carry out the purposes of this Resolution.

Section 720. Use of Revenues and Inconsistent Actions. The County covenants and agrees that, so long as any of the Bonds secured hereby are Outstanding, none of the Revenues will be used for any purpose other than as provided in this Resolution, and that no contract or contracts will be entered into or any action taken by which the rights of Holders might be impaired or diminished.

[END OF ARTICLE VII]

ARTICLE VIII

REMEDIES

Section 801. Extension of Interest Payment. If the time for the payment of any coupon or the interest on any registered Bond without coupons is extended, whether or not such extension is by or with the consent of the County, such coupon or interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Resolution and in such case the Holder of the Bond for which the time for payment of interest was extended shall be entitled only to the payment in full of the principal of all Bonds then Outstanding and of interest for which the time for payment shall not have been extended.

Section 802. Events of Default. Each of the following events is hereby declared an "Event of Default":

(a) payment of the principal of and the redemption premium, if any, on any of the Bonds is not made when the same are due and payable, either at maturity or by redemption or otherwise;

(b) payment of the interest on any of the Bonds is not made when the same is due and payable;

(c) final judgment for the payment of money is rendered against the County as a result of the ownership, control or operation of the Airport System, and any such judgment is not discharged within sixty (60) days from the entry thereof or an appeal is not taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof;

(d) the County: (i) becomes insolvent or the subject of insolvency proceedings; or (ii) is unable, or admits in writing its inability, to pay its debts as they mature; or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or (iv) files a petition or other pleading seeking reorganization, composition, readjustment, or liquidation of assets, or requesting similar relief; or (v) applies to a court for the appointment of a receiver for it or for the whole or any part of the Airport System; or (vi) has a receiver or liquidator appointed for it or for the whole or any part of the Airport System (with or without the consent of the County) and such receiver is not discharged within 90 consecutive days after his appointment; or (vii) becomes the subject of an "order for relief" within the meaning of Federal Bankruptcy Code; or (viii) files an answer to a creditor's petition admitting the material allegations thereof for liquidation, reorganization, readjustment or composition or to effect a plan or other arrangement with creditors or fails to have such petition dismissed within 60 consecutive days after the same is filed against the County;

(e) any court of competent jurisdiction assumes custody or control of the County or of the whole or any substantial part of its property under the provisions of any other law for the relief or aid of debtors, and such custody or control is not terminated within ninety (90) days from the date of assumption of such custody or control; and

(f) the County defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution, and such default continues for 30 days after receipt by the County of a written notice from the Trustee specifying such default and requesting that it be corrected, provided that if prior to the expiration of such 30-day period the County institutes action reasonably designed to cure such default, no "Event of Default" shall be deemed to have occurred upon the expiration of such 30-day period for so long as the County pursues such curative action with reasonable diligence.

Section 803. Acceleration of Maturities. Upon the happening and continuance of any Event of Default specified in Section 802 of this Article, then and in every such case the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall, by a notice in writing to the County, declare the principal of all of the Bonds then Outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or in this Resolution to the contrary notwithstanding. If the conditions identified in clauses (a), (b), and (c) of this paragraph have been satisfied after the principal of and interest on the Bonds have been declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Resolution, then and in every such case the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of the Bonds not then due except by virtue of such declaration and then Outstanding shall, by written notice to the County, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon: (a) money sufficient to pay the principal of all matured Bonds and all arrears of interest, if any, upon Bonds then Outstanding (except the principal of any Bonds not then due except by virtue of such declaration and the interest accrued on such Bonds since the last Interest Payment Date) has accumulated in the Interest Account, the Principal Account, and the Sinking Fund Account, (b) all amounts then payable by the County hereunder have been paid or a sum sufficient to pay the same has been deposited by the Chief Financial Officer with the Trustee or the Paying Agents, and (c) every other default in the observance or performance of any covenant, condition, agreement or provision contained in the Bonds or in this Resolution (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this Section) has been remedied.

If pursuant to the provisions of this Resolution the obligation of the County to pay the Bonds is accelerated, the County shall pay to the Trustee forthwith but only from Net Revenues and, if applicable for a Series of Bonds as provided in a Series Resolution or other resolution duly adopted by the Board as provided in Section 518 hereof, from Available Revenues, an amount that is sufficient, together with all other funds available therefor, to pay such Bonds in full, and an amount that is sufficient, together with all other funds available therefor, to pay all other expenses of the Trustee incurred or to be incurred under this Resolution.

Section 804. Remedies. In addition to any remedies then available to the Trustee under this Resolution and under State and federal law, upon the occurrence of an Event of Default the Trustee may:

(a) Require the County to endorse all checks and other negotiable instruments representing Net Revenues and, if applicable, Available Revenues to the order of the Trustee immediately upon the receipt thereof and to deliver such endorsed instruments daily to the Trustee.

(b) Notify any or all account debtors of the County to pay any amounts representing Net Revenues and, if applicable, the Available Revenues, when due and owing, directly to the Trustee, as Trustee, at the address set forth herein.

(c) Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Holders under this Resolution, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Airport System and of the Net Revenues and, if applicable, the Available Revenues pending such proceedings, with such powers as the court making such appointments confers, whether or not the Net Revenues and the Available Revenues are deemed sufficient ultimately to satisfy the Bonds then Outstanding hereunder.

(d) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due or to enforce observance or performance of any covenant, condition or agreement of the County under this Resolution.

Section 805. Enforcement of Remedies. Upon the happening and continuance of any Event of Default specified in Section 802 of this Article, then and in every such case the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall, proceed to protect and enforce the rights of the Holders under federal or State law or under this Resolution by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights.

Section 806. Pro Rata Application of Funds. Anything in this Resolution to the contrary notwithstanding, if at any time the money in the Interest Account, the Principal Account, and the Sinking Fund Account is not sufficient to pay the interest on or the principal of the Bonds as the same become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 803 of this Article), such money, together with any money then available or thereafter becoming available for such purposes (other than Available Revenues), whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

first: if the principal of the Bonds has not become due and payable, to the payment of all installments of interest then due, in the order of the maturity of the installments of such interest;

second: if the principal of less than all of the Bonds has become due and payable, first to the payment of all installments of interest then due on Bonds of which the principal is not overdue, in the order of the maturity of the installments thereof, and next to the payment of interest at the respective rates specified in the Bonds on overdue principal, and next to the payment of the principal of Bonds then due in order of their due dates;

third: if the principal of all Bonds has become due and payable by declaration, redemption or otherwise, first to the payment of all interest due on Bonds of which the principal is not overdue, and next to the payment of interest at the respective rates specified in the Bonds on overdue principal, and next to the payment of the principal of the Bonds in order of their due dates;

fourth: if the principal of all Bonds has become due and payable, and all of the Bonds have been fully paid, together with all interest and premium, if any, thereon, any surplus then remaining shall be applied as set forth in Section 515 hereof; and

fifth: if the principal of all Bonds has been declared due and payable and if such declaration thereafter has been rescinded and annulled under Section 803 of this Resolution, then, subject to the provisions of paragraph third of this section in the event that the principal of all Bonds later becomes due and payable or is declared due and payable, the money then remaining in and thereafter accruing to the Interest Account, the Principal Account, and the Sinking Fund Account shall be applied in accordance with the provisions of paragraph first or second of this Section, whichever is then applicable.

All payments to be made to the Holders pursuant to this Section shall be made ratably to the persons entitled thereto, without discrimination or preference, except that if there are insufficient funds to make any payment of interest or principal then due, the amount to be paid in respect of principal or interest, as the case may be, on each Bond shall be determined by multiplying the aggregate amount of the funds available for such payment by a fraction, the numerator of which is the amount then due as principal or interest, as the case may be, on each Bond and the denominator of which is the aggregate amount due in respect of all interest or all principal, as the case may be, on all Bonds.

The provisions of this Section are in all respects subject to the provisions of Section 801 of this Article.

Whenever money is to be applied by the Trustee pursuant to the provisions of this Section: (a) such money shall be applied by the Trustee at such times and from time to time as the Trustee in its sole discretion shall determine, having due regard for the amount of such money available for such application and the likelihood of additional money becoming available for such application in the future, (b) the deposit of such money with the Paying Agents or otherwise setting aside such money as provided herein, in trust for the proper purpose shall

constitute proper application by the Trustee, and (c) the Trustee shall incur no liability whatsoever to the County, to any Holder or to any other person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee exercises such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to the Holder of any Bond or coupon until such Bond is surrendered to the Trustee for appropriate endorsement or for cancellation if fully paid.

Notwithstanding the foregoing, Available Revenues shall be applied solely as provided in Section 518; provided, however, that if the ratable distribution provisions of this Section 806 are applicable, the amounts that would otherwise be distributed pursuant to such provisions to Bonds that are secured by Available Revenues shall be reduced by the amount of Available Revenues that are available for distribution to such Bonds pursuant to Section 518, and the moneys that become available as a result of such reduction shall then be distributed pursuant to this Section 806 without regard to this paragraph.

Section 807. Effect of Discontinuance of Proceedings. If any proceeding taken by the Trustee or Holders on account of any Event of Default is discontinued or abandoned for any reason, then and in every such case, the County, the Trustee and the Holders shall be restored to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

Section 808. Control of Proceedings by Holders. Anything in this Resolution to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of Bonds at any time Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall be in accordance with law and the provisions of this Resolution.

Section 809. Restrictions Upon Actions by Individual Holders. Except as provided in Section 814 of this Resolution, no Holder shall have any right to institute any suit, action or proceeding in equity or at law on any Bond or for the execution of any trust hereunder or for any other remedy hereunder unless such Holder previously shall (a) have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (b) have requested the Trustee to take action after the right to exercise such powers or right of action, as the case may be, shall have accrued, (c) have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceedings in its or their name, and (d) have offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Resolution or to any other remedy hereunder. Notwithstanding the foregoing provisions of this Section and without complying therewith, the Holders of not less than 20% in aggregate principal amount of Bonds then Outstanding may institute any such suit, action or proceeding in their own names for the benefit of all Holders hereunder. It is understood and intended that, except as otherwise above provided, no one or more Holders shall have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the security of this Resolution or to enforce any right hereunder except in the manner provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders and that any individual rights of action or other right given to one or more of such Holders by law are restricted by this Resolution to the rights and remedies herein provided.

Section 810. Enforcement of Rights of Action. All rights of action (including the right to file proof of claim) under this Resolution or under any Bonds may be enforced by the Trustee without the possession of any Bonds or the production thereof in any proceedings relating thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Holders, and any recovery of judgment shall be for the equal benefit of the Holders, subject to the provisions of Section 801 of this Resolution.

Section 811. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

Section 812. Delay Not a Waiver. No delay or omission by the Trustee or of any Holder in the exercise of any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein, and every power or remedy given by this Resolution to the Trustee and to the Holders may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the Holders of not less than a majority in principal amount of the Bonds then Outstanding shall, waive any Event of Default which in its opinion has been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Resolution or before the completion of the enforcement of any other remedies under this Resolution, but no such waiver shall extend to or affect any other existing or subsequent Event of Default or impair any rights or remedies consequent thereon.

Section 813. Notice of Default. The Trustee shall mail to all Holders of registered Bonds, at their addresses as they appear on the registration books maintained by the Trustee, and all Holders of Record requesting the same, written notice of the occurrence of any Event of Default within 30 days after the Trustee has notice of the same. However, the Trustee shall not be subject to any liability to any Holder or Holder of Record by reason of its failure to mail any such notice.

Section 814. Right to Enforce Payment of Bonds Unimpaired. Nothing in this Article shall affect or impair the right of any Holder to enforce the payment of the principal of and interest on his Bonds or the obligation of the County to pay the principal of and interest on each Bond to the Holder thereof at the time and place specified in said Bond or the coupons appertaining thereto.

[END OF ARTICLE VIII]

ARTICLE IX

THE TRUSTEE

Section 901. Acceptance of Trusts. The Trustee under this Resolution and Paying Agent for the initial Series of Project Bonds shall be designated in the Series Resolution for such Series. The Trustee shall signify its acceptance of the duties and obligations and agree to execute the trusts imposed upon it by this Resolution by executing the certificate of authentication endorsed upon the Bonds, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Resolution, to all of which the County, the Trustee and the respective Holders of the Bonds agree. Unless the Trustee has been given notice or otherwise has notice that an Event of Default has occurred and is continuing, the Trustee shall not be responsible except for the performance of those duties that are expressly set forth in this Resolution, and no implied covenant or duty shall be read into this Resolution against the Trustee; provided, however, that nothing herein shall relieve the Trustee from responsibility for its own negligence or willful misconduct.

If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers as are vested in it by this Resolution and shall use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

Section 902. Indemnification of Trustee as Condition for Remedial Action upon Direction of Holders. The Trustee shall be under no obligation to take any remedial proceeding under this Resolution upon direction of the Holders in accordance with Section 808 hereof until it is indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability, provided that the Trustee shall have no right to indemnification for any costs, expenses, outlays, counsel fees, or disbursements or against any liability resulting from any proceeding or action of the Trustee if the Trustee is determined to have acted negligently with respect to such proceeding or action. However, the Trustee may begin suit, or appear in and defend suit, or take any remedial proceedings under this Resolution, or take any steps in the execution of any of the trusts created hereby or in the enforcement of any rights and powers hereunder, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity and with or without the direction of Holders, and in such case the County, at the request of the Trustee, shall reimburse the Trustee from Revenues for all costs, expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the County fails to make such reimbursement, the Trustee may reimburse itself from any money in its possession under the provisions of this Resolution and shall be entitled to a preference therefor over any Bonds Outstanding.

Section 903. Limitations on Obligations and Responsibilities of Trustee. The Trustee shall be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the County, or to report, make or file claims or proof of loss for any loss or damage that may occur, or to keep itself informed or advised as to the payment of any premiums or assessments, or to require any such payment to be made. The Trustee shall have no responsibility in respect of the validity or sufficiency of this Resolution or, except as to the authentication thereof, in respect of the validity

of Bonds or the due execution or issuance thereof. The Trustee shall be under no obligation to see that any duties herein imposed upon the County, any consultant, any Paying Agent other than itself, any Depositary other than a Trustee Depositary, or any party other than itself are done or performed.

Section 904. Trustee Not Liable for Failure of County to Act. The Trustee shall not be liable or responsible for the failure of the County or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the County or for the loss of any money arising through the insolvency or the act or default or omission of any Depositary other than a Trustee Depositary in which such money is deposited under the provisions of this Resolution. The Trustee shall not be responsible for the application of any of the proceeds of Bonds or any other money deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer is made in accordance with the provisions of this Resolution. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

Section 905. Compensation of Trustee and Paying Agents. Subject to the provisions of any contract between the County and the Trustee or any Paying Agent relating to the compensation of the Trustee or such Paying Agent, the County shall pay to the Trustee or such Paying Agent from Revenues reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and the performance of its powers and duties hereunder. If the County fails to cause any payment required by this Section to be made, the Trustee or any Paying Agent may make such payment from any money in its possession under the provisions of this Resolution and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 906. Monthly Statements from Trustee. On or before the 15th day of each month the Trustee shall file with the County a statement setting forth in respect of the preceding calendar month:

(a) the amount withdrawn or transferred by it from, and the amount deposited in or credited to, each Fund or Account held by it under the provisions of this Resolution,

(b) the amount on deposit with it at the end of such month in each such Fund or Account,

(c) a brief description of all obligations held by it as an investment of money in each such Fund or Account and the investment income or loss that was charged to any Fund or Account in such month,

(d) the amount applied to the payment, purchase, or redemption of Bonds under the provisions of Article V of this Resolution and a description of the Bonds so paid, purchased, or redeemed, and

(e) any other information that the County may reasonably request.

All records and files pertaining to the Bonds and the Airport System in the custody of the Trustee shall be available at all reasonable times for inspection by the County, the Holders, and their agents and representatives.

Section 907. Trustee Protected in Relying on Certain Documents. The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith and in accordance with the terms of this Resolution, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document that it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Resolution, or upon the written opinion of any attorney, engineer or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Trustee shall not be under any obligation to see to the recording or filing of this Resolution or otherwise to the giving to any person of notice of the provisions hereof.

Except as otherwise provided in this Resolution, any request, notice, certificate or other instrument from the County to the Trustee shall be deemed to have been signed by the proper party or parties if signed by the Chief Financial Officer or any designee whose signature is on file with the Trustee.

Section 908. Notice of Default. Except upon the happening of any Event of Default specified in clauses (a) and (b) of Section 802 hereof or the reporting of the occurrence of an Event of Default pursuant to Section 706 hereof, the Trustee shall not be obliged to take notice or be deemed to have notice of any Event of Default under this Resolution unless specifically notified in writing of such Event of Default by the County or the Holders of not less than 20% in aggregate principal amount of Bonds then Outstanding.

Section 909. Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the Bonds (excluding the Trustee's certificate of authentication on the Bonds) shall be taken and construed as made by and on the part of the County and not by the Trustee, and the Trustee shall be under no responsibility for the correctness of the same.

Section 910. Trustee May Deal in Bonds. The bank or trust company acting as Trustee under this Resolution, and its directors, officers, employees or agents, may in good faith, to the extent permitted by applicable law, buy, sell, own, hold and deal in any of the Bonds and may join in any action that any Holder of Bonds may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Resolution.

Section 911. Resignation and Removal of Trustee Subject to Appointment of Successor. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 915.

Section 912. Resignation of Trustee. The Trustee may resign and thereby become discharged from the trusts hereby created by notice in writing given to the County and published once in a Daily Newspaper of general circulation in Broward County, Florida, and in a Financial Journal or a Daily Newspaper of general circulation in the Borough of Manhattan, City and State of New York, not less than 60 days before such resignation is to take effect. Such resignation shall take effect immediately upon the appointment of a new Trustee hereunder if such new Trustee is appointed and accepts the trusts created hereby before the time limited by such notice.

Section 913. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, executed by the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding, filed with the County and the Trustee, and published once in a Daily Newspaper of general circulation in Broward County, Florida, and in a Financial Journal or a Daily Newspaper of general circulation in the Borough of Manhattan, City and State of New York, not less than 60 days before such removal is to take effect as stated in said instrument or instruments.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Resolution with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the County or the Holders of not less than 20% in aggregate principal amount of Bonds then Outstanding.

The Trustee may also be removed and succeeded in its duties hereunder by supplemental resolution of the Board pursuant to Section 1101 hereof.

Section 914. Appointment of Successor Trustee. If at any time hereafter the Trustee resigns, is removed, is dissolved or otherwise becomes incapable of acting, or the bank or trust company acting as Trustee is taken over by any governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee becomes vacant for any reason, the County shall appoint a Trustee to fill such vacancy. A successor Trustee shall not be required if the Trustee sells or assigns substantially all of its trust business and the vendee or assignee continues in the trust business, or if a transfer of the trust department of the Trustee is required by operation of law, provided that such vendee, assignee or transferee qualifies as a successor Trustee under this Section 914. The County shall publish notice of any such appointment made by it once each week for four successive weeks in a Daily Newspaper of general circulation in Broward County, Florida, and in a Financial Journal or a Daily Newspaper of general circulation in the Borough of Manhattan, City and State of New York.

At any time within one year after any vacancy in the office of the Trustee has occurred, the Holders of 20% in principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing, executed by such Holders and filed with the County, may appoint a successor Trustee, which shall supersede any Trustee theretofore appointed by the County. Photographic copies of each such instrument shall be delivered promptly by the County to the predecessor Trustee and to the Trustee so appointed by the Holders.

If no appointment of a successor Trustee is made pursuant to the foregoing provisions of this Section, any Holder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon appoint a successor Trustee.

Any successor Trustee hereafter appointed shall be a bank or trust company within the State that is in good standing and duly authorized to exercise corporate trust powers in the State, that is subject to examination by federal or State authority, and that has a combined capital, surplus and undivided profits aggregating not less than Fifty Million Dollars ($50,000,000).

Section 915. Vesting of Duties in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the County, an instrument in writing accepting such appointment and the trusts created hereby and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor. Upon receipt of such instrument or upon receipt of a written request of the County and upon payment of the expenses, charges and other disbursements of such predecessor that are payable pursuant to the provisions of Sections 902 and 905 of this Article, such predecessor Trustee shall execute and deliver an instrument transferring to such successor Trustee rights, immunities and powers of such predecessor hereunder and shall deliver all property and money held by it hereunder to its successor. Should any instrument in writing from the County be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby and vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the County.

[END OF ARTICLE IX]

ARTICLE X

EXECUTION OF INSTRUMENTS BY HOLDERS, PROOF OF OWNERSHIP OF BONDS, AND DETERMINATION OF CONCURRENCE OF HOLDERS

Section 1001. Execution of Instruments by Holders. Any request, direction, consent or other instrument in writing required or permitted by this Resolution to be signed or executed by any Holders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Holders or their attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the Trustee and the County with regard to any action taken by either under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the verification, by any officer in any jurisdiction who by the laws thereof has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual, such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

(b) The fact of the holding of coupon Bonds hereunder by any Holder and the amount and the number of such Bonds and the date of his holding of the same (unless such Bonds are registered) may be proved by the affidavit of the person claiming to be such Holder, if such affidavit is deemed by the Trustee to be satisfactory, or by a certificate executed by any trust company, bank, banker or any other depositary, wherever situated, if such certificate is deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with or exhibited to such trust company, bank, banker or other depositary the Bonds described in such certificate. The Trustee may conclusively assume that such ownership continues until written notice to the contrary is served upon it. The ownership of coupon Bonds registered as to principal and of registered Bonds without coupons shall be proved by the registration books kept under the provisions of Section 205 of this Resolution.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of any Holder shall bind every future Holder of the same Bond in respect of anything done by the Trustee in pursuance of such request or consent.

Notwithstanding any of the foregoing provisions of this Section, the Trustee shall not be required to recognize any person as a Holder or to take any action at his request unless such Bonds shall be deposited with it.

[END OF ARTICLE X]

ARTICLE XI

SUPPLEMENTAL RESOLUTIONS

Section 1101. Supplemental Resolution Without Bondholder's Consent. The Board, from time to time and at any time and with the consent of the Trustee, may adopt such resolutions supplemental hereto as are consistent with the terms and provisions hereof (which supplemental resolutions shall thereafter form a part hereof) and do not adversely affect the interest of the Holders:

(a) to cure any ambiguity or formal defect or omission or to correct or supplement any provision herein that may be consistent with any other provision herein, or

(b) to grant to or confer upon the Trustee, for the benefit of the Holders, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders or the Trustee, or

(c) to add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution or other conditions, limitations and restrictions thereafter to be observed, provided that such conditions, limitations, and restrictions do not impair the security for the Outstanding Bonds,

(d) to add to the covenants and agreements of the County in this Resolution other covenants and agreements thereafter to be observed by the County or to surrender any right or power herein reserved to or conferred upon the County, provided that such covenants and agreements and the surrendering of any right or power do not impair the security for the Outstanding Bonds, or

(e) to comply with the provisions of Sections 208, 209, 210 and 211.

In addition to the foregoing, the County from time to time (i) with the consent of the Trustee, may adopt such resolutions supplemental hereto (which supplemental resolutions shall thereafter form a part hereof) that do not materially adversely affect the interests of the Holders in order to provide for or accommodate the issuance of Additional Bonds hereunder in the form of bonds with a variable, adjustable, convertible, periodic auction reset, or other similar interest rate structure under which the interest rate is not fixed in percentage at the date of issue for the entire term thereof, deferred interest rate bonds, capital appreciation bonds, zero coupon bonds, demand/put bonds, Taxable Bonds, bonds payable or denominated in a foreign currency, or similar types of indebtedness which shall permit the County to take advantage of changes or innovations in capital markets, including, without limitations, supplemental resolutions modifying the terms of Sections 209, 210 or 211 to accommodate the issuance of Additional Bonds of such types or to accommodate the County realizing the savings associated with the ability of bond underwriters to structure Bonds so as to facilitate the creation of derivative products, and (ii) without the consent of the Trustee, may adopt such resolutions supplemental hereto (which supplemental resolutions shall thereafter form a part hereof) that do not materially adversely affect the interests of the Holders in order to permit the County to assume the function, duties and obligations of the Trustee and Paying Agent hereunder. No supplemental resolution adopted pursuant to the immediately preceding sentence shall become effective until there is delivered to the Trustee an opinion of Bond Counsel to the effect that the adoption of such a supplemental resolution shall not adversely affect the exclusion of interest from the gross income of the Holders of all Bonds (other than Taxable Bonds) then Outstanding for federal income tax purposes and confirmation from each of the Rating Agencies that the adoption of such Supplemental Resolution will not cause a reduction or withdrawal of any rating of such Rating Agency then assigned to any Bonds Outstanding hereunder. The delivery of such confirmation with respect to any supplemental resolution shall create a conclusive presumption that such supplemental resolution does not materially adversely affect the interests of the Holders of such Outstanding Bonds.

Section 1102. Supplemental Resolution with Bondholder's Consent. Subject to the terms and provisions contained in this Section, and not otherwise, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding that will be affected by a proposed supplemental resolution shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such resolution or resolutions supplemental hereto as are deemed necessary or desirable by the County for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any supplemental resolution, provided that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of Revenues other than the lien and pledge created by this Resolution, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Holders of the adoption of any supplemental resolution as authorized in Section 1101 of this Article.

If at any time the County determines that it is necessary or desirable to adopt any supplemental resolution for any of the purposes of this Section, the County Administrator shall cause notice of the proposed adoption of such supplemental resolution to be mailed, postage pre-paid, to all Holders of registered Bonds, at their addresses as they appear on the registration books maintained by the Trustee, and all Holders of Record. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that copies thereof are on file at the office of the County Administrator for inspection by all Holders. The County shall not, however, be subject to any liability to any Holder or Holder of Record by reason of its failure to cause the notice required by this Section to be mailed and any such failure shall not affect the validity of such supplemental resolution when consented to and approved as provided in this Section.

Whenever the County delivers to the Chief Financial Officer an instrument or instruments in writing purporting to be executed or deemed executed by the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding that are affected by a proposed supplemental resolution, which instrument or instruments shall refer to the proposed supplemental resolution described in such notice and shall specifically consent to and approve

the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Board may adopt and/or make effective such supplemental resolution in substantially such form, without liability or responsibility to any Holder whether or not such Holder shall have consented thereto. The provisions of this paragraph and the immediately succeeding paragraph shall not be read or interpreted to require that the consents of Holders be received by the County prior to the adoption of the proposed supplemental resolution. The provisions of this paragraph and the immediately succeeding paragraph shall be satisfied if the County receives the consents of the Holders prior to the effective date of the proposed supplemental resolution.

If the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding at the time a supplemental resolution becomes effective and that are affected by such proposed supplemental resolution have consented to the supplemental resolution as herein provided, no Holder shall have any right to object to the adoption or effectiveness of such supplemental resolution, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the adoption thereof, or to enjoin or restrain the Board from adopting the same or making the same effective or from taking any action pursuant to the provisions thereof.

For purposes of this Resolution, Bonds shall be deemed to be "affected" by a supplemental resolution if the same adversely affects or diminishes the rights of Holders against the County or the rights of the Holders in the security for such Bonds. The Trustee may in its discretion determine whether any Bonds would be affected by any supplemental resolution and any such determination shall be conclusive upon the Holders of all Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

Notwithstanding anything in the foregoing to the contrary, with respect to the Currently Outstanding Insured Bonds, the consent of a Credit Enhancer to a Supplemental Resolution shall be deemed to be consent of the Holders of the Bonds insured by the Credit Enhancement Device issued by such Credit Enhancer, so long as (i) such Credit Enhancer continues to be rated in the highest rating classification by S&P or Moody's; (ii) such Credit Enhancer shall not be in default in the due and punctual performance of its payment obligations under the Credit Enhancer's Credit Enhancement Device; (iii) such Credit Enhancement Device remains enforceable and in full force and effect; or (iv) such Credit Enhancer shall not have applied for or consented to the appointment of a receiver, custodian or trustee or liquidator of such Credit Enhancer or of all or a substantial part of its assets, or have admitted in writing its inability, or be generally unable, to pay its debts as such debts become due, or have made a general assignment for the benefit of its creditors, or have commenced a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect) or have filed a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or have failed to convert in a timely and appropriate manner, or acquiesce in writing to, any other petition filed against such Credit Enhancer in any involuntary case under said Federal Bankruptcy Code, or have taken any other action for the purpose of effecting the foregoing; or (v) if a proceeding or case shall be commenced without the application or consent of a Credit Enhancer, in any court of competent jurisdiction seeking the liquidation reorganization, dissolution, winding up or composition or readjustment of debts of the Credit Enhancer or the appointment of a trustee, receiver, custodian, or liquidator or the like of the Credit Enhancer or of all or a substantial part of its assets, or similar relief with respect to a Credit Enhancer under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and the Credit Enhancer shall permit such proceeding or case to continue undismissed and an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed in effect for a period of sixty (60) days from the commencement of such proceedings or case, or any order for relief against the Credit Enhancer shall be entered in an involuntary case under the Federal Bankruptcy Code.

Notwithstanding anything in the foregoing to the contrary, with respect to a Series of Bonds other than a Series of Currently Outstanding Insured Bonds, the consent of a Credit Enhancer to a Supplemental Resolution shall be deemed to be consent of the Holders of the Bonds insured or secured by the Credit Enhancement Device issued by such Credit Enhancer, so long as such Credit Enhancer is a Qualifying Credit Enhancer.

Section 1103. Supplemental Resolutions Part of Resolution. Any supplemental resolution adopted in accordance with the provisions of this Article and approved as to legality by the General Counsel shall thereafter form a part of this Resolution, and this Resolution shall be and be deemed to be modified and amended in accordance therewith. Thereafter the respective rights, duties and obligations under this Resolution of the County, the Trustee, the Paying Agents, and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended. If any supplemental resolution is adopted and approved Bonds issued thereafter may contain an express reference to such supplemental resolution, if deemed necessary or desirable by the County.

Section 1104. Series Resolution Not a Supplemental Resolution. For purposes of this Article XI, a Series Resolution that relates only to a particular Series of Bonds issued hereunder and that does not purport to alter or amend the rights or security of any Holders of any Bonds of any other Series issued hereunder shall not be deemed or considered to be a supplemental resolution.

[END OF ARTICLE XI]

ARTICLE XII

DEFEASANCE

Section 1201. Cessation of Interest of Bondholders. When (a) the Bonds secured hereby have become due and payable in accordance with their terms or otherwise as provided in this Resolution, and (b) the whole amount of the principal and the interest and premium, if any, so due and payable upon all Bonds have been paid or if the Escrow Agent or the Escrow Agent and the Paying Agents hold money or Defeasance Obligations, or a combination of both, that are sufficient in the aggregate to pay the principal of, and the interest and redemption premium, if any, on all Bonds then Outstanding to the maturity date or dates of such Bonds or to the date or dates specified for the redemption thereof, and (c) if the Bonds are due and payable by reason of a call for redemption, irrevocable instructions to call the bonds for redemption shall have been given by the County to the Trustee, and (d) sufficient funds shall also have been provided or provision made for paying all other obligations payable hereunder by the County, then and in that case the right, title and interest of the Trustee and Bondholders in the Funds and Accounts created by this Resolution shall thereupon cease, determine and become void, the Board shall repeal and cancel this Resolution, and the Trustee shall apply any surplus in the Funds or Accounts, other than money held for the redemption or payment of Bonds or coupons, as provided in Section 515 hereof. Otherwise this Resolution shall be, continue and remain in full force an effect. Notwithstanding the foregoing, if money, Defeasance Obligations, or a combination of both, are deposited with and held by the Escrow Agent or the Escrow Agent and the Paying Agents, as hereinabove provided, and within 30 days after such money, Defeasance Obligations, or a combination of both have been deposited with such Escrow Agent, the County, in addition to observing the requirements of Article III of this Resolution, causes a notice signed by the Escrow Agent to be mailed, by first class mail, postage prepaid, to all registered owners of Bonds at their addresses as they appear on the registration books maintained by the Bond Registrar, setting forth (a) the date designated for the redemption of the Bonds, (b) a description of the money and Defeasance Obligations so held by such Escrow Agent, and (c) that this Resolution has been repealed and canceled in accordance with the provisions of this Section, the Escrow Agent and Paying Agents shall retain such rights, powers and privileges under this Resolution as may be necessary and convenient in respect of the Bonds for the payment of the principal, interest and any premium on which such money and/or Defeasance Obligations have been deposited.

All money and Defeasance Obligations held by the Escrow Agent or any Paying Agent pursuant to this Section shall be held in trust and applied to the payment, when due, of the Bonds and obligations payable therewith.

For purposes of this Article, Defeasance Obligations shall be deemed to be sufficient to pay or redeem Bonds on a specified date if the principal of and the interest on such Defeasance Obligations, when due, will be sufficient to pay on such date the principal of, and the premium, if any, and interest due on such Bonds on such date.

Section 1202. Defeasance of Convertible Lien Bonds. If, prior to the Conversion Date for a Series of Convertible Lien Bonds, the County desires to defease all or a portion of such Convertible Lien Bonds that are stated to mature on or after the Conversion Date, the defeasance of such Convertible Lien Bonds maturing on or after the Conversion Date (including, without limitation, the interest accruing thereon prior to the Conversion Date) shall be effected under the provisions of this Article XII as if such Convertible Lien Bonds were Outstanding Bonds under this Resolution.

[END OF ARTICLE XII]

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1301. Effect of Covenants. All covenants, stipulations, obligations and agreements of the County contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the County and of the Board and of each department and agency of the County to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall bind or inure to the benefit of the successor or successors thereof from time to time and any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements is transferred by or in accordance with law.

Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the County or upon the Board by the provisions of this Resolution shall be exercised or performed by the Board, or by such other officer, board, body or commission as may be required by law to exercise such powers or to perform such duties.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the Board in his individual capacity, and neither the members of the Board nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 1302. Manner of Giving Notice. Any notice, demand, direction, request or other instrument authorized or required by this Resolution to be given to or filed with the County, the Board or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Resolution if and when sent by registered mail, return receipt requested:

(a) As to the County:

Broward County, Florida
115 South Andrews Avenue
Room 409
Fort Lauderdale, Florida 33301
Attention: County Administrator

with copies to the Chief Financial Officer and the County Attorney, as follows:

Broward County, Florida
Room 513
Fort Lauderdale, Florida 33301
Attention: Chief Financial Officer

Broward County, Florida
Room 423
Fort Lauderdale, Florida 33301
Attention: County Attorney

(b) As to the Aviation Director:

Fort Lauderdale/Hollywood International Airport
320 Terminal Drive
Fort Lauderdale, Florida 33315
Attention: Aviation Director

(c) As to the Trustee at the address set forth or provided for in the then latest Series Resolution.

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by facsimile, electronic transmission or telephone and shall be deemed to be properly given or made at the time of such transmission. Such transmission of notice shall be confirmed in writing not later than one business day following such transmission and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change.

All documents received by the Aviation Director, the Chief Financial Officer, the County Administrator, and the Board under the provisions of this Resolution, or photographic copies thereof, shall be retained in their possession, subject at all reasonable times to the inspection of the County, any Holder, and the agents and representatives thereof.

Section 1303. Successorship of Paying Agents. Any bank or trust company with or into which a Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Resolution. If the position of a Paying Agent becomes vacant for any reason, the Board, within 30 days thereafter, shall appoint a bank or trust company located in the same County as Paying Agent to fill such vacancy and shall publish notice of such appointment at the times and in the places as set forth in Section 914 hereof.

Section 1304. Successorship of County Officers. In the event that the office of any officer or official of the County who is vested with responsibility under this Resolution is abolished or any two or more offices are merged or consolidated, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer or official becomes incapable of performing the duties of his office by reason of

sickness, absence from the County or otherwise, all powers conferred and all obligations and duties imposed upon such officer or official shall be performed by the officer or official succeeding to the principal functions thereof or by the officer or official upon whom such powers, obligations and duties are imposed by law.

Section 1305. Substitute Publication. If, because of the temporary or permanent suspension of publication of any Daily Newspaper or Financial Journal or for any other reason the Chief Financial Officer is unable to publish in a Daily Newspaper or Financial Journal any notice required to be published by any provision of this Resolution, the County shall give such notice in such other manner as in its judgment most effectively approximates such publication, and the giving of such notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirement for the publication thereof.

Section 1306. Inconsistent Resolutions. All resolutions and parts thereof that are inconsistent with any of the provisions of this Resolution are hereby declared to be inapplicable to the provisions of this Resolution.

Section 1307. Headings Not Part of Resolution. Any headings preceding the texts of the several Articles and Sections hereof, table of contents, marginal notes, or footnotes appended to copies hereof shall be solely for convenience of reference and shall not constitute a part of this Resolution or affect its meaning, construction or effect.

Section 1308. County and Bondholders Alone Have Rights Under Resolution. Except as otherwise expressly provided herein, nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the County, the Trustee, and the Holders of Bonds issued under and secured by this Resolution, any right, remedy or claim, legal or equitable, under or by reason of this Resolution. This Resolution is intended to be for the sole and exclusive benefit of the County, the Trustee, and the Holders.

Section 1309. Validation of Bonds. The proper officers of the County may, if necessary, bring proper proceedings for the validation of the Bonds.

Section 1310. Effect of Partial Invalidity. If any one or more of the provisions of this Resolution or of any Bonds issued hereunder is held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of the Bonds, and this Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.

Section 1311. State Law Governs. The Bonds are issued and this Resolution is adopted with the intent that the laws of the State shall govern their construction.

Section 1312. Adoption and Effective Date of Amended and Restated Resolution. Pursuant to Section 1102 of the Existing ASR Bond Resolution, this amended and restated Resolution and the amendments set forth herein shall be deemed adopted and become effective only upon the County's receipt of the written consent of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding. As a condition to its purchase of a Series 2012P Bond in the initial offering thereof, each purchaser of the Series 2012P Bonds will be required to provide its express and irrevocable written consent, on behalf of itself and all successors in interest in such Bonds, to this amended and restated Resolution and the amendments to the Resolution contained herein. Upon issuance and delivery of the Series 2012P Bonds (and the refunding of the Refunded Bonds), the County expects that the Series 2012P Bonds will constitute at least fifty-one percent (51%) of the Bonds then Outstanding under the Resolution. Accordingly, upon issuance and delivery of the Series 2012P Bonds, the County expects to have satisfied the Bondholder consent requirements of Section 1102 of the Existing ASR Bond Resolution in order to effect the deemed adoption of this amended and restated Resolution by the Board and make effective the amendments contained herein. The Existing ASR Bond Resolution shall remain in full force and effect until such time as the County has received the written consents described in this Section 1312 from the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding.

By virtue of its purchase of a Series 2012P Bond in the initial offering thereof, each purchaser of the Series 2012P Bonds will be deemed to have waived, on behalf of itself and all successors in interest in such Bonds, the provisions of Section 1102 of the Existing ASR Bond Resolution requiring publication of notice of the proposed amendments to the Existing ASR Bond Resolution contained herein.

[END OF ARTICLE XIII]

Passed by the Board of County Commissioners of Broward County, Florida, this 8th day of May, 2012, but deemed adopted and effective only in accordance with the provisions of Section 1312 hereof.

BROWARD COUNTY, FLORIDA

COUNTY COMMISSIONERS
CREATED
OCT 1st
1915
BROWARD COUNTY FLORIDA

Mayor, Broward County, Florida

For County Administrator and Ex-Officio
Clerk of the Board of County Commissioners

Approved as to form by Co-Bond Counsel
Squire Sanders (US) LLP and
Perry E. Thurston, Jr., P.A.

EXHIBIT A

FORM OF BONDS

UNITED STATES OF AMERICA
STATE OF FLORIDA
BROWARD COUNTY AIRPORT SYSTEM REVENUE [REFUNDING] BOND
SERIES ____

No. R-____ $__________

Broward County (the "County"), a political subdivision of the State of Florida, for value received, promises to pay, but solely from the sources and in the manner described below, to __________________, or registered assigns or legal representative, on the 1st day of October, ____ (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the principal office of ______________, in ___________, trustee (said bank, together with any successor appointed to act as such, is hereinafter referred to as the "Trustee"), the principal sum of ___________ DOLLARS ($______). The County also promises to pay, but solely from such sources, to the registered owner at his address as it appears on the bond registration books maintained by the Trustee as Bond Registrar, interest thereon on each October 1 and April 1 from the interest payment date next preceding the date on which it is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or it is authenticated prior to _________ 1, 20__, in which event it shall bear interest from its date, at the rate of _______ percent (____%) per annum until the principal sum hereof is paid. The County shall pay principal and interest in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof.

This Bond is one of a duly authorized series of airport system revenue [refunding] bonds of the County, each of which bears the designation "United States of America, State of Florida, Broward County Airport System Revenue [Refunding] Bond, Series ____" (the "Series ____ Bonds"), initially issued in an aggregate principal amount of _____________ Dollars ($______). The Series ____ Bonds are dated ________ 1, 20__, and are of like tenor and effect except as to number, interest rate, stated maturity and redemption. The County will use the proceeds of the Series ____ Bonds to [Insert proposed uses of Bond proceeds].

The Series ____ Bonds are issued under Resolution No. 2012-____ duly adopted by the Board of Commissioners of the County (the "Board") on May 1, 2012, which resolution amends and restates in its entirety Resolution No. 82-A-2 adopted by the Board on November 9, 1982, as amended and supplemented (said Resolution No. 2012-____, together with all amendments and supplements thereto, is hereinafter referred to as the "Resolution"). The Resolution provides for the issuance from time to time of additional bonds on a parity with the Series ____ Bonds, under the conditions, limitations and restrictions and for the purposes set forth in the Resolution (the Series ____ Bonds, together with all such additional bonds, are heretofore referred to as the "Bonds").

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

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

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

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

The Series ____ Bonds are issuable as registered bonds without coupons in denominations of $5,000 or any whole multiple thereof. At the principal office of the Trustee, in the manner and subject to the limitations and conditions provided in the Resolution, this Bond may be exchanged for an aggregate principal amount of other registered Series ____ Bonds without coupons of the same maturity, of other authorized denominations, and bearing interest at the same rate.

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

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

[Insert redemption provisions applicable to the Series ____ Bonds]

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, Broward County has caused this Bond to be signed by [bear the facsimile signature of] its Mayor and to be signed by [bear the facsimile signature of] its County Administrator and ex-officio Clerk of its Board of County Commissioners, and a facsimile of its official seal to be imprinted hereon, all as of the ____ day of ______________, 20__.

BROWARD COUNTY

BY: ______________________________
Mayor
Broward County, Florida

(SEAL)

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

CERTIFICATE OF AUTHENTICATION

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

____
Trustee

By ______________________________
Authorized Signatory

Date of authentication:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto ______________________________ the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints ____________________ attorney to register the transfer of the within bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: ________________

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

Please insert social security or other identifying number of Assignee.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation ("DTC"), to the County or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

ABBREVIATIONS

The following abbreviations, when used in inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

COM - as tenants in common	UNIF GIFT MIN ACT - ____ Custodian for ____
ENT - as tenants by the entireties	(Cust) (Minor)
TEN - as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act of ____________ (State)

Additional abbreviations may also be used though not in the above list.

RESOLUTION NO. 2017-493

A SERIES RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA, AUTHORIZING THE ISSUANCE OF THE COUNTY'S NOT EXCEEDING $400,000,000 AIRPORT SYSTEM REVENUE BONDS, SERIES 2017 (AMT), FOR THE PURPOSE OF PROVIDING FUNDS, TOGETHER WITH OTHER AVAILABLE MONEYS, TO PAY THE COST OF THE SERIES 2017 PROJECT, SUCH BONDS TO BE ISSUED AS ADDITIONAL BONDS UNDER RESOLUTION NO. 2012-320, ADOPTED ON MAY 8, 2012, AMENDING AND RESTATING RESOLUTION NO. 82-A-2, ADOPTED ON NOVEMBER 9, 1982, AS PREVIOUSLY AMENDED AND SUPPLEMENTED (THE "ASR BOND RESOLUTION"); DETERMINING THE FORM AND CERTAIN DETAILS OF SAID BONDS; DELEGATING TO THE COUNTY ADMINISTRATOR THE DETERMINATION OF CERTAIN MATTERS AND DETAILS CONCERNING SAID BONDS; DESIGNATING CERTAIN PASSENGER FACILITIES CHARGES AS "AVAILABLE REVENUES" AND IRREVOCABLY COMMITTING THE SAME FOR THE PAYMENT OF CERTAIN BONDS; AUTHORIZING THE NEGOTIATED SALE OF SAID BONDS AND THE EXECUTION AND DELIVERY OF A PURCHASE CONTRACT; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; APPROVING UNCERTIFICATED, BOOK-ENTRY ONLY REGISTRATION OF SAID BONDS WITH THE DEPOSITORY TRUST COMPANY; DELEGATING TO THE COUNTY ADMINISTRATOR AUTHORITY TO NEGOTIATE AND OBTAIN A MUNICIPAL BOND INSURANCE POLICY TO INSURE ALL OR A PORTION OF SAID BONDS AND TO EXECUTE AND DELIVER ANY RELATED AGREEMENTS; DELEGATING TO THE COUNTY ADMINISTRATOR AUTHORITY TO NEGOTIATE AND OBTAIN A RESERVE PRODUCT AND TO EXECUTE AND DELIVER ANY RELATED AGREEMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; PROVIDING FOR THE APPLICATION OF BOND PROCEEDS; CONFIRMING THE APPOINTMENT OF THE TRUSTEE, BOND REGISTRAR AND PAYING AGENT; PROVIDING FOR THE APPOINTMENT OF A FINANCIAL PRINTER FOR THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT; APPROVING THE ISSUANCE OF SAID BONDS FOR PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AUTHORIZING PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Resolution No. 2012-320 adopted on May 8, 2012 by the Board of County Commissioners (the "Board") of Broward County, Florida (the "County"), amending and restating Resolution No. 82-A-2, adopted by the Board on November 9, 1982, as previously amended and supplemented (the "ASR Bond Resolution"), the County is authorized to issue from time to time its airport system revenue bonds; and

WHEREAS, the ASR Bond Resolution provides for the issuance of airport system revenue bonds as Additional Bonds secured on a parity with the Outstanding Bonds (as defined herein) by Net Revenues (as defined in the ASR Bond Resolution) for the purpose of providing funds to (i) pay all or any part of the Cost (as defined in the ASR Bond Resolution) of any Additional Facilities (as defined in the ASR Bond Resolution), (ii) repay any advances made from any source to finance temporarily such cost, (iii) increase the amount on deposit in the Reserve Account and (iv) pay certain expenses incurred in connection with the issuance of the Additional Bonds; and

WHEREAS, the County has determined to issue its Airport System Revenue Bonds, Series 2017 (AMT), in an aggregate principal amount of not exceeding $400,000,000 (the "Series 2017 Bonds") as Additional Bonds under the ASR Bond Resolution, secured on a parity with the Outstanding Bonds from Net Revenues, for the purpose of providing funds, together with other available moneys, to (i) pay the Cost of the Series 2017 Project (as defined herein and as more specifically described in Exhibit A hereto), including as applicable, without limitation, reimbursing the County for Costs of the Series 2017 Project advanced by the County from its internal funds and paying Capitalized Interest (as defined in the ASR Bond Resolution) on all or a portion of the Series 2017 Bonds, (ii) fund the required deposit into the Reserve Account to satisfy the Reserve Requirement (as defined in the ASR Bond Resolution) as a result of the issuance of the Series 2017 Bonds, and (iii) pay certain costs of issuance relating to the Series 2017 Bonds; and

WHEREAS, the ASR Bond Resolution provides that certain details of Additional Bonds issued under the ASR Bond Resolution and certain other matters relating to said Additional Bonds shall be determined in a Series Resolution (as defined in the ASR Bond Resolution); and

WHEREAS, the ASR Bond Resolution allows the County to designate Passenger Facilities Charges as Available Revenues for one or more Series of Bonds and if such Available Revenues are irrevocably committed for the purpose of paying debt service on Bonds then the debt service to be paid from such irrevocably committed Available Revenues shall be disregarded and not included in calculating Principal and Interest Requirements; and

WHEREAS, the County desires to designate certain Passenger Facilities Charges as Available Revenues and irrevocably commit the same to the payment of debt service for a defined period of time, as described herein, on certain Bonds Outstanding under the ASR Bond Resolution, to wit: (i) a portion of the $92,775,000 original aggregate principal amount of Broward County, Florida Airport System Revenue Refunding Bonds, Series 2012P-2 (Non-AMT) (the "Series 2012P-2 Bonds"), (ii) all of the $515,620,000 original aggregate principal amount of Broward County, Florida Airport System Revenue Bonds, Series 2012Q-1 (Non-AMT) (the "Series 2012Q-1 Bonds"), (iii) all of the $210,975,000 original aggregate principal amount of Broward County, Florida Airport System Revenue Bonds, Series 2013C (Non-AMT)

(the "Series 2013C Bonds"), and (iv) all of the $46,305,000 original aggregate principal amount of Broward County, Florida Airport System Revenue Refunding Bonds, Series 2015C (AMT) (the "Series 2015C Bonds"); and

WHEREAS, pursuant to Section 218.385, Florida Statutes, an authorized representative of the Underwriters (as defined herein) is required to deliver to the County a truth-in-bonding statement and a disclosure statement, substantially in the forms incorporated in or attached to the Purchase Contract (as defined herein); and

WHEREAS, on the date hereof, the Board held a public hearing with respect to the Series 2017 Bonds as required by Section 147(f) of the Code (as defined in the ASR Bond Resolution), notice of said hearing having been published on October 1, 2017 in the Sun Sentinel, a newspaper of general circulation in the County (the "TEFRA Notice"); and

WHEREAS, there have been prepared with respect to the issuance and sale of the Series 2017 Bonds and submitted to the County forms of:

(i) a Purchase Contract with respect to the Series 2017 Bonds between Citigroup Global Markets Inc., as representative of the underwriters named therein (the "Underwriters"), and the County, attached hereto as Exhibit C and made a part hereof (the "Purchase Contract");

(ii) a Preliminary Official Statement relating to the Series 2017 Bonds, to be dated as of the date of its distribution, in the form of the Preliminary Official Statement relating to the Series 2017 Bonds attached hereto as Exhibit D and made a part hereof (the "Preliminary Official Statement");

(iii) a Continuing Disclosure Certificate attached hereto as Exhibit E and made a part hereof (the "Continuing Disclosure Certificate"); and

(iv) a Publisher's Affidavit showing publication of the TEFRA Notice attached hereto as Exhibit F and made a part hereof.

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

Section 1. Recitals, Definitions and Construction.

(a) Recitals. The recitals contained in the foregoing "WHEREAS" clauses are incorporated in this Series Resolution by this reference.

(b) Definitions. All capitalized terms used in this Series Resolution which are not defined herein shall have the meanings specified in the ASR Bond Resolution or, if not defined therein, in the Purchase Contract, unless the context otherwise clearly requires. In addition, unless the context otherwise clearly requires, the following capitalized words and terms defined in this Section shall have the following meanings:

"County Administrator's Certificate" means the certificate of the County Administrator setting forth the details of the Series 2017 Bonds and setting forth such other matters as delegated to the County Administrator herein.

"Deputy County Administrator" means any deputy county administrator of the County or officers succeeding to his/her principal functions.

"Disclosure Counsel" means counsel experienced in matters relating to primary offerings and secondary market disclosure of municipal securities, appointed by the County Attorney and approved by the Board.

"Finance Director" means the Chief Financial Officer and Director of the Finance and Administrative Services Department of the County, such officer's designee or the officer or officers succeeding to such officer's principal functions. The Finance Director constitutes the Chief Financial Officer for purposes of the ASR Bond Resolution.

"Mayor" means the Mayor of the County, or in his/her absence or unavailability, the Vice Mayor of the County or the officers succeeding to their principal functions.

"Outstanding Bonds" means the airport system revenue bonds issued by the County and Outstanding under and pursuant to the ASR Bond Resolution on the date of issuance and delivery of the Series 2017 Bonds, together with any Additional Bonds that the County may from time to time issue and have Outstanding under and pursuant to the ASR Bond Resolution subsequent to the issuance of the Series 2017 Bonds.

"Rule" means Rule 15c2-12, adopted by the Securities and Exchange Commission.

"Securities Depository" means The Depository Trust Company, New York, New York ("DTC") or its nominee or the successor of such nominee, or any successor appointed by the County.

"Series 2017 Project" means the acquisition, construction, equipping and installation of capital improvements at Fort Lauderdale-Hollywood International Airport, which improvements shall constitute Additional Facilities for purposes of the ASR Bond Resolution, all as more specifically described in Exhibit A attached hereto and made a part hereof.

"Series Resolution" means this resolution, together with the schedule or schedules of the Purchase Contract setting forth the details of the Series 2017 Bonds, the County Administrator's Certificate and one or more certificates of the Finance Director providing for the application of the proceeds of the Series 2017 Bonds and any other available moneys, all of which together shall constitute the "Series Resolution" for the Series 2017 Bonds for purposes of the ASR Bond Resolution.

(c) Rules of Construction. Any reference to any Article, Section or provision of the Constitution or Laws of the State, or of federal laws, or rules or regulations, shall include such provisions as amended, modified, revised, supplemented or superseded from time to time;

provided that no such change shall be deemed applicable to any particular Series 2017 Bond in any way that would constitute an unlawful impairment of the rights of the County or any Bondholder.

Terms which are relevant to the provisions of the Code, but which are not defined in this Series Resolution, shall have the meanings given to them in the Code, unless the context clearly requires another meaning.

Section 2. Findings. The Board finds, determines and declares as follows:

(a) In accordance with Section 218.385(1), Florida Statutes, as amended, the Board hereby finds, determines and declares that a negotiated sale of the Series 2017 Bonds is in the best interest of the County for the following reasons:

(i) the complex structure of the issuance of the Series 2017 Bonds requires extensive planning, premarketing and investor outreach and as a result, it is not practical for the County, Frasca & Associates, LLC (the "Financial Advisor") and the Underwriters to utilize a competitive bidding process;

(ii) the vagaries of the current and near future municipal bond market demand that the Underwriters have the maximum time and flexibility to price and market the Series 2017 Bonds, in order to attempt to obtain the most favorable interest rates available. The utilization of a competitive sale by public bidding is not in the best interests of the County due to the volatility of the municipal bond market and the need to sell the Series 2017 Bonds quickly when market conditions are favorable;

(iii) the County has entered into negotiations for the sale of the Series 2017 Bonds to the Underwriters, which negotiations have resulted in the preparation of the proposed form of Purchase Contract between the County and the Underwriters attached hereto as Exhibit C;

(iv) the terms and conditions for the sale and purchase of the Series 2017 Bonds set forth in the Purchase Contract are fair and reasonable; and

(v) for the foregoing reasons, it is found and determined that it is necessary and desirable and in the best interests of the County to sell the Series 2017 Bonds in a negotiated sale and to authorize the County Administrator (or in her absence or unavailability any Deputy County Administrator or her designee) to execute the Purchase Contract for the sale of the Series 2017 Bonds as provided in Section 5 hereof.

(b) The sale and issuance of the Series 2017 Bonds and the use of their proceeds, as provided in this Series Resolution, serve a proper public purpose.

Section 3. Authorization and Details of Series 2017 Bonds.

(a) Authorization of Series 2017 Bonds. There is hereby authorized a Series of airport system revenue bonds of the County designated "Broward County, Florida Airport System Revenue Bonds, Series 2017 (AMT)" to be issued under and pursuant to Section 209 of the ASR Bond Resolution. The Series 2017 Bonds shall be issued in an aggregate principal amount of not exceeding Four Hundred Million Dollars ($400,000,000) for the purpose of providing funds, together with other available moneys, to (i) pay the Cost of the Series 2017 Project, including as applicable, without limitation, reimbursing the County for Costs of the Series 2017 Project advanced by the County from its internal funds and paying Capitalized Interest on all or a portion of the Series 2017 Bonds, (ii) fund the required deposit into the Reserve Account to satisfy the Reserve Requirement as a result of the issuance of the Series 2017 Bonds, and (iii) pay certain costs of issuance relating to the Series 2017 Bonds.

When the documents mentioned in clauses (a) to (e), inclusive, of Section 209 of the ASR Bond Resolution shall have been filed with the Trustee and when the Series 2017 Bonds shall have been executed by the County and authenticated by the Trustee as required by the ASR Bond Resolution, the Trustee shall deliver the Series 2017 Bonds at one time to or upon the order of the Underwriters, but only upon payment to the Trustee of the purchase price of the Series 2017 Bonds. The Trustee shall be entitled to rely upon this Series Resolution as to all matters stated herein.

The proceeds of the Series 2017 Bonds shall be applied by the Trustee in the manner provided in Section 12 of this Series Resolution.

The Series 2017 Bonds shall only be issued upon compliance with the terms and conditions of Section 209 of the ASR Bond Resolution.

(b) Form, Denominations, Date, Interest Rates and Maturity Dates of Series 2017 Bonds. The Series 2017 Bonds are issuable only in fully registered form and shall be in substantially the form thereof set forth in Exhibit B to this Series Resolution, with such appropriate variations, omissions and insertions as may be required therein and approved by the County Administrator as set forth in the Purchase Contract and in the County Administrator's Certificate. The Series 2017 Bonds shall be issued in denominations of $5,000 or any multiple thereof, or such other denominations as determined by the County Administrator. The Series 2017 Bonds shall be dated their date of issuance and shall bear interest as provided in Section 202 of the ASR Bond Resolution, unless otherwise determined by the County Administrator and set forth in the Purchase Contract and the County Administrator's Certificate. Interest on the Series 2017 Bonds shall be payable semiannually on April 1 and October 1 of each year, commencing on such date as shall be determined by the County Administrator and set forth in the County Administrator's Certificate. The Series 2017 Bonds shall mature on October 1, in such year or years, but not later than the year 2047, shall bear interest at such fixed rate or rates, may be subject to mandatory redemption and optional redemption, all as determined by the County Administrator and as set forth in the Purchase Contract and the County Administrator's Certificate; provided, however, that the Series 2017 Bonds shall be sold to the Underwriters at not less than ninety-eight percent (98.00%) (inclusive of underwriters' discount, but not inclusive of original issue discount; the original issue discount may be such as is necessary to market and

sell the Series 2017 Bonds) of the original principal amount of the Series 2017 Bonds and at a true interest cost rate not to exceed six percent (6.00%) per annum. The Series 2017 Bonds shall be numbered consecutively from R-1 and upwards. Subject to the foregoing, the aggregate principal amount, maturities, interest rates and other terms of the Series 2017 Bonds shall be as approved and determined by the County Administrator and set forth in the Purchase Contract and the County Administrator's Certificate, with the execution and delivery of the Purchase Contract as described in Section 5 hereof being conclusive evidence of the County's approval of the final details and prices of the Series 2017 Bonds. The Series 2017 Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto. The execution and delivery of the Series 2017 Bonds substantially in the form mentioned above is hereby authorized, and the execution of the Series 2017 Bonds for and on behalf of the County, with a facsimile or manual signature, by the Mayor, with the official seal impressed or imprinted thereon and attested, with a facsimile or manual signature, by the County Administrator, are hereby authorized and shall be conclusive evidence of any such approval.

All payments of interest on the Series 2017 Bonds shall be made by check mailed to the owners in whose names Series 2017 Bonds are registered on the Record Date; provided, however, that any Holder of Series 2017 Bonds in an aggregate principal amount of at least $1,000,000 shall be entitled to have interest paid by wire transfer to such Holder to the bank account number on file with the Paying Agent, upon written request to the Paying Agent received prior to the Record Date preceding any Interest Payment Date, which written request shall specify the bank (which shall be a bank within the continental United States) and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed by written notice to the Paying Agent received prior to the Record Date preceding any Interest Payment Date. Interest on the Series 2017 Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

(c) Optional Redemption of Series 2017 Bonds. The Series 2017 Bonds shall be subject to redemption prior to maturity at the option of the County, in whole or in part at any time, at such times, and at the redemption prices, as approved and determined by the County Administrator, as set forth in the Purchase Contract and in the County Administrator's Certificate; provided, however, the redemption premium on the Series 2017 Bonds shall not exceed three percent (3.00%). The execution and delivery of the Purchase Contract as described in Section 5 hereof shall be conclusive evidence of the County's approval of the optional redemption provisions contained therein relating to the Series 2017 Bonds.

(d) Mandatory Sinking Fund Redemption of Series 2017 Bonds. The Series 2017 Bonds consisting of Term Bonds shall be subject to mandatory redemption prior to maturity to the extent of the Sinking Fund Requirements therefor at the principal amount of such Series 2017 Bonds to be redeemed, plus accrued interest to the date fixed for redemption, but without premium, for which there is a Sinking Fund Requirement due on such Series 2017 Bonds. The Sinking Fund Requirements and redemption date or dates for the Series 2017 Bonds consisting of Term Bonds shall be as approved and determined by the County Administrator, all as set forth in the Purchase Contract and the County Administrator's Certificate. The execution and delivery of the Purchase Contract as described in Section 5 hereof shall be conclusive evidence of the

County's approval of the mandatory sinking fund redemption provisions contained therein relating to the Series 2017 Bonds.

(e) Extraordinary Optional Redemption of Series 2017 Bonds. The Series 2017 Bonds are subject to redemption on any interest payment date at the option of the County, as provided in the ASR Bond Resolution, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, if all or any part of the Airport System is damaged, destroyed or condemned or if the County disposes of any portion of the Airport System.

(f) Notice of Redemption. Except as otherwise provided in this Section 3(f), notice of redemption of the Series 2017 Bonds shall be given in the manner set forth in Section 304 of the ASR Bond Resolution; provided, however, that during any period that the Securities Depository or its nominee is the Registered Owner of the Series 2017 Bonds, notices will be sent only to such Securities Depository or its nominee. During such period, the Trustee shall not be responsible for mailing notices of redemption to anyone other than the Securities Depository or its nominee.

If at the time of delivery of the notice of any optional redemption, there has not been deposited with the Trustee for payment sufficient moneys to redeem all of the Series 2017 Bonds called for redemption, the notice shall state that it is conditional in that it is subject to the deposit of sufficient moneys no later than the Redemption Date, and if the deposit is not timely made the notice shall be of no effect.

(g) Reserve Requirement for Series 2017 Bonds. The Board hereby authorizes the County Administrator to establish the Reserve Requirement for the Series 2017 Bonds in such amount as the County Administrator determines is in the best interests of and advantageous to the County. The County Administrator shall determine the amount of the Reserve Requirement, if any, for the Series 2017 Bonds, subject to the provisions of the ASR Bond Resolution and this Series Resolution. If the County Administrator determines that the establishment of a Reserve Requirement for the Series 2017 Bonds is in the best interests of and advantageous to the County, the County Administrator shall make further determinations as to whether the Reserve Requirement shall be funded from the proceeds of the Series 2017 Bonds, other moneys available to the County, a Reserve Product or a combination of the foregoing. The determinations required to be made by the County Administrator pursuant to this paragraph (g) shall be made after consultation with the Financial Advisor and the Finance Director, but prior to the execution of the Purchase Contract and shall be set forth in the County Administrator's Certificate and an exhibit to said Purchase Contract together with all of the other details of the Series 2017 Bonds required to be determined by the County Administrator. The execution and delivery of the Purchase Contract as described in Section 5 hereof shall be conclusive evidence of the County's approval of the determinations to be made by the County Administrator pursuant to this paragraph (g).

(h) In making the determinations set forth in this Section 3, the County Administrator is entitled to consult with and seek advice from the Financial Advisor, the Finance Director, the County Attorney, Bond Counsel and Disclosure Counsel.

Section 4. Designation and Irrevocable Commitment of Certain Available Revenues for Certain Bonds.

(a) As permitted by the ASR Bond Resolution, the County hereby determines that Passenger Facilities Charges shall constitute Available Revenues for a portion of the Series 2012P-2 Bonds and all of the Series 2012Q-1 Bonds, Series 2013C Bonds and Series 2015C Bonds in each of the Fiscal Years ending September 30, 2022 and September 30, 2023, in an amount for each such Fiscal Year as set forth in the County Administrator's Certificate delivered in connection with the issuance of the Series 2017 Bonds. The amount of Available Revenues specified in the County Administrator's Certificate for each such Fiscal Year shall be the amount required to (i) pay the full amount of principal of and interest due and payable on the Series 2012Q-1 Bonds, the Series 2013C Bonds and the Series 2015C Bonds in each such Fiscal Year and (ii) pay a portion of the principal of and interest due and payable on the Series 2012P-2 Bonds in each such Fiscal Year, as specifically set forth in the County Administrator's Certificate.

(b) The County hereby irrevocably commits, to the extent received, Passenger Facilities Charges (hereinafter referred to as "Available PFC Revenues"), including any investment earnings thereon, in a total amount for each Fiscal Year described in subsection (a) above.

(c) As provided in the ASR Bond Resolution, the debt service on the Series 2012P-2 Bonds, the Series 2012Q-1 Bonds, the Series 2013C Bonds and the Series 2015C Bonds to be paid from the Available Revenues irrevocably committed pursuant to this Section 4 shall be disregarded and not included in calculating Principal and Interest Requirements in each applicable Fiscal Year for purposes of the ASR Bond Resolution.

(d) (i) In each of the Fiscal Years specified in subsection (a) above, the County shall deposit an amount of Passenger Facilities Charges as received by the County into the Available PFC Account established pursuant to Section 518(b) of the ASR Bond Resolution until there have been deposited therein during such Fiscal Year an amount of Passenger Facilities Charges at least equal to the committed amounts of Available Revenues described in subsection (a) above and specifically set forth in the County Administrator's Certificate; it being understood and agreed that the County may, but shall not be obligated to, use uncommitted Passenger Facilities Charges from prior Fiscal Years to fund committed amounts of Available PFC Revenues in subsequent Fiscal Years. Available PFC Revenues shall be transferred by the County from the Available PFC Account to the applicable Account of the Bond Fund in accordance with the provisions of Section 518(c) of the ASR Bond Resolution, and expended in the amounts and during the Fiscal Years set forth in subsection (a) above to pay principal and/or interest due on the Series 2012P-2 Bonds, the Series 2012Q-1 Bonds, the Series 2013C Bonds and the 2015C Bonds.

(ii) Any Passenger Facilities Charges received in any of the Fiscal Years specified in subsection (a) above in excess of the committed amounts of Available PFC Revenues described in such subsection (a) and specifically set forth in the County

Administrator's Certificate, including any investment earnings thereon, may be used by the County for paying the cost of projects eligible to be funded with Passenger Facilities Charges or as otherwise permitted by federal statute or the regulations promulgated by the Federal Aviation Administration with respect to Passenger Facilities Charges.

Section 5. **<u>Authorization and Approval of Purchase Contract</u>.** The Board hereby authorizes and approves the form of the Purchase Contract attached as Exhibit C hereto, with such changes, amendments, modifications, omissions and additions as may be approved by the County Administrator, as set forth herein. The Board hereby authorizes and directs the County Administrator to determine the final provisions of the Purchase Contract, within the parameters for the Series 2017 Bonds set forth in Section 3 of this Series Resolution. Upon compliance by the Underwriters with the requirements of Section 218.385(2) and (3), Florida Statutes, and Section 218.385(6), Florida Statutes, by filing the "truth-in-bonding statement" and the "disclosure statement" required by said statutory provisions, the Mayor or, in the event of the Mayor's unavailability, the County Administrator, is hereby authorized to execute and the County Administrator is hereby authorized to attest to, seal and deliver the Purchase Contract in substantially the form approved at this meeting and attached hereto as Exhibit C (except that if the County Administrator executes the Purchase Contract, said execution shall be attested to, and the Purchase Contract shall be sealed and delivered, by any other authorized officer of the County), subject to such changes, insertions and omissions and such filling in of blanks therein as hereafter may be approved and made by the County Administrator upon the advice of the Financial Advisor, the Finance Director, the County Attorney and Bond Counsel. The execution, attestation and delivery of the Purchase Contract, as described herein, shall be conclusive evidence of the County's approval of any such determinations, changes, insertions, omissions or filling in of blanks.

Section 6. **<u>Authorization and Approval of Negotiated Sale of Series 2017 Bonds</u>.** Based on the findings set forth in Section 2(a) hereof, the Board hereby approves the negotiated sale of the Series 2017 Bonds to the Underwriters, and the County Administrator is hereby authorized to sell and award the Series 2017 Bonds to the Underwriters, upon the terms and conditions set forth herein and as set forth in the County Administrator's Certificate and the Purchase Contract.

Section 7. **<u>Authorization and Approval of Preliminary Official Statement and Final Official Statement</u>**. The use and distribution by the Underwriters of the Preliminary Official Statement in connection with the offering of the Series 2017 Bonds for sale by the Underwriters, in substantially the form presented to the Board at this meeting, and attached hereto as Exhibit D, is hereby authorized and approved by the Board, and such Preliminary Official Statement, with the permitted omissions, is deemed "final" for purposes of subsection (b)(1) of the Rule. The Mayor and the County Administrator are authorized and directed to execute and deliver a final Official Statement relating to the Series 2017 Bonds in the name and on behalf of the County, and thereupon to cause such Official Statement to be delivered to the Underwriters within seven (7) Business Days of the execution of the Purchase Contract, with such variations, omissions and insertions as may be determined by the County Administrator after consultation with the Financial Advisor, the Finance Director, the County Attorney, Bond Counsel and Disclosure Counsel. The use and distribution of such final Official Statement in substantially the form of the Preliminary Official Statement is hereby approved, with such terms and provisions as

modified to incorporate the final terms of sale of the Series 2017 Bonds, subject to such changes, modifications, deletions and additions as the County Administrator, upon the advice of the Financial Advisor, the Finance Director, the County Attorney, Bond Counsel and Disclosure Counsel may deem necessary and appropriate, the execution of the final Official Statement relating to the Series 2017 Bonds for and on behalf of the County by the Mayor and the County Administrator being conclusive evidence of the County's approval of any such changes.

Section 8. **<u>System of Uncertificated Registration</u>.** There is hereby established a system of registration with respect to the Series 2017 Bonds as permitted by Chapter 279, Florida Statutes. The system shall be as described below and in the Official Statement. The County reserves the right to amend, discontinue or reinstitute this system from time to time subject to the covenants with the beneficial owners of the Series 2017 Bonds.

The Series 2017 Bonds are to be issued as uncertificated securities, pursuant to the book-entry only system maintained by the Securities Depository, subject to the terms and provisions of the Blanket Issuer Letter of Representations dated as of November 16, 1995, previously executed by the County and delivered to DTC. Upon initial issuance of the Series 2017 Bonds, and until the Series 2017 Bonds are no longer maintained through DTC's book-entry only system, the Registered Owner of all the Series 2017 Bonds shall be, and the Series 2017 Bonds shall be registered in the name of, Cede & Co., as nominee of DTC. The Series 2017 Bonds shall be initially issued in the form of separate single typewritten Bonds for each maturity of the Series 2017 Bonds.

Neither the County nor the Trustee shall be liable for the failure of DTC or any other securities depository of the Series 2017 Bonds to perform its obligations as described in the Official Statement, nor for the failure of any participant in the system maintained by DTC or any other depository to perform any obligation the participant may have or incur to a beneficial owner of any Series 2017 Bonds.

The Blanket Issuer Letter of Representations dated November 16, 1995, executed by the County and delivered to DTC, is hereby ratified and confirmed.

Section 9. **<u>Municipal Bond Insurance</u>.** In order to produce the lowest true interest cost possible for the Series 2017 Bonds, the County Administrator is hereby authorized to secure one or more municipal bond insurance policies with respect to any or all of the Series 2017 Bonds, if, after consultation with the Finance Director and the Financial Advisor, the County Administrator determines that obtaining such municipal bond insurance policy or policies is in the best interests of the County. The County is hereby authorized to provide for the payment of any premium on such municipal bond insurance policy or policies from the proceeds of the issuance of the Series 2017 Bonds and to enter into such agreement as may be necessary to secure such municipal bond insurance policies, with the County Administrator's execution of any such agreement to be conclusive evidence of the County's approval thereof; provided, however, that any such agreement shall be in form and substance satisfactory to the Finance Director, the County Attorney and Bond Counsel. The provisions of any such agreement shall supersede any inconsistent provision of the ASR Bond Resolution and/or the Series Resolution.

Section 10. Reserve Product. The County Administrator is hereby authorized to secure one or more Reserve Products to satisfy the Reserve Requirement for the Series 2017 Bonds, or any portion thereof, if, after consultation with the Finance Director and the Financial Advisor, the County Administrator determines that obtaining such Reserve Product is in the best interests of the County. The County is hereby authorized to provide for the payment of any premium on such Reserve Product(s) from the proceeds of the issuance of the Series 2017 Bonds and to enter into such agreement(s) as may be necessary to secure such Reserve Product, with the County Administrator's execution of any such agreements to be conclusive evidence of the County's approval thereof; provided, however, that any such agreements shall be in form and substance satisfactory to the Finance Director, the County Attorney and Bond Counsel. The provisions of any such agreements shall supersede any inconsistent provision in the ASR Bond Resolution and/or the Series Resolution.

Section 11. Authorization and Approval of Continuing Disclosure Certificate. The Board hereby authorizes and approves the Continuing Disclosure Certificate substantially in the form attached as Exhibit E hereto. For the benefit of the holders and beneficial owners from time to time of the Series 2017 Bonds, the County agrees, in accordance with and as the only obligated person with respect to the Series 2017 Bonds under the Rule, to provide or cause to be provided such financial information and operating data, financial statements and notices, in such manner, as may be required for purposes of paragraph (b)(5) of the Rule, all as more specifically set forth in the Continuing Disclosure Certificate. The Finance Director is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate, in substantially the form attached hereto as Exhibit E, with such changes, insertions and omissions and such filling-in of blanks therein as may be approved by the Finance Director. The execution of the Continuing Disclosure Certificate, for and on behalf of the County by the Finance Director, shall be deemed conclusive evidence of the County's approval of the Continuing Disclosure Certificate. Notwithstanding any other provisions of this Series Resolution, any failure by the County to comply with any provisions of the Continuing Disclosure Certificate or this Section 10 shall not constitute a default under the ASR Bond Resolution and the remedies therefor shall be solely as provided in the Continuing Disclosure Certificate.

The Finance Director is further authorized and directed to establish, or cause to be established, procedures in order to ensure compliance by the County with the Continuing Disclosure Certificate, including the timely provision of information and notices. Prior to making any filing in accordance with such agreement, the Finance Director shall consult with, as appropriate, the County Attorney, Bond Counsel and/or Disclosure Counsel. The Finance Director, acting in the name and on behalf of the County, shall be entitled to rely upon any legal advice provided by the County Attorney, Bond Counsel or Disclosure Counsel in determining whether a filing should be made.

Section 12. Application of Bond Proceeds. (a) Subject to the provisions of Section 209 of the ASR Bond Resolution, the proceeds of the Series 2017 Bonds shall be applied for the purposes stated in and in a manner consistent with the Sources and Uses of Funds section of the Official Statement. The specific amounts to be deposited in the funds and accounts established by the ASR Bond Resolution and by this Series Resolution, or to be reimbursed to the County for Costs of the Series 2017 Project advanced by the County from its internal funds, shall be set

forth in a certificate to be delivered by the Finance Director simultaneously with the delivery of the Series 2017 Bonds.

(b) There is hereby created a separate subaccount within the Additional Facilities Account in the Construction Fund established under the ASR Bond Resolution designated as the "Series 2017 Subaccount." Proceeds of the Series 2017 Bonds for deposit to the credit of the Additional Facilities Account in the Construction Fund shall be deposited in the foregoing subaccount in accordance with the certificate of the Finance Director mentioned in (a) above and shall be disbursed pursuant to Sections 404 or 405 of the ASR Bond Resolution, as applicable.

Section 13. Tax and Arbitrage Covenants. The County agrees that it will not take any action or permit any action to be taken on its behalf, or cause or permit any circumstance within its control to arise or continue, if such action or circumstance, or its expectation on the date of issuance of the Series 2017 Bonds, would cause the interest paid by the County on the Series 2017 Bonds to be includable in the gross income of the Holders thereof for federal income tax purposes. In furtherance of the foregoing covenant, the County agrees that it will comply with the provisions of the tax compliance certificate to be prepared by Bond Counsel and executed and delivered on the date of issuance of the Series 2017 Bonds. The Finance Director is authorized to execute and deliver such tax compliance certificate in customary form.

Notwithstanding anything in this Series Resolution to the contrary, the requirement of the County to rebate any amounts due to the United States pursuant to Section 148 of the Code shall survive the payment or provision for payment of the principal, interest and redemption premium, if any, with respect to the Series 2017 Bonds.

Upon issuance of the Series 2017 Bonds or at any time thereafter when and if deemed necessary, and solely for accounting purposes, the Trustee is hereby authorized to establish a separate subaccount with respect to the Series 2017 Bonds within each account of the Bond Fund in order to permit compliance with the arbitrage rebate requirements of the Code.

Section 14. Appointment of Trustee, Bond Registrar, Paying Agent; Selection of Printer.

(a) Trustee, Bond Registrar and Paying Agent. Wells Fargo Bank, National Association previously has been appointed as Trustee, Bond Registrar and Paying Agent under the ASR Bond Resolution. The appointment of Wells Fargo Bank, National Association, as Trustee, Bond Registrar and Paying Agent under the ASR Bond Resolution is hereby ratified, confirmed and continued in effect.

(b) Printer. The County Administrator is hereby authorized and directed to select a financial printer having a favorable reputation in the printing of preliminary official statements and official statements to serve as the printer of the Preliminary Official Statement and the final Official Statement, and the payment of such printer's reasonable fees and expenses for such services is hereby authorized.

Section 15. TEFRA Approval. On the date hereof, a public hearing was held by the Board for the purpose of giving all interested persons an opportunity to express their views, either orally or in writing, in connection with the County's proposed issuance of the Series 2017

Bonds, all as required pursuant to Section 147(f) of the Code. The Board hereby ratifies and confirms the form of the TEFRA Notice, as evidenced by Exhibit F hereto. The Board hereby further approves the issuance of the Series 2017 Bonds in all respects for purposes of Section 147(f) of the Code.

Section 16. **Further Official Action.** The Mayor, the County Administrator, the Finance Director, the County Attorney and any other proper officials of the County are hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Series Resolution. In the event that any of the Mayor, the County Administrator, the Finance Director or the County Attorney is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the County. The County Administrator or any Deputy County Administrator is hereby authorized and directed to affix and attest the official seal of the County to any agreement or instrument authorized or approved herein or in the ASR Bond Resolution that requires such a seal and attestation.

Section 17. **Resolution Controlling.** All resolutions or proceedings, or parts thereof, in conflict with the provisions hereof are to the extent of such conflict hereby amended to be consistent herewith to the extent of such inconsistency.

Section 18. **Effective Date.** This Series Resolution shall take effect immediately upon its adoption.

Adopted by the Board of County Commissioners of Broward County, Florida, this 17th day of October, 2017. ~~(Item 36)~~ (Item #33)

BROWARD COUNTY, FLORIDA

Mayor
Broward County, Florida

County Administrator and Ex-Officio
Clerk of the Board of County Commissioners

Approved as to form by Bond Counsel

Squire Patton Boggs (US) LLP and
Perry E. Thurston, Jr., P.A.

COUNTY COMMISSIONERS
CREATED
OCT 1st
1915
BROWARD COUNTY FLORIDA

EXHIBIT A

DESCRIPTION OF SERIES 2017 PROJECT

The Series 2017 Project will consist of the design, acquisition, construction, improving, equipping and managing of various capital improvements at the Airport, as set forth below.

- Terminal Modernizations
- Terminal Connectors
- Concourse A
- Terminal 4 Gate Replacement (Concourse G) and Ramp
- Federal Inspection Services Facility Improvements
- Ground Transportation Facility Improvements
- Parking Garage Rehabilitation
- Master Plan Implementation

EXHIBIT B

FORM OF SERIES 2017 BOND

No. R-__ $__________

UNITED STATES OF AMERICA
STATE OF FLORIDA
BROWARD COUNTY AIRPORT SYSTEM REVENUE BOND
SERIES 2017 (AMT)

Maturity Date	Interest Rate	Original Issue Date	CUSIP
October 1, ____	____%	__________, 20__	__________

REGISTERED HOLDER: Cede & Co.

PRINCIPAL AMOUNT: ______________________________ Dollars

Broward County (the "County"), a political subdivision of the State of Florida, for value received, promises to pay, but solely from the sources and in the manner described below, to the registered holder shown above, or registered assigns or legal representative, on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the principal office of Wells Fargo Bank, National Association, in Jacksonville, Florida trustee (said bank, together with any successor appointed to act as such, is hereinafter referred to as the "Trustee"), the principal sum shown above. The County also promises to pay, but solely from such sources, to the registered owner at his address as it appears on the bond registration books maintained by the Trustee as Bond Registrar, interest thereon on each October 1 and April 1 from the interest payment date next preceding the date on which it is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or it is authenticated prior to __________ 1, 20__, in which event it shall bear interest from its date, at the rate per annum specified above, until the principal sum hereof is paid. The County shall pay principal and interest in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof.

This Bond is one of a duly authorized series of airport system revenue bonds of the County, each of which bears the designation "United States of America, State of Florida, Broward County Airport System Revenue Bond, Series 2017 (the "Series 2017 Bonds"), initially issued in an aggregate principal amount of ______________________________ Dollars ($__________). The Series 2017 Bonds are dated __________, 20__, and are of like tenor and effect except as to number, interest rate, stated maturity and redemption. The County will use the proceeds of the Series 2017 Bonds to provide funds, together with other available moneys, to (i) pay the Cost of the Series 2017 Project, including, without limitation, reimbursing the County for Costs of the Series 2017 Project advanced by the County from its internal funds [and paying Capitalized Interest (as defined in the hereinafter described Resolution) on [all][a portion] of the Series 2017 Bonds], [and] (ii) [fund the required deposit to the Reserve Account to satisfy the increase in the Reserve Requirement as a result of the issuance of the Series 2017 Bonds, and (iii)] pay certain costs of issuance of the Series 2017 Bonds.

The Series 2017 Bonds are issued under Resolution No. 2012-320 duly adopted by the Board of Commissioners of the County (the "Board") on May 8, 2012, which resolution amends and restates in its entirety Resolution No. 82-A-2 adopted by the Board on November 9, 1982, as amended and supplemented, as supplemented by Resolution No. 2017-____ adopted by the Board on ______________, 2017 (said Resolution No. 2012-320, together with all amendments and supplements thereto, is hereinafter referred to as the "Resolution"). The Resolution provides for the issuance from time to time of Additional Bonds on a parity with the Series 2017 Bonds, under the conditions, limitations and restrictions and for the purposes set forth in the Resolution (the Series 2017 Bonds, together with all such Additional Bonds heretofore or hereafter issued, are referred to herein as the "Bonds"). All capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Resolution.

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

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

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

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

The Series 2017 Bonds are issuable as registered bonds without coupons in denominations of $5,000 or any whole multiple thereof. At the principal office of the Trustee, in the manner and subject to the limitations and conditions provided in the Resolution, this Bond may be exchanged for an aggregate principal amount of other registered Series 2017 Bonds

without coupons of the same maturity, of other authorized denominations, and bearing interest at the same rate.

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

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

The Series 2017 Bonds maturing on or prior to October 1, ___ are not subject to optional redemption prior to maturity. The Series 2017 Bonds maturing after October 1, ____ are subject to redemption prior to maturity, at the option of the County, as a whole or in part at any time, and if in part, the maturities, Sinking Fund Requirements and principal amounts to be redeemed to be determined by the County in its sole discretion, on or after October 1, ____ at a redemption price of 100% of the principal amount of the Series 2017 Bonds so redeemed, plus accrued interest to the redemption date.

The Series 2017 Bonds maturing on October 1, ____ and October 1, ____ are subject to mandatory redemption at the redemption price of par plus accrued interest on the dates and in the Sinking Fund Requirements described below:

Series 2017 Bonds maturing October 1, ____

Year	Sinking Fund Requirement
	$
*	

* Final Maturity

Series 2017 Bonds maturing October 1, ____

Year	Sinking Fund Requirement
	$
*	

* Final Maturity

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

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

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

On the date fixed for redemption, notice having been mailed in the manner provided in the Resolution, the Bonds or portions thereof called for redemption will be due and payable at the redemption price provided therefor, plus accrued interest to such date. If there has been delivered to the Trustee and the Trustee is then holding in trust money or Defeasance Obligations, or a combination of both, sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed plus accrued interest to the date of redemption, interest on the Bonds or portions thereof called for redemption will cease to accrue; such Bonds or portions thereof will cease to be entitled to any benefits or security of or to be deemed outstanding under the Resolution; and the holders of such Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption. In addition, this Bond or any portion hereof will not be deemed to be outstanding under the Resolution and will cease to be entitled to the security of or any rights under the Resolution, and the registered owner hereof shall have no rights other than to be given notice of redemption, to receive payment of the redemption price of this Bond or the portion hereof to be redeemed and accrued interest hereon or on such portion to the date of redemption, and, to the extent provided in the Resolution, to receive other Series 2017 Bonds for any unredeemed portion hereof, if irrevocable instructions to pay all or a portion of this Bond on one or more specified dates or to call the same for redemption at the earliest redemption date have been given to the Trustee and money or Defeasance Obligations, or a combination of both, sufficient to pay the redemption price of this Bond or the portion hereof to be redeemed, together with accrued interest hereon or on such portion to such date, are held by the Trustee in trust for the registered owner hereof. Defeasance Obligations will be deemed to be sufficient to redeem or pay this Bond or a portion hereof on a specified date if the principal of and the interest on such Defeasance Obligations, when due, will be sufficient to pay on such date the redemption price hereof or of the portion hereof to be redeemed and the interest accruing on this Bond or on such portion to such date. If a portion of this Bond is called for redemption, a new Series 2017 Bond or Series 2017 Bonds in principal amount equal to the unredeemed portion hereof will be issued to the registered owner upon the surrender hereof.

The holder of this Bond shall have no right to enforce the provisions of the Resolution, to institute action to enforce the covenants therein, to take any action with respect to any event of

default under the Resolution, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Resolution.

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

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

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

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

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

IN WITNESS WHEREOF, Broward County has caused this Bond to be signed by its Mayor and to be signed by its County Administrator and ex-officio Clerk of its Board of County Commissioners, and a facsimile of its official seal to be imprinted hereon, all as of the _____ day of ____________, 20__.

BROWARD COUNTY

____
Mayor
Broward County, Florida

(SEAL)

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

CERTIFICATE OF AUTHENTICATION

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

WELLS FARGO BANK,
NATIONAL ASSOCIATION, Trustee

By:______________________________
Authorized Signatory

Date of authentication: _____________, 20__

STATEMENT OF INSURANCE

[ADD, IF APPLICABLE]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto ______________________________ the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints ______________________________ attorney to register the transfer of the within bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: ____________________

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

Please insert social security or other identifying number of Assignee.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation ("DTC"), to the County or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

ABBREVIATIONS

The following abbreviations, when used in inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

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 of ______________________ (State)	

Additional abbreviations may also be used though not in the above list.

EXHIBIT C

PURCHASE CONTRACT

EXHIBIT D

PRELIMINARY OFFICIAL STATEMENT

EXHIBIT E

CONTINUING DISCLOSURE CERTIFICATE

EXHIBIT F

TEFRA NOTICE

APPENDIX E

FORMS OF THE AIRLINE AGREEMENTS

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AIRLINE-AIRPORT LEASE AND USE AGREEMENT

BETWEEN

BROWARD COUNTY

AND

____

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AIRLINE-AIRPORT
LEASE AND USE AGREEMENT

THIS AIRLINE-AIRPORT LEASE AND USE AGREEMENT, hereinafter referred to as "Agreement" or "Signatory Agreement", is entered into between Broward County, a political subdivision of the State of Florida, hereinafter referred to as "County," and ______________________, a limited liability corporation organized and existing under the laws of the State of Nevada authorized to do business in the State of Florida, hereinafter referred to as "Airline";

W I T N E S S E T H:

WHEREAS, County is the owner of the Fort Lauderdale-Hollywood International Airport, located in Broward County, state of Florida ("Airport"); and

WHEREAS, County has the right to lease and license the use of the property on the Airport and has full power and authority to enter into this Agreement in respect thereof; and

WHEREAS, Airline, as duly authorized by governmental authority, is engaged in the business of air transportation with respect to persons, property and mail at the Airport and elsewhere; and

WHEREAS, Airline requires the use of certain specific premises, facilities, rights and privileges in connection with its use of the Airport; and

WHEREAS, County and Airline acknowledge that during the term of this Agreement County may adopt a new bond resolution (referred to herein as the "Subordinate Bond Resolution") pursuant to which County may issue airport revenue bonds to finance and refinance the planning, design, acquisition, construction, installation and equipping of one or more Airport-related projects, with such bonds being issued on a subordinate basis to the Revenue Bonds issued and outstanding under the "Bond Resolution," (as defined herein), and County and Airline desire to provide hereunder for such Subordinate Bond Resolution to the greatest extent possible; and

WHEREAS, the County and the Airline desire to enter into this Agreement in order to, among other things: (i) provide for the planning, design, construction, installation and equipping of the "Runway Program" (as defined herein) and (ii) allow for the financing of the Runway Program, in whole or in part, through the issuance by the County of "Non-AMT Bonds" (as defined herein); and

WHEREAS, the Airline acknowledges and agrees to execute a Signatory Terminal Building Lease Agreement ("TBLA") contemporaneously herewith;

NOW, THEREFORE, for and in consideration of the agreements set forth herein, County and Airline agree as follows:

ARTICLE I
DEFINITIONS

The following words, terms and phrases wherever used in this Agreement shall, for the purpose of this Agreement have the following meanings:

1.1 Affiliate shall mean, as the context allows, both a "Wholly Owned Affiliate" of Airline, and a "Non-Wholly Owned Affiliate" of Airline, so long as Airline remains a "Signatory Airline," as defined below. A "Wholly Owned Affiliate" is defined as a Scheduled Air Carrier that is (i) one hundred percent (100%) directly or indirectly owned by a Signatory Airline, or (ii) one hundred percent (100%) directly or indirectly owned by a parent company which also has a one hundred percent (100%) direct or indirect ownership in a Signatory Airline. A "Non-Wholly Owned Affiliate" is defined as any Scheduled Air Carrier that operates at the Airport under essentially the same trade name as a Signatory Airline and uses essentially the same livery as the Signatory Airline. The foregoing ownership interests and relationships must be established by the Airline to the reasonable satisfaction of the Aviation Department.

a. So long as Airline is a Signatory Airline, a Wholly Owned Affiliate of Airline will be treated as a Signatory Airline for the purposes of calculating landing fees, as prescribed by **Exhibit B** of this Agreement; and

b. So long as Airline is a Signatory Airline, both a Wholly Owned Affiliate of Airline and a Non-Wholly Owned Affiliate of Airline will be treated as a Signatory Airline for the purposes of calculating terminal rental rates as prescribed by **Exhibit B** of this Agreement.

c. For the purposes of this Agreement and the TBLA, as defined below, Airline shall guarantee to the County, and be responsible for, all payments, rates and fees of its affiliates to County.

1.2 Airfield shall mean those portions of the Airport provided for landing, take-off and taxiing of aircraft, including without limitation approach and turning zones, avigation or other easements, runways, taxiways, runway and taxiway lights, and other appurtenances related to the aeronautical use of the Airport, including any property purchased for noise mitigation purposes as well as the fuel farm and hydrant system used for fuel at the Airport, as may be revised from time to time by County in its reasonable discretion.

1.3 Airline shall mean the air transportation company executing this Agreement.

1.4 Airline Fees and Charges Sub-Account shall mean the airline fees and charges sub-account established by Article IX of this Agreement within the General Purposes Account in the Aviation Fund, together with separate sub sub-accounts to be established therein for the Terminal and the Airfield.

1.5 Airline's Parties shall mean the officers, agents, employees, partners, contractors, subcontractors, sublessees, guests and invitees of Airline and its Affiliates.

1.6 Airline Premises Leased Premises or Premises shall mean the space leased by Airline from County as described in the TBLA.

1.7 Airport shall mean the Fort Lauderdale-Hollywood International Airport, which is owned and operated by County.

1.8 Airport Debt Service Requirement shall mean, for any Fiscal Year, (i) an amount equal to one hundred twenty-five percent (125%) of the amount required by the Bond Resolution and Subordinate Bond Resolution to be paid in such Fiscal Year into the Interest, Principal and Sinking Fund Accounts of the Bond Fund (or such other fund and account names as may be established in the Subordinate Bond Resolution for corresponding funds and accounts) in respect of Revenue Bonds issued and outstanding under the Bond Resolution and the Subordinate Bond Resolution; (ii) plus one hundred percent (100%) of any principal, interest, premium, and other fees and amounts either paid or accrued for, or required under applicable documents to be paid or accrued for Other Indebtedness in such Fiscal Year; and (iii) plus one hundred percent (100%) of any required deposits to the Reserve Account established under the Bond Resolution and any debt service reserve account established under the Subordinate Bond Resolution in such Fiscal Year: provided, however, that the percentage coverage requirement stated in clause (i) shall be adjusted as necessary to reflect the actual debt service coverage percentage requirement of the Subordinate Bond Resolution.

1.9 Airport Discretionary Sub-Account shall mean the airport discretionary sub-account established by Article IX of this Agreement within the General Purposes Account in the Aviation Fund, together with separate sub sub-accounts to be established therein for the Terminal and the Airfield.

1.10 Airport System shall mean the real property and airport and aviation facilities constituting the existing Fort Lauderdale-Hollywood International Airport and the North Perry Airport and any airports and aviation facilities added to the Airport System pursuant to this Agreement and the Bond Resolution.

1.11 Annual Budget shall mean the annual budget of the Airport System.

1.12 Applicable Laws shall mean all "**Environmental Laws,"** as defined below in Section 1.25, and all other laws, codes, advisory circulars, rules, regulations and ordinances of any governmental or quasi-governmental entity having jurisdiction over the Airport or activities on the Airport, including federal, state, County, local and any quasi-governmental agencies, laws, codes, advisory circulars, rules, regulations and ordinances.

1.13 Aviation Department shall mean the County's Aviation Department or such other named County organization that from time to time may exercise functions equivalent or similar to those now exercised by the Aviation Department.

1.14 Board of Commissioners shall mean the Board of County Commissioners of Broward County, Florida, which is the governing body of the Broward County government created by the Broward County Charter.

1.15 Bond Fund shall mean the fund established by the Bond Resolution and held by the Trustee to provide for the segregation of the accounts contained therein, and any corresponding fund (by whatever name given thereto) established for similar purposes pursuant to the Subordinate Bond Resolution.

1.16 Bond Resolution shall mean the Airport System Revenue Bond Resolution #2012-320 authorizing Broward County Airport System Revenue Bonds as the same has and may, from time to time, be amended and supplemented pursuant to the provisions of said Bond Resolution; provided that no such amendment or supplement be inconsistent with the rights or obligations of the parties under this Agreement or the TBLA.

1.17 Capital Expenditure shall mean an expenditure equal to or greater than $150,000.00 made to acquire, purchase, install or construct a single capital item or project for the purposes of improving, maintaining or developing the Airport System.

1.18 Capital Improvement Plan shall mean certain capital improvements to be constructed, acquired, installed or equipped at the Airport, including, without limitation, the Runway Program, all as more specifically set forth in **Exhibit A,** attached hereto and by this reference made a part hereof.

1.19 Code shall mean the Internal Revenue Code of 1986, as from time to time amended, and any regulations promulgated there under, including, without limitation, any Treasury Regulations or temporary or proposed regulations, as the same shall from time to time be amended including (until modified, amended or superseded) Treasury Regulations or temporary or proposed regulations under the Internal Revenue Code of 1954, as amended.

1.20 Commencement Date shall be the Effective Date.

1.21 County shall mean Broward County, a political subdivision of the State of Florida.

1.22 Debt Service Reserve Requirement shall mean the amounts required to be maintained by the County in the Reserve Account pursuant to the Bond Resolution and in any debt service reserve account pursuant to the Subordinated Bond Resolution.

1.23 Director of Aviation or Director shall mean the person designated Director of Aviation by the Board of Commissioners or such other person, division, department, bureau, or agency as may be designated by the Board of Commissioners from time to time to exercise functions equivalent or similar to those now exercised by the Director of Aviation; the term also includes any person expressly designated by the Director of Aviation to exercise rights and/or obligations empowered in the "Director" under this Agreement.

1.24 Effective Date shall mean that date upon which this Agreement is executed by or on behalf of the Board of Commissioners.

1.25 Environmental Laws shall mean all applicable federal, state, and local statutes, ordinances, regulations, rules, laws, permits, and orders relating to the generation, use, storage, transportation, or disposal of Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resources Conservation and Recovery Act of 1976 (42 U.S.C. Section 9601, et seq.), the Clean Water Act (33 U.S.C. Section 1251, et seq.), the Safe Drinking Water Act (14 U.S.C. Section 401, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.), and the Toxic Substance Control Act (15 U.S.C. Section 2601, et seq.).

1.26 Environmental Site Assessment or ESA shall mean a document based on one or more environmental site assessments, examinations, inspections, tests, inquiries and surveys necessary to identify Recognized Environmental Conditions, contamination, and the presence of any Hazardous Materials in, on, or under the surface of the Leased Premises, as defined in the TBLA.

1.27 Equipment and Capital Outlay shall mean any single item not included in "Operation and Maintenance Expenses," as defined below, or defined as a Capital Expenditure.

1.28 FAA shall mean the Federal Aviation Administration, an agency of the United States government, or any successor agency.

1.29 Fiscal Year shall mean the then current annual accounting period of the County for its general accounting purposes which period, at the time of entering into this Agreement, is the period of twelve (12) consecutive calendar months ending with the last day of September of any year.

1.30 General Purposes Account shall mean the General Purposes Account in the Aviation Fund established by Section 501 of the Bond Resolution, and any corresponding account (by whatever name given thereto) established by the Subordinate Bond Resolution.

1.31 Hazardous Material shall mean any material or substance identified, listed, or defined as a "hazardous waste," "hazardous substance," "pollutant," or "contaminant" under applicable Environmental Laws, which term shall include asbestos and asbestos-containing materials, petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids.

1.32 Interest Account shall mean the interest account in the Bond Fund established by Section 501 of the Bond Resolution and the corresponding account (by whatever name given thereto) established by the Subordinate Bond Resolution.

1.33 Improvements Account shall mean the improvements account in the Aviation Fund established by Section 501 of the Bond Resolution and any corresponding account (by whatever name given thereto) established by the Subordinate Bond Resolution.

1.34 Majority in Interest of Airlines or MII shall mean at least fifty percent (50%) in number of the Signatory Airlines not currently in default of this Agreement and actively engaged in providing air transportation to and from Airport. As of the time when approval of a particular undertaking is requested, such Majority in Interest of Airlines shall have collectively paid more than one-half (1/2) of the following:

A. Terminal fees and charges payable directly to County by all Signatory Airlines, including Affiliates during the most recent six (6) month period; and

B. Landing fees payable directly to County by all Signatory Airlines, including Affiliates during the most recent six (6) month period during which none of the Signatory Airlines experienced schedule reductions at Airport because of labor disputes.

All-cargo Signatory Airlines, as described in Section 1.55 of this Agreement, shall only have Majority in Interest rights as it relates to the approval of issues related to the Airfield cost center.

1.35 Maximum Gross Landing Weight shall mean the standard maximum gross certificated landing weight in one thousand pound units for each aircraft operated at the Airport by Airline as certified by the FAA or its successor.

1.36 Non-AMT Bonds or Non-AMT Debt shall mean tax-exempt bonds or debt the interest on which are not treated as an item of tax preference for individuals and corporations under Section 57 of the Code for purposes of the alternative minimum tax imposed by Section 55 of the Code and any successor thereto.

1.37 Non-Revenue Landing shall mean any aircraft landing by Airline at the Airport for a flight for which the Airline receives no revenue, which shall include any flight, that after having taken off from the Airport and without making a landing at any other airport, returns to land at the Airport because of meteorological conditions, mechanical or operating causes, or any other reason of emergency or precaution.

1.38 Operation and Maintenance Expenses shall mean the County's current expenses for the operation, maintenance, and repair of the Airport System as determined in accordance with generally accepted accounting principles, including, without limiting the generality of the foregoing, all ordinary and usual expenses of operation, maintenance, and repair, administrative expenses, salaries, payments to any retirement plan or plans properly chargeable to the Airport System, insurance expenses, engineering expenses relating to the operation, maintenance, or repair of the Airport System, taxes imposed by any governmental authority on the Airport System or its operations, fees and expenses of the Trustee and the paying agents, legal expenses, security expenses, fees of consultants, and any other expenses required to be paid by the County under the Bond Resolution or Subordinate Bond Resolution or by law, but Operation and Maintenance Expenses shall not include any reserves for extraordinary replacements or repairs, any allowance for depreciation, any principal payment in respect of capital leases or subordinated debt, or any deposits to any fund or account created under the Bond Resolution or Subordinate Bond Resolution.

1.39 Operation and Maintenance Requirement shall mean as of the date of determination one-sixth (1/6) of the amount shown by the Annual Budget as Operation and Maintenance Expenses for the then current Fiscal Year.

1.40 Other Indebtedness shall mean any debt incurred by County for Airport System purposes which is outstanding and not authenticated and delivered under and pursuant to the Bond Resolution or any Subordinate Bond Resolution.

1.41 Passenger Facility Charge or PFC shall mean the fees authorized by 49 USC 40117 and regulated by 14 CFR Part 158 as such statute and regulations currently exist or as they may be amended during the Term of this Agreement.

1.42 Preferential Use Premises shall mean those portions of the Terminal and preferentially leased gates assigned to Airline, to which Airline shall have priority over other users, subject to the provisions of the TBLA.

1.43 Prior Agreements shall include the following agreements between the Airline and the County that are in existence immediately prior to the Effective Date of this Signatory Agreement: any Airline-Airport Lease and Use Agreement, Airline-Airport Lease and Use Agreement and Addendum, Terminal Building Lease Agreement and Field Usage Agreement, all as amended modified or revised, prior to the Effective Date. The provisions of the Prior Agreements are terminated as of the Effective Date of this Agreement, except as provided in Section 23.5.

1.44 Principal Account shall mean the principal account in the Bond Fund established by Section 501 of the Bond Resolution and any corresponding account (by whatever name given thereto) established by the Subordinate Bond Resolution.

1.45 Rate Stabilization Sub-Account shall mean the rate stabilization sub-account established by Article IX of this Agreement within the General Purposes Account in the Aviation Fund, together with separate sub sub-accounts to be established therein for the Terminal and for the Airfield.

1.46 Release shall mean any spilling, leaking or discharging into the environment.

1.47 Renewal and Replacement Account shall mean the renewal and replacement account established by Section 501 of the Bond Resolution and any corresponding account (by whatever name given thereto) established by the Subordinate Bond Resolution. Said account shall include Equipment and Capital Outlay.

1.48 Renewal and Replacement Account Requirement shall mean that amount necessary to maintain the level of the Renewal and Replacement Account as required under the Bond Resolution or Subordinate Bond Resolution, as applicable.

1.49 Reserve Account shall mean the reserve account in the Bond Fund established by Section 501 of the Bond Resolution and any corresponding account (by whatever name given thereto) established by the Subordinate Bond Resolution.

1.50 Revenue Bonds shall mean (i) the revenue bonds authorized and issued by the County pursuant to the Bond Resolution and (ii) the subordinate revenue bonds authorized and issued by the County pursuant to the Subordinate Bond Resolution.

1.51 Revenues shall mean those revenues as defined in the Bond Resolution or Subordinate Bond Resolution, as applicable.

1.52 Revenue Landing shall mean an aircraft landing by Airline at the Airport for which Airline receives revenue.

1.53 Scheduled Air Carrier shall mean any airline providing scheduled air transportation services to and from Airport, at any relevant point in time, which airline shall hold any necessary authority to provide such transportation from the appropriate federal or state agencies having jurisdiction to grant such authority, if required under applicable law.

1.54 Sinking Fund Account shall mean the sinking fund account in the Bond Fund

established by Section 501 of the Bond Resolution and any corresponding account (by whatever name given thereto) established by the Subordinate Bond Resolution.

1.55 Signatory Airline shall mean any Scheduled Air Carrier that: (i) leases at least one gate and the associated hold room; and (ii) leases a minimum of 4,000 square feet of Type 1, Type 2 or Type 3 space, as described in **Exhibit B**, which consists of any combination of the following: (1) Ticket Counter, (2) Airline Ticket Office, (3) Other Terminal Office Space, (4) Baggage Service Office, (5) Baggage Makeup Device, or (6) Curbside and/or Operations Space, as described in **Exhibit B;** and (iii) simultaneously executes both: (1) an agreement substantially similar to this Agreement, and (2) a Signatory Terminal Building Lease Agreement. An all-cargo Scheduled Air Carrier shall be considered a Signatory Airline if it guarantees an annual minimum of 350,000,000 pounds of Maximum Gross Landing Weight throughout the Term of this Agreement, and executes an agreement with County substantially similar to this Agreement. After each annual anniversary of the Board's approval of an all-cargo Agreement, the Aviation Department shall review the monthly activity reports and other data specified in Section 7.3B of this Agreement to determine if the guaranteed annual Maximum Gross Landing Weight has been achieved. If the guaranteed annual Maximum Gross Landing Weight has not been achieved, an invoice for the shortfall shall be issued by the Aviation Department to the all-cargo Signatory Airline at the applicable landing-fee rates, and in accordance with Section 7.5 of this Agreement.

1.56 Signatory Agreement shall mean, as the context requires, this Agreement or any agreement executed by the County and another airline that is substantially similar to this Agreement.

1.57 South Runway Expansion Program or Runway Program shall mean the planning, design, acquisition, construction, installation and equipping required for or in connection with the extension of the south runway (28L/10R) at the Airport, including all associated actions, including but not limited to, land acquisition.

1.58 Special Purpose Bonds shall mean revenue bonds authorized and issued by County to construct any Special Purpose Facilities.

1.59 Special Purpose Facilities shall mean any capital improvements or facilities acquired or constructed by County from funds other than Revenues or obligations payable from Revenues and located or to be located on any property included under the definition of Airport System.

1.60 Subordinate Bond Resolution shall mean a bond resolution or indenture, as the same may be supplemented or amended from time to time, authorizing the issuance by County of Subordinated Debt in the manner described and in accordance with the requirements of Section 716 of the Bond Resolution, provided that no such amendment or supplement shall be inconsistent with the rights or obligations of the parties under this Agreement and the TBLA.

1.61 Subordinated Debt shall mean any bonds or other financing instrument or obligation authorized and issued pursuant to the Bond Resolution.

1.62 Term or Term of this Agreement shall mean the period commencing on the Effective Date and ending at midnight on September 30, 2026, unless otherwise terminated earlier as provided for herein.

1.63 Terminal shall mean the terminal buildings at the Airport, including any expansion thereof or any improvement thereto.

1.64 Terminal Building Lease Agreement or TBLA shall mean the Signatory Terminal Building Lease Agreement executed by the Airline and County contemporaneously with this Agreement.

1.65 Transfer shall mean transfers of money from the General Purposes Account to the Revenue Account, as contemplated and provided for in the Bond Resolution.

1.66 Trustee shall mean the entity or entities, whether original or successor, at the time serving as such under the Bond Resolution and/or the Subordinate Bond Resolution.

1.67 TSA shall mean the Transportation Security Administration of the Department of Homeland Security, or its authorized successor.

Additional words and phrases used in this Agreement but not defined herein shall have the meanings as defined under the Bond Resolution and, if applicable, the Subordinate Bond Resolution, or if not so set forth, shall be as defined in the TBLA, or if not defined therein, shall have their usual and customary meaning.

ARTICLE II
USE OF AIRPORT AND RIGHTS OF AIRLINES

2.1 Use of the Airport

Airline may use, in common with others, the public landing areas of the Airport, which includes the runways, taxiways, navigational aids, and such other appurtenances or additions thereto as may be provided by County from time to time; provided that such use by Airline shall not prevent or interfere with the maintenance, alteration, addition, or deletion of any such facilities by County, and which use is also subject to reasonable rules and regulations.

2.2 Specific Rights at Airport

A. Airline shall have the right, in addition to all rights elsewhere granted in this Agreement, to use Airport for the following purposes:

1. The operation of an air transportation system for the carriage of persons, property, freight and mail, including all activities reasonably necessary to such operation.

2. The landing, taking off, flying over, taxiing, pushing, towing, loading, unloading, repairing, maintaining, conditioning, servicing, parking, storing and testing of aircraft or other equipment in areas designated or approved by County, of aircraft operated by Airline, its Affiliates, or other Signatory

Airlines with which Airline has an agreement. Any such agreement shall first be approved by County, and County's approval may be withdrawn at any time upon sixty (60) days notice to Airline and the other Signatory Airlines. County may levy a charge against Airline not to exceed five percent (5%) of Airline's gross fees for such services. However, Airline shall not permit the use of the Airfield by any aircraft operated or controlled by Airline which exceeds the design strength or capability of the Airfield as described in the then-current FAA-approved Airport Layout Plan (ALP) or other engineering evaluations performed subsequent to the then-current ALP, including the then-current Airport Certification Manual.

3. The sale of tickets, and ticket related services, documentation of shipments, handling of reservations, and the loading and unloading of persons, property and mail at Airport by such motor vehicles or other means of conveyance as Airline may desire to use in the operation of its air transportation business provided, however, that Airline shall only contract with service providers licensed and approved by County to deliver property and to carry persons or their baggage to and from the Airport. County shall not unreasonably withhold its approval of the licensing of a service providers designated by Airline to transport Airline personnel or lost baggage to and from the Airport.

4. The training at Airport of persons and testing of aircraft and other equipment at Airport, such training and testing to be limited to that incidental to Airline's air transportation business at Airport and shall not be construed as allowing any flight training whatsoever on the Airport. All such training shall be subject to reasonable regulations and licensing requirements as the County may establish.

5. The purchase of Airline's requirements of personal property and services incidental to Airline's air transportation business, including but not limited to fuel, lubricants, food, beverages and any other materials and supplies to be used by or services performed for Airline from any person or company of Airline's choice, provided that any such company or person has complied with all Applicable Laws, and such reasonable rules and regulations and licensing requirements of the Aviation Department and the County as may be adopted and revised from time to time, permitting such company or person to operate at the Airport. Nothing herein shall be construed to permit Airline to store aviation fuels at the Airport. Fuel tenders are prohibited on Terminal aircraft aprons serviced by the fuel hydrant system except by separate authorization of County. The granting of the right to store aviation fuels shall be subject to the execution of a separate agreement between Airline and County.

6. The sale, disposal and exchange of Airline's aircraft, engines, accessories, other equipment, materials and supplies, and the exchange of fuel, oil and lubricants with other tenant Scheduled Air Carriers; provided that such right shall not be construed as authorizing the conduct of a separate regular business by Airline, but as permitting Airline to perform such transactions as are incidental to the operation of its air transportation business. Airline shall not have the right to sell fuel, oil and

lubricants or provide in-to-plane fuel services to others at the Airport.

7 The servicing of Airline's aircraft and other equipment with fuel, oil, lubricants and other materials and supplies at the Gates and other locations designated by County for such servicing.

8. The installation and operation of identifying signs on Airline Premises under the TBLA; and the general type, design and location of all of such signs visible to the public shall be subject to County approval, not to be unreasonably withheld.

9. The installation, maintenance and operation of radio, communication, company telephone system, computer, meteorological and aerial navigation equipment and facilities in, on and about the Airline Premises under the TBLA, as may be necessary or convenient in the opinion of Airline for its operations; provided, however, that Airline shall be required to use County's wireless communications systems unless Airline has obtained prior written approval from the Aviation Department exempting Airline from such requirement (e.g. WIFI), which approval shall not be unreasonably withheld by the Aviation Department. Airline agrees that any use by Airline of wireless communications systems not provided by County shall not interfere with any County wireless communications system. Prior to any written approval, Airline shall provide the Aviation Department with all necessary supporting documentation related to such installations.

10. The provision, either alone or in conjunction with other air transportation companies or through a nominee, of porter/skycap service for the convenience of the public, at no cost to the County.

B. Exclusions and Reservations

1. The rights and privileges granted Airline under this Article with respect to the performance of ground services and activities in connection with its air transportation operations at Airport may be exercised by any company or person designated by Airline, provided, however, that no right is hereby conferred upon any supplier of services or materials (other than Airline) regularly operating at Airport to perform services unless it holds a valid lease, license, permit, or other agreement with County authorizing it to furnish the material and/or perform the service in question and pays to County an appropriate rental, fee and/or percentage of gross revenues derived as a result of any materials furnished or services supplied to other than Airline.

2. The rights and privileges granted to Airline under this Article to contract with third parties for obtaining services and materials shall be subject and subordinate to restrictive agreements, franchises, licenses, and other rights previously granted by County to fixed base operators, ground transportation carriers, other providers of ground services, and others. Copies of such agreements are available for inspection by Airline at the office of the Aviation Department.

3. Airline is prohibited from conducting any business or engaging in any activities at the Airport other than the conduct of its air transportation business, except as otherwise permitted in this Agreement.

4. Airline shall not knowingly interfere or permit interference by its contractors, agents, permittees, and invitees with the use, operation, or maintenance of the Airport, including but not limited to, the effectiveness or accessibility of the drainage, sewage, water, communications, fire protection, utility, electrical, or other systems installed or located from time to time at the Airport. Airline shall not engage in any activity prohibited by County's approved FAR Part 150 Noise Compatibility Study, as may be amended or supplemented from time to time.

5. Airline shall not do or permit to be done anything, either by act or failure to act, that shall cause the cancellation or violation of the provisions, or any part thereof, of any policy of insurance for the Airport, or that shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement. If Airline shall do or permit to be done any act not permitted under this Agreement, or fail to do any act required under this Agreement, regardless of whether such act shall constitute a breach of this Agreement, which act or failure, in and of itself, causes an increase in County's insurance premiums, Airline shall immediately remedy such actions and/or pay the increase in premiums, upon notice from County to do so.

6. Any and all rights and privileges not specifically granted to Airline for its use of and operations at the Airport pursuant to this Agreement or the TBLA are hereby reserved for and to County.

2.3 <u>Right of Access, Ingress and Egress</u>

Airline, its employees, agents, passengers, guests, patrons, invitees, suppliers of materials and services, and its or their equipment, vehicles, machinery and other property shall have the right of access, ingress and egress to and from the Airport, subject to reasonable rules and regulations of County.

County may at any time temporarily or permanently close, re-route, or consent to or request the closing or re-routing of any roadway, taxiway or other access to the Airport, so long as a reasonable means of ingress and egress is concurrently made available to Airline.

2.4 <u>Affiliates</u>

Affiliates of Airline must enter into an agreement with County for operations at the Airport, which agreement shall be in a form specified by County from time to time. County may invoice Airline and its Affiliates separately for amounts owed hereunder, or may invoice Airline for the aggregate amounts owed by Airline and its Affiliates hereunder. Airline shall be responsible for any and all unpaid fees, rates and charges of any Affiliate and any failure of any Affiliates to pay such amounts when due shall be deemed a failure of Airline. Airline may at any time give County at least thirty (30) days prior written notice that an Affiliate of Airline shall no longer be considered an Affiliate of

Airline for purposes of this Agreement, and Airline shall have no responsibility for any fees, rates and charges incurred by any such Affiliate after the conclusion of such notice period, but Airline shall remain liable for all fees, rates and charges incurred by any Affiliates prior to the conclusion of such notice period.

ARTICLE III
FINANCING AND CONSTRUCTION OF THE CAPITAL IMPROVEMENT PROGRAM AND OTHER CAPITAL IMPROVEMENTS

3.1 Need for Capital Improvements

The parties hereto recognize that capital improvements to preserve, protect, enhance, expand, and otherwise improve the Airport System, or part thereof, will be required during the Term of this Agreement. Any such capital improvements to be paid with Revenues or financed through the County's issuance of Revenue Bonds shall be subject to the provisions of Sections 3.3 and 3.4, below.

3.2 Pre-Approved Capital Improvement Plan

The Airline has previously approved one or more projects for the Airport, including, without limitation, the Runway Program, and the parties acknowledge that such previous projects, including, without limitation, the Runway Program, are hereby affirmed and not modified by this Agreement. Additionally, the County has identified on **Exhibit A** its Capital Improvement Plan. The portion of the Capital Improvement Plan expected to be undertaken during the first Fiscal Year of this Agreement including, without limitation, all associated Capital Expenditures, is hereby approved by Airline. By executing this Agreement, Airline agrees, without further MII approval, to the inclusion of the Airport Debt Service Requirement, Debt Service Reserve Requirement, Operation and Maintenance Expenses, Operation and Maintenance Requirement, and Equipment and Capital Outlay associated with all projects previously approved and including, without limitation, the Runway Program, in the determination of Airline's rentals, charges and fees.

3.3 Expenditures Subject to Signatory Airline Consideration.

A. Prior to June 1 of each year of the Term, and if appropriate, at such other times during a Fiscal Year, County shall submit to Airline, for Airline's review and consideration, County's recommended Capital Expenditures which are not excluded from Majority-in-Interest consideration pursuant to Sections 3.2 and 3.4. Airline shall notify County in writing within forty-five (45) days after receipt of the written submission from County whether such Capital Expenditures are approved as a whole or in part. Failure of Airline to reply within forty-five (45) days shall be deemed approval by Airline of the recommended Capital Expenditures.

B. County may issue Revenue Bonds or incur Other Indebtedness to finance any Capital Expenditures permitted by this Article III. All costs associated with any Capital Expenditures permitted by this Article III, including but not limited to, Airport Debt Service Requirement, Debt Service Reserve Requirement, and Operation and Maintenance Expenses, Operation and Maintenance Requirement, and Equipment

and Capital Outlay shall be included in the determination of rates for rentals, fees, and charges in accordance with **Exhibit B**.

C. If certain specified conditions precedent are met, the Bond Resolution will permit the issuance of Revenue Bonds on parity with the Revenue Bonds issued and outstanding under the Bond Resolution to finance the cost of planning, design, acquisition, construction, installation and equipping of any Capital Expenditures or to complete such Capital Expenditures. The Bond Resolution also permits the issuance of subordinate Revenue Bonds under a Subordinate Bond Resolution for such purposes. It is hereby agreed that County will obtain MII approval of any Capital Expenditures prior to financing the same with Revenue Bonds issued under the Bond Resolution or subordinate Revenue Bonds under a Subordinate Bond Resolution, except for Capital Expenditures which do not require MII approval pursuant to Sections 3.2 or 3.4.

D. If certain specified conditions precedent are met, the Bond Resolution will permit the issuance of refunding Revenue Bonds on parity with the Revenue Bonds issued and outstanding under the Bond Resolution to refund outstanding Revenue Bonds. Subordinate Revenue Bonds may also be issued under a Subordinate Bond Resolution for such purposes. It is hereby agreed that the County may issue such refunding Revenue Bonds under the Bond Resolution or Subordinate Bond Resolution after consultation with Airline, but without MII approval, provided that the debt service (principal and interest requirements) on the refunding Revenue Bonds in any year is not more than one hundred five percent (105%) of the debt service which would have been due in such year on the Revenue Bonds to be refunded.

3.4 Capital Expenditures Not Subject to Signatory Airline Consideration.

The following Capital Expenditures shall be permitted to be undertaken by the County at any time and shall not be subject to consideration by the Signatory Airlines or require MII approval:

A. Projects required for public safety when required by the FAA, National Transportation Safety Board or governmental authority having jurisdiction over the Airport System, Airline's operations, or the safety aspect of Airport's operations.

B. Casualty damage to Airport System property which exceeds the proceeds of insurance, which property must be rebuilt or replaced in order to satisfy County obligations or maintain a source of Revenue.

C. Special Purpose Facilities as defined herein, provided, however, in cases where such Special Purpose Facilities occupy a building site, an appropriate ground rental shall be charged. In all cases, the tenants or other users of such Special Purpose Facilities shall be required to pay directly or reimburse County for all costs (direct or indirect) associated with such Special Purpose Facilities.

D. Improvements or additions necessary to insure compliance with lawful orders or requirements of other authorities that are pertinent to aircraft operations, or Airport operations, or are related to the issuance of federal or state grants to County.

E. Improvements or additions necessary to settle claims, satisfy judgments, or comply with orders against County by reason of its ownership, operation, maintenance, or use of the Airport System.

F. Capital Expenditures of an emergency nature which, if not made within forty-eight (48) hours, would result in the closing of any portion of the Airport System.

G. Capital Expenditures that are funded through the Renewal and Replacement Account.

H. Change orders initiated by one or more Signatory Airlines for its or their sole benefit, provided the costs related thereto shall be borne by the Signatory Airlines initiating such change orders.

I. Expansion of the Airport System for the increased requirements of any Signatory Airlines provided such Signatory Airlines agree in writing to increased rentals, fees and charges sufficient to cover the payment of debt service and required reserves if financed with Revenue Bonds, or an equivalent amount if financed from the Improvements Account or General Purposes Account to finance its exclusive facilities. If said expansion necessitates the concurrent construction of related public areas and/or support systems, such facilities will be treated as a cost of construction, operation and maintenance to be shared in common by the airlines in the same manner as other similar public areas and/or support systems previously constructed.

J. Projects required by the FAA, the Department of Transportation or other governmental authority, other than County, having jurisdiction over the Airport.

K. Facilities or equipment for which the tenants or other users thereof shall be required to pay directly, or reimburse County for, all capital costs, including finance costs, associated with such facilities.

ARTICLE IV
OPERATIONS OF AIRLINE

4.1 Airline shall comply with all Applicable Laws in performing its duties, responsibilities, and obligations related to this Agreement.

4.2 The Airline shall, at its own expense, provide and maintain in full force and effect, any and all licenses and permits required for the legal operation of all aspects of the Airline's business conducted at the Airport. Airline shall pay all license and permit fees and charges for the conduct of any business on the Airport before such amounts become delinquent.

ARTICLE V
TERM

5.1 This Agreement shall become effective, and the "Effective Date" shall be that date set forth in Article I. The Term of this Agreement and the terms and conditions of this

Agreement shall commence on the Effective Date and this Agreement shall expire on midnight, September 30, 2026, unless otherwise terminated earlier as provided for herein.

ARTICLE VI
MAINTENANCE AND OPERATION OF AIRPORT

6.1 General

A. County agrees that it will with reasonable diligence and in order of priority determined by County in its discretion prudently develop, improve, and at all times maintain and operate the Airport with qualified personnel and keep the Airport in good repair.

B. County shall, to the extent it is legally able so to do, use reasonable efforts to keep the Airport and its aerial approaches free from ground obstruction for the safe and proper use thereof by Airline.

C. County shall not be liable to Airline for a temporary failure to furnish all or any of such services to be provided in accordance with this Section 6.1 when such failure is due to mechanical breakdown not caused by the County, or its agent's, contractor's, or invitee's negligence or is due to any cause beyond the reasonable control of the County or its agents, contractors or invitees.

D. County shall, in the operation of the Airport, comply with all Applicable Laws.

E. Airline shall be responsible for areas damaged by its or its Affiliates use or operations and Airline shall further maintain any apron areas used by it or its Affiliates in a clean, neat, orderly condition.

ARTICLE VII
RATES, RENTALS, FEES AND CHARGES

7.1 Landing Fees

From and after the Commencement Date of this Agreement, fees and charges for use of the facilities, rights, licenses and privileges granted to Airline with respect to the Airfield under this Agreement, shall be combined in and represented by a landing fee, and certain other fees as set forth in, and payable at rates calculated in accordance with, **Exhibit B,** as previously amended from time to time pursuant to the adjustment of rates for rentals, fees and charges provided for in Article VIII. Said rates for landing fees will be expressed in dollars and cents per thousand pounds of the Maximum Gross Landing Weight of each type of Airline's aircraft and shall be multiplied by the total of the Maximum Gross Landed Weight for all Revenue Landings of each type of aircraft landed at the Airport by Airline.

7.2 Other Rates for Rentals, Fees and Charges

All rates rentals, fees and charges for the use of the Airport that are not set forth in

Exhibit B, shall be set by the County from time to time.

7.3 Information to be supplied by Airline

A. Airline shall submit to the Aviation Department, in an Aviation Department provided format, electronically, all reasonably requested information, which information shall include but not be limited to the following:

1. Proposed arrival/departure schedules for activities at the passenger Terminal buildings.

2. Airline covenants and agrees to furnish County each month a report of Airline's operations at the Airport during the preceding month setting forth the total number of enplaning passengers, the total pounds of enplaned mail, express and freight on a daily basis carried by Airline and any of its Affiliates, the number of Revenue Landings by Airline by type of aircraft, the number of remain over nights ("RONs") on non-leased premises by Airline and its Affiliates, and such other information as County may reasonably require to administer the Agreement. If such report is not provided, County may estimate such data and impose fees on Airline accordingly.

B County shall have the right, but shall not be required, to rely on said activity reports in determining rentals, fees and charges due hereunder. County may also rely on alternative sources of information, such as FAA statistics and electronic data collection systems, to determine rentals, fees and charges due hereunder. Use of such alternative sources by County shall not relieve Airline of its reporting obligations hereunder. To the extent there is a discrepancy between the information provided by Airline and information gathered from other sources, County's determination as to the most reliable and accurate information shall be conclusive and binding on the parties, absent fraud or manifest error. Airline shall have full responsibility for the accuracy of said reports. Payment deficiencies of more than ten percent (10%) by category of rentals, fees, and charges due on an annual basis hereunder that are due to incomplete or inaccurate activity reports shall be subject to interest charges, at a rate of eighteen percent (18%) per annum.

7.4. Airline shall be responsible for and shall pay to the County, all applicable rentals, rates, fees and charges for the use of the Airport as may be set by the County from time to time in accordance with this Agreement, the TBLA and the rate resolution adopted not less than annually by the County, including, but not limited to, landing fees and aircraft remote parking fees, and all other rates, fees and charges for activities under this Agreement (collectively, "County Fees"), together with any applicable sales taxes thereon.

A. All County Fees payable pursuant to this Agreement and the TBLA shall be effective and accrue from the Commencement Date.

B. The County shall have the right, through its representatives, at all reasonable times, without interfering with airline operations, to inspect any and all books and records pertaining to Airline's arrivals and departures at the Airport. Such records shall be kept and maintained during the "Retention Period," which shall be the

greater of: (i) the required retention period of the Florida Public Records Act (Chapter 119, Fla. Stat.), if applicable, or (ii) for a period of three (3) years following the activity. If the Florida Public Records Act is determined to be applicable to Airline's records, Airline shall comply with all requirements thereof; however, no confidentiality or non-disclosure requirement of either federal or state law shall be violated by Airline. If, as a result of any audit, it is established that the Airline has understated the amount owed to the County by ten percent (10%) or more (after the deductions and exclusions provided for herein) of the amount paid to the County during the previous annual reporting period under this Agreement, the entire expense of said audit shall be borne by the Airline. Any additional fees due shall forthwith be paid by the Airline to the County with interest thereon at eighteen percent (18%) per annum from the date such additional fees become due.

7.5 Airline shall pay County Fees directly to the County, as follows:

A. No later than the tenth (10th) day of each month, for the prior month's activities, the Airline shall electronically report on the forms required by the County ("Activity Reports"). The Activity Reports shall list all arrivals and departures at the Airport, including all revenue and non-revenue operations.

B. Payment of the Airline landing fees shall be due fifteen (15) days from the date of County's issuance of invoice, and shall be deemed delinquent if not received within ten (10) days of the due date.

C. Payment for all other fees and charges due hereunder, shall be due as of the due date stated on the County's invoice. Said fees and charges shall be deemed delinquent if payment is not received within thirty (30) days of the stated date of such invoice.

D. Payments received by County after the dates required by subsections 7.5B and 7.5C above, shall accrue and be subject to interest at the rate of eighteen percent (18%) per annum on the unpaid amount. The acceptance by County of any late payment shall not be construed as a waiver of the interest charge.

E. Airline shall submit all activity reports and payments to the County on the dates established above, as follows:

Via Wire Transfer:
Account of: Broward County Aviation Department
Bank Name: Wells Fargo Bank
ABA: 121000248
Account #: 2090002760835

Via U.S. Mail/Express Mail
Broward County Aviation Department
Accounts Receivable
2200 SW 45th Street, Suite 101
Dania Beach, FL 33312

F. Security Deposit

1. Unless Airline has provided regularly scheduled flights to and from the Airport during the eighteen (18) calendar months prior to the Effective Date of this Agreement, without the occurrence of any act or omission that would have been an event enumerated in Section 10.1 of this Agreement, Airline shall provide County on the Effective Date of this Agreement, with a contract bond, irrevocable letter of credit or other similar security acceptable to County ("Security Deposit") in an amount equal to the estimate of three (3) months' of fees and charges for Airline and its Affiliates, which are due County pursuant to this Agreement. Airline shall be obligated to maintain such Security Deposit in effect until the expiration of eighteen (18) consecutive calendar months during which period Airline and its Affiliates commit no event enumerated in Section 10.1 of this Agreement. Such Security Deposit shall be in a form and with a company reasonably acceptable to County and licensed to do business in the State of Florida. In the event that any such Security Deposit shall be for a period less than the full period required by this subsection 7.5F or if Security Deposit shall be canceled, Airline shall provide a renewal or replacement Security Deposit for the remaining required period at least sixty (60) calendar days prior to the date of such expiration or cancellation. The parties agree that in the event Airline satisfies the requirements for Aviation Department to waive the Security Deposit pursuant to this subsection 7.5F1, no Security Deposit shall be required for its Airline or its Affiliates, so long as the requirements for such waiver have been satisfied and remain satisfied throughout the term of this Agreement.

2. In the event County is required to draw down or collect against Airline's Security Deposit for any reason, Airline shall, within ten (10) business days after County's written demand, take such action as may be necessary to replenish the existing Security Deposit to its original amount (three months' estimated rentals, fees, and charges) or to provide additional or supplemental Security Deposit from another source so that the aggregate of all Security Deposits is equal to three months' estimated rentals, fees, and charges payable by Airline and its Affiliates pursuant to this Article VII.

3. Notwithstanding the above subsection 7.5F1, County shall have the right in its reasonable discretion to waive such Security Deposit requirements for an Airline, if it has not provided regularly scheduled flights at and from the Airport during the eighteen (18) calendar months prior to the Effective Date of its Signatory Agreement. Any such waiver by County shall be conditioned upon said Signatory Airline having provided regularly scheduled flights at least at six (6) other airports with activity levels and characteristics similar to the Airport (the "Comparable Airports") during the most recent eighteen (18) calendar month period, without committing any material default under the terms of the respective lease and use agreements at each of the Comparable Airports, and without a pattern of untimely payments for rentals, fees and charges. The burden shall be on Airline to demonstrate to County its compliance with these requirements at each of the Comparable Airports.

4 In addition to the foregoing, upon the occurrence of any Airline act or

omission that is an event enumerated in Section 10.1, or upon Airline's election to assume this Agreement under all Applicable Laws, including Federal Bankruptcy Rules and Regulations and Federal Judgeship Act of 1984 or any successor statute, as such may be amended, supplemented, or replaced, County, by written notice to Airline given at any time within ninety (90) calendar days of the date such event becomes known to County, may impose or reimpose the requirements of subsection 7.5F1 on Airline. In such event, Airline shall provide County with the required Security Deposit within fifteen (15) calendar days from its receipt of such written notice and shall thereafter maintain such Security Deposit in effect until the expiration of a period of eighteen (18) consecutive calendar months during which Airline commits no additional event enumerated in Article X or the termination of bankruptcy proceedings, whichever is later.

5. If Airline shall fail to obtain and/or keep in force such Security Deposit required hereunder, after County has provided a ten (10) calendar day notice to cure, such failure shall be grounds for immediate cancellation of this Agreement pursuant to Article X. County's rights under this Section 7.5 shall be in addition to all other rights and remedies provided to County under this Agreement.

6. Airline and County agree that this Agreement constitutes an 'executory contract' for the purposes of Section 365 of the United States Bankruptcy Code (Title 11 USC) subject to assumption or rejection, and subject to the terms and conditions of assumption or rejection, as provided in said Section 365. Furthermore, Airline and County agree that any Security Deposit provided by Airline is not 'property of the estate' for purposes of Section 541 of the United States Bankruptcy Code (Title 11 USC), it being understood that any Security Deposit is property of the third party providing it (subject to County's ability to draw against the Security Deposit) and that all PFCs collected by Airline with respect to enplaned passengers at the Airport, are property of County to the extent provided by Applicable Law.

7.6 In the event the Airline delivers a dishonored check or draft to the County in payment of any obligation arising under this Agreement, the Airline shall incur and pay a service charge in the amount set by the State of Florida or Applicable Laws. In such event, the County may require that future payments be made by cashier's check or other means acceptable to the County.

7.7 <u>Passenger Facility Charge</u>

A. County expressly reserves the right to impose PFC's on airline passengers for the use of the Airport in accordance with 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, 14 CFR Part 158, as they may be amended from time to time (the "PFC Regulations").

B. Airline shall hold in trust for the County the net principal amount of all PFCs that are collected by Airline or its agents on behalf of County. For the purposes of this Section 7.7, "net principal amount" shall mean the total principal amount of all PFCs that are collected by Airline or its agents on behalf of the County, reduced by any amount that the Airline is permitted to retain pursuant to 49 U.S.C. § 40117 and the PFC Regulations. Monthly PFCs collected by Airline shall be remitted to County no later than the last day of the following calendar month or if that date falls on a weekend or holiday, the first business day thereafter. In addition, PFCs collected by Airline shall be remitted to County as specified in subsection 7.7C.

C. Should Airline fail to remit the net principal amount of all PFC's to County within five (5) days following the remittance date specified above, Airline shall be deemed to be in default pursuant to Article X of this Agreement.

D. Competitive Access to PFC Funded Facilities. Should the Airline not fully utilize any portion of its PFC funded exclusively leased premises, Airline agrees to make such Premises available for use by any Scheduled Air Carrier. In accordance with 14 CFR Part 158, failure to make such exclusively leased premises available shall be grounds for termination of this TBLA pursuant to Article XI.

E. Nothing contained herein shall be construed to supersede the rights and obligations provided in 14 CFR Part 158 regarding Passenger Facility Charges. In the event that a conflict exists between such federal regulation and this Agreement, the federal regulation shall govern.

ARTICLE VIII
ADJUSTMENT OF RATES FOR RENTALS, FEES AND CHARGES

8.1

A. Rates for rentals, fees and charges for the Airport System will be reviewed annually and adjusted as necessary effective October 1 of each Fiscal Year and from time to time, if required to satisfy the requirements of subsection 8.1C hereof and Sections 704 (a) and (b) of the Bond Resolution and the corresponding rate covenant requirement of any Subordinate Bond Resolution.

B. Adjustments will apply without the necessity of formal amendment of this Agreement, and a statement showing the calculation of the new rates for rentals, fees and charges in accordance with the format of **Exhibit B** shall be prepared by County and delivered to Airline with an appropriate resolution by County, which shall then be deemed a part hereof.

C. Notwithstanding anything to the contrary contained in this Agreement, rates for rentals, fees and charges will be in accordance with **Exhibit B**; provided that the resulting rates, fees and charges shall satisfy the requirements of Sections 704 (a) and (b) of the Bond Resolution.

8.2 For purposes of accomplishing each annual adjustment, County shall, by June 1st of each year, submit to Airline historical audited financial results and forecasts sufficient to provide for reasonable comparison to proposed annual budget.

A. Proposed Annual Budget

1. In the preparation of the proposed Annual Budget, the estimates of Revenues, Operating and Maintenance Expenses, Operating and Maintenance Requirement, and Equipment and Capital Outlay for the next ensuing Fiscal Year shall take into consideration the historical experience; surpluses or deficits, if any, in prior years. County and Airline shall meet between June 1st and July 1st of each Fiscal Year for the purpose of reviewing the information submitted to Airline. In such review, County will give fair and prudent consideration to Airline's suggestions, comments or requests in negotiations with Airline with respect to the amount, character and desirability of any items contained therein, and the new rates for rentals, fees and charges for the ensuing Fiscal Year, subject to the provisions of subsection 8.1C hereof and, Sections 704 (a) and (b) of the Bond Resolution and the corresponding rate covenant requirements of any Subordinate Bond Resolution.

2. Before the beginning of each Fiscal Year, County shall adopt its Annual Budget substantially in accordance with the information submitted to Airline for purposes of calculation of rates for rentals, fees and charges referred to above, as the latter may have been revised as a result of negotiations with Signatory Airlines.

3. If adjustment of rates for rentals, fees, and charges is not completed on or prior to the end of the Fiscal Year, the rentals, fees and charges then in existence shall continue to be paid by Airline until adjustment is concluded. During any such period when County is required to expend ten percent (10%) or more of the funds which should properly be on deposit in the Revenue Account as the Operation and Maintenance Requirement, or where there are insufficient Revenues available to make required deposits to the Interest, Principal, Sinking Fund and Reserve Accounts of the Bond Fund, the amounts so required may, at County's election, become a surcharge to the landing fees and/or rentals for the month in which such expenditures or deposits are made or required. Airline shall be credited with the amount of any such surcharge paid by it and said credit shall be applied to Airline's adjusted landing fees and/or rentals in the first month after the adjustment is implemented but only to the extent that such credit will not create a deficiency in the amount of Revenues under the Bond Resolution and, if applicable, any Subordinate Bond Resolution.

8.3 County covenants that for purposes of keeping its books of account and allocating revenues and expenses it will observe generally accepted accounting principles, consistently applied and including only those charges to the accounts directly attributable to the Airport System, on the basis of sound business principles for effective and prudent control of expenses for Airport System operation, maintenance and administration.

ARTICLE IX
BOND RESOLUTION AND SUBORDINATE BOND RESOLUTION; ESTABLISHMENT OF FUNDS AND ACCOUNTS; EXPENDITURES FROM FUNDS AND ACCOUNTS

9.1. Subordination to Bond Resolution and Subordinate Bond Resolution

A. This Agreement and all rights granted to Airline hereunder are expressly subordinated and made subject to the lien and pledge, payment and other covenants (including, without limitation, the rate covenants and reserve funding requirements), flow of funds and other provisions governing the use and application of Revenues and the rights and remedies granted to bondholders in the Bond Resolution and/or the Subordinate Bond Resolution. County and Airline agree that this Agreement is being entered into, among other reasons, to ensure that Revenues will be generated from the use and operation of the Airport to enable the County in each Fiscal Year to pay Operation and Maintenance Expenses, satisfy the Airport Debt Service Requirement and satisfy any and all other reserve funding requirements under the Bond Resolution and the Subordinate Bond Resolution. County and Airline further agree that to the extent required by the Bond Resolution, Subordinate Bond Resolution, or law, the holders of Revenue Bonds or their designated representatives shall have the right to exercise any and all rights of County hereunder.

B. With respect to property leased by County to Airline which was or is to be acquired by County with proceeds of Revenue Bonds, the interest on which is, or is intended to be, excludable from the gross income of the holders of such Revenue Bonds for federal income tax purposes, the parties hereby covenant to protect the tax-exempt status of such Revenue Bonds.

C. Airline agrees to execute all instruments, certificates, or other documents reasonably requested by County to assist County and bond counsel in determining and assuring that tax-exempt Revenue Bonds are issued in compliance with applicable rules and regulations of the Internal Revenue Service and in assisting County and disclosure counsel in preparing the disclosure documents required for the public offering of Revenue Bonds and assuring compliance with the Securities and Exchange Commission's continuing disclosure requirements, and Airline shall provide whatever additional relevant information is reasonably requested by County initially or on a continuing basis in connection with complying with any of those rules and regulations.

9.2 Creation of Accounts

A. Pursuant to the Bond Resolution, the following Accounts have been created to be used for the purposes set forth in the Bond Resolution as they are used for the purposes of establishing airline rentals, fees, and charges pursuant to **Exhibit B:**

1. Revenue Account;
2. Interest Account;
3. Principal Account;
4. Sinking Fund Account;
5. Reserve Account (Debt Service);
6. Renewal and Replacement Account;
7. Improvements Account; and
8. General Purposes Account.

9.3. General Purposes Account

A. Subject in all respects to the requirements of the Bond Resolution, amounts deposited to the General Purposes Account, shall be distributed among the following sub-accounts which are hereby established within the General Purposes Account, and within such sub-accounts, into the applicable sub-sub-accounts which are hereby established for the Terminal and the Airfield: (1) Airport Discretionary Sub-Account, (2) Rate Stabilization Sub-Account, and (3) Airline Fees and Charges Sub-Account. The distribution of funds among these sub-accounts, and the use of these funds, shall be as described in this Section 9.3.

B. Deposits (if any) to the General Purposes Account established pursuant to the Bond Resolution shall be applied for the purposes and in the order of priority set forth in Section 5.10 of the Bond Resolution, including, without limitation, the payment of debt service and other funding requirements on Subordinated Debt incurred in the form of subordinate Revenue Bonds issued under the Subordinate Bond Resolution. Thereafter, any amounts remaining in the General Purposes Account established pursuant to the Bond Resolution shall be deposited first to the Airport Discretionary Sub-Account, but only into the applicable sub sub-accounts for the Terminal and the Airfield, then to the Rate Stabilization Sub-Account, if applicable, but only into the applicable sub sub-accounts for the Terminal and the Airfield, then to the Airline Fees and Charges Sub-Account, but only into the applicable sub sub-accounts for the Terminal and the Airfield.

C. Any deposits into the applicable sub sub-accounts for the Terminal and the Airfield in the Rate Stabilization Sub-Account within the General Purposes Account, if any, are to be held in such sub sub-accounts to assist in moderating airline fees and charges, as applicable for the Terminal or the Airfield. If at any time it is determined through an MII ballot that amounts should be deposited to any of the sub sub-accounts of the Rate Stabilization Sub-Account such deposit should be to the applicable sub sub-account, as provided in the MII ballot. Any transfer from the Rate Stabilization Sub-Account should be to the corresponding sub sub-account in the Airline Fees and Charges Sub-Account. Such transferred amounts may be used as Transfers to the Revenue Account and used in determining Terminal rate base as described in **Exhibit B** if such Transfer is from the Terminal sub sub-account, or used in determining Airfield rate base as described in **Exhibit B** if such Transfer is from the Airfield sub sub-account. The Aviation Department shall notify the Signatory Airlines of proposed transfers from the sub sub-accounts in Rate Stabilization Sub-Account into the corresponding sub sub-accounts in the Airline Fees and Charges Sub-Account through the Annual Budget process. Such Transfers will be credited to the applicable Terminal rate base or Airfield rate base as described in **Exhibit B.**

D. Subject in all respects to the provisions of the Bond Resolution and subsection 9.3B of this Agreement, any remaining balance from the monthly deposits to the General Purposes Account shall first be credited to the applicable sub sub-account in the Airport Discretionary Sub-Account up to an amount in any fiscal year not exceeding a total deposit of One Million Dollars ($1,000,000.00) with a total Maximum Balance in the Airport Discretionary Sub-Account of Three Million Dollars ($3,000,000); Expenditures from the applicable sub sub-accounts in the Airport Discretionary Sub-Account may be made by the Aviation Department at its sole discretion for any legal purpose of the County in connection with either the Terminal or the Airfield, as applicable, or any other portion of the Airport System. The Aviation Department shall provide Airline with prior notification of such expenditures and with an annual detailed report of such expenditures. The Aviation Department may only expend funds from the Terminal sub sub-account in connection with the Terminal or any other portion of the Airport System other than the Airfield and the Aviation Department may only expend funds from the Airfield sub sub-account in connection with the Airfield.

E. Subject in all respects to the provisions of the Bond Resolution and subsection 9.3B of this Agreement, any remaining balance after satisfying the requirements of subsections B, C, and D of this Section 9.3, any remaining deposits to the General Purpose Account shall be deposited to the appropriate sub sub-account in the Airline Fees and Charges Sub-Account. At the end of each Fiscal Year, any funds available in these sub sub-accounts in this Sub-Account shall be transferred to the Revenue Account established pursuant to the Bond Resolution in the succeeding Fiscal Year as a Transfer in establishing Airline rates for either the Terminal base rate or Airfield base rate pursuant to Article VIII, as applicable.

9.4. Other Accounts

A. Each Annual Budget shall include planned expenditures (if any) from the Renewal and Replacement Account for the payment of the cost of renewals and replacements which are necessary to protect the revenue generating capacity of the Airport System and of engineering and other expenses incurred in connection therewith. These expenditures shall not be used for the extension, expansion or betterment of the Airport System and shall not be subject to MII approval. It is the intent of the parties that the County will use its best efforts to plan and budget such renewal and replacement expenditures in a manner to moderate the impact of these expenditures on rates, rentals, fees and charges during any given year. Subject to the provisions of the Bond Resolution, additional expenditures from the Renewal and Replacement Account can be made at any time from funds available in said Account for unusual or extraordinary repairs, renewals and replacements when it is apparent that routine maintenance is not effective or prudent to maintain the Airport System at a safe and essential level.

B. Each Annual Budget shall include planned expenditures (if any) from the Improvements Account for the purchase of items of equipment or other capital items for use in connection with the Airport System. Prior approval of MII shall be obtained for Capital Expenditure paid for from amounts in the Improvements Account, except to the extent otherwise provided for in Section 3.4 or elsewhere in this Agreement.

ARTICLE X
DEFAULT BY AIRLINE

10.1 Events of Default. The events described below in subsections A and B shall be deemed events of default by Airline hereunder:

A. The conduct of any business or performance of any acts at the Airport not specifically authorized herein (except Security Deposit requirements, insurance

requirements, and payment of rentals, fees, and charges, all as provided for in Section 10.1B) or by other agreements between County and Airline, and said business or acts do not cease within thirty (30) calendar days of receipt of County's written notice to cease said business or acts. Notwithstanding the above, if by reason of the nature of such default, the same cannot be remedied within thirty (30) calendar days following receipt by Airline of written demand from County to do so, Airline fails to commence the remedying of such default within said thirty (30) calendar days following such written notice, or having so commenced, shall fail thereafter to continue with diligence the curing thereof. Airline shall have the burden of proof to demonstrate all of the following: (i) that the default cannot be cured within thirty (30) calendar days; and (ii) that it is proceeding with diligence to cure said default; and (iii) that such default will be cured within a reasonable period.

B. Upon the occurrence of any one of the following events of default, County may immediately issue written notice of default.

1. The failure by Airline to pay any part of the rentals, fees, and charges when due, as provided for in this Agreement and the continued failure to pay said amounts in full within ten days from their respective due date. Provided, however, if a dispute arises between County and Airline with respect to any obligation or alleged obligation of Airline to make payments to County, payments under protest by Airline of the amount due shall not waive any of Airline's rights to contest the validity or amount of such payment. In the event any court or other body having jurisdiction determines all or any part of the protested payment shall not be due, then County shall promptly reimburse Airline any amount determined as not due.

2. The failure by Airline to provide and keep in force a Security Deposit in accordance with subsection 7.5F.

3. The failure by Airline to provide and keep in force all insurance coverages in accordance with Article XVI.

4. The appointment of a trustee, custodian, or receiver of all or a substantial portion of Airline's assets.

5. The divestiture of Airline's estate herein by operation of law, by dissolution, or by liquidation, (not including a merger or sale of assets).

6. The insolvency of Airline; or if Airline shall take the benefit of any present or future insolvency statute, shall make a general assignment for the benefit of creditors, or shall seek a reorganization or the readjustment of its indebtedness under any law or statute of the United States or of any state thereof including the filing by Airline of a voluntary petition of bankruptcy or the institution of proceedings against Airline the adjudication of Airline as a bankrupt pursuant thereto.

7. The abandonment of Leased Premises or suspension of Airline's operations for a period greater than sixty (60) calendar days, which such

suspension shall be considered abandonment for the purposes of this Agreement absent a labor dispute or other governmental action in which Airline is directly involved.

8. The failure by Airline to remit PFCs in accordance with Section 7.7.

9. Failure by Airline to make any portion of its exclusively leased under-utilized PFC-funded Premises available for use by other Scheduled Air Carriers in accordance with Article VII.

10.2 Continuing Responsibilities of Airline. Notwithstanding the occurrence of any event of default, Airline shall remain liable to County for all rentals, fees, and charges payable hereunder and for all preceding breaches of any covenant of this Agreement. Unless County elects to terminate this Agreement, Airline shall remain liable for and promptly pay all rentals, fees, and charges accruing hereunder until termination of this Agreement as set forth in Article 5 or until this Agreement is terminated by Airline pursuant to Article XI. Upon any termination of this Agreement, the parties shall remain liable for all obligations and liabilities accruing prior to such termination.

10.3 County's Remedies. Upon the occurrence of any event enumerated in subsections 10.1A and 10.1B, including applicable notice and cure periods, the following remedies shall be available to County:

A. County may exercise any remedy provided by law or in equity, including but not limited to the remedies hereinafter specified.

B. County may terminate this Agreement, effective upon the date specified in the notice of termination. For events enumerated in subsection 10.1A, such date shall be not less than fifteen (15) calendar days from said notice. Upon such date, Airline shall be deemed to have no further rights hereunder and County shall have the right to take immediate possession of the Premises.

C. County may reenter the Premises and may remove all Airline persons and property from same upon the date of reentry specified in County's written notice of reentry to Airline. For events enumerated in subsection 10.1A, reentry shall be not less than fifteen (15) calendar days from the date of notice of reentry. Upon any removal of Airline property by County hereunder, Airline property may be stored at a public warehouse or elsewhere at Airline's sole cost and expense.

D. County may relet Airline Premises and any improvements thereon, or any part thereof at such rentals, fees, and charges and upon such other terms and conditions as County, in its reasonable discretion, may deem advisable, with the right to make alterations, repairs of improvements on said Airline Premises. In reletting the Airline Premises, County shall seek to mitigate any damages it may suffer as a result of Airline's event of default.

E. In the event that County relets Airline Premises, rentals, fees, and charges received by County from such reletting shall be applied first to

any cost or expense of County to relet the Premises and thereafter, to any deficiency between the payment of rentals, fees, and charges due and payable pursuant to this Agreement and what the County receives from the new lessee. In no event shall any of the rentals, fees, and charges received by County from such reletting be applied to any rentals, fees, and charges accrued and owed by Airline to the County prior to the reletting of the Airline Premises. Airline shall have no right to or in any rentals, fees, and charges received by County as a result of the reletting of the Airline Premises. Airline shall also pay to County, as soon as ascertained, any reasonable costs and expenses incurred by County in such reletting not covered by the rentals, fees, and charges received from such reletting.

F. No reentry or reletting of Airline Premises by County shall be construed as an election on County's part to cancel this Agreement unless a written notice of cancellation is given to Airline.

G. Airline shall pay to County all other costs, incurred by County in the exercise of any remedy in this Article 10, including, but not limited to, reasonable attorney fees, disbursements, court costs, and expert fees.

10.4 Remedies Under Federal Bankruptcy Laws

Neither this Agreement nor any rights or privileges hereunder shall be an asset of Airline in any bankruptcy, insolvency or reorganization proceeding. If County shall not be permitted to terminate this Agreement because of the provisions of the United States Bankruptcy Code, Airline or any trustee for it shall, within fifteen (15) days upon request by County to the Bankruptcy Court, assume or reject this Agreement, provided however, that Airline may not assume this Agreement unless all defaults hereunder shall have been cured, County shall have been compensated for any monetary loss resulting from such default and County shall be provided with adequate assurance of full and timely performance of all provisions, terms and conditions of this Agreement on the part of Airline to be performed.

Notwithstanding the foregoing, upon the filing by or against Airline of any proceeding under federal bankruptcy laws, if Airline has defaulted in the performance of any provision of this Agreement within the six (6) months preceding such filing, the County shall have the right to terminate this Agreement, in addition to other remedies provided under provisions of all Applicable Laws, including but not limited to the United States Bankruptcy Code, as such may be subsequently amended, supplemented, or replaced. Such termination shall be by written notice to Airline within sixty (60) days from the date of Airline's initial filing in bankruptcy court.

10.5 Voluntary Relinquishment of Authorization

A. Provided no event of default by Airline or its Affiliates exists, Airline may terminate this Agreement thirty (30) calendar days after receipt by County of written notice from Airline stating the cause and date of such termination, if Airline has voluntarily relinquished its rights, certificates, or authorizations necessary under Applicable Laws to operate its air transportation business at the Airport. Such right of termination shall be in addition to any other such right provided elsewhere herein or by operation of law.

B. Upon such termination, all provisions of this Agreement shall be terminated, unless otherwise specified. No such termination shall be effective until thirty (30) calendar days have elapsed after receipt by County of written notice from Airline stating the cause of such termination is pursuant to subsection 10.5A, and date of such termination. Airline shall submit to County sufficient proof that such termination is pursuant to subsection 10.5A and of relinquishment of its certificates and authorizations to operate its air transportation business.

C. In the event Airline regains its status as an air transportation business within one (1) calendar year from the date of its notice to County as stated in subsection 10.5B above, Airline shall be responsible for all rentals, fees and charges for the balance of the term of this Agreement, for all periods of time from the Commencement Date.

ARTICLE XI
DEFAULT BY COUNTY

11.1 Events of Default by County

Each of the following events shall constitute an "event of default by County":

A. County fails after receipt of written notice from Airline to keep, perform or observe any term, covenant or condition herein contained to be kept, performed or observed by County and such failure continues for thirty (30) consecutive days. Notwithstanding the above, if by reason of the nature of such default, the same cannot be remedied within thirty (30) calendar days following receipt by County of written demand from Airline to do so, County fails to commence the remedying of such default within said thirty (30) calendar days following such written notice, or having so commenced, shall fail thereafter to continue with diligence the curing thereof. County shall have the burden of proof to demonstrate all of the following: (i) that the default cannot be cured within thirty (30) calendar days; and (ii) that it is proceeding with diligence to cure said default; and (iii) that such default will be cured within a reasonable period.

B. County closes Airport to flights in general or to the flights of Airline, for reasons other than weather, force majeure or other reasons beyond its control, and fails to reopen Airport to such flights within thirty (30) days from such closure.

11.2 Remedies for County's Defaults

Upon the occurrence of an event of default by County, Airline shall have the right to suspend or terminate this Agreement thirty (30) days after receipt by County of written notice from Airline stating the event of default causing the same and the date upon which such termination is to be effective. Upon termination, all rentals, fees and charges payable by Airline under this Agreement shall end on the termination date.

11.3 Curative Provisions; Payment Under Protest

A. No such termination shall be effective if such cause shall have been cured or removed during such thirty (30) day period, or in the event such cause is an Event of Default by County under this Agreement and if, by its nature such default cannot be cured within such thirty (30) day period, such termination shall not be effective if County commences to cure or remove such Event of Default within said thirty (30) days and cures or removes the same as promptly as reasonably practicable.

B. Notwithstanding anything to the contrary in this Agreement, if a dispute shall arise between County and Airline with respect to any obligation or alleged obligation of Airline to make payment, the payment under protest by Airline of the amount claimed by County to be due shall not waive any of the Airline's rights, and if any court or other body having jurisdiction shall determine that all or any part of the protested payment was not due, then County shall immediately reimburse Airline any amount determined as not due.

ARTICLE XII
WAIVER OF RIGHTS; NO REMEDY EXCLUSIVE

12.1 Waiver

Failure by either party to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Agreement. County and Airline agree that each requirement, duty, and obligation set forth herein is substantial and important to the formation of this Agreement and, therefore, is a material term hereof.

12.2 No Remedy Exclusive

No remedy herein conferred upon or reserved to the County or Airline is intended to be exclusive of any other remedy herein provided or otherwise available, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

ARTICLE XIII
REMOVAL OF AIRLINE PROPERTY FROM THE AIRFIELD

13.1 Upon the expiration of this Agreement or earlier termination as provided for in this Agreement, as provided for herein but no later than thirty (30) days after the occurrence of such events, the Airline agrees remove all aircraft, equipment, machinery, vehicles and other objects ("Property") which Airline or its Affiliates, its agents, employees, permittees or service providers to Airline or its Affiliates, have placed or caused to be placed upon the Airfield.

13.2 In the event Airline fails to remove all Property from the Airfield as required in Section 13.1, County shall have the option to dispose of the Property (excluding aircraft) as follows:

A. County may remove such Property to a public warehouse or elsewhere at the cost of, and for the account of Airline; or

B. County may retain same in its own possession and sell same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale; or

C. County may dispose of such Property in any manner permitted by all Applicable Laws. If the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Airline shall pay such excess to the County upon demand.

13.3 The provisions of this Article XIII shall survive the expiration or earlier termination of this Agreement.

ARTICLE XIV
ASSIGNMENT OR ENCUMBRANCE

14.1 Airline shall not sublet the Premises or any part thereof or transfer, assign, pledge, or otherwise encumber this Agreement or any rights or obligations hereunder, or allow same to be assigned by operation of law or otherwise without the prior written consent of the County, which shall not be unreasonably withheld and (any such action being called an "assignment"). Any such action shall be null and void and of no force or effect provided, however, Airline shall have the right, without the County's prior written consent, to assign this Agreement or its rights hereunder to (a) an entity with whom Airline may merge or consolidate, (b) an entity that acquires all or substantially all of the Airline's assets, or (c) a Wholly Owned Affiliate.

ARTICLE XV
INSURANCE: DAMAGE OR DESTRUCTION

15.1 Airline Responsibilities County shall not be liable to Airline for damage to Airline's property, improvements and facilities from any cause whatsoever, including, without limitation, any act of negligence of any tenants, occupants or other users of the Airport or any other person unless, and only to the extent, caused by the negligence of County, its agents, servants, contractors, invitees or employees. Airline shall have the right, however, to claim and recover its damages from any third party other than County who may be liable therefore.

ARTICLE XVI
INDEMNIFICATION: LIABILITY INSURANCE

16.1 Indemnification. Airline shall at all times hereafter indemnify, hold harmless and, at the County Attorney's option, defend or pay for an attorney selected by the County Attorney to defend County, its officers, agents, servants, and employees from and against any and all causes of action, demands, claims, losses, liabilities and expenditures of any kind, including attorney fees, court costs, and expenses, caused or alleged to be caused by any intentional, negligent, or reckless act of, or omission of, Airline, its employees, agents, servants, or officers, or accruing, resulting from, or related to the subject matter of this Agreement including, without limitation, any and all claims, losses, liabilities,

expenditures, demands or causes of action of any nature whatsoever resulting from injuries or damages sustained by any person or property. In the event any lawsuit or other proceeding is brought against County by reason of any such claim, cause of action, or demand, Airline shall, upon written notice from County, resist and defend such lawsuit or proceeding by counsel satisfactory to County or, at County's option, pay for an attorney selected by County Attorney to defend County. The obligations of this section shall survive the expiration or earlier termination of this Agreement. To the extent considered necessary by the Director of Aviation and the County Attorney, any sums due Airline under this Agreement may be retained by County until all of County's claims for indemnification pursuant to this Agreement have been settled or otherwise resolved. Any amount withheld shall not be subject to payment of interest by County

16.2 In order to insure the indemnification obligation contained above, Airline shall, at a minimum, provide, pay for, and maintain in force at all times during the term of this Agreement (unless otherwise provided), the insurance coverages as are provided for in this Article. Each insurance policy shall clearly identify the foregoing indemnification as insured. Such required insurance coverage's may be modified from time to time as agreed to by the parties.

A. Airline shall furnish to the Director of Aviation Certificates of Insurance evidencing the insurance coverages required hereunder. The required Certificate of Insurance shall name the types, terms and limits of liability provided hereunder.

B. Coverage is not to cease and is to remain in force (subject to cancellation notice) during the term of this Agreement. The Airline shall use commercially reasonable efforts to have all policies endorsed to provide County with at least thirty (30) days notice of cancellation and/or restriction. If any of the insurance coverages will expire prior to the termination of this Agreement, renewal certificates shall be issued within a reasonable time upon renewal.

C. Subrogation. Notwithstanding anything to the contrary herein, Airline waives any right of recovery against County for any loss or damage to the extent the same is required to be covered by insurance pursuant to this Article XVI. Airline shall obtain from its insurers, if possible, a waiver of any subrogation the insurer may have against County in connection with any loss or damage covered by Airline's insurance.

D. Any insurance coverage that is written on a claims-made basis must remain in force for two (2) years after the termination of this Agreement.

E. Compliance with the County's insurance requirements shall not relieve the Airline of its liability and obligations under this Article or under any other provision of this Agreement.

F. The amounts and types of insurance shall conform to the following minimum requirements with policies, forms and endorsements that are comparable to Insurance Service Office (ISO) requirements. Notwithstanding the foregoing, at a minimum, the wording of all policies, forms and endorsements must be reasonably acceptable to County.

1. Workers Compensation and Employer's Liability Insurance shall be maintained in force by Airline during the Term of this Agreement for all employees engaged in the operations under this Agreement. The limits of coverage shall not be less than:

Workers' Compensation	Florida Statutory
Employer's Liability	$1,000,000 Limit Each Accident
	$1,000,000 Limit Disease Aggregate
	$1,000,000 Limit Disease Each Employee

2. Liability Insurance shall be maintained by Airline for the term of this Agreement. Coverage shall include, but not be limited to, Premises and Operations, Personal Injury, Contractual for this Agreement, Independent Contractors, Broad Form Property Damage, Products and completed Operations Coverage and shall include Explosion (XCU), Collapse, Liquor Liability, Terrorism or War Risk (to the extent available from, or subsidized by, the federal government.) Coverage shall be applicable to the operation of all Airline's mobile and ground equipment at the Airport. The limits of coverage shall not be less than:

Airlines Operating Aircraft with over one hundred (100) seats:

Bodily & Personal Injury	$200,000,000 Combined Single Limit
& Property Damage Liability	Each Occurrence & Aggregate

Airlines Operating Aircraft with seventy-five (75) to one hundred (100) seats:

Bodily & Personal Injury	$150,000,000 Combined Single Limit
& Property Damage Liability	Each Occurrence & Aggregate

Airlines Operating Aircraft with fifty (50) to seventy-four (74) seats:

Bodily & Personal Injury	$100,000,000 Combined Single Limit
& Property Damage Liability	Each Occurrence & Aggregate

Airlines Operating Aircraft with less than fifty (50) seats:

Bodily & Personal Injury	$50,000,000 Combined Single Limit
& Property Damage Liability	Each Occurrence & Aggregate

3. Liability Insurance shall be maintained by Airline during the Term of this Agreement for all owned, non-owned, leased or hired aircraft, including

passenger coverage. The limits of coverage shall not be less than:

Bodily & Personal Injury	$100,000,000 Combined Single Limit
& Property Damage Liability	Each Occurrence & Aggregate

4. Liquor Liability Coverage shall be maintained for any facility of Airline serving alcoholic beverages on the airport in an amount not less than $1,000,000 per occurrence.

5. Terrorism or War Risk shall be maintained by Airline to the extent available from, or subsidized by, the federal government, in an amount not less than $50,000,000.

6. Environmental Liability Insurance shall be maintained by the Airline in an amount not less than $10,000,000 for sudden and accidental pollution, clean up costs or to the extent not prohibited by applicable law. Airline may provide for reasonable limits of self-insurance against environmental liability risks. All amounts paid to County by Airline on account of any self-insurance program shall be deemed insurance proceeds for purposes of this Agreement. To the extent Airline self-insures as to environmental liability, the protections afforded County by Airline shall be the same as if insurance were provided by a third-party insurer and Airline shall have all the obligations and liabilities of a third party insurer hereunder (e.g. obligation to provide a defense).

7. Business Automobile Liability Insurance shall be maintained by Airline during the Term of this Agreement as to the ownership, maintenance, and use of all owned, non-owned, leased or hired vehicles. The limits of coverage shall not be less than:

Bodily & Personal Injury	$5,000,000 Combined Single Limit
& Property Damage Liability	Each Occurrence & Aggregate

8. Umbrella Liability Insurance or Excess Liability Insurance may be used to reach the limits of liability required for the Airport Liability Policy and/or the Business Automobile Policy. The limits of coverage shall not be less than:

Umbrella or Excess Liability Policy:

$100,000,000 Combined Single Limit
Each Occurrence & Aggregate-Specific
for this Agreement

$200,000,000 Combined Single Limit
Each Occurrence & Aggregate-Not Specific

for this Agreement

Primary Liability Limits for the underlying Airport General Liability Coverage:

Bodily & Personal Injury & Property Damage Liability	$10,000,000 Combined Single Limit Each Occurrence & Aggregate

G. Airline shall be responsible to the extent of the requirements of all Applicable Laws relative to Airline or to the County to prevent any unauthorized entry onto any part of the airport operations area of the Airport through Airline's Leased Premises.

H. Additional Insured. Airline agrees to endorse County as additional insured, to its Liability, Umbrella or Excess Liability to the extent required under this Article XVI. The additional insured shall read "Broward County".

ARTICLE XVII
NOTICES

17.1 Whenever either party desires to give notice to the other, unless otherwise specified, such notice must be in writing, sent by certified United States Mail, postage prepaid, return receipt requested, or by overnight courier with receipt acknowledgment, or by hand-delivery with a request for a written receipt of acknowledgment of delivery, addressed to the party for whom it is intended at the place last specified. The place for giving notice shall remain the same as set forth herein until changed in writing in the manner provided in this section. For the present, the parties designate the following:

FOR BROWARD COUNTY:

County Administrator
Governmental Center
115 South Andrews Avenue
Fort Lauderdale, Florida 33301

with a copy to:

Director of Aviation
Broward County Aviation Department
Fort Lauderdale-Hollywood International Airport
2200 SW 45th Street, Suite101
Dania Beach, FL 33312

FOR AIRLINE:
____
____
____

17.2 All notices, approvals and consents required hereunder must be in writing to be effective.

ARTICLE XVIII
ENVIRONMENTAL COMPLIANCE, CONTAINMENT AND REMOVAL

18.1 Environmental Compliance; Containment and Removal

A. Airline shall provide the Aviation Department upon request, a list of all Hazardous Materials stored, used, generated or disposed of on Airport property by Airline. Airline shall complete the form attached to the TBLA as **Exhibit E** and shall deliver same to the County contemporaneously with its execution of this Agreement. Airline represents that, to the best of its knowledge the matters disclosed on such form will be accurate and complete as of the date of execution of this Agreement. At the request of the Aviation Department (not more than once a year) the Airline shall provide an accurate and complete update as to the matters set forth in such form.

B. Airline agrees to comply with all Applicable Laws, including but not limited to any Environmental Laws and Development Order covering the Airport, issued pursuant to Chapter 380, Florida Statutes, including without limitation those addressing the following, if applicable to the Airline:

1. Proper use, storage, treatment and disposal of Hazardous Materials, including contracting with a licensed hazardous waste transporter and/or treatment and disposal facility to assure proper transport and disposal of Hazardous Materials.

2. Proper use, disposal and treatment of stormwater runoff, including the construction and installation of adequate pre-treatment devices or mechanisms, if required by any Applicable Laws. The Airline shall have in place, and make available to the Aviation Department for review, all required environmental licenses and documents including, but not limited to, if applicable, a site specific Stormwater Pollution Prevention Plan, and a Spill Prevention and Countermeasures Plan.

3. Adequate inspection, licensing, insurance, and registration of existing and future storage tanks, storage systems, and ancillary facilities to meet all requirements of all Applicable Laws, including the installation and operation of adequate monitoring devices and leak detection systems.

4. Adequate facilities for management and, as necessary, pretreatment of Hazardous Materials and the proper disposal thereof.

5. Compliance with reporting requirements of Title III of the Superfund Amendment and Chapter 27 of the Broward County Code of Ordinances, as applicable and as such laws may be amended from time to time.

C. The Release of any Hazardous Materials by Airline, its Affiliate, or Airline's Parties, at the Premises occupied by Airline or its Affiliates or any other Airport property, whether caused by the Airline its Affiliates or any officers, employees, contractors, subcontractors or agents of Airline, or its Affiliates, that is in an amount that is in violation of any Applicable Laws, whether committed prior to or subsequent to the date of execution of this Agreement, shall be, at the Airline's expense, and upon demand of County or any of its agencies or any local, state, or federal regulatory agency, immediately contained or removed to meet the requirements of all Applicable Laws. If Airline does not take action immediately to have such Hazardous Materials contained, removed and abated, the County or any of its agencies may undertake the removal of the Hazardous Materials; however, any such action by the County or any of its agencies shall not relieve the Airline of its obligations under this or any other provision of this Agreement or as imposed by law. No action taken by either the Airline or the County to contain or remove Hazardous Materials, or to abate a release, whether such action is taken voluntarily or not, shall be construed as an admission of liability as to the source of or the person who caused the pollution or its release. As used in this Agreement, "Airline's operations" and "Airline's actions" and words of similar import, shall include all actions and inaction by Airline, by its sublessees, or by any of their officers, employees, contractors, subcontractors, invitees, or agents occurring at the Premises or at other Airport property and all actions and inactions of any other person entering upon or using the Premises. Notwithstanding the foregoing, Airline shall not be liable for the presence of any Hazardous Materials at the Premises or the Airport caused by the County or other persons or entities, not an Affiliate, or one of Airline's Parties.

D. Airline shall provide the Aviation Department with notice of Releases of Hazardous Materials occurring at any area used by Airline, its Affiliates, or Airline's Parties due to Airline's or its Affiliates or Airline's Parties operations at the Airport, which Release was caused by Airline or its Affiliates, or Airline Parties, which notices shall be provided in accordance with the requirements of the Aviation Department's policies and procedures manual. Airline shall maintain a log of all such notices and shall also maintain all records required by federal, state, County, and local laws, rules and regulations and also such records as are reasonably necessary to adequately assess environmental compliance in accordance with all Applicable Laws. Upon request by the Aviation Department, Airline shall make all documentation required by this subsection available for the review of County representatives.

E. As required by all Applicable Law, Airline shall provide the required federal, state, County and local regulatory agencies with notice any Release of Hazardous Materials on the Premises occupied by Airline or its Affiliates or on the Airport property, which Release was caused by Airline, its Affiliates, or Airline's Parties. Airline shall further provide the Aviation Department and the County Department of Environmental Protection and Growth Management (or successor agency) with written notice within three (3) business days following commencement of same, of the measures to remediate and or monitor any Release in full compliance with all Applicable Laws. Airline shall have an updated contingency plan (or comparable document) in effect which provide minimum standards and procedures for storage of regulated Hazardous Materials and other Hazardous

Materials, prevention and containment of spills and Releases, and transfer and disposal of regulated Hazardous Materials and other Hazardous Materials. The contingency plan shall describe design features, response actions and procedures to be followed in case of releases or other accidents involving Hazardous Materials.

F. The Aviation Department, upon reasonable written notice to Airline, shall have the right to inspect all documents relating in any way to the Release of any Hazardous Materials at the Airport, the environmental condition of the Premises occupied by Airline or its Affiliates, any curative, remediation, or monitoring efforts on any Airport property by Airline, its Affiliates, or Airline's Parties and any documents required to be maintained under all Applicable Laws including but not limited to any development order issued to the County pertaining to the Airport, pursuant to Chapter 380, Florida Statutes, including, but not limited to, manifests evidencing proper transportation and disposal of Hazardous Materials, environmental site assessments, and sampling and test results. Airline agrees to allow inspection of the Premises occupied by Airline, or its Affiliates, by appropriate federal, state, County and local agency personnel in accordance with all Applicable Laws, and as required by any development order issued to the County pertaining to the Airport, pursuant to Chapter 380, Florida Statutes.

G. If the County, pursuant to subsection 18.1C arranges for the removal of any Hazardous Materials on the Premises or other Airport Property used or occupied by Airline, its Affiliates, or Airline's Parties, that were caused Airline, its Affiliates, or Airline's Parties, all costs of such removal incurred by the County shall be paid by Airline to the County within ten sixty (60) calendar days of County's written demand, with interest at the rate of eighteen percent (18%) per annum thereafter accruing.

H. Nothing herein shall relieve Airline of its general duty to cooperate with the County in ascertaining the source and, containing, removing and abating any Hazardous Materials and Releases. The Aviation Department and its employees, contractors, and agents, upon reasonable written notice to Airline, and the federal, state, local and other County agencies, and their employees, contractors, and agents, in accordance with all Applicable Laws, shall have the right to enter the Premises occupied by Airline or its Affiliates for the purposes of the foregoing activities and conducting such environmental assessments (testing or sampling), inspections and audits as it deems appropriate. Any such entering of the Premises occupied by Airline or its Affiliates, by County, shall be, if possible, without unreasonable interference with Airline's operations on the Premises and at reasonable times.

I. If any assessment or inspection undertaken by County, state or federal agencies, indicates that further actions should be conducted, then the County shall have the right to have such further actions conducted at the Airline's expense. Airline shall reimburse to the County the cost of such assessments and inspections within sixty (60) calendar days following written demand for payment, with interest at the rate of eighteen percent (18%) per annum thereafter accruing. Airline shall have the right to split any soil or water samples obtained by the County.

J. In the event County shall arrange for the removal of Hazardous Materials on the Premises occupied by Airline that are not the responsibility of the Airline to correct, County shall use reasonable efforts to not disrupt Airline's business, however, in no event shall Airline be entitled to any abatement of rent or any amount on account of lost profits, lost rentals, or other damages as a result of County's clean-up activities.

K. All flammable liquids that are kept or stored at the Premises must at all times be handled, stored, used and dispensed in accordance with all Applicable Laws and other requirements, as same may be amended, including without limitation any rules, regulations or minimum standards that are established by the Aviation Department for operations of Airport tenants.

L. The provisions of this section shall survive the expiration or other termination of this Agreement.

ARTICLE XIX
RULES AND REGULATIONS

19.1 Airline agrees to observe and obey all rules and regulations of the Airport governing the safe conduct on and operation, maintenance and use of Airport, provided that such rules and regulations shall be furnished in writing to Airline. Aviation Department agrees that any rules and regulations so promulgated and as applied to Airline shall be reasonable and shall not be inconsistent with any constitution, law, rule or regulation of the State of Florida or the United States of America or any agency thereof having jurisdiction of the Airport System, nor in conflict with the terms, provisions, rights and privileges granted hereunder. Aviation Department further agrees to provide Airline with notice and a reasonable opportunity to comment prior to the adoption of any new or amended rules and regulations of the Airport.

ARTICLE XX
HEADINGS

20.1 All article and paragraph headings are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision of this Agreement.

ARTICLE XXI
CONSTRUCTION AND SAVINGS CLAUSES

21.1 Severance In the event this Agreement or a portion of this Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions shall continue to be effective unless County or Airline elects to terminate this Agreement. The election to terminate this Agreement based upon this provision shall be made within seven (7) calendar days after the finding by the court becomes final.

21.2 Airline covenants that whenever it has the right under this Agreement to disapprove a Capital Expenditure, it will do so under prudent judgment and sound management policies.

21.3 This Agreement shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than any other. The parties hereto acknowledge that they have thoroughly read this Agreement, including all exhibits and attachments hereto, and have sought and received whatever competent advice and counsel was necessary for them to form a full and complete understanding of all rights and obligations herein.

ARTICLE XXII
GOVERNMENT INCLUSION

22.1 This Agreement shall be subordinate to the provisions of any existing or future agreements between County and the United States government relative to the operation or maintenance of Airport, the execution of which has been or will be required as a condition precedent to the granting of federal funds, the transfer of federal rights or property to the County for Airport purposes, or the expenditure of federal funds for the improvements or development of Airport to the extent that the provisions of any such existing or future agreements are generally required by the United States or other civil airports receiving federal funds. County agrees to give Airline written notice in advance of the execution of such agreements of any provisions which will modify the terms of this Agreement. This Agreement is subject and subordinate to the terms and conditions of the instruments and documents under which the County acquired the Airport from the United States of America and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in such instruments and documents and any existing or subsequent amendments thereto.

A. Airline, for itself, its successors in interest and assigns, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the Airline Premises; (2) in the construction of any improvements on, over, or under the Airline Premises and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) Airline will use the Airline Premises in compliance with all other requirements imposed by or pursuant to 14 CFR 152 and Title VI of the Civil Rights Act of 1964, and as said Title and Regulations may be amended. Airline shall comply with laws of the State of Florida prohibiting discrimination on the basis of sex, religion, age or physical handicap. Should the Airline authorize another person, with County's prior written consent, to provide services or benefits upon the Airline Premises, Airline shall obtain from such person a written agreement pursuant to which such person shall, with respect to the services or benefits which it is authorized to provide, undertake for itself the obligations contained in this section. Airline shall furnish a copy of such agreement to County.

B. County may from time to time be required by the United States government, or its agencies to adopt additional or amended provisions including nondiscrimination provisions, concerning the use and operation of Airport, and Airline agrees that it will adopt any such requirements as a part of this Agreement.

C. Notwithstanding anything herein contained that may be or appear to the contrary, the rights, privileges and licenses granted under this Agreement are "non-exclusive" and County reserves the right to grant similar privileges to other Air Carriers on other parts of Airport.

D. Airline shall comply with all applicable regulations of the FAA and the TSA relating to Airport security and shall control the Airline Premises so as to prevent or deter unauthorized persons from obtaining access to the air operations of Airport.

E. County reserves unto itself, its successors, and assigns for the use and benefit or the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises, for navigation or flight in the said airspace for landing on, taking off from or operating on Airport.

22.2 Federal Government's Emergency Clause All provisions of this Agreement shall be subordinate to the rights of the United States of America to operate the Airport or any part thereof during time of war or national emergency. Such rights shall supersede any provisions of this Agreement inconsistent with the operations of the Airport by the United States of America.

22.3 Federal Aviation Act, Section 308 Nothing herein contained shall be deemed to grant the Airline any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act, as codified in Title 49 U.S.C. Section 40103, et. seq., for the conduct of any activity on the Airport. It is expressly understood and agreed that the privileges granted under this Agreement are non-exclusive and the County reserves the right to grant similar privileges to another Airline or other users of the Airport facilities.

22.4 Right to Amend In the event that the United States Government or its departments or agencies requires modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of the Airport, or otherwise, the Airline agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Agreement as may be reasonably required (collectively, an "amendment"). Notwithstanding the foregoing, in the event any such amendment would unreasonably interfere with the business operations of Airline, then Airline may refuse to consent to such amendment, provided that Airline must give immediate notice to the County of any such refusal to consent and such notice must state with specificity the reasons for any such refusal. The County shall have the right to immediately terminate this Agreement upon the failure of Airline to consent to any such amendment.

22.5 Development and Expansion of Airport It is mutually agreed that County shall have the right to develop, maintain, and operate the Airport as it deems advisable and desirable, in accordance with such appropriate governmental authority and regulation as may be applicable, and that County shall have the right to make such subsequent agreements with the Federal Government as may be necessary or advisable in connection with Federal financing of Airport improvements, alterations, or modifications. Airline acknowledges that County is seeking federal, state, and local approvals for the expansion of the Airport.

22.6 Police/Regulatory Powers County cannot, and hereby specifically does not, waive or relinquish any of its regulatory approval or enforcement rights and obligations as it may relate to regulations governing the premises, any improvements thereon, or any

operations at the premises. Nothing in this Agreement shall be deemed to create an affirmative duty of County to abrogate its sovereign right to exercise its police powers and governmental powers by approving or disapproving or taking any other action in accordance with its zoning and land use codes, administrative codes, ordinances, rules and regulations, federal laws and regulations, state laws and regulations, and grant agreements. In addition, nothing herein shall be considered zoning by contract.

ARTICLE XXIII
SPECIAL PROVISIONS

23.1 Aviation Regulations

Airline agrees to comply with all applicable federal rules, regulations and requirements, in the course of their operations, as may be promulgated from time to time. Said rules, regulations and requirements shall include, but not be limited to, the Federal Department of Transportation, the Federal Aviation Administration (FAA), the Federal Department of Homeland Security/Transportation Security Administration (TSA) and US Customs and Border Patrol. Airline shall comply with such rules, regulations and requirements of the County and the Aviation Department, including the Airport Security Program, as may reasonably be prescribed and Airline shall take such steps as may be necessary to ensure that their officers, employees, sublessees, contractors, invitees, agents, and Affiliates comply with all applicable federal, County and Aviation Department rules, regulations and requirements. If as a result of the acts or omissions of Airline, its officers, employees, sublessees, contractors, invitees, agents or Affiliates, the County incurs any fines or penalties imposed by any governmental agency as a result of the action(s) or inaction(s) of the Airline, or its officers, employees, sublessees, contractors, invitees, agents, or Affiliates, or any cost or expense in enforcing any rules, regulations or requirements of any governmental agency , the Airline agrees to reimburse the County for all such fines, penalties, costs and expenses, including the cost of administrative proceedings, court costs and attorney's fees. Airline further agrees to cure all deficiencies, violations and noncompliance as may be determined by the Aviation Department or the United States Department of Transportation, or any other governmental agency with jurisdiction. In the event Airline fails to remedy any such deficiency, violation or noncompliance to the satisfaction of the Aviation Department or the violating agency, as applicable, the County may cure any deficiency, violation or noncompliance at the sole cost and expense of Airline, and Airline shall remit such amounts to County within thirty (30) days of the date of invoice received from the Aviation Department.

23.2 Airline shall not unlawfully discriminate against any person in its operations and activities or in its use or expenditure of funds in fulfilling its obligations under this Agreement. Airline shall affirmatively comply with all applicable provisions of the Americans with Disabilities Act (ADA) in the course of providing any services funded by County, including Titles I and II of the ADA (regarding nondiscrimination on the basis of disability), and all applicable regulations, guidelines, and standards. In addition, Airline shall take affirmative steps to ensure nondiscrimination in employment against disabled persons.

A. Airlines decisions regarding the delivery of services under this Agreement shall be made without regard to or consideration of race, age, religion, color, gender, sexual orientation (Broward County Code, Chapter 16 1/2), national origin, marital status, physical or mental disability, political affiliation, or any other factor which cannot be lawfully used as a basis for service delivery.

B. Airline shall not engage in or commit any discriminatory practice in violation of the Broward County Human Rights Act (Broward County Code, Chapter 16 1/2) in performing any services pursuant to this Agreement.

23.3 Amendments Except as may be specifically provided herein, no modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement and executed by the Board of Commissioners and all Signatory Airlines.

23.4 Prior Negotiations This Agreement incorporates and includes all prior negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

23.5 Termination of Prior Agreements on the Commencement Date From and after the Commencement Date, this Agreement shall supersede and replace all Prior Agreements between Airline and County and any amendments, addendums, and renewals thereof. From and after the Commencement Date, the provisions of all of the Prior Agreements shall terminate and no longer be of any force or effect except for obligations and liabilities that accrued prior to the Commencement Date of this Agreement, and for provisions of the Prior Agreements that by their express terms survive the termination thereof.

23.6 Jurisdiction, Venue, Waiver of Jury Trial. This Agreement shall be interpreted and construed in accordance with and governed by the laws of the state of Florida. The Parties agree that the exclusive venue for any lawsuit arising from, related to, or in connection with this Agreement shall be in the state courts of the Seventeenth Judicial Circuit in and for Broward County, Florida. If any claim arising from, related to, or in connection with this Agreement must be litigated in federal court, the Parties agree that the exclusive venue for any such lawsuit shall be in the United States District Court or United States Bankruptcy Court for the Southern District of Florida. **BY ENTERING INTO THIS AGREEMENT, AIRLINE AND COUNTY HEREBY EXPRESSLY WAIVE ANY RIGHTS EITHER PARTY MAY HAVE TO A TRIAL BY JURY OF ANY CIVIL LITIGATION RELATED TO THIS AGREEMENT.** If a party fails to withdraw a request for a jury trial in a lawsuit arising out of this agreement after written notice by the other party of violation of this section, the party making the request for jury trial shall be liable for the reasonable attorney's fees and costs of the other party incurred in contesting the request for jury trial, and such amounts shall be awarded by the court in adjudicating the motion.

23.7 Agent for Service of Process It is expressly understood and agreed that if the Airline is not a resident of the State of Florida, or is an association or partnership without a member or partner resident of said state, or is a foreign corporation, then in any such event the Airline does designate the Secretary of State, State of Florida, its agent for the

purpose of service of process in any court action between it and the County arising out of or based upon this Agreement, and the service shall be made as provided by the laws of the state of Florida for service upon a non-resident, who has designated the Secretary of state as agent for service. It is further expressly agreed, covenanted, and stipulated that, if for any reason, service of such process is not possible, and as an alternative method of service of process, Airline may be personally served with such process out of this state by certified mailing to the Airline at the address set forth herein. Any such service out of this state shall constitute valid service upon the Airline as of the date of mailing. It is further expressly agreed that the Airline is amenable to and hereby agrees to the process so served, submits to the jurisdiction, and waives any and all objections and protest thereto.

23.8 Successors and Assigns Bound This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto where permitted by this Agreement.

23.9 Priority of Provisions If there is a conflict or inconsistency between any term, statement, requirement, or provision of any exhibit attached hereto, any document or events referred to herein, or any document incorporated into this Agreement by reference and a term, statement, requirement, or provision of this Agreement, the term, statement, requirement, or provision contained in Articles 1 through 24 of this Agreement shall prevail and be given effect.

23.10 Third Party Beneficiaries Neither Airline nor County intends to directly or substantially benefit a third party by this Agreement. Therefore, the parties agree that there are no third party beneficiaries to this Agreement and that no third party shall be entitled to assert a claim against either of them based upon this Agreement.

23.11 Independent Contractor/Relationship of Parties The relationship of County and Airline hereunder is the relationship of lessor or Airline. Services provided by Airline shall be subject to the supervision of Airline and such services shall not be provided by Airline, or its agents as officers, employees, or agents of the County. The parties expressly acknowledge that it is not their intent to create any rights or obligations in any third person or entity under this Agreement. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partners, joint ventures, or any other similar relationship between the parties hereto.

23.12 Incorporation by Reference The truth and accuracy of each Whereas clause set forth above is acknowledged by the parties. The attached **Exhibits A and B** are incorporated into and made a part of this Agreement.

23.13 Survival Upon termination or expiration of this Agreement, the parties to this Agreement shall remain liable for all obligations and liabilities that have accrued prior to the date of termination or expiration. Notwithstanding any provision of this Agreement to the contrary, no obligation which accrued but has not been satisfied under any previous agreements between the parties, shall terminate or be considered canceled upon execution of this Agreement. Rather, such obligation shall continue as if it had accrued under this Agreement until the obligation is satisfied.

23.14 All personal pronouns used in this Agreement shall include the other gender, and the singular shall include the plural, and vice versa, unless the context otherwise requires.

Terms such as "herein", "hereof", "hereunder", and "hereinafter" refer to this Agreement as a whole and not to any particular sentence, paragraph, or section where they appear, unless the context otherwise requires. Whenever reference is made to a section of this Agreement, such reference is to the section as a whole, including all of the subsections and subparagraphs of such section, unless the reference is made to a particular subsection or subparagraph of such section.

23.15 Federal Preemption Nothing contained in this Agreement is intended, nor shall be construed, as a waiver by either party of any right to assert any claim or defense, or raise any issue in any context or forum including, but not limited to, a court or administrative forum, regarding the preemption by federal law, including but not limited to the Airline Deregulation Act (49 U.S.C. § 41713), of any state or local law, ordinance, or the rules and regulations.

23.16 Multiple Originals This Agreement may be fully executed in up to five (5) copies by all parties, each of which, bearing original signatures, shall have the force and effect of an original document.

ARTICLE XXIV
CONFORMITY OF LEASE

24.1 In the event that County enters into an agreement which makes available to any other Scheduled Air Carrier at Airport more favorable terms, rights, licenses or privileges than are available to Airline, then the same shall be concurrently and automatically made available to Airline.

REMAINDER OF PAGE LEFT BLANK INTENTIONALLY

AIRLINE-AIRPORT LEASE AND USE AGREEMENT BETWEEN BROWARD COUNTY AND ______________________

IN WITNESS WHEREOF, the parties have made and executed this Airline-Airport Lease and Use Agreement on the respective dates under each signature: BROWARD COUNTY through its BOARD OF COUNTY COMMISSIONERS, signing by and through its Mayor or Vice-Mayor, authorized to execute same by Board action on the _____ day of ________________, 2015, and ________________________, signing by and through its authorized representatives.

COUNTY

ATTEST:

____
Broward County Administrator, as
Ex-officio Clerk of the Broward County
Board of County Commissioners

BROWARD COUNTY, by and through
its Board of County Commissioners

By____________________________
Mayor or Vice-Mayor

____ day of ______________, 2015

Approved as to form by
Joni Armstrong Coffey
Broward County Attorney
Aviation Office
2200 SW 45th Street, Suite 101
Dania Beach, Florida 33312
Telephone: (954) 359-6100
Telecopier: (954) 359-1292

Insurance requirements
approved by Broward County
Risk Management Division

By ______________________________
Tracy Meyer, Esq. (Date)
Risk Insurance and Contracts Manager

By______________________________
Alexander J. Williams, Jr. (Date)
Assistant County Attorney

AJW/
_____________ [insert document name]
1/15/2016 [insert date]
#15

AIRLINE-AIRPORT LEASE AND USE AGREEMENT BETWEEN BROWARD COUNTY AND ________________________

AIRLINE

ATTEST:

____

____
Secretary

By: ________________________

Title: ________________________

(CORPORATE SEAL)

___ day of _____________, 2015

WITNESS:

____

____

SIGNATORY TERMINAL BUILDING LEASE AGREEMENT

BETWEEN

BROWARD COUNTY

AND

____

E-26

SIGNATORY TERMINAL BUILDING LEASE AGREEMENT
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SIGNATORY TERMINAL BUILDING LEASE AGREEMENT

THIS SIGNATORY TERMINAL BUILDING LEASE AGREEMENT (hereafter "TBLA" or "Agreement") is entered into by and between Broward County, a political subdivision of the State of Florida ("County") and ____________________, a limited liability corporation organized and existing under the laws of the State of Nevada and legally authorized to do business in the State of Florida ("Airline").

W I T N E S S E T H:

WHEREAS, County is the owner of the Fort Lauderdale-Hollywood International Airport, located in Broward County, state of Florida ("Airport"); and

WHEREAS, County has the right to lease and license the use of property on the Airport and has full power and authority to enter into this TBLA in respect thereof; and

WHEREAS, Airline, as duly authorized by governmental authority, is engaged in the airline service business with respect to persons, property and mail at the Airport and elsewhere; and

WHEREAS, Airline has signed or will sign contemporaneously with this TBLA an Airline-Airport Lease and Use Agreement; and

WHEREAS, Airline requires the use of certain specific premises, facilities, rights and privileges in connection with its use of the Airport and County is willing to assign, license and grant the same to Airline upon the terms and conditions hereinafter stated;

NOW, THEREFORE, in consideration of the agreements set forth herein, County and Airline agree as follows:

ARTICLE I
DEFINITIONS

The following words, terms and phrases wherever used in this TBLA shall, for the purpose of this Agreement, have the following meanings:

1.1 **Affiliate** shall mean, as the context allows, both a "Wholly Owned Affiliate" of Airline, and a "Non-Wholly Owned Affiliate" of Airline, so long as Airline remains a "Signatory Airline," as defined below. A "Wholly Owned Affiliate" is defined as a Scheduled Air Carrier that is (i) one hundred percent (100%) directly or indirectly owned by a Signatory Airline or (ii) one hundred percent (100%) directly or indirectly owned by a parent company which also has a one hundred percent (100%) direct or indirect ownership in a Signatory Airline. A "Non-Wholly Owned Affiliate" is defined as any Scheduled Air Carrier that operates at the Airport under essentially the same trade name as a Signatory Airline and uses essentially the same livery as the Signatory Airline. The foregoing ownership interests and relationships must be established by the Airline to the reasonable satisfaction of the Aviation Department.

a. So long as Airline is a Signatory Airline, a Wholly Owned Affiliate of Airline will be treated as a Signatory Airline for the purposes of calculating landing fees, as prescribed by **Exhibit B** of the "Signatory Agreement," as defined herein; and

b. So long as Airline is a Signatory Airline, both a Wholly Owned Affiliate of Airline and a Non-Wholly Owned Affiliate of Airline will be treated as a Signatory Airline for the purposes of calculating terminal rental rates as prescribed by **Exhibit B** of the Signatory Agreement.

c. For the purposes of this Agreement and the Signatory Agreement executed by Airline contemporaneously herewith, Signatory Airline shall guarantee and be responsible for, all payments, rates and fees of its Affiliates, to County.

1.2 **Airline's Operations and Airline's Actions** and words of similar import, shall include all operations, actions and inaction: (i) by Airline or by any of Airline's Parties whether before or after the Effective Date of this Agreement.

1.3 **Airline's Parties** shall mean the officers, agents, employees, partners, contractors, subcontractors, sublessees, guests and invitees of Airline and its Affiliates.

1.4 **Airport** shall mean the Fort Lauderdale-Hollywood International Airport, which is owned and operated by the County.

1.5 **Applicable Laws** shall mean all **"Environmental Laws,"** as defined below in Section 1.10, and all other laws, codes, advisory circulars, rules, regulations and ordinances of any governmental or quasi-governmental entity having jurisdiction over the Airport or activities on the Airport, including federal, state, County, local and any quasi-governmental agencies, laws, codes, advisory circulars, rules, regulations and ordinances.

1.6 **Aviation Department** shall mean the County's Aviation Department or such other named County organization that from time to time may exercise functions equivalent or similar to those now exercised by the Aviation Department.

1.7 **Board of Commissioners** shall mean the Board of County Commissioners of Broward County, Florida, which is the governing body of the Broward County government created by the Broward County Charter.

1.8 **County** shall mean Broward County, a political subdivision of the State of Florida.

1.9 **Director of Aviation or Director** shall mean the person designated Director of Aviation by the Board of Commissioners or such other person, division, department, bureau, or agency as may be designated by the Board of Commissioners from time to time to exercise functions equivalent or similar to those now exercised by the Director of Aviation; the term also includes any person expressly designated by the Director of Aviation to exercise rights and/or obligations empowered in the "Director" under this Agreement.

1.10 **Effective Date** shall mean the date this Agreement is approved by the Broward County Board of Commissioners.

1.11 **Environmental Laws** shall mean all applicable federal, state, and local statutes, ordinances, regulations, rules, laws, permits, and orders relating to the generation, use, storage, transportation, or disposal of Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resources Conservation and Recovery Act of 1976 (42 U.S.C. Section 9601, et seq.), the Clean Water Act (33 U.S.C. Section 1251, et seq.), the Safe Drinking Water Act (14 U.S.C. Section 401, et seq.), the

Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.), and the Toxic Substance Control Act (15 U.S.C. Section 2601, et seq.).

1.12 **Environmental Site Assessment or "ESA"** shall mean a document based on one or more environmental site assessments, examinations, inspections, tests, inquiries and surveys necessary to identify recognized environmental conditions, contamination, and the presence of any Hazardous Materials in, on, or under the surface of the Leased Premises.

1.13 **Exclusive Use Premises** shall mean those portions of the "Terminal," as defined below, leased exclusively to Airline, as shown in **Exhibit A,** attached hereto.

1.14 **FAA** shall mean the Federal Aviation Administration, an agency of the United States Government, or any successor agency.

1.15 **Fiscal Year** shall mean the then current annual accounting period of the County for its general accounting purposes which period, at the time of entering into this Agreement, is the period of twelve (12) consecutive calendar months ending with the last day of September of any year.

1.16 **Gate** shall mean an aircraft passenger loading position, together with the adjacent aircraft parking position on the Ramp Area, loading bridge and holdroom, and any other facilities as the Aviation Department may designate.

1.17 **Hazardous Material** shall mean any material or substance identified, listed, or defined as a "hazardous waste," "hazardous substance," "pollutant" or "contaminant" under applicable Environmental Laws, which term shall include asbestos and asbestos-containing materials; petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids.

1.18 **Joint Use Formula** shall mean the formula for apportionment of the total monthly rental for Joint Use Area (as defined in Section 1.19, below) among Scheduled Air Carriers at the Airport on the basis of: (i) twenty percent (20%) of the total monthly rental apportioned evenly among all Scheduled Air Carriers that use the Joint Use Area, and (ii) the remaining eighty percent (80%) of the total monthly rental apportioned among all Scheduled Air Carriers that use the Joint Use Area on the ratio of each Scheduled Air Carrier's domestic and internationally pre-cleared deplaning passengers to the total number of domestic and international pre-cleared deplaning passengers of all such Scheduled Air Carriers that use the Joint Use Area. Such 80% apportionment shall be computed on the prior month's activities. Airline shall be grouped with its Affiliates as a single entity for apportioning the 20% amount under (i), above. For purposes of subparagraph (ii), above, "deplaning passengers" shall include those of Airline and its Affiliates. If the Airline ceases service at the Airport before the expiration of the term of this TBLA, the Airline shall remain responsible for paying it's pro rata share of the 20% Joint Use Formula apportionment throughout the remainder of the term of this TBLA. Notwithstanding the foregoing, any Leased Premises returned to County pursuant to the terms of Sections 2.6.1, 2.6.5, or 7.8 shall not be used in the Joint Use Formula and Airline shall not remain responsible to pay any rentals, rates or fees for the square footage related thereto following the return of such premises to the County. For purposes of this calculation, County shall estimate the number of deplaned passengers for any new Scheduled Air Carrier which has not operated at the Airport during any prior month.

1.19 **Joint Use Area or Joint Use Premises** shall mean that portion of the Terminals, along with all facilities, improvements and equipment located therein as designated for the non-exclusive use in common by Airline, other airlines, the public, and other duly authorized users of the Airport, as set forth in **Exhibit A**, as may be amended from time to time.

1.20 **Leased Premises, Premises, or Airline Premises** shall mean the Exclusive Use Premises, Preferential Use Premises, and Joint Use Premises leased to Airline, as shown on **Exhibit A,** attached hereto and made a part hereof.

1.21 **Preferential Use Premises** shall mean those portions of the Terminal and Gates assigned to Airline as shown in **Exhibit A**, to which Airline shall have priority over other users, subject to the provisions of this TBLA.

1.22 **Prior Agreements** shall include the following agreements, between the Airline and the County that are in existence immediately prior to the Effective Date of this TBLA: any Airline-Airport Lease and Use Agreement, Airline-Airport Lease and Use Agreement and Addendum, Terminal Building Lease Agreement and Field Usage Agreement, all as amended modified or revised, prior to the Effective Date. The provisions of the Prior Agreements are terminated as of the Effective Date of this Agreement, except as provided in Section 16.9.

1.23 **Ramp Area** shall mean the aircraft parking and maneuvering areas adjacent to a Terminal building.

1.24 **Release** shall mean any spilling, leaking or discharging into the environment.

1.25 **Scheduled Air Carrier** shall mean any airline providing scheduled air transportation services to and from Airport, at any relevant point in time, which airline shall hold any necessary authority to provide such transportation from the appropriate federal or state agencies having jurisdiction to grant such authority, if required under applicable law.

1.26 **Signatory Agreement** shall mean the Airline-Airport Lease and Use Agreement, executed by the County and the Airline contemporaneously with this TBLA, and all amendments thereto.

1.27 **Signatory Airline** shall mean any Scheduled Air Carrier that: (i) leases at least one gate and the associated hold room; and (ii) leases a minimum of 4,000 square feet of Type 1, Type 2 or Type 3 space, as described in **Exhibit B**, of the Signatory Agreement, which space may consist of any combination of the following: (1) Ticket Counter, (2) Airline Ticket Office, (3) Other Terminal Office Space, (4) Baggage Service Office, (5) Baggage Makeup Device, or (6) Curbside and/or Operations Space, as described in **Exhibit B** of the Signatory Agreement, and (iii) has entered into and has in effect with the County both: (1) a Terminal Building Lease Agreement substantially similar to this Agreement, and (2) an Airline-Airport Lease and Use Agreement, substantially similar to the "Signatory Agreement," as defined in Section 1.26.

1.28 **Terminal Building Lease Agreement or TBLA** shall mean Articles 1 through 18, inclusive, of this Signatory Terminal Building Lease Agreement together with the exhibits

and schedules which are attached to this TBLA and made a part hereof and the other documents that are expressly incorporated herein by reference

1.29 **Terminal** shall mean the terminal buildings at the Airport, including any expansion thereof or any improvement thereto.

1.30 **Term or Term of this Agreement** shall mean the period commencing on the Effective Date and ending at midnight on September 30, 2026, unless otherwise terminated earlier as provided for herein.

Additional words and phrases used in this Agreement but not defined herein shall have the meanings as defined, or, if not so set forth, shall be as defined in this Agreement or the Signatory Agreement, or if not defined therein, shall have their usual and customary meaning.

ARTICLE II
LEASE OF PREMISES AND USE OF AIRPORT

2.1 Premises. Subject to the terms and conditions hereof, County does hereby lease and demise to Airline, the Leased Premises described and depicted on **Exhibit A,** attached hereto and made a part hereof.

2.1.1 Exclusive Use Premises shall include airline ticket offices, bag service offices, VIP lounges, other offices, ticket counters, and operations areas, as depicted in **Exhibit A**.

2.1.2 Preferential Use Premises shall include holdrooms, curbside check-in, baggage make-up devices, and preferentially assigned Gates, as depicted in **Exhibit A**.

2.1.3 Joint Use Premises shall be the baggage claim area, as depicted in **Exhibit A**.

2.1.4 Should Airline request to add permanent space to its Leased Premises, an amendment and revised **Exhibit A** reflecting such additional permanent space and adjusted rentals shall be prepared. The Director of Aviation is authorized to execute any amendments pursuant to the subsection.

2.2 Assignment of Preferential Use Premises to Signatory Airlines.

2.2.1 The Aviation Department shall provide to the Airline and other Signatory Airlines, the opportunity to preferentially lease one or more Gates (as Preferential Use Premises) based upon flight activity. The following "Gate Utilization Standards," as defined below, have been established. Airline and its Affiliates, and all other Signatory Airlines, are required to meet the following requirements set forth in either (1) or (2) below, for each preferentially leased Gate that Airline, or other Signatory Airline desires to lease:

(1) A minimum of six (6) departing flights and six hundred (600) departing seats, per Gate, per day, to be scheduled on an annualized basis; or

(2) Eight hundred (800) departing seats per Gate, per day, to be scheduled on an annualized basis.

(3) Based on the calculation set forth in either subsection (1) or (2), above, the number of Gates eligible for preferential lease by Airline, or other Signatory Airline, shall be determined and rounded up to the next whole number of Gates, if a fraction is determined.

2.2.2 In the event Airline's schedule fails to meet the above Gate Utilization Standards for each of its preferentially leased Gates during the previous twelve (12) calendar months, on an annualized basis, from the date the Aviation Department reviews the Gate Utilization Standards for any of Airline's preferentially leased Gates, the Aviation Department shall have the authority to remove any preferentially leased Gates from Airline's Preferential Use Premises. In the event of any change, as provided hereunder, then upon written notice, from the Aviation Department to remove such Gates from Airline's Preferential Use Premises ("Notice to Reassign"), Airline shall be required to move out of such areas, and shall, at its sole cost, remove all proprietary fixtures and equipment, therefrom, unless otherwise agreed to in writing by Aviation Department and the Airline. Airline shall also execute an amendment to **Exhibit A,** reflecting such change to the Preferential Use Premises**,** and the amendment shall set forth the effective date of the change in the Leased Premises, and the rentals payable hereunder shall be adjusted as necessary according to the change made to **Exhibit A**. The Director of Aviation is authorized to execute any amendments pursuant to this subsection 2.2.2.

(1) For the purposes of determining whether the Gate Utilization Standards have been met, the Aviation Department shall use the average of all of the Airline's departing flights and departing seats from all of Airline's preferentially leased Gates when applying the calculations set forth in 2.2.1(1) and 2.2.1(2) above.

2.2.3 Notwithstanding the above, prior to the Aviation Department removing any preferentially leased Gate from Airline's Preferential Use Premises, Airline shall have ninety (90) calendar days from the date of the Notice to Reassign, to submit to the Aviation Department, proof that its schedule has returned to the required Gate Utilization Standards. The Aviation Department, after review of the proof submitted by Airline, shall determine, in its reasonable discretion whether or not the Airline meets the Gate Utilization Standards. In accordance with its decision made pursuant to this subsection 2.2.3, the Aviation Department shall either determine to remove Airline's preferentially leased Gates pursuant to subsection 2.2.2 above or determine not to remove the preferentially leased Gates.

2.2.4 During the Term of this Agreement, Airline may request in writing to the Aviation Department ("Request for Additional Preferential Gates"), the desire to preferentially lease additional Gates as Preferential Use Premises if its flight activity meets the Gate Utilization Standards, as determined by the Aviation Department. The Aviation Department shall have the right, in its reasonable determination, to approve or deny the Airline's Request for Additional Preferential Gates. In the event the Aviation Department denies the Airline's Request for Additional Preferential Gates, the Airline shall have the option, so long as Airline

has met the Gate Utilization Standards during the previous twelve (12) calendar months, to utilize a County Gate on a per use basis under the following conditions:

(1) Notwithstanding any other provisions in this Agreement, for the purpose of this subsection 2.2.4, all scheduling for the Gates utilized pursuant to this subsection 2.2.4, shall be within the reasonable discretion of the County.

(2) Airline, if it determines to utilize this option, shall pay to County on a monthly basis, the fee set forth in (3) below for a twelve (12) calendar month period, notwithstanding Airline's actual use of the Gate.

(3) The fee for the use of a County Gate pursuant to this subsection 2.2.4, shall be equal to the monthly per square foot amount that Airline would pay pursuant to **Exhibit B** of the Signatory Agreement for a Gate leased as Preferential Use Premises on that concourse where the County Gate will be used, notwithstanding Airline's actual use of the Gate.

(4) In no event shall the use of the County Gate pursuant to this subsection be for a period greater than twelve (12) calendar months. In order to exercise the option provided for in this subsection 2.2.4 subsequent to the expiration of the twelve (12) calendar month period, Airline will be required to submit a new written Request for Additional Preferential Gates to the Aviation Department for its consideration and determination pursuant to this subsection 2.2.4.

2.3 Accommodation of All Scheduled Air Carriers.

2.3.1 Airline and the Aviation Department acknowledge that it is the Aviation Department's objective to offer airlines desiring to serve the Airport access to the Airport and to provide adequate Gate positions and space in the Terminals. Recognizing that physical and financial limitations may preclude timely expansion of the Terminals and associated apron areas to meet the stated requests of Airline and all other Scheduled Air Carriers ("Requesting Airline") for additional facilities, County intends to pursue the objective of achieving a reasonable balance in the overall utilization of the Terminals and associated apron areas to be achieved, if necessary, through sharing, from time to time, of Gate positions and other passenger handling facilities as further set forth in this Agreement.

2.3.2 The County shall, to the extent practicable, accommodate a Requesting Airline by utilizing space in the Terminal or Gate areas in the following order and manner: (i) County Gates which are not leased; (ii) Gates which are leased to a sublessee of Airline or another Signatory Airline, under a County approved sublease; (iii) Preferential Use Premises, as provided in this Agreement; (iv) reassignment of Preferential Use Premises as provided in this Agreement; (v) expansion of the Airport Terminal buildings, if in County's reasonable determination, expansion is practical, necessary and desirable and approved by the necessary parties and governmental agencies.

2.4 Accommodation of Scheduled Air Carriers on Preferential Use Premises.

2.4.1 Airline shall cooperate with the Aviation Department to accommodate the needs of a Requesting Airline, as deemed necessary by County, by permitting such Requesting Airline to utilize Airline's Preferential Use Premises for the time period(s) necessary to permit passenger loading and unloading operations in conjunction with the scheduled operations of such Requesting Airline at times when the use of such facilities shall not interfere with Airline's or its Affiliates planned operations or those of its County-approved sublessees.

2.4.2 If the Aviation Department has no available Gates or other areas in the Terminals to accommodate the needs of a Requesting Airline, then Airline shall coordinate directly with a Requesting Airline for the shared use of Airline's Preferential Use Premises.

2.4.3 Any accommodation of a Requesting Airline by Airline shall be reflected in an agreement which shall be subject to the written approval of the Aviation Department prior to such agreement becoming effective. The Aviation Department's approval shall be subject to the Requesting Airline entering into an agreement with County to operate at the Airport.

2.4.4 In determining if Airline shall be required to accommodate a Requesting Airline, the Aviation Department shall take into account Airline's own requirements and contractual obligations and the compatibility of said Requesting Airline's proposed operations with those of Airline and its Affiliates. In the event the Aviation Department has unassigned Gates which can reasonably accommodate the needs of said Requesting Airline, the Aviation Department may determine, in its reasonable discretion, not to require Airline to accommodate a Requesting Airline.

2.4.5 Airline shall not be required to accommodate a Requesting Airline if all of Airline's Gate positions are occupied by Airline's flights or flights of other airlines already being accommodated by Airline for schedule, weather, or mechanical reasons at the time of said flight needing to be accommodated. If Airline accommodates a Requesting Airline then said Requesting Airline shall be required to vacate Airline's Gate position at least sixty (60) minutes prior to Airline's or its Affiliates next scheduled flight arrival at said Gate position.

2.4.6 Nothing contained in this Article II shall prevent or prohibit Airline from entering into a sublease agreement in accordance with Article X herein, with other Scheduled Air Carriers authorized to operate into and out of the Airport and desiring the joint use of Airline's Preferential Use Premises.

2.4.7 Airline shall cooperate with the Aviation Department to accommodate other airlines from time to time, as deemed necessary, in the Aviation Department's reasonable discretion, for situations including, but not limited to unscheduled flights, including charters, diversions due to weather, and other circumstances not otherwise accommodated or handled by a Signatory Airline.

2.5 Accommodation on Baggage Makeup.

2.5.1 Airline shall cooperate with the Aviation Department to accommodate the needs of a Requesting Airline by permitting such Requesting Airline to utilize Airline's baggage makeup device for the time periods necessary to permit the Requesting Airline to operate its air transportation business in conjunction with the scheduled operations of such Requesting Airline at times when the use of such facilities shall not interfere with Airline's or its Affiliates', planned operations or the planned operations of Airline's County approved sublessees.

2.5.2 The Aviation Department may determine, in its reasonable discretion not require Airline to accommodate a Requesting Airline if the Aviation Department has any baggage makeup device premises which are not leased, which can reasonably accommodate the needs of said Requesting Airline.

2.6 Relocation, Change of Locations.

2.6.1 In order to optimize passenger flow and use of the Airport facilities, and minimize future capital construction, the Aviation Department shall have right to relocate any of Airline's Premises to alternative locations and facilities than that reflected on **Exhibit A,** if the Aviation Department determines in its reasonable discretion after consultation with the Airline, that such relocation is required to make sufficient contiguous space to accommodate the expansion or growth of another Signatory Airline or to utilize the Airport Terminal facilities in a fair and efficient manner. The Aviation Department will provide Airline at least ninety (90) calendar days advance written notice of any such relocation ("Notice to Relocate"), and upon such Notice to Relocate from the Aviation Department, Airline shall be required to move into or out of such designated areas on the date set forth in the Notice to Relocate. In any such event, Airline shall execute an amendment to **Exhibit A**, reflecting such change to the Premises**,** which amendment shall include the effective date of the change to the Leased Premises, and the rentals payable hereunder shall be adjusted as necessary according to the change made to **Exhibit A.** The Director of Aviation is authorized to execute any amendment pursuant to the provisions of this Section 2.6.

2.6.1.1 County will reimburse the reasonable out of pocket costs incurred by Airline to complete such relocation, including without limitation, all installation costs. Airline's relocated Premises shall be comparable in size though not necessarily identical in square footage, quality, appearance, layout or appointments, to the Premises being vacated by Airline. County shall have no obligation to reimburse Airline for any costs incurred by Airline, if the relocation is necessary to accommodate Airline's expansion or growth.

2.6.2 Airline may request, in writing to Aviation Department, to relocate from any of its Leased Premises, as reflected on **Exhibit A**, which request may be accepted or denied by the Aviation Department, in its reasonable discretion. Airline shall pay all costs and expenses related to any relocation that it requests.

2.6.3 Unless Airline is released from its obligation pursuant to this subsection 2.6.3 or subsection 2.6.1, 2.6.5, or Section 7.8 of this Agreement, Airline shall at all times during the Term of this Agreement be responsible and obligated to pay to the County, at a minimum, the rentals, fees, and charges for all of the Leased Premises, as reflected on **Exhibit A,** as of the Commencement Date of this Agreement, plus all additional Leased Premises added to **Exhibit A,** under amendments subsequent to the Commencement Date, including, without limitation, the Leased Premises reflected on **Exhibit A-1**. Notwithstanding the above, Airline's obligation to pay for rentals, fees and charges for the Leased Premises that are reflected on **Exhibit A** on the Commencement Date of this Agreement, may be decreased if the Aviation Department reassigns any of Airline's Leased Premises pursuant to this Section 2.6., and such reassignment results in less Leased Premises available to Airline than was assigned on the Commencement Date. Notwithstanding anything to the contrary in this Section 2.6.3 or in this Agreement, Airline, as described below, shall have two separate opportunities to release a portion of its Leased Premises (except Joint Use Premises) to the County, provided that such release does not violate the minimum leasing requirements of a Signatory Airline set forth in Section 1.27 of this Agreement. To exercise the first opportunity to release a portion of its Leased Premises, Airline must submit a written request for such release to the Aviation Department by May 1, 2016, and such release shall take effect on October 1, 2016. To exercise the second (and final) opportunity to release a portion of its Leased Premises, Airline must submit a written request for such release to the Aviation Department by May 1, 2021, and such release shall take effect on October 1, 2021. Any request for a release of Leased Premises that does not satisfy the requirements of this Section 2.6.3 or the minimum leasing requirements in Section 1.27 of this Agreement shall be null and void and of no force or effect. Airline and County shall execute an amendment to **Exhibit A**, reflecting any proper reduction to the Leased Premises and the effective date of such reduction. The rentals payable under this Agreement shall be adjusted as necessary according to the changes made to **Exhibit A**. The Director of Aviation is authorized to execute any amendment pursuant to the provisions of this Section 2.6.3.

2.6.4 In the event Airline or any of its Affiliates is in default of this Agreement or the Signatory Agreement, the Aviation Department shall have the right to refuse any request made by Airline pursuant to this subsection 2.6.

2.6.5 Temporary Leased Premises. In order that Airline may satisfy any temporary needs for additional space in the Terminals, Airline may request the addition of temporary space to its Leased Premises for a period of time in which the aggregate days shall not exceed one hundred and eighty (180) calendar days during any consecutive twelve (12) calendar months following the effective date of Airline's initial occupancy of the temporary leased space. Airline's request for temporary space shall be subject to the Aviation Department's reasonable discretion. The rentals, rates, fees, and charges payable by Airline to County for any temporary space shall be the same rates charged to a Signatory Airline for comparable space in accordance with **Exhibit B** of the Signatory Agreement.

2.6.5.1 In the event Airline desires to temporarily lease space at the Airport, Airline shall notify Aviation Department in writing, which notice shall include the space Airline is requesting to temporarily lease along with the commencement and termination dates for the space being requested.

2.6.5.2 In the event of any change in Leased Premises pursuant to this subsection 2.6.5, Airline shall execute an amendment to this Agreement, in which **Exhibit A** shall be amended to reflect such temporary space and which amendment shall set forth the commencement and termination date of the temporary space, and the rentals applicable thereto. The Director of Aviation is authorized to execute any such amendment.

2.6.5.3 If the Aviation Department receives a Request for Additional Preferential Gates pursuant to subsection 2.2.4 above, or any other written request to lease additional Premises from another airline or Airport tenant, and the Aviation Department determines, in its reasonable discretion, to lease to the other airline, the requested space that the Airline is using as temporary leased premises, then the Airline shall have the following two options:

(1) Airline shall have the first right of refusal to preferentially or exclusively lease the space which it is temporarily leasing. If Airline desires to preferentially or exclusively lease such space, it shall give written notice to that effect to the Aviation Department within fifteen (15) calendar days from receipt of notice from the Aviation Department that another airline has requested to preferentially or exclusively lease such space. If Airline fails to notify the Aviation Department within the aforesaid 15-day time period as specified herein, then, Airline shall be deemed to have waived its right of first refusal and shall vacate the premises as provided for in subsection 2.6.5.3(2) below; or

(2) Airline shall vacate the temporary leased space within fifteen (15) days calendar from receipt of notice from the Aviation Department that another airline has requested to preferentially or exclusively lease such space, if either: (i) Airline fails to respond to the Aviation Department's notice within the aforesaid time period, or (ii) Airline responds to such notice with an indication that it does not desire to exercise its right of first refusal to exclusively or preferentially lease the temporary leased space.

2.7 Treatment of Affiliate Airlines.
Airline is exempt from paying any ground handling fees to the County for any ground handling services provided by Airline to its Affiliates, so long as the Affiliate status has not been terminated. Airline's Affiliates are exempt from paying any ground handling fees to the County for any ground handling services provided to Airline by any of its Affiliates, so long as the respective Affiliate status has not been terminated and the Affiliate has entered into a written agreement with the County.

2.8 Right of Access, Ingress and Egress.
2.8.1 Airline, its employees, agents, passengers, guests, patrons, invitees, suppliers of materials and services, and it's or their equipment, vehicles, machinery and other property shall have the right of access, ingress and egress to and from the Airport, subject to reasonable rules and regulations of County.

2.8.2 County may at any time temporarily or permanently close, re-route, or consent to or request the closing or re-routing of any roadway, taxiway or other access to the

Airport, so long as a reasonable means of ingress and egress is concurrently made available to Airline.

2.9 Information Systems. Airline may install, maintain and operate radio, communication, company telephone system, computer, meteorological and aerial navigation equipment and facilities, in, on and about the Airport as may be necessary or convenient in the opinion of Airline for its operations; provided, however, that Airline shall be required to use County's wireless communications systems unless Airline has obtained prior written approval from the Aviation Department exempting Airline from such requirement (e.g. WIFI), which approval shall be in the reasonable discretion of the Aviation Department. Airline agrees that any use by Airline of wireless communications systems not provided by County shall not interfere with any County wireless communications system. County shall have unrestricted access to all Airline communication equipment located Airport. Prior to any written approval, Airline shall provide the Aviation Department with all necessary supporting documentation related to such installations. Airline shall be required to use the County's multi-user flight information display system (MUFIDS).

2.10 Specific Rights at Terminals.

2.10.1 Airline shall have the right, in addition to all rights elsewhere granted in this TBLA, to use the Leased Premises solely for the purpose of an air transportation business for the carriage of persons, property, cargo and mail, and associated services, such as ground handling services, in-flight catering services, and other related activities reasonably necessary to the operation of an air transportation business.

2.10.2 Employee Parking Facilities. Airline shall have the right to the use of reasonably adequate vehicular parking facilities for its employees employed at the Airport in common with other employees located at the Airport, and located as near as practicable to the Airport in an area designated by County. County agrees to provide these facilities at rates based only on County's reasonable cost of providing them, including the cost of maintenance and operation thereof, subject to reasonable rules and regulations established by County.

2.10.3 The rights and privileges granted Airline, under Section 2.7 Section 2.8 and this Section 2.10, with respect to the performance of ground services and activities in connection with Airline's air transportation operations at Airport, may be exercised by any company or person designated by Airline, provided, however, that no right is hereby conferred upon any supplier of ground handling services or materials to perform any services or provide any materials at the Airport, unless it holds a valid lease, license or other agreement with County authorizing it to furnish the material and/or perform the service in question. Except for goods and services in accordance with Section 2.7, County may require payment of appropriate rentals, fees and/or percentage of gross revenues derived as a result of any materials furnished or services supplied.

2.10.4 It is understood that if Airline's suppliers, contractors, or furnishers of services, lease space at the Airport, which leased space is being leased for the sole purpose of providing services to Airline and for no other purpose, then County may charge reasonable rentals, fees and charges therefore (which shall be based upon the use and occupancy of County's property for the conduct of a business, and such shall not contain any increment of charge representing a surcharge upon such

business for the right to transact business with Airline on Airport property). With respect to contractors and suppliers of in-flight food and beverage catering services to Airline, County may impose a fee on such contractors and suppliers at a rate not to exceed five percent (5%) of such contractors' or suppliers' gross annual sales to Airline. In addition, County may charge contractors and suppliers of in-flight food and beverage services such percentages of contractors' or suppliers' gross annual sales resulting from sales to anyone other than Airline either on or off Airport as may be established pursuant to County resolution.

2.10.5 County shall have the right to levy a charge of not to exceed five percent (5%) of Airline's gross revenues from the sale by Airline of alcoholic or other beverages or food in a passenger service lounge or other areas established by Airline for such purpose at the Airport.

2.10.6 The rights and privileges granted to Airline hereunder to contract with third parties for obtaining services and materials shall be subject and subordinate to restrictive agreements, franchises, licenses, and other rights previously granted by County to fixed base operators, ground transportation carriers, and other providers of services and materials. Copies of such agreements are available for inspection by Airline at the office of the Aviation Department.

ARTICLE III
IMPROVEMENTS BY AIRLINE

3.1 Ownership of Airline Installed Improvements and Property.
Airline will retain ownership of moveable trade fixtures, equipment and other personal property installed and paid for by Airline, except as may be otherwise provided in this TBLA or other agreements.

3.2 Improvements and Construction by Airline.
All of Airline's improvements, construction, additions, alterations, modifications, and renovations ("Improvements"), to its Leased Premises or other Terminal areas, are subject to prior written approval of the Aviation Department and must conform to any tenant improvement project process and tenant improvement standard requirements, policies, or procedures of the Aviation Department, as may be revised from time to time and which are applicable to tenants of the Airport Terminals, including any that are specific to a particular Terminal. All Improvements hereafter made by Airline shall be in conformity and consistent with all Applicable Laws including but not limited to the Americans with Disabilities Act of 1990, as same may be amended from time to time. Any Improvement that is affixed to the Premises (excluding trade fixtures, such as signage or items unique to the Airline) is a leasehold improvement, and title thereto shall vest with the County upon the termination of this TBLA, whether by expiration of the term or otherwise. All installations at the Premises or any Airport property, including without limitation cable, electric and telecommunications, shall be deemed Improvements and ownership thereof shall be vested in the County upon installation. All such installations as shall be installed by Airline shall be free of all liens, claims and encumbrances, including any claims of any utilities provider. No reduction or abatement of rentals, fees, and charges shall be allowed for any interference with Airline's operations by such construction. The provisions of **Exhibit G** attached hereto are hereby made a part of this Agreement.

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3.3 Improvements to Additional Space. Airline shall be responsible for the design and construction of Improvements to additional space as requested by Airline and approved in writing by County. All Improvements will be subject to Aviation Department written approval as specified in Section 3.2 above and other applicable provisions and exhibits.

ARTICLE IV
TERM

4.1 This Agreement shall become effective, and the "Effective Date" is, that date upon which this TBLA is executed by or on behalf of the Board of Commissioners. This Agreement shall expire at midnight on September 30, 2026, unless otherwise terminated earlier as provided for in this Agreement

4.2 Termination of this TBLA shall not relieve Airline of any liabilities or obligations hereunder which shall have accrued on or prior to the effective termination date. Upon the expiration or termination of this TBLA, Airline shall cease forthwith all operations upon all Premises, shall immediately vacate all Premises, and shall pay in full all fees and other amounts payable to County as set forth in this TBLA then due and owing.

ARTICLE V
MAINTENANCE OF LEASED PREMISES

5.1 Airline will at all times maintain its Leased Premises in a neat, orderly, and presentable condition. Airline shall furnish its own janitor service in its Exclusive Use Premises, and curbside check-in space and shall cause to be removed, at Airline's own expense, from such spaces all waste, garbage and rubbish and agrees not to deposit the same on any part of the Airport, except that Airline may deposit same temporarily in its Leased Premises or in space designated by County in connection with collection for removal. The Airline shall make arrangements for trash removal directly with a company that is authorized by the County to provide such services at the Airport. Upon failure of Airline to carry out the terms of this Section 5.1, after reasonable notice to the Airline, County may have the work performed and the applicable charges shall be paid by Airline.

5.2 The responsibility for maintenance, cleaning and operations of the facilities in the Terminals, including the Leased Premises, shall be as set forth on **Exhibit B**, attached hereto and incorporated herein by reference. The parties agree that any responsibility for maintenance, cleaning and operations of the facilities in the Terminals which is not set forth on **Exhibit B** shall be the responsibility of the County, unless otherwise agreed to in writing by the parties.

ARTICLE VI
RENTALS, FEES AND CHARGES

6.1 General. In return for use of the premises, facilities, rights, licenses and privileges granted hereunder and for the undertakings of County, Airline agrees to pay County during the term of this TBLA, without deduction or set-off, rentals, charges and fees based on the methodology agreed to between Airline and Aviation Department, as described in **Exhibit B** of the Signatory Agreement, which shall be established pursuant to resolutions adopted from time to time by the Board of Commissioners. The rentals, fees and charges payable under this TBLA will be reviewed and adjusted based upon the methodology agreed to between Airline and Aviation Department, as described in **Exhibit B** of the Signatory

Agreement, pursuant to resolutions adopted by the Board of Commissioners. Airline agrees to pay monthly rentals, charges and fees to the County, plus applicable sales taxes, if any, in such amounts as are established pursuant to the provisions set forth below, for the use of its Leased Premises. Rentals for any partial month of occupancy shall be pro-rated, based on the number of days in such month.

6.2 Terminal Rentals. The rental amounts for the areas described in **Exhibit A,** shall be based on the methodology agreed to between Airline and the County, as depicted in **Exhibit B** of the Signatory Agreement, pursuant to resolutions adopted by the Board of Commissioners. Airline agrees that it shall pay monthly rentals to County on the first day of each month, in advance, without invoice, for the Leased Premises described on **Exhibit A,** based on the rates established from time to time by resolutions adopted by the Board of Commissioners. Notwithstanding the above, the fees due the County from Airline pursuant to the Joint Use Formula shall be due and payable thirty days from receipt of an invoice from the Aviation Department. Airline's Terminal rentals in each period shall be determined in accordance with **Exhibit B,** attached to the Signatory Agreement.

6.3 Airline shall pay to County all rentals, fees and charges as follows:

6.3.1 Payment of rentals, fees and charges for Exclusive Use Premises and Preferential Use Premises shall be paid on the first (1st) day of each month in advance, without demand or invoice, as set forth on **Exhibit A.**

6.3.2 Payment for all other fees and charges due hereunder, shall be due as of the due date stated on the County's invoice. Said fees and charges shall be deemed delinquent if payment is not received within thirty (30) days of the stated date of such invoice.

6.3.3 Payments received by County after the dates required by Section 6.3.1 and 6.3.2, above, shall accrue and be subject to interest at the rate of eighteen percent (18%) per annum on the unpaid amount. The acceptance by County of any late payment shall not be construed as a waiver of the interest charge.

6.3.4 Airline shall make payments directly to the County as follows:

Via Wire Transfer:
Account of: Broward County Aviation Department
Bank Name: Wells Fargo Bank
ABA: 121000248
Account #: 2090002760835

Via U.S. Mail/Express Mail:
Broward County Aviation Department
Accounts Receivable
2200 SW 45th Street, Suite 101
Dania Beach, FL 33312

6.4 In the event the Airline delivers a dishonored check or draft to the County in payment of any obligation arising under this TBLA, the Airline shall incur and pay a service charge in an amount allowed by Florida Statutes or other Applicable Laws. In such event (and in addition to any other remedies available to the County hereunder or at law or in equity), the County may require that future payments be made temporarily by cashier's check or other means acceptable to the County.

6.5 Airline shall pay, on or before their respective due dates, all federal, state, County, and local taxes of general applicability, and all special assessments of any kind, which are now or may hereafter be levied upon the Premises (including Improvements) or the estate hereby granted, or upon Airline, or upon the business conducted on the Leased Premises, or upon any of Airline's property used in connection therewith, or upon any rentals or other sums payable hereunder, including, but not limited to any ad valorem taxes (based upon the Airline's pro rata share according to the area of the Leased Premises), and sales or excise taxes on rentals, and personal property taxes against tangible and intangible personal property. Airline shall maintain in current status all federal, state, County and local licenses and permits required for the operation of the business conducted by Airline.

6.6. Security Deposit.

6.6.1 Unless Airline has provided regularly scheduled flights to and from the Airport during the eighteen (18) calendar months prior to the Commencement Date of this Agreement, without the occurrence of any act or omission that would have been an event enumerated in Article VII of this Agreement, Airline shall provide County on the Effective Date of this Agreement, with a contract bond, irrevocable letter of credit or other similar security acceptable to County ("Security Deposit") in an amount equal to the estimate of three (3) months' of fees and charges for Airline and its Affiliates, which are due County pursuant to this Agreement. Airline shall be obligated to maintain such Security Deposit in effect until the expiration of eighteen (18) consecutive calendar months during which period Airline and its Affiliates commit no event enumerated in Article VII of this Agreement. Such Security Deposit shall be in a form and with a company reasonably acceptable to County and licensed to do business in the State of Florida. In the event that any such Security Deposit shall be for a period less than the full period required by this Paragraph 6.6.1 or if Security Deposit shall be canceled, Airline shall provide a renewal or replacement Security Deposit for the remaining required period at least sixty (60) calendar days prior to the date of such expiration or cancellation. The parties agree that in the event Airline satisfies the requirements to waive the Security Deposit pursuant to subsection 6.6.3, no Security Deposit shall be required for Airline or its Affiliates, so long as the requirements for such waiver have been satisfied and remain satisfied throughout the term of this Agreement.

6.6.2 In the event County is required to draw down or collect against Airline's Security Deposit for any reason, Airline shall, within ten (10) calendar days after County's written demand, take such action as may be necessary to replenish the existing Security Deposit to its original amount (three months' estimated rentals, fees, and charges) or to provide an additional or supplemental Security Deposit from another source so that the aggregate of all Security Deposits is equal to three months' estimated rentals, fees, and charges payable by Airline and its Affiliates pursuant to this Article VI.

6.6.3 Notwithstanding the above subsection 6.6.1, the Aviation Department shall have the right in its reasonable discretion to waive such Security Deposit requirements for Airline, if: (a) Airline has provided regularly scheduled flights at and from the Airport during the eighteen (18) calendar months prior to the Commencement Date of its

Signatory Airline Agreement, without the occurrence or omission of anything that would have been an event enumerated in Article VII of this Agreement or (b) Airline has provided regularly scheduled flights at six (6) other airports with activity levels and characteristics similar to the Airport (the "Comparable Airports") during the most recent eighteen (18) calendar month period, without committing any material default under the terms of the respective lease and use agreements at each of the Comparable Airports, and without a pattern of untimely payments for rentals, fees and charges. The burden shall be on Airline to demonstrate to the Aviation Department its compliance with these requirements at each of the Comparable Airports.

6.6.4 In addition to the foregoing, upon the occurrence of any Airline act or omission that is an event enumerated in Article VII, or upon Airline's election to assume this TBLA under all Applicable Laws, including but not limited to the Federal Bankruptcy Rules and Regulations and Federal Judgeship Act of 1984 or any successor statute, as such may be amended, supplemented, or replaced, County, by written notice to Airline given at any time within ninety (90) days of the date such event becomes known to County, may impose or re-impose the Security Deposit requirements of subsection 6.6.1 on Airline. In such event, Airline shall provide County with the required Security Deposit within fifteen (15) calendar days from its receipt of such written notice and shall thereafter maintain such Security Deposit in effect until the expiration of a period of eighteen (18) consecutive calendar months during which Airline commits no additional event enumerated in Article VII or the termination of bankruptcy proceedings, whichever is later..

6.6.5 If Airline shall fail to obtain and/or keep in force such Security Deposit required hereunder after County has provided a ten (10) calendar day notice to cure, such failure shall be grounds for immediate termination of this TBLA pursuant to Article VII. County's rights under this Article VI shall be in addition to all other rights and remedies provided to County under this TBLA.

6.6.6 Airline and County agree that this TBLA constitutes an 'executory contract' for the purposes of the United States Bankruptcy Code, subject to assumption or rejection, and subject to the terms and conditions of assumption or rejection, as provided in said Bankruptcy Code. Furthermore, Airline and County agree that any Security Deposit provided by Airline are not 'property of the estate' for purposes of the United States Bankruptcy Code, it being understood that any Security Deposit is property of the third party providing it (subject to County's ability to draw against the Security Deposit) and that all Passenger Facility Charges ("PFCs") collected by Airline with respect to enplaned passengers at the Airport, are property of County to the extent provided by all Applicable Laws.

6.7 Passenger Facility Charge.

6.7.1 County expressly reserves the right to impose PFC's on airline passengers for the use of the Airport in accordance with 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, 14 CFR Part 158, as they may be amended from time to time (the "PFC Regulations").

6.7.2 Airline shall hold in trust for the County the net principal amount of all PFCs that are collected by Airline or its agents on behalf of County. For the purposes of this

Section 6.7, "net principal amount" shall mean the total principal amount of all PFCs that are collected by Airline or its agents on behalf of the County, reduced by any amount that the Airline is permitted to retain pursuant to 49 U.S.C. § 40117 and the PFC Regulations. Monthly PFCs collected by Airline shall be remitted to County no later than the last day of the following calendar month or if that date falls on a weekend or holiday, the first business day thereafter. In addition, PFCs collected by Airline shall be remitted to County as specified in subsection 6.7.3.

6.7.3 Should Airline fail to remit the net principal amount of all PFCs to County within five (5) calendar days following the remittance date specified above, Airline shall be deemed to be in default pursuant to Article VII of this Agreement.

6.7.4 **Competitive Access to PFC Funded Facilities.** Should the Airline not fully utilize any portion of its PFC funded exclusively leased premises, Airline agrees to make such Premises available for use by any Scheduled Carrier. In accordance with 14 CFR Part 158, failure to make such exclusively leased premises available shall be grounds for termination of this TBLA pursuant to Article VII.

6.7.5 Nothing contained herein shall be construed to supersede the rights and obligations provided in 14 CFR Part 158 regarding Passenger Facility Charges. In the event that a conflict exists between such federal regulation and this Agreement, the federal regulation shall govern.

ARTICLE VII
DEFAULT BY AIRLINE; DEFAULT BY COUNTY

7.1 Events of Default by Airline. The events described below in subsections 7.1.1 and 7.1.2 shall be deemed events of default by Airline hereunder:

7.1.1 The conduct of any business or performance of any acts at the Airport, by Airline or its Affiliates, not specifically authorized herein (except Security Deposit requirements, insurance requirements, and payment of rentals, fees, and charges, all as provided for in Section 7.1.2) or by other agreements between County and Airline, and said business or acts do not cease within thirty (30) calendar days of receipt of County's written notice to Airline to cease said business or acts. Notwithstanding the above, if by reason of the nature of such default, the same cannot be remedied within thirty (30) calendar days following receipt by Airline of written demand from County to do so, Airline fails to commence the remedying of such default within said thirty (30) calendar days following such written notice, or having so commenced, shall fail thereafter to continue with diligence the curing thereof. Airline shall have the burden of proof to demonstrate all of the following: (i) that the default cannot be cured within thirty (30) calendar days; and (ii) that it is proceeding with diligence to cure said default; and (iii) that such default will be cured within a reasonable period.

7.1.2 Upon the occurrence of any one of the following events of default, County may immediately issue written notice of default.

7.1.2.1 The failure by Airline to pay any part of the rentals, fees, and charges when due, as provided for in this Agreement and the continued failure to pay said amounts in full within ten days from their respective due date. Provided,

however, if a dispute arises between County and Airline with respect to any obligation or alleged obligation of Airline to make payments to County, payments under protest by Airline of the amount due shall not waive any of Airline's rights to contest the validity or amount of such payment. In the event any court or other body having jurisdiction determines all or any part of the protested payment shall not be due, then County shall promptly reimburse Airline any amount determined as not due.

7.1.2.2 The failure by Airline to provide and keep in force a Security Deposit in accordance with Section 6.7.

7.1.2.3 The failure by Airline to provide and keep in force all insurance coverages in accordance with Article XII.

7.1.2.4 The appointment of a trustee, custodian, or receiver of all or a substantial portion of Airline's assets.

7.1.2.5 The divestiture of Airline's estate herein by operation of law, by dissolution, or by liquidation (not including a merger or sale of assets).

7.1.2.6 The insolvency of Airline, or if Airline shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or shall seek a reorganization or the readjustment of its indebtedness under any law or statute of the United States or of any state thereof, including the filing by Airline of a voluntary petition of bankruptcy, or the institution of proceedings against Airline, or the adjudication of Airline as a bankrupt pursuant thereto.

7.1.2.7 The abandonment of Leased Premises or suspension of Airline's operations for a period greater than sixty (60) calendar days, which such suspension shall be considered abandonment for the purposes of this Agreement absent a labor dispute or other governmental action in which Airline is directly involved.

7.1.2.8 The failure by Airline to remit PFCs in accordance with Section 6.7.

7.1.2.9 Failure by Airline to make any portion of its exclusively leased under-utilized PFC-funded Premises available for use by other Scheduled Air Carriers in accordance with Article VI.

7.2 Continuing Responsibilities of Airline.
Notwithstanding the occurrence of any event of default, Airline shall remain liable to County for all rentals, fees, and charges payable hereunder and for all preceding breaches of any covenant of this Agreement. Unless County elects to terminate this Agreement, Airline shall remain liable for and promptly pay all rentals, fees, and charges accruing hereunder until termination of this Agreement as set forth in Article IV or until this Agreement is terminated by Airline pursuant to Article VII. Upon any termination of this Agreement, the parties shall remain liable for all obligations and liabilities accruing prior to such termination.

7.3 County's Remedies. Upon the occurrence of any event enumerated in Paragraph 7.1, including applicable notice and cure periods, the following remedies shall be available to County:

7.3.1 County may exercise any remedy provided by law or in equity, including but not limited to the remedies hereinafter specified.

7.3.2 County may terminate this Agreement, effective upon the date specified in the notice of termination. For events enumerated in Paragraph 7.1.1, such date shall be not less than fifteen (15) calendar days from said notice. Upon such date, Airline shall be deemed to have no further rights hereunder and County shall have the right to take immediate possession of the Premises.

7.3.3 County may reenter the Premises and may remove all Airline persons and property from same upon the date of reentry specified in County's written notice of reentry to Airline. For events enumerated in Paragraph 7.1.1, reentry shall be not less than fifteen (15) calendar days from the date of notice of reentry. Upon any removal of Airline property by County hereunder, Airline property may be stored at a public warehouse or elsewhere at Airline's sole cost and expense.

7.3.4 County may relet the Premises and any improvements thereon or any part thereof at such rentals, fees, and charges and upon such other terms and conditions as County, in its reasonable discretion, may deem advisable, with the right to make alterations, repairs and improvements on said Premises. In reletting the Premises, County shall seek to mitigate any damages it may suffer as a result of Airline's event of default.

7.3.5 In the event that County relets any of the Premises, rentals, fees, and charges received by County from such reletting shall be applied first to any cost or expense of County to relet the Premises and thereafter, to any deficiency between the payment of rentals, fees, and charges due and payable pursuant to this Agreement and what the County receives from the new lessee. In no event shall any of the rentals, fees, and charges received by County from such reletting be applied to any rentals, fees, and charges accrued and owed by Airline to the County prior to the reletting of the Premises. Airline shall have no right to any rentals, fees, and charges received by County as a result of the reletting of the Premises. Airline shall also pay to County, as soon as ascertained, any reasonable costs and expenses incurred by County in such reletting not covered by the rentals, fees, and charges received from such reletting.

7.3.6 No reentry or reletting of Premises by County shall be construed as an election on County's part to terminate this Agreement unless a written notice of termination is given to Airline.

7.3.7 Airline shall pay to County all other costs, incurred by County in the exercise of any remedy in this Article 7, including, but not limited to, reasonable attorney fees, disbursements, court costs, and expert fees.

7.4 Remedies Under Federal Bankruptcy Laws. Neither this Agreement nor any rights or privileges hereunder shall be an asset of Airline in any bankruptcy, insolvency or reorganization proceeding. If County shall not be permitted to terminate this

Agreement because of the provisions of any Applicable Laws, including but not limited to the United States Bankruptcy Code, Airline or any trustee for it shall, within fifteen (15) days upon request by County to the applicable court of administrative body,, assume or reject this Agreement, provided however, that Airline may not assume this Agreement unless all defaults hereunder shall have been cured, County shall have been compensated for any monetary loss resulting from such default and County shall be provided with adequate assurance of full and timely performance of all provisions, terms and conditions of this Agreement on the part of Airline to be performed.

Notwithstanding the foregoing, upon the filing by or against Airline of any proceeding under federal bankruptcy laws, if Airline has defaulted in the performance of any provision of this Agreement within the six (6) months preceding such filing, the County shall have the right to terminate this Agreement, in addition to other remedies provided under provisions of any Applicable Laws, including but not limited to the United States Bankruptcy Code, as such may be subsequently amended, supplemented, or replaced. Such termination shall be by written notice to Airline within sixty (60) days from the date of Airline's initial filing in bankruptcy court.

7.5 Curative Provisions; Payment Under Protest.

7.5.1 No such termination shall be effective if the event of default has been cured or removed during such period, or if by its nature such Event of Default cannot be cured within such period, such termination shall not be effective if Airline commences to cure or remove such event of default within said period and cures or removes same as promptly as possible and Airline satisfies the requirements set forth in 7.1.1.

7.5.2 Notwithstanding anything to the contrary in this TBLA, if a dispute arises between County and Airline with respect to any obligation or alleged obligation of Airline to pay money, the payment under protest by Airline of the amount claimed by County to be due shall not waive any of Airline's rights, and if any court or other body having jurisdiction determines that all or any part of the protested payment was not due, then County shall as promptly as reasonably practicable reimburse Airline any amount determined as not due, provided the County shall not be required to pay any interest on any such reimbursed sums.

7.6 Holdover. It is agreed and understood that any holding over of Airline after the termination of this TBLA shall not renew and extend same, but shall operate and be construed as a tenancy at sufferance, pursuant to Section 83.04, Florida Statutes, as it may be amended from time to time. County reserves the right to pursue all remedies available to it under all Applicable Laws as a result of Airline's holdover. It is expressly agreed that acceptance of rent or any other payments by the County in the event that Airline fails or refuses to surrender possession shall not operate as County's consent to Airline's continued possession nor shall it constitute a waiver by the County of its right to immediate possession of the Premises.

7.7 Habitual Default. Notwithstanding the foregoing, in the event that the Airline has frequently, regularly or repetitively defaulted in the performance of or breached any of the terms, covenants and conditions required herein to be kept and performed by the Airline, and regardless of whether the Airline has cured each individual condition of breach or default, the Airline may be determined by the Aviation Department to be an "habitual violator." At the time that such determination is made, the Aviation Department shall issue to the Airline a written notice advising of such determination and citing the circumstances therefore. Such notice shall also advise Airline that there shall be no further notice or grace periods to correct any subsequent breaches or defaults and that any subsequent breaches or defaults of whatever nature, taken with all previous breaches and defaults, shall be considered cumulative and collectively, shall constitute a condition of noncurable default and grounds for immediate termination of this TBLA. In the event of any such subsequent breach or default, the County may terminate this TBLA upon the giving of written notice of termination to the Airline, such termination to be effective upon delivery of the notice to the Airline.

7.8 Voluntary Relinquishment of Authorization.

7.8.1 Provided no event of default by Airline or its Affiliates exists, Airline may terminate this Agreement thirty (30) calendar days after receipt by County of written notice from Airline stating the cause and date of such termination, if Airline has voluntarily relinquished its rights, certificates, or authorizations necessary under Applicable Laws to operate its air transportation business at the Airport. Such right of termination shall be in addition to any other such right provided elsewhere herein or by operation of law.

7.8.2 Upon such termination, all provisions of this Agreement shall be terminated, unless otherwise specified. No such termination shall be effective until thirty (30) calendar days have elapsed after receipt by County of written notice from Airline stating the cause of such termination is pursuant to subsection 7.8.1, and date of such termination. Airline shall submit to County sufficient proof that such termination is pursuant to subsection 7.8.1 and of its relinquishment of its certificates and authorizations to operate its air transportation business.

7.8.3 In the event Airline regains its status as an air transportation business within one (1) calendar year from the date of its notice to County as stated in subsection 7.8.2 above, Airline shall be responsible for all rentals, fees and charges for the balance of the term of this Agreement, for all periods of time from the Commencement Date.

7.9 Events of Default by County. Each of the following events shall constitute an event of default by County:

7.9.1 County fails after receipt of written notice from Airline to keep, perform or observe any term, covenant or condition herein contained to be kept, performed or observed by County and such failure continues for thirty (30) consecutive days. Notwithstanding the above, if by reason of the nature of such default, the same cannot be remedied within thirty (30) calendar days following receipt by County of written demand from Airline to do so, County fails to commence the remedying of such default within said thirty (30) calendar days following such written notice, or having so commenced, shall fail thereafter to continue with diligence the curing thereof. County shall have the burden of proof to demonstrate all of the following: (i) that the default cannot be cured within thirty (30) calendar days; and (ii) that it is proceeding with diligence to cure said default; and (iii) that such default will be cured within a reasonable period.

7.9.2 County closes Airport to flights in general or to the flights of Airline, for reasons other than weather, force majeure, or other reasons beyond its control, and fails to reopen Airport to such flights within thirty (30) days from such closure.

7.9.3 Remedies for County's Defaults. Upon the occurrence of an event of default by County, Airline shall have the right to terminate this Agreement thirty (30) days after receipt by County of written notice from Airline stating the event of default causing the same and the date upon which such termination is to be effective. Upon termination all rentals, fees and charges payable by Airline under this Agreement shall end on the termination date. Upon any suspension of this Agreement, rental fees and charges payable by Airline shall be suspended until the default is cured by the County.

ARTICLE VIII
WAIVER OF RIGHTS; NO REMEDY EXCLUSIVE

8.1 Waiver. Failure by either party to enforce any provision of this TBLA shall not be deemed a waiver of such provision or modification of this TBLA. A waiver of any breach of a provision of this TBLA shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this TBLA. County and Airline agree that each requirement, duty, and obligation set forth herein is substantial and important to the formation of this TBLA and, therefore, is a material term hereof.

8.2 No Remedy Exclusive. No remedy herein conferred upon or reserved to the County or Airline is intended to be exclusive of any other remedy herein provided or otherwise available, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

ARTICLE IX
SURRENDER AND ACCEPTANCE OF SURRENDER OF LEASED PREMISES

9.1 Upon the expiration of the Term of this TBLA or earlier termination as provided for herein, Airline agrees to surrender possession of the Leased Premises in the same condition as it was received on the first day of occupancy, less reasonable wear and tear in the ordinary course of business permitted under this TBLA. Said condition at the time of surrender shall include but not be limited to the following; all flooring must be cleaned as reasonably required by the Aviation Department; all doors and walls patched and painted with Aviation Department approved color, all ceiling tiles shall be in place, clean and matching, all Airline installed conduit and wiring shall be removed if requested by the Aviation Department, and all personal property and Improvements (except Improvements that are owned by the County and any Improvements that are provided by the Aviation Department to remain installed) shall be removed. A final exit walkthrough inspection shall be conducted by the Airline and the Aviation Department to determine compliance with this provision and the Aviation Department's acceptance of the condition of the Premises. In the event Airline fails to comply with the terms of this Section 9.1, County reserves the right to perform all necessary work to bring the Premises to the required condition and Airline shall reimburse the County for all reasonable expenses incurred.

9.2 Airline shall have the right at any time during the term of this TBLA to remove any furnishings, trade fixtures or equipment it has installed in, on or about the Leased

Premises, subject to any lien the County may have thereon for unpaid fees, charges, or other amounts payable under this TBLA, and provided that Airline shall restore any damage to the Leased Premises and the Leased Premises shall be returned to the County in the same condition as defined in Section 9.1, above. Any such property not removed by Airline within thirty (30) calendar days after expiration or termination of this TBLA may be removed and stored and/or sold by the County.

9.3 In the event Airline fails to surrender the Leased Premises in the above required condition or has failed to complete any of the obligations due under this TBLA or any future amendments thereto, Airline from the date of the termination or expiration of the TBLA until the acceptance of surrender as set forth in Section 9.4, shall be considered a holdover tenant under the terms set forth in Section 7.6.

9.4 Acceptance of Surrender. No agreement of surrender or to accept a surrender of this TBLA shall be valid unless and until same shall have been reduced to writing and signed by the duly authorized representatives of the County and of the Airline, provided that such signatures shall not be unreasonably withheld. Except as expressly provided in this TBLA, neither the doing of nor any omission to do any act or thing by any of the officers, agents or employees of the County shall be deemed an acceptance of a surrender of letting under this TBLA.

ARTICLE X
ASSIGNMENT, SUBLETTING AND GROUND HANDLING

10.1 Airline shall not sublet the Leased Premises or any part thereof or transfer, assign, pledge, or otherwise encumber this Agreement or any rights or obligations hereunder, or allow same to be assigned by operation of law or otherwise without the prior written consent of the County (any such action being called an "assignment"). Any such action shall be null and void and of no force or effect, provided, however, Airline shall have the right, without the County's prior written consent, to assign this Agreement or its rights hereunder to (i) an entity with whom Airline may merge or consolidate, (ii) an entity that acquires all or substantially all of the Airline's assets, or (iii) a Wholly Owned Affiliate of Airline.

10.2 Airline agrees that it shall not utilize, hire or otherwise employ any ground handling company that has not executed a terminal service permit or Airline Service Provider Agreement, as applicable, from the County, which service permit/agreement is active and in good standing.

ARTICLE XI-DAMAGE OR DESTRUCTION

11.1 Airline Responsibilities. County shall not be liable to Airline for damage to Airline's property, improvements and facilities from any cause whatsoever, including, without limitation, any act of negligence of any tenants, occupants or other users of the Airport or any other person, unless, and only to the extent, caused by the negligence of County, its agents, servants or employees. Airline shall have the right, however to claim and recover its damages from any third party other than County who may be liable therefore.

11.2 Abatement of Rentals. In the event of damage or destruction or any other cause, through no fault of the Airline, its Affiliates, or Airline's Parties, that restricts the use of all or any portion of the Leased Premises and renders the same untenantable, for more than thirty (30) calendar days, there shall be an appropriate abatement or reduction of the rentals,

fees, and charges payable hereunder commencing at the time of such damage or destruction and continuing until such time as County's engineers certify that said Leased Premises are again ready for use and occupancy by Airline. In the alternative, the County may work with the Airline to identify other suitable premises for temporary or permanent relocation, and upon mutual agreement on alternate premises allow Airline to relocate. Abatement and reduction of rentals, fees, and charges will continue until Airline commences operating at its alternate premises, and, rentals shall be adjusted in accordance with the square footage of the resulting space occupied by the Airline.

ARTICLE XII - INDEMNIFICATION AND INSURANCE

12.1 Indemnification. Airline shall at all times hereafter indemnify, hold harmless and, at the County Attorney's option, defend or pay for an attorney selected by the County Attorney to defend County, its officers, agents, servants, and employees from and against any and all causes of action, demands, claims, losses, liabilities and expenditures of any kind, including attorney fees, court costs, and expenses, caused or alleged to be caused by any intentional, negligent, or reckless act of, or omission of, Airline, its employees, agents, servants, or officers, or accruing, resulting from, or related to the subject matter of this Agreement including, without limitation, any and all claims, losses, liabilities, expenditures, demands or causes of action of any nature whatsoever resulting from injuries or damages sustained by any person or property. In the event any lawsuit or other proceeding is brought against County by reason of any such claim, cause of action, or demand, Airline shall, upon written notice from County, resist and defend such lawsuit or proceeding by counsel satisfactory to County or, at County's option, pay for an attorney selected by County Attorney to defend County. The obligations of this section shall survive the expiration or earlier termination of this Agreement. To the extent considered necessary by the Director of Aviation and the County Attorney, any sums due airline under this Agreement may be retained by County until all of County's claims for indemnification pursuant to this Agreement have been settled or otherwise resolved. Any amount withheld shall not be subject to payment of interest by County

12.2 In order to insure the indemnification obligation contained above, Airline shall, at a minimum, provide, pay for, and maintain in force at all times during the term of this Agreement (unless otherwise provided), the insurance coverages as are provided for in this Article. Each insurance policy shall clearly identify the foregoing indemnification as insured. Such required insurance coverage's may be modified from time to time as agreed to by the parties.

12.2.1 Airline shall furnish to the Director of Aviation, Certificates of Insurance evidencing the insurance coverages required hereunder. The required Certificate of Insurance shall name the types, terms and limits of liability provided hereunder.

12.2.2 Coverage is not to cease and is to remain in force (subject to cancellation notice) during the term of this Agreement. The Airline shall use commercially reasonable efforts to have all policies endorsed to provide County with at least thirty (30) calendar days' notice of cancellation and/or restriction. If any of the insurance coverage's will expire prior to the termination of this Agreement, renewal certificates shall be issued within a reasonable time upon renewal.

12.2.3 Subrogation. Notwithstanding anything to the contrary herein, Airline waives any right of recovery against County for any loss or damage to the extent the same is required to be covered by insurance pursuant to this Article XII Airline's insurance. Airline shall obtain from its insurers, if possible, a waiver of any subrogation the insurer may have against County in connection with any loss or damage covered by Airline's insurance.

12.2.4 Any insurance coverage that is written on a claims-made basis must remain in force for two (2) years after the termination of this Agreement.

12.2.5 Compliance with the County's insurance requirements shall not relieve the Airline of its liability and obligations under this Article or under any other provision of this Agreement.

12.2.6 The amounts and types of insurance shall conform to the following minimum requirements with policies, forms and endorsements that are comparable to Insurance Service Office (ISO) requirements. Notwithstanding the foregoing, at a minimum, the wording of all policies, forms and endorsements must be reasonably acceptable to County.

(1) Workers Compensation and Employer's Liability Insurance shall be maintained in force by Airline during the Term of this Agreement for all employees engaged in the operations under this Agreement. The limits of coverage shall not be less than:

Workers' Compensation	Florida Statutory
Employer's Liability	$1,000,000 Limit Each Accident $1,000,000 Limit Disease Aggregate $1,000,000 Limit Disease Each Employee

(2) Liability Insurance shall be maintained by Airline for the term of this Agreement. Coverage shall include, but not be limited to, Premises and Operations, Personal Injury, Contractual for this Agreement, Independent Contractors, Broad Form Property Damage, Products and completed Operations Coverage and shall include Explosion (XCU), Collapse, Liquor Liability, Terrorism or War Risk (to the extent available from, or subsidized by, the federal government.) Coverage shall be applicable to the operation of all Airline's mobile and ground equipment at the Airport. The limits of coverage shall not be less than:

Airlines Operating Aircraft with over one hundred (100) seats:

Bodily & Personal Injury & Property Damage Liability	$200,000,000 Combined Single Limit Each Occurrence & Aggregate

Airlines Operating Aircraft with seventy-five (75) to one hundred (100) seats:

Bodily & Personal Injury & Property Damage Liability	$150,000,000 Combined Single Limit Each Occurrence & Aggregate

Airlines Operating Aircraft with fifty (50) to seventy-four (74) seats:

Bodily & Personal Injury & Property Damage Liability	$100,000,000 Combined Single Limit Each Occurrence & Aggregate

Airlines Operating Aircraft with less than fifty (50) seats:

Bodily & Personal Injury & Property Damage Liability	$50,000,000 Combined Single Limit Each Occurrence & Aggregate

(3) Liability Insurance shall be maintained by Airline during the Term of this Agreement for all owned, non-owned, leased or hired aircraft, including passenger coverage. The limits of coverage shall not be less than:

Bodily & Personal Injury & Property Damage Liability	$100,000,000 Combined Single Limit Each Occurrence & Aggregate

(4) Liquor Liability Coverage shall be maintained for any facility of Airline serving alcoholic beverages on the airport in an amount not less than $1,000,000 per occurrence.

(5) Terrorism or War Risk shall be maintained by Airline to the extent available from, or subsidized by, the federal government, in an amount not less than $50,000,000.

(6) Environmental Liability Insurance shall be maintained by the Airline in an amount not less than $10,000,000 for sudden and accidental pollution, clean up costs or to the extent not prohibited by applicable law. Airline may provide for reasonable limits of self-insurance against environmental liability risks. All amounts paid to County by Airline on account of any self-insurance program shall be deemed insurance proceeds for purposes of this Agreement. To the extent Airline self-insures as to environmental liability, the protections afforded County by Airline shall be the same as if insurance were provided by a third-party insurer and Airline shall have all the obligations and liabilities of a third party insurer hereunder (e.g. obligation to provide a defense).

(7) Business Automobile Liability Insurance shall be maintained by Airline during the Term of this Agreement as to the ownership, maintenance, and use of all owned, non-owned, leased or hired vehicles. The limits of coverage shall not be less than:

Bodily & Personal Injury & Property Damage Liability	$5,000,000 Combined Single Limit Each Occurrence & Aggregate

(8) Umbrella Liability Insurance or Excess Liability Insurance may be used to reach the limits of liability required for the Airport Liability Policy and/or the Business Automobile Policy. The limits of coverage shall not be less than:

Umbrella or Excess Liability Policy	$100,000,000 Combined Single Limit Each Occurrence & Aggregate- Specific for this Agreement

	$200,000,000 Combined Single Limit Each Occurrence & Aggregate-Not Specific for this Agreement

Primary Liability Limits for the underlying Airport General Liability Coverage:

Bodily & Personal Injury & Property Damage Liability	$10,000,000 Combined Single Limit Each Occurrence & Aggregate

12.2.7 Airline shall be responsible to the extent of the requirements of all Applicable Laws relative to Airline or to the County to prevent any unauthorized entry onto any part of the airport operations area of the Airport through Airline's Leased Premises.

12.2.8 Additional Insured. Airline agrees to endorse County as additional insured, to its Liability, Umbrella or Excess Liability to the extent required under this Article XII. The additional insured shall read "Broward County".

12.2.9 Any deviations in coverage from any of the provisions hereof must be reviewed and approved by Broward County Risk Management Division. Compliance with the foregoing requirements shall not relieve the Airline of its liability and obligations under this Article or under any other provision of this Agreement.

ARTICLE XIII-NOTICES

13.1 Whenever either party desires to give notice to the other, such notice must be in writing, sent by certified United States Mail, postage prepaid, return receipt requested, or by overnight courier with receipt acknowledgment, or by hand-delivery with a request for a written receipt of acknowledgment of delivery, addressed to the party for whom it is intended at the place last specified. The place for giving notice shall remain the same as set forth herein until changed in writing in the manner provided herein. For the present, the parties designate the following:

FOR BROWARD COUNTY:
County Administrator
Governmental Center
115 South Andrews Avenue
Fort Lauderdale, Florida 33301

with a copy to:

Director of Aviation
2200 SW 45th Street, Suite 101
Dania Beach, FL 33312

FOR AIRLINE:
____
____
____

13.2 All notices, approvals and consents required hereunder must be in writing to be effective.

ARTICLE XIV
OPERATIONS OF AIRLINE

14.1 Airline shall comply with all Applicable Laws in performing its duties, responsibilities, and obligations related to this Agreement.

14.2 Airline agrees to observe and obey all rules and regulations of the County and the Aviation Department governing the safe conduct on and operation, maintenance and use of the Airport.

14.3 The Airline shall, at its own expense, provide and maintain in full force and effect, any and all licenses and permits required for the legal operation of all aspects of the Airline's business conducted at the Leased Premises and the Airport. Airline shall pay all license and permit fees and charges for the conduct of any business on the Premises before such amounts become delinquent.

ARTICLE XV
HEADINGS

15.1 All articles, paragraphs and section headings are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision of this Agreement.

ARTICLE XVI
CONSTRUCTION

16.1 Jurisdiction, Venue, Waiver of Jury Trial. This Agreement shall be interpreted and construed in accordance with and governed by the laws of the state of Florida. The Parties agree that the exclusive venue for any lawsuit arising from, related to, or in connection with this Agreement shall be in the state courts of the Seventeenth Judicial Circuit in and for Broward County, Florida. If any claim arising from, related to, or in connection with this Agreement must be litigated in federal court, the Parties agree that the exclusive venue for any such lawsuit shall be in the United States District Court or United States Bankruptcy Court for the Southern District of Florida. **BY ENTERING INTO THIS AGREEMENT, AIRLINE AND COUNTY HEREBY EXPRESSLY WAIVE ANY RIGHTS EITHER PARTY MAY HAVE TO A TRIAL BY JURY OF ANY CIVIL LITIGATION RELATED TO THIS AGREEMENT.** If a party fails to withdraw a request for a jury trial in a lawsuit arising out of this agreement after written notice by the other party of violation of this section, the party making the request for jury trial shall be liable for the reasonable attorney's fees and costs of the other party incurred in contesting the request for jury trial, and such amounts shall be awarded by the court in adjudicating the motion.

16.2 Severance. In the event this Agreement or a portion of this Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions shall continue to be effective unless County or Airline elects to terminate this Agreement. The election to terminate this Agreement based upon this provision shall be made within seven (7) calendar days after the finding by the court becomes final.

16.3 Independent Contractor/Relationship of Parties. The relationship of County and Airline hereunder is the relationship of lessor or Airline. Services provided by Airline shall be subject to the supervision of Airline, and such services shall not be provided by Airline, or its agents, as officers, employees, or agents of the County. The parties expressly acknowledge that it is not their intent to create any rights or obligations in any third person or entity under this Agreement. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partners, joint ventures, or any other similar relationship between the parties hereto.

16.4 Third Party Beneficiaries. Neither Airline nor County intends to directly or substantially benefit a third party by this Agreement. Therefore, the parties agree that there are no third party beneficiaries to this Agreement and that no third party shall be entitled to assert a claim against either of them based upon this Agreement.

16.5 Priority of Provisions. If there is a conflict or inconsistency between any term, statement, requirement, or provision of any exhibit attached hereto, any document or events referred to herein, or any document incorporated into this Agreement by reference and a term, statement, requirement, or provision of this Agreement, the term, statement, requirement, or provision contained in Articles 1 through 17 of this Agreement shall prevail and be given effect.

16.6 This Agreement shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than any other. The parties hereto acknowledge that they have thoroughly read this Agreement, including all exhibits and attachments hereto, and have sought and received whatever competent advice and counsel was necessary for them to form a full and complete understanding of all rights and obligations herein.

16.7 Amendments. Except as may be specifically provided herein, no modification, amendment or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement and executed by the Board of Commissioners and the Airline.

16.8 Prior Negotiations. This Agreement incorporates and includes all prior negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

16.9 Termination of Prior Agreements on the Commencement Date.
From and after the Commencement Date, this Agreement shall supersede and replace all Prior Agreements between Airline and County and any amendments, addendums, and renewals thereof. From and after the Commencement Date, the provisions of all of the Prior Agreements shall terminate and no longer be of any force or effect except for obligations and liabilities that accrued prior to the Commencement Date of this Agreement, and for provisions of the Prior Agreements that by their express terms survive the termination thereof. Airline acknowledges that it has no claims against County with respect to any of the matters covered by any prior Agreements, and it has no right of set-off or counterclaims against any of the amounts payable under this Agreement.

16.10 All personal pronouns used in this Agreement shall include the other gender, and the singular shall include the plural, and vice versa, unless the context otherwise requires. Terms such as "herein," "hereof," "hereunder," and "hereinafter" refer to this Agreement

as a whole and not to any particular sentence, paragraph, or section where they appear, unless the context otherwise requires. Whenever reference is made to a section or article of this Agreement, such reference is to the section or article as a whole, including all of the subsections, subparagraphs and subprovisions of such section, unless the reference is made to a particular subsection or subparagraph of such section.

ARTICLE XVII - OTHER PROVISIONS

17.1 Airline shall obtain the written permission of the Aviation Department prior to the installation of signs, billboards or advertising on the Premises, which permission shall not be unreasonably withheld.

17.2 Federal Aviation Act, Section 308. Nothing herein contained shall be deemed to grant the Airline any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act, as codified in Title 49 USC Section 40103, et. seq. for the conduct of any activity on the Airport. It is expressly understood and agreed that the rights granted under this Agreement are non-exclusive and the County reserves the right to grant similar privileges to another Airline or other users of the Airport facilities.

17.3 Subordination of Agreement. This Agreement, and all provisions hereof, is subject and subordinate to the terms and conditions of the instruments and documents under which the County acquired the Airport from the United States of America and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in such instruments and documents and any existing or subsequent amendments thereto. This Agreement, and all provisions hereof, is subject and subordinate to the provisions of any agreement heretofore or hereafter made between the County and the United States Government relative to the operations or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to the County for Airport purposes, or the expenditure of federal funds for the improvements or development of the Airport under the provisions of the Federal Aviation Act of 1958, as codified in the United States Code, Title 49, as it has been amended from time to time. In addition, this Agreement is subordinate and subject to the provisions of all resolutions heretofore and hereafter adopted by the County in connection with any revenue bonds issued by the County with respect to the operations of the Airport, or any improvements to the Airport or any of its facilities, and to the provisions of all documents executed in connection with any such bonds, including without limitation, any pledge, transfer, hypothecation or assignment made at any time by County to secure any such bonds.

17.4 Agent for Service of Process**.** It is expressly understood and agreed that if the Airline is not a resident of the State of Florida, or is an association or partnership without a member or partner resident of said State, or is a foreign corporation, then in any such event the Airline does designate the Secretary of State, State of Florida, its agent for the purpose of service of process in any court action between it and the County arising out of or based upon this Agreement, and the service shall be made as provided by the laws of the State of Florida for service upon a non-resident, who has designated the Secretary of State as agent for service. It is further expressly agreed, covenanted and stipulated that, if for any reason, service of such process is not possible, and as an alternative method of service of process, Airline may be personally served with such process out of this State by certified mailing to the Airline at the address set forth herein. Any such service out of this State shall constitute valid service upon the Airline as of the date of mailing. It is further expressly agreed that the Airline is amenable to and hereby agrees to the process so served, submits to the jurisdiction, and waives any and all objections and protest thereto.

17.5 Waiver of Claims. The parties each hereby waives any claim against the other's officers, directors, commissioners and employees, for any consequential damages, including, without limitation, any loss of business or anticipated profits.

17.6 Development and Expansion of Airport. It is mutually agreed that County shall have the right to develop, maintain, and operate the Airport as it deems advisable and desirable, in accordance with such appropriate governmental authority and regulation as may be applicable, and that County shall have the right to make such agreements as may be necessary or advisable in connection with federal and state funding of Airport improvements, alterations, or modifications. Airline acknowledges that County is seeking federal, state and local approvals for the expansion of the Airport.

17.7 Condemnation. In the event the Premises or any part thereof shall be condemned and taken by authority of eminent domain, with or without litigation, or transferred in lieu of or under threat of such action (collectively, a "Condemnation"), any award shall be paid to the County, it being understood that title to all Improvements thereon remains fully vested in the County (except for Airline's trade fixtures), free and clear of any liens and encumbrances and there shall be no apportionment. The Airline shall not be entitled to any award for the value of the unexpired portion of the term of this Agreement, or any business damages, or any other damages whatsoever. In the event a Condemnation results in a partial taking of the Premises, rental for that portion of the Premises condemned shall be abated from the date the Airline is dispossessed. If the remainder of the Premises does not in Airline's reasonable judgment, constitute an economically viable property sufficient for the Airline's operations as conducted prior to such taking, this Agreement may be terminated by the Airline upon written notice to the County, in which event this Agreement shall be terminated on the date the Premises are completely vacated by the Airline.

17.8 Successors and Assigns Bound. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto where permitted by this Agreement.

17.9 Right to Amend. In the event that the United States Government, or any of its departments or agencies require modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of the Airport, or otherwise, the Airline agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Agreement as may be reasonably required (collectively, an "amendment"). Notwithstanding the foregoing, in the event any such amendment would unreasonably interfere with the business operations of Airline, then Airline may refuse to consent to such amendment, provided that Airline must give immediate notice to the County of any such refusal to consent and such notice must state with specificity the reasons for any such refusal. The County shall have the right to immediately terminate this Agreement upon the failure of Airline to consent to any such amendment.

17.10 Federal Preemption. Nothing contained in this Agreement is intended, nor shall be construed, as a waiver by either party of any right to assert any claim or defense, or raise

any issue in any context or forum including, but not limited to, a court or administrative forum, regarding the preemption by federal law, including but not limited to the Airline Deregulation Act (49 U.S.C. § 41713), of any state or local law, ordinance, rules or regulations.

17.11 Nondiscrimination. Airline shall not unlawfully discriminate against any person in its operations and activities or in its use or expenditure of funds in fulfilling its obligations under this Agreement. Airline shall affirmatively comply with all applicable provisions of the Americans with Disabilities Act (ADA) in the course of providing any services funded by County, including Titles I and II of the ADA (regarding nondiscrimination on the basis of disability), and all applicable regulations, guidelines, and standards. In addition, Airline shall take affirmative steps to ensure nondiscrimination in employment against disabled persons.

17.11.1 Airline's decisions regarding the delivery of services under this Agreement shall be made without regard to or consideration of race, age, religion, color, gender, sexual orientation (Broward County Code of Ordinances, Chapter 16 1/2), national origin, marital status, physical or mental disability, political affiliation, or any other factor which cannot be lawfully used as a basis for service delivery.

17.11.2 Airline shall not engage in or commit any discriminatory practice in violation of the Broward County Human Rights Act (Broward County Code of Ordinances, Chapter 16 1/2) in performing any services pursuant to this Agreement.

17.12 Nondiscrimination for Airports. The Airline agrees to abide by and comply with the non-discrimination requirements set forth on **Exhibit D,** attached hereto and made a part hereof, to the extent same are applicable by law, rule or regulation, or federal grant requirements.

17.13 Aviation Regulations. Airline agrees to comply with all applicable federal rules, regulations and requirements, in the course of their operations, as may be promulgated from time to time. Said rules, regulations and requirements shall include, but not be limited to, the Federal Department of Transportation, the Federal Aviation Administration (FAA), the Federal Department of Homeland Security/Transportation Security Administration (TSA) and US Customs and Border Patrol. Airline shall comply with such rules, regulations and requirements of the County and the Aviation Department, including the Airport Security Program, as may reasonably be prescribed and Airline shall take such steps as may be necessary to ensure that their officers, employees, sublessees, contractors, invitees, agents, and Affiliates comply with all applicable federal, County and Aviation Department rules, regulations and requirements. If as a result of the acts or omissions of Airline, its officers, employees, sublessees, contractors, invitees, agents or Affiliates, the County incurs any fines or penalties imposed by any governmental agency as a result of the action(s) or inaction(s) of the Airline, or its officers, employees, sublessees, contractors, invitees, agents, or Affiliates, or any cost or expense in enforcing any rules, regulations or requirements of any governmental agency, the Airline agrees to reimburse the County for all such fines, penalties, costs and expenses, including the cost of administrative proceedings, court costs and attorney's fees. Airline further agrees to cure all deficiencies, violations and noncompliance as may be determined by the Aviation Department or the United States Department of Transportation, or any other governmental agency with jurisdiction. In the event Airline fails to remedy any such deficiency, violation or noncompliance to the satisfaction of the Aviation Department or the violating agency, as applicable, the County may cure any deficiency, violation or noncompliance at the sole cost and expense of Airline, and Airline shall remit such amounts to County within thirty (30) days of the date of invoice received from the Aviation Department.

17.14 Public Entity Crimes Act. In accordance with Section 287.133 (2)(a), Florida Statutes, the following provision is included in this Agreement:

A person or Affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

As of the date of the execution of this Agreement, Airline represents that, to the best of its knowledge, that Airline and its Affiliates have not been placed on the convicted vendor list following a conviction for a Public Entity Crime. Airline further represents that there has been no determination, based on an audit, that it committed an act defined by Section 287.133, Florida Statutes, as a "public entity crime" and that it has not been formally charged with committing an act defined as a "public entity crime" regardless of the amount of money involved or whether Airline has been placed on the convicted vendor list.

17.15 Right of Flight. The County reserves unto itself, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the Premises together with the right to cause in said airspace such noise and other intrusions as may be inherent in the operations of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for aircraft landing on, taking off from, or operating at the Airport.

17.16 Compliance with FAR Part 77. Airline, its successors and assigns, agrees to restrict the height of structures, objects of natural growth and other obstructions on the Premises to such height as to comply with all applicable Federal Aviation Regulations, including but not limited to 14 CFR Part 77.

17.17 The Airline agrees to operate the Premises for the use and benefit of the public.

17.18 Airport Hazard. Airline expressly agrees, for itself, its successors and assigns, to prevent any use of the Premises which would interfere with or adversely affect the operation or maintenance of the Airport, or otherwise constitute a hazard.

17.19 Contingency Fee. Airline warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Airline, to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for Airline, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For a breach or violation of this provision, County shall have the right to terminate this Agreement without liability at its discretion, or to deduct from the Agreement price or otherwise recover the full amount of such fee, commission, percentage, gift or consideration.

17.20 Specific Performance. The parties agree that in addition to all other remedies, the obligations contained herein shall be subject to the remedy of specific performance, injunctive relief, and writ of prohibition or mandamus to compel the other party to abide by the terms of this Agreement. The parties hereby waive any and all requirements that the other party post any security or collateral which may be otherwise required or stipulated as a condition for such party to obtain specific performance, injunctive relief, or writ of prohibition or mandamus or other equitable relief.

17.21 Survival. Upon termination or expiration of this Agreement, the Airline shall remain liable for all obligations and liabilities that have accrued prior to the date of termination or expiration. Notwithstanding any provision of this Agreement to the contrary, no obligation which accrued but has not been satisfied under any Prior Agreements between the parties, shall terminate or be considered canceled upon execution of this Agreement. Rather, such obligation shall continue as if it had accrued under this Agreement until the obligation is satisfied.

17.22 Police/Regulatory Powers. County cannot, and hereby specifically does not, waive or relinquish any of its regulatory approval or enforcement rights and obligations as it may relate to regulations governing the Premises, any Improvements thereon, or any operations at the Premises. Nothing in this Agreement shall be deemed to create an affirmative duty of County to abrogate its sovereign right to exercise its police powers and governmental powers by approving or disapproving or taking any other action in accordance with its zoning and land use codes, administrative codes, ordinances, rules and regulations, federal laws and regulations, state laws and regulations, and grant agreements. In addition, nothing herein shall be considered zoning by contract.

17.23 Radon Gas. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

17.24 Visual Artists' Rights Act. With respect to construction or installation of any Improvements at the Premises and regarding the requirements of the federal Visual Artists Rights Act of 1990, 17 USC Sections 106A and 113, as it may be amended from time to time (the "Act"), Airline agrees that it shall not (1) hire any artist or permit any sublessee to hire any artist for the purpose of installing or incorporating any work of art into or at the Premises, or (2) permit the installation or incorporation of any work of art into or at the Premises, without the prior written approval of the Aviation Department. Airline shall provide such reasonable documentation as the Aviation Department may request in connection with any such approval and the approval of the Aviation Department may be conditioned upon the execution by the artist of a waiver of the provisions of the Act, in form and substance acceptable to the Aviation Department.

17.25 Right to Develop the Airport. County reserves the right to further develop or improve the Airport and all landing areas and taxiways as it may see fit, regardless of the desires or views of Airline and without interference or hindrance but subject to the Majority In Interest (MII) voting provisions set forth in the Signatory Agreement, if applicable. If the County deems it desirable, within reason, that the Leased Premises, or any part thereof, are needed for other Airport purposes, then the County shall have the right to terminate this

Agreement by giving Airline one hundred eighty (180) calendar days written notice of such termination. The right of termination set forth herein is in addition to any other rights of termination set forth in this Agreement.

17. 26 ENVIRONMENTAL COMPLIANCE, CONTAINMENT AND REMOVAL

17.26.1 Airline shall provide the Aviation Department upon request, a list of all Hazardous Materials stored, used, generated or disposed of on Airport property by Airline. Airline shall also complete the form attached hereto as **Exhibit E** and shall deliver same to the County contemporaneously with its execution of this Agreement. Airline represents that, to the best of its knowledge the matters disclosed on such form will be accurate and complete as of the date of execution of this Agreement. At the request of the Aviation Department (not more than once a year) the Airline shall provide an accurate and complete update as to the matters set forth on **Exhibit E**.

17.26.2 Airline agrees to comply with all Applicable Laws, including but not limited to Environmental Laws and any Development Order covering the Airport, issued pursuant to Chapter 380, Florida Statutes, including without limitation those addressing the following, if applicable to the Airline:

(1) Proper use, storage, treatment and disposal of Hazardous Materials, including contracting with a licensed hazardous waste transporter and/or treatment and disposal facility to assure proper transport and disposal of Hazardous Materials.

(2) Proper use, disposal and treatment of stormwater runoff, including the construction and installation of adequate pre-treatment devices or mechanisms, if required by any Applicable Laws. The Airline shall have in place, and make available to the Aviation Department for review, all required environmental licenses and documents including, but not limited to, if applicable, a site specific Stormwater Pollution Prevention Plan, and a Spill Prevention and Countermeasures Plan.

(3) Adequate inspection, licensing, insurance, and registration of existing and future storage tanks, storage systems, and ancillary facilities to meet all requirements of all Applicable Laws, including the installation and operation of adequate monitoring devices and leak detection systems.

(4) Adequate facilities for management and, as necessary, pretreatment of Hazardous Materials and the proper disposal thereof.

(5) Compliance with reporting requirements of Title III of the Superfund Amendment and Chapter 27 of the Broward County Code of Ordinances, as applicable and as such laws may be amended from time to time.

17.26.3 The Release of any Hazardous Materials by Airline, its Affiliate, or Airline's Parties at the Premises occupied by Airline or its Affiliates, or at any other Airport property, whether caused by the officers, employees, contractors, subcontractors or agents of Airline, its Affiliates, or Airline's Parties, that is in an amount that is in violation of any Applicable Laws, whether committed prior to or subsequent to the date of

execution of this Agreement, shall be, at the Airline's expense, and upon demand of County or any of its agencies or any local, state, or federal regulatory agency, immediately contained or removed to meet the requirements of all Applicable Laws. If Airline does not take action immediately to have such Hazardous Materials contained, removed and abated, the County or any of its agencies may undertake the removal of the Hazardous Materials; however, any such action by the County or any of its agencies shall not relieve the Airline of its obligations under this or any other provision of this Agreement or as imposed by law. No action taken by either the Airline or the County to contain or remove Hazardous Materials, or to abate a release, whether such action is taken voluntarily or not, shall be construed as an admission of liability as to the source of or the person who caused the pollution or its release. Notwithstanding the foregoing, Airline shall not be liable for the presence of any Hazardous Materials at the Premises or the Airport caused by the County or other persons or entities, not an Affiliate of Airline, or one of Airline Parties.

17.26.4 Airline shall provide the Aviation Department with notice of Releases of Hazardous Materials occurring at any area used by Airline, its Affiliates, or Airline's Parties due to Airline's or its Affiliates, or Airline's Parties operations at the Airport, which Release was caused by Airline or its Affiliates, or Airline's Parties, which notices shall be provided in accordance with the requirements of the Aviation Department's policies and procedures manual. Airline shall maintain a log of all such notices and shall also maintain all records required by federal, state, County, and local laws, rules and regulations and also such records as are reasonably necessary to adequately assess environmental compliance in accordance with all Applicable Laws. Upon request by the Aviation Department, Airline shall make all documentation required by this subparagraph available for the review of County representatives.

17.26.5 As required by all Applicable Law, Airline shall provide the required federal, state, County and local regulatory agencies with notice any Release of Hazardous Materials on the Premises occupied by Airline or its Affiliate(s) or on the Airport property, which Release was caused by Airline or its Affiliates or any sublessees, officers, employees, contractors, subcontractors, invitees, or agents of Airline or its Affiliate(s). Airline shall further provide the Aviation Department and the Department of Environmental Protection and Growth Management (or successor agency) with written notice within three (3) business days following commencement of same, of the measures to remediate and or monitor any Release in full compliance with all Applicable Laws. Airline shall have an updated contingency plan (or comparable document) in effect which provide minimum standards and procedures for storage of regulated Hazardous Materials and other Hazardous Materials, prevention and containment of spills and Releases, and transfer and disposal of regulated Hazardous Materials and other Hazardous Materials. The contingency plan shall describe design features, response actions and procedures to be followed in case of releases or other accidents involving Hazardous Materials.

17.26.6 The Aviation Department, upon reasonable written notice to Airline, shall have the right to inspect all documents relating in any way to the Release of any Hazardous Materials at the Airport, the environmental condition of the Premises occupied by Airline or its Affiliates, any curative, remediation, or monitoring efforts on any

Airport property by Airline, its Affiliates, or Airline's Parties, and any documents required to be maintained under all Applicable Laws including but not limited to any development order issued to the County pertaining to the Airport, pursuant to Chapter 380, Florida Statutes, including, but not limited to, manifests evidencing proper transportation and disposal of Hazardous Materials, environmental site assessments, and sampling and test results. Airline agrees to allow inspection of the Premises occupied by Airline, or its Affiliates, by appropriate federal, state, County and local agency personnel in accordance with all Applicable Laws, and as required by any development order issued to the County pertaining to the Airport, pursuant to Chapter 380, Florida Statutes.

17.26.7 If the County, pursuant to this subsection 17.26, arranges for the removal of any Hazardous Materials on the Premises or other Airport Property used or occupied by Airline, its Affiliates, or Airline's Parties, that were caused by Airline, its Affiliate, or Airline's Parties, all costs of such removal incurred by the County shall be paid by Airline to the County within ten sixty (60) calendar days of County's written demand, with interest at the rate of eighteen percent (18%) per annum thereafter accruing.

17.26.8 Nothing herein shall relieve Airline of its general duty to cooperate with the County in ascertaining the source and, containing, removing and abating any Hazardous Materials and Releases. The Aviation Department and its employees, contractors, and agents, upon reasonable written notice to Airline, and the federal, state, local and other County agencies, and their employees, contractors, and agents, in accordance with all Applicable Laws, shall have the right to enter the Premises occupied by Airline or its Affiliates for the purposes of the foregoing activities and conducting such environmental assessments (testing or sampling), inspections and audits as it deems appropriate. Any such entering of the Premises occupied by Airline or its Affiliates, by County, shall be, if possible, without unreasonable interference with Airline's operations on the Premises and at reasonable times.

17.26.9 If any assessment or inspection undertaken by County, state or federal agencies, indicates that further actions should be conducted, then the County shall have the right to have such further actions conducted at the Airline's expense. Airline shall reimburse to the County the cost of such assessments and inspections within sixty (60) calendar days following written demand for payment, with interest at the rate of eighteen percent (18%) per annum thereafter accruing. Airline shall have the right to split any soil or water samples obtained by the County.

17.26.10 In the event County shall arrange for the removal of Hazardous Materials on the Premises occupied by Airline that are not the responsibility of the Airline to correct, County shall use reasonable efforts to not disrupt Airline's business, however, in no event shall Airline be entitled to any abatement of rent or any amount on account of lost profits, lost rentals, or other damages as a result of County's clean-up activities.

17.26.11 All flammable liquids that are kept or stored at the Premises must at all times be handled, stored, used and dispensed in accordance with all Applicable Laws and other requirements, as same may be amended, including without limitation any

rules, regulations or minimum standards that are established by the Aviation Department for operations of Airport tenants.

17.26.12. The provisions of this section shall survive the expiration or other termination of this Agreement.

17.27 Damage to Airport Facilities. Airline shall be responsible for any and all damage to the Airport caused by the negligence of Airline, its Affiliates, and Airline's Parties, including, but not limited to, damage to Terminal areas, ramp and taxiway areas, engine run-up areas, runways, hangar facilities and any and all areas where any activities are performed by Airline, its Affiliates, and Airline's Parties.

17.28 Incorporation by Reference. The truth and accuracy of each "Whereas" clause set forth above is acknowledged by the parties. The attached **Exhibits A, B, C, D, E, F, and G,** are incorporated into and made a part of this Agreement.

17.29 Boarding Assistance for Individuals with Disabilities. Pursuant to 40 CFR Part 27 and 14 CFR Part 382, which requires that airports and airlines provide boarding assistance to individuals with disabilities, Airline shall abide by the terms and conditions of the Addendum attached hereto as **Exhibit F**, and made a part hereof relating to the Airline's use of the County's "Lift Device," which sets forth the duties and obligations of the respective parties with regard to the use of said Lift Device.

17.30 MOA for Land Use Controls. To the extent applicable, this Agreement is subject to the Memorandum of Agreement for Land Use Controls, dated July 1, 2015, between Broward County, a political subdivision of the State of Florida, and the Division of Waste Management, Florida Department of Environmental Protection, a public agency of the State of Florida, recorded on July 23, 2015, at instrument # 113129335 of the Public Records of Broward County, Florida, which enables Broward County to assess and remediate contamination at the airport consistent with applicable standards and procedures. A copy of the document is available upon request.

17.31 Multiple Originals. This Agreement may be fully executed in up to 5 counterparts by all parties, each of which, bearing original signatures, shall have the force and effect of an original document.

ARTICLE XVIII
CONFORMITY OF LEASE

18.1 In the event that County enters into an agreement which makes available to any other Scheduled Air Carrier at Airport more favorable terms, rights, licenses or privileges than are available to Airline, then the same shall be concurrently and automatically made available to Airline.

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SIGNATORY TERMINAL BUILDING LEASE AGREEMENT BETWEEN BROWARD COUNTY AND ___________________________

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement: BROWARD COUNTY through its BOARD OF COUNTY COMMISSIONERS, signing by and through its Mayor or Vice-Mayor, authorized to execute same by Board action on the _____ day of ________________, 2015, and ________________________, signing by and through its authorized representatives.

COUNTY

ATTEST:

____
Broward County Administrator, as
Ex-officio Clerk of the Broward County
Board of County Commissioners

BROWARD COUNTY, by and through
its Board of County Commissioners

By____________________________
Mayor or Vice-Mayor

____ day of ______________, 2015

Approved as to form by
Joni Armstrong Coffey
Broward County Attorney
Aviation Office
2200 SW 45th Street, Suite 101
Dania Beach, Florida 33312
Telephone: (954) 359-6100
Telecopier: (954) 359-1292

Insurance requirements
approved by Broward County
Risk Management Division

By ______________________________
Tracy Meyer, Esq. (Date)
Risk Insurance and Contracts Manager

By______________________________
Alexander J. Williams, Jr. (Date)
Assistant County Attorney

SIGNATORY TERMINAL BUILDING LEASE AGREEMENT BETWEEN BROWARD COUNTY AND _______________________

AIRLINE

ATTEST:

____
Secretary

(CORPORATE SEAL)

WITNESS:

____

____

____

By: _______________________

Print Name: _________________

Title: ______________________

___ day of ____________, 2015

APPENDIX F

PROPOSED FORM OF CO-BOND COUNSEL OPINIONS

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APPENDIX F

PROPOSED FORM OF CO-BOND COUNSEL OPINION

____________, 2017

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

We have served as co-bond counsel to our client Broward County, Florida (the "County") in connection with the issuance by the County of its $287,905,000 aggregate principal amount of Airport System Revenue Bonds, Series 2017 (AMT) (the "Series 2017 Bonds"), dated the date of this letter.

The Series 2017 Bonds are issued pursuant to Resolution No. 2012-320 adopted by the Board of County Commissioners of the County (the "Board") on May 8, 2012, amending and restating Resolution No. 82-A-2 adopted by the Board on November 9, 1982, as previously amended and supplemented, as supplemented by Resolution No. 2017-493 adopted by the Board on October 17, 2017 (collectively, the "Bond Resolution"). Capitalized terms not otherwise defined in this letter are used as defined in the Bond Resolution.

In our capacity as co-bond counsel, we have examined the transcript of proceedings relating to the issuance of the Series 2017 Bonds, a copy of the signed and authenticated Series 2017 Bond of the first maturity, the Bond Resolution and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The County is a duly organized and validly existing political subdivision of the State of Florida under the Constitution and laws of the State of Florida, with the power to adopt the Bond Resolution, to perform its obligations thereunder and to issue the Series 2017 Bonds.

2. The Series 2017 Bonds and the Bond Resolution are valid and binding obligations of the County, enforceable in accordance with their respective terms.

3. The Series 2017 Bonds constitute special, limited obligations of the County, and the principal of and interest on (collectively, "debt service") the Series 2017 Bonds, together with debt service on any other obligations issued and Outstanding on a parity with the Series 2017 Bonds as provided in the Bond Resolution, are payable from and secured solely by the Net Revenues, the County's right to receive Net Revenues and moneys on deposit in the Funds and Accounts

established under the Bond Resolution. The payment of debt service on the Series 2017 Bonds is not secured by an obligation or pledge of any money raised by taxation, and the Series 2017 Bonds do not represent or constitute a general obligation or a pledge of the faith and credit of the County, the State of Florida or any of its political subdivisions.

4. Interest on the Series 2017 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except interest on any Series 2017 Bond for any period during which it is held by a "substantial user" or "related person" as those terms are used in Section 147(a) of the Code, and is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under Section 57 of the Code. The Series 2017 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. We express no opinion as to any other tax consequences regarding the Series 2017 Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Issuer.

We express no opinion herein regarding the priority of the lien on Net Revenues, the right to receive Net Revenues or moneys on deposit in the Funds and Accounts established by the Bond Resolution.

In rendering those opinions with respect to treatment of the interest on the Series 2017 Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the County. Failure to comply with certain of those covenants subsequent to issuance of the Series 2017 Bonds may cause interest on the Series 2017 Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Series 2017 Bonds and the enforceability of the Series 2017 Bonds and the Bond Resolution are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as co-bond counsel in connection with the original issuance and delivery of the Series 2017 Bonds is concluded upon delivery of this letter.

Respectfully submitted,

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APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

BROWARD COUNTY, FLORIDA

$287,905,000
AIRPORT SYSTEM REVENUE BONDS,
SERIES 2017 (AMT)

THIS CONTINUING DISCLOSURE CERTIFICATE (this "Certificate") dated November 21, 2017, is executed and delivered by **BROWARD COUNTY, FLORIDA**, a political subdivision of the State of Florida and a public body corporate and politic (the "County"), in connection with the issuance of its Broward County, Florida Airport System Revenue Bonds, Series 2017 (AMT) (the "Series 2017 Bonds"). The Series 2017 Bonds are being issued for the purpose of providing funds, together with other available moneys, to (i) finance the costs of planning, designing, constructing, equipping and managing the construction of certain capital improvements at the Airport (as defined below) including, but not limited to: terminal modernizations, terminal connectors, Concourse A, Terminal 4 gate replacement (Concourse G), Federal Inspection Services facility improvements, construction of ground transportation facility improvements, parking garage rehabilitation, master plan implementation and planning, design and construction of such other facilities that are functionally related and subordinate to the Airport (collectively, the "Series 2017 Project") and paying capitalized interest on all or a portion of the Series 2017 Bonds, (ii) fund the required deposit into the Reserve Account to satisfy the Reserve Requirement as a result of the issuance of the Series 2017 Bonds, and (iii) pay certain costs of issuance relating to the Series 2017 Bonds.

The Series 2017 Bonds are being issued pursuant to Resolution No. 2012-320 adopted by the Board of County Commissioners of the County (the "Board") on May 8, 2012, as previously amended and supplemented, and particularly as supplemented by Resolution No. 2017-493, adopted by the Board on October 17, 2017 (collectively, the "Bond Resolution"). The Series 2017 Bonds are payable from and secured by the funds pledged therefor under the Bond Resolution, which consist primarily of the Net Revenues of the Airport System, on a parity with certain other bonds outstanding under the Bond Resolution as described in the Official Statement.

The County has determined to comply with the requirements of the Rule to the extent applicable to the Series 2017 Bonds.

The County agrees, in accordance with the provisions of the Rule, for the benefit of the holders and beneficial owners from time to time of the Series 2017 Bonds, as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

In addition to the words and terms defined elsewhere in this Certificate or by reference to the Bond Resolution, unless the context or use clearly indicates another or different meaning or intent:

"Accounting Principles" means the accounting principles applied from time to time in the preparation of the Financial Statements, initially generally accepted accounting principles as recommended from time to time by the Governmental Accounting Standards Board of the Financial Accounting Foundation.

"Airport" means the Fort Lauderdale-Hollywood International Airport and the improvements thereto.

"Annual Financial Information" means the following tabular information and operating data for the applicable Fiscal Year of the type included with respect to the Airport and contained in the Official Statement in the tables entitled "Summary of Revenues and Expenses," "Airline versus Non-Airline Operating Revenues," "Historical Bond Debt Service Coverage" and "Airport System Revenue Bond Issues" under the caption "SELECTED FINANCIAL INFORMATION AND MANAGEMENT ANALYSIS" and in the tables entitled "Enplaned Passengers," "Enplaned Passengers by Airline" and "Landed Weights, Air Cargo and Aircraft Operations" under the caption "THE AIRPORT AIR TRADE AREA AND OPERATING STATISTICS."

"Business Day" means any day other than a Saturday, Sunday or a day on which the County is required, or authorized or not prohibited by law (including executive orders), to close and is closed.

"Dissemination Agent" shall mean the County, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

"Filing Date" means the 210th day following the end of each Fiscal Year (or the next preceding Business Day if that day is not a Business Day).

"Financial Statements" means the Broward County Aviation Department Special Purpose Financial Statements for the applicable Fiscal Year which may be a part of the County's consolidated audited financial report.

"Fiscal Year" means each fiscal year of the County ending on September 30th or such other fiscal year as may be adopted by the County from time to time.

"MSIR" shall mean any municipal securities information repository other than the MSRB as may be required by law or applicable legislation, from time to time, to receive continuing disclosure documents for purposes of the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Official Statement" means the Official Statement with respect to the Series 2017 Bonds dated November 8, 2017.

"Rule" means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934.

"SEC" means the Securities and Exchange Commission.

The captions and headings in this Certificate are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a Section means a section of this Certificate, unless otherwise indicated.

ARTICLE II
THE UNDERTAKING

SECTION 2.1. The County hereby agrees, in accordance with the Rule, for so long as the Rule shall be in effect, to provide or cause to be provided to the MSRB and each MSIR, in the appropriate format required by law or applicable regulation, the following annual financial information and operating data commencing with the Fiscal Year ended September 30, 2017:

(a) its Annual Financial Information for the preceding Fiscal Year not later than the Filing Date for that Fiscal Year; and

(b) when and if available, the Financial Statements for each Fiscal Year prepared in accordance with the Accounting Principles.

SECTION 2.2. The Annual Financial Information is expected to be available on or before the Filing Date.

SECTION 2.3. The Financial Statements described in subsection 2.1(b) above are expected to be available on or before the Filing Date. If the Financial Statements are not available by the Filing Date, unaudited information will be provided by the Filing Date and the audited Financial Statements will be provided as soon after such Filing Date as they become available.

SECTION 2.4. The County agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to the

MSRB and each MSIR, in the appropriate format required by law or applicable regulation, notice of the occurrence of any of the following events (an "Event Notice") with respect to the Series 2017 Bonds:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit facility providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2017 Bonds, or other material events affecting the tax status of the Series 2017 Bonds;

(vii) modifications to rights of holders of the Series 2017 Bonds, if material;

(viii) Bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution or sale of any property securing repayment of the Series 2017 Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership, or similar event of the County;

(xiii) consummation of a merger, consolidation, or acquisition involving the County, or sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

With regard to the reportable event described in subsection (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

SECTION 2.5. The County agrees to provide or cause to be provided, in a timely manner, to the MSRB and each MSIR, notice of a failure of the County to provide the Annual Financial Information with respect to the Airport on or prior to the Filing Date.

SECTION 2.6. The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information to the extent necessary or appropriate in the judgment of the County; provided, the County agrees that any such modification will be done in a manner consistent with the Rule and Section 4.2 below. The County reserves the right to terminate its obligation to provide the Annual Financial Information and notices of material events as set forth above, if and when the County no longer remains an "obligated person" with respect to the Series 2017 Bonds within the meaning of the Rule or in the event that the Rule shall be repealed, rescinded, or invalidated.

SECTION 2.7. The County agrees that its undertaking pursuant to the Rule is intended to be for the benefit of the holders of the Series 2017 Bonds and shall be enforceable by the holders of the Series 2017 Bonds; provided, the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the County's obligations described herein, and any failure by the County to comply with the provisions of this undertaking shall not be an event of default with respect to the Series 2017 Bonds or under the Bond Resolution.

The County has not undertaken to give notice of the occurrence of any event other than as described in Sections 2.4 and 2.5 above. Neither the Underwriters nor the Bond Registrar and Paying Agent (each as defined in the Bond Resolution) have undertaken to give notice of the occurrence of any event described in the Rule.

A failure by the County to comply with the undertaking described above must be reported by the County in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2017 Bonds in the secondary market. Consequently, such failure may adversely affect the transferability and liquidity of the Series 2017 Bonds and their market price.

SECTION 2.8. The County may, from time to time, appoint or engage a third-party Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. In this regard, the County intends to fulfill its obligations hereunder by entering into a "Disclosure Dissemination Agent Agreement" in substantially the form attached hereto and incorporated herewith by reference.

ARTICLE III
OPERATING RULES

SECTION 3.1. INCORPORATION BY REFERENCE. Any or all of the information required herein to be disclosed may be incorporated by reference from other documents, including official statements or debt issues of the County or related public entities, which have been submitted to the MSRB or the SEC. If the document to be incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each document incorporated by reference.

SECTION 3.2. SUBMISSION OF INFORMATION. Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

SECTION 3.3. MATERIAL EVENT NOTICES. Each Event Notice as described in Section 2.4 above shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Series 2017 Bonds.

SECTION 3.4. TRANSMISSION OF INFORMATION AND NOTICES. Unless otherwise required by law and, in the County's sole determination, subject to technical and economic feasibility, the County shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of the County's information and notices.

ARTICLE IV
TERMINATION, AMENDMENT AND ENFORCEMENT

SECTION 4.1. TERMINATION. (a) The County's obligations under this Certificate shall terminate upon legal defeasance, prior redemption or payment in full of all of the Series 2017 Bonds.

(b) This Certificate or any provision hereof, shall be null and void in the event that the County (1) obtains an opinion of counsel, addressed to the County, to the effect that those portions of the Rule, which require the provisions of this Certificate or any of such provisions, do not or no longer apply to the Series 2017 Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the MSRB and each MSIR.

SECTION 4.2. AMENDMENT. (a) This Certificate may be amended by a written Certificate of an appropriate County officer, without the consent of the holders of the Series 2017 Bonds, if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the County, or the type of business conducted by the County, (2) this Certificate as so amended would have complied with the requirements of the Rule as of the date of this Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the County shall have received an opinion of counsel addressed to the County, to the same effect as set forth in clause (2) above and further to the effect that the amendment does not materially impair the interests of the holders of the Series 2017 Bonds and (4) the County delivers copies of such opinion and amendment to the MSRB and each MSIR.

(b) In addition to subsection (a) above, this Certificate may be amended and any provision of this Certificate may be waived, without the consent of the holders of the Series 2017 Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date hereof, which amendment or interpretation is applicable to this Certificate; (2) the County shall have received an opinion of counsel to the effect that performance by the County under this Certificate as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule; and (3) the County shall have delivered copies of such opinion and amendment to the MSRB and each MSIR.

(c) To the extent any amendment to this Certificate results in a change in the type of financial information or operating data provided pursuant to this Certificate, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

(d) If an amendment is made to the basis on which financial statements are prepared, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. Notice of any such amendment shall be provided by the County to the MSRB and each MSIR.

(e) The County agrees to make filings through the Electronic Municipal Market Access System ("EMMA"), as required by the MSRB.

SECTION 4.3. BENEFIT; THIRD-PARTY BENEFICIARIES; ENFORCEMENT. (a) The provisions of this Certificate shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Series 2017 Bonds. Beneficial owners of Series 2017 Bonds shall be third-party beneficiaries of this Certificate.

(b) Except as provided in this subsection (b), the provisions of this Certificate shall create no rights in any person or entity. The obligations of the County to comply with the provisions of this Certificate shall be enforceable by the holders of the Series 2017 Bonds including beneficial owners thereof. The Bondholder's right to enforce the provisions of this Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the County's obligations under this Certificate and the Bond Resolution. In consideration of the third-party beneficiary status of beneficial owners of the Series 2017 Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of the Series 2017 Bonds for purposes of this subsection (b).

(c) Any failure by the County to perform in accordance with this Certificate and the Bond Resolution shall not constitute a default under the Bond Resolution and any rights and remedies provided by the Bond Resolution upon the occurrence of a default shall not apply to any such failure hereunder.

(d) This Certificate shall be construed and interpreted in accordance with the laws of the State of Florida, and any suits and actions arising out of this Certificate shall be instituted in a court of competent jurisdiction in the State of Florida; provided, however, to the extent this Certificate addresses matters of federal securities laws, including the Rule, it shall be construed in accordance with such federal securities laws and official interpretations thereof.

SECTION 4.4. SOURCES OF PAYMENTS: EXTENT OF COVENANTS; NO PERSONAL LIABILITY. The County shall be required to use only Net Revenues (as defined in the Bond Resolution) to pay any costs and expenses to be incurred in the performance of this Certificate, and the performance of the obligations hereunder shall be subject to the availability of Net Revenues for that purpose. This Certificate does not and shall not constitute a general obligation of the County. All covenants, stipulations, obligations and agreements of the County contained in this Certificate are and shall be deemed to be covenants, stipulations, obligations and agreements of the County to the full extent authorized by law. No covenant, stipulation, obligation or agreement of the County contained in this Certificate shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the County in other than that person's official capacity.

[SIGNATURE PAGE TO CONTINUING DISCLOSURE CERTIFICATE]

IN WITNESS WHEREOF, we have hereunto executed this Certificate this 21st day of November, 2017.

BROWARD COUNTY, FLORIDA

By: ________________________________
Chief Financial Officer and Director, Finance and Administrative Services Department

FORM OF
DISCLOSURE DISSEMINATION AGENT AGREEMENT

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (this "Disclosure Agreement"), dated as of November 21, 2017, is executed and delivered by Broward County, Florida (the "Issuer") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. DEFINITIONS. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior Fiscal Year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached EXHIBIT A, with the 9-digit CUSIP numbers relating thereto.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Disclosure Representative" means the Chief Financial Officer and Director, Finance and Administrative Services Department of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means the Annual Financial Information, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices and the Voluntary Reports.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

"Official Statement" means that Official Statement prepared by the Issuer in connection with the Bonds.

"Voluntary Report" means the information provided to the Disclosure Dissemination Agent by the Issuer pursuant to Section 7.

SECTION 2. PROVISION OF ANNUAL REPORTS.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report to the Disclosure Dissemination Agent, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than 210 days after the end of each Fiscal Year, commencing with the Fiscal Year ended September 30, 2017. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached hereto as EXHIBIT B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as EXHIBIT B, without reference to the anticipated filing date for the Annual Report.

(d) If Audited Financial Statements of the Issuer are not available prior to the Annual Filing Date, the Issuer shall provide unaudited financial statements in a format similar to the Audited Financial Statements, for filing with the MSRB, and when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to the Section of this Disclosure Agreement indicated:

1. "Principal and interest payment delinquencies," pursuant to Sections 4(c) and 4(a)(1) hereof;

2. "Non-Payment related defaults, if material," pursuant to Sections 4(c) and 4(a)(2) hereof;

3. "Unscheduled draws on debt service reserves reflecting financial difficulties," pursuant to Sections 4(c) and 4(a)(3) hereof;

4. "Unscheduled draws on credit enhancements reflecting financial difficulties," pursuant to Sections 4(c) and 4(a)(4) hereof;

5. "Substitution of credit or liquidity providers, or their failure to perform," pursuant to Sections 4(c) and 4(a)(5) hereof;

6. "Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security," pursuant to Sections 4(c) and 4(a)(6) hereof;

7. "Modifications to rights of securities holders, if material," pursuant to Sections 4(c) and 4(a)(7) hereof;

8. "Bond calls, if material, and tender offers" pursuant to Sections 4(c) and 4(a)(8) hereof;

9. "Defeasances," pursuant to Sections 4(c) and 4(a)(9) hereof;

10. "Release, substitution, or sale of property securing repayment of the securities, if material," pursuant to Sections 4(c) and 4(a)(10) hereof;

11. "Rating changes," pursuant to Sections 4(c) and 4(a)(11) hereof;

12. "Bankruptcy, insolvency, receivership or similar event of the obligated person," pursuant to Sections 4(c) and 4(a)(12) hereof;

13. "The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material," pursuant to Sections 4(c) and 4(a)(13) hereof; and

14. "Appointment of a successor or additional trustee or the change of name of a trustee, if material," pursuant to Sections 4(c) and 4(a)(14) hereof.

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of EXHIBIT B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Report received under Section 7 hereof with the MSRB.

(vii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its Fiscal Year by providing written notice of such change and the new Annual Filing Date to the

Disclosure Dissemination Agent and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event, provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. CONTENT OF ANNUAL REPORTS.

(a) Each Annual Report shall contain the Annual Financial Information required by the Continuing Disclosure Certificate executed by the Issuer on the date of the issue (the "Continuing Disclosure Certificate").

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP") will be included in the Annual Report, but may be provided in accordance with Section 2(d) hereof.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an Obligated Person, which have been previously filed with the Securities and Exchange Commission or available to the public on the MSRB's Electronic Municipal Market Access website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

[Remainder of page intentionally left blank]

SECTION 4. REPORTING OF NOTICE EVENTS.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bond holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes on the Bonds;

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note: for the purposes of the event identified in this subsection 4(a)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the *supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.*

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of ten (10) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) of this Section 4. Such notice shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event.

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2(e)(iv) hereof.

SECTION 5. CUSIP NUMBERS. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, notices of Notice Events, Failure to File Events and Voluntary Reports filed pursuant to Section 7(a) hereof, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. ADDITIONAL DISCLOSURE OBLIGATIONS. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. VOLUNTARY REPORTS.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file information with the MSRB (a "Voluntary Report").

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Voluntary Report, Notice Event notice or Failure to File Event notice, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Voluntary Report, Notice Event notice, or Failure to File Event notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Voluntary Report, Notice Event notice or Failure to File Event notice.

SECTION 8. TERMINATION OF REPORTING OBLIGATION. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the earliest of (a) the legal defeasance, prior redemption or payment in full of all of the Bonds, (b) when the Issuer is no longer an Obligated Person with respect to the Bonds, or (c) upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. DISCLOSURE DISSEMINATION AGENT. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon sixty days written notice to the Disclosure Dissemination Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC’s services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of

Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing sixty days' prior written notice to the Issuer.

SECTION 10. REMEDIES IN EVENT OF DEFAULT. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, any Holder's rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, including the Indenture, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. DUTIES, IMMUNITIES AND LIABILITIES OF DISCLOSURE DISSEMINATION AGENT.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 90 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective without the consent of the Issuer.

SECTION 13. SOURCES OF PAYMENTS; NO PERSONAL LIABILITY. Notwithstanding anything to the contrary contained in this Disclosure Agreement, to the extent not paid from the proceeds of the Bonds, the Issuer shall be required to use only Revenues to pay any costs and expenses to be incurred in the performance of this Disclosure Agreement by it, and the performance of its obligations hereunder shall be subject to the availability of Revenues for that purpose. This Disclosure Agreement does not and shall not constitute a general obligation of the Issuer. No covenant, stipulation, obligation or agreement of the Issuer contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Issuer in other than that person's official capacity.

SECTION 14. BENEFICIARIES. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Disclosure Dissemination Agent, the Underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. GOVERNING LAW. This Disclosure Agreement shall be governed by the laws of the State of Florida.

SECTION 16. COUNTERPARTS. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature Page Follows]

[SIGNATURE PAGE TO DISCLOSURE DISSEMINATION AGENT AGREEMENT]

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Disclosure Dissemination Agent

By: ___________________________________
Name: _______________________________
Title: ________________________________

BROWARD COUNTY, FLORIDA

By: ___________________________________
Chief Financial Officer and Director, Finance and Administrative Services Department

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer:	Broward County, Florida
Obligated Person:	Broward County, Florida
Name of Bond Issue:	Airport System Revenue Bonds, Series 2017 (AMT)
Date of Issuance:	November 21, 2017
Date of Official Statement:	November 8, 2017

CUSIP Numbers:

114894WZ7
114894XA1
114894XB9
114894XC7
114894XD5
114894XE3
114894XF0
114894XG8
114894XH6
114894XJ2
114894XK9
114894XL7
114894XM5
114894XN3
114894XP8
114894XQ6
114894XR4
114894XS2
114894XT0
114894XU7

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Broward County, Florida
Obligated Person:	Broward County, Florida
Name of Bond Issue:	Airport System Revenue Bonds, Series 2017 (AMT)
Date of Issuance:	November 21, 2017

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Dissemination Agent Agreement, dated as of November 21, 2017, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _______________.

Dated: _______________

Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent, on behalf
of the Issuer

____

cc: Broward County, Florida

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APPENDIX H

PROPOSED FORM OF CO-DISCLOSURE COUNSEL OPINIONS

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APPENDIX H

PROPOSED FORM OF OPINIONS OF CO-DISCLOSURE COUNSEL

[Closing Date]

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

Ladies and Gentlemen:

In connection with the proposed issuance by Broward County, Florida (the "County") of its $287,905,000 aggregate principal amount of Airport System Revenue Bonds, Series 2017 (AMT) (the "Series 2017 Bonds"), we have examined:

(1) a certified copy of Resolution 2012-320, adopted by the Board of County Commissioners of Broward County, Florida (the "Board") on May 8, 2012, amending and restating Resolution No. 82-A-2, adopted by the Board on November 9, 1982, as previously amended and supplemented, and as supplemented by Resolution No. 2017-493, adopted by the Board on October 17, 2017 (collectively, the "Bond Resolution");

(2) a copy of the Preliminary Official Statement, dated October 25, 2017 (the "Preliminary Official Statement"), relating to the sale of the Series 2017 Bonds;

(3) an executed copy of the Purchase Contract, dated November 8, 2017 (the "Purchase Contract"), between the County and Citigroup Global Markets Inc., as representative of the underwriters of the Series 2017 Bonds (the "Underwriters");

(4) an executed copy of the Continuing Disclosure Certificate of the County, dated November 21, 2017 (the "Disclosure Certificate") relating to the Series 2017 Bonds;

(5) a copy of the final Official Statement, dated November 8, 2017 (the "Official Statement"), relating to the sale of the Series 2017 Bonds;

(6) a transcript of the proceedings of the County relating to the authorization and issuance of the Series 2017 Bonds;

and such records, certificates and other documents, and have reviewed such proceedings and questions of law, as we have considered necessary to enable us to render this opinion.

To the extent that the opinions expressed herein relate to or are dependent upon the determination that the proceedings and actions relating to the authorization, issuance and sale of the Series 2017 Bonds are lawful and valid under the Laws of the State of Florida, or that the Series 2017 Bonds are valid and legally binding obligations of the County enforceable in accordance with their terms, or that the interest on the Series 2017 Bonds is excluded from gross income of the owners of the Series 2017 Bonds for federal income tax purposes, we understand that you are relying upon the opinions delivered on the date hereof of Squire Patton Boggs (US) LLP and Perry E. Thurston, Jr., P.A., Co-Bond Counsel, and of the County Attorney. We have assumed the accuracy of such opinions and have made no independent determination thereof and no opinion is expressed herein as to such matters. For the purposes of the opinions expressed in this letter we have assumed that any electronic version of the Preliminary Official Statement and the Official Statement is identical in all respects to the printed version thereof.

Because the primary purpose of our professional engagement as your Co-Disclosure Counsel was not to independently establish factual matters and because of the wholly or partially nonlegal character of many determinations involved in preparation of the Preliminary Official Statement and the Official Statement, we have not verified, are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, including the Appendices included therein. However, in the course of preparation of the Preliminary Official Statement and the Official Statement, we have generally reviewed material provided to us and have participated in conferences, telephone calls and electronic communications with certain officials and employees of, and counsel and consultants for, the County, including but not limited to, its Airport Consultant, Co-Bond Counsel and Financial Advisor. Our examination of the Preliminary Official Statement and the Official Statement, our review of such material and our discussions in the conferences, calls and communications mentioned above did not disclose to us any information which gives us reason to believe that the Preliminary Official Statement as of its date (other than omissions therefrom permitted by Rule 15c2-12 (the "Rule") promulgated by the United States Securities and Exchange Commission and any information listed in the following sentence, as to which we express no view) and the Official Statement (except for any information listed in the following sentence, as to which we express no view) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. We express no view as to: (1) the information under the captions

"INTRODUCTION - Report of the Airport Consultant", "DESCRIPTION OF THE SERIES 2017 BONDS - Book-Entry Only System", "REPORT OF THE AIRPORT CONSULTANT", and "UNDERWRITING" in the Preliminary Official Statement or the Official Statement; (2) any other financial, technical, statistical or demographic data or forecasts included or incorporated by reference in the Preliminary Official Statement or the Official Statement or the Appendices thereto; (3) any information about the book-entry system and The Depository Trust Company; and (4) the information in Appendices A, B, C, E and F to the Preliminary Official Statement or the Official Statement.

The Disclosure Certificate, together with the Official Statement and the Purchase Contract, satisfy the requirements contained in the Rule for an undertaking for the benefit of the owners of the Series 2017 Bonds to provide the information at the times and in the manner required by said Rule. In rendering this opinion, we have assumed the due authorization, execution and delivery of the Disclosure Certificate by the County, and that the Disclosure Certificate is a valid and binding obligation of the County, enforceable in accordance with its terms. We call to your attention, however, that the Rule requires continuing compliance with such undertaking by the County after the date hereof. We express no opinion in regard to such continuing compliance.

The opinions set forth herein are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the United States of America. The only opinions rendered hereby shall be those expressly stated as such herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

This opinion letter is furnished by us as your Co-Disclosure Counsel and is solely for your benefit. The opinions expressed herein are given as of the date hereof and are based upon existing law as of the date hereof and we assume no obligation to update, revise or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. In addition, no other advice, opinions or statements shall be implied or inferred as a result of anything contained in or omitted from this letter.

Respectfully submitted,