


In the opinions of Nabors, Giblin & Nickerson, P.A. and D. Seaton and Associates, P.A., Co-Bond Counsel, under existing statutes, regulations, rulings and court decisions, and subject to the conditions described herein under "TAX MATTERS": (1) interest on the Series 2022A Bonds, the Series 2022C Bonds and the Series 2022D Bonds is excluded from gross income for federal income tax purposes, except with respect to interest on the Series 2022A Bonds and the Series 2022C Bonds for any period during which such Bonds are held by a person who is a "substantial user" of the facilities financed or refinanced or a "related" person, as those terms are used in Section 147(a) of the Code; (2) interest on the Series 2022A Bonds and the Series 2022C Bonds is an item of tax preference for purposes of the federal alternative minimum tax; and (3) interest on the Series 2022D Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. Such interest may be subject to other federal income tax consequences referred to herein under "TAX MATTERS". Interest on the Series 2022B Bonds and the Series 2022E Bonds is not excluded from gross income for federal income tax purposes. See "TAX MATTERS" herein.

 <p>\$183,100,000 GREATER ORLANDO AVIATION AUTHORITY AIRPORT FACILITIES REVENUE BONDS, SERIES 2022A (AMT) OF THE CITY OF ORLANDO, FLORIDA</p>		<p>\$64,050,000 GREATER ORLANDO AVIATION AUTHORITY AIRPORT FACILITIES REVENUE BONDS, SERIES 2022B (TAXABLE) OF THE CITY OF ORLANDO, FLORIDA</p>
<p>\$8,665,000 GREATER ORLANDO AVIATION AUTHORITY AIRPORT FACILITIES REFUNDING REVENUE BONDS, SERIES 2022C (AMT) OF THE CITY OF ORLANDO, FLORIDA</p>	<p>\$19,735,000 GREATER ORLANDO AVIATION AUTHORITY AIRPORT FACILITIES REFUNDING REVENUE BONDS, SERIES 2022D (NON-AMT) OF THE CITY OF ORLANDO, FLORIDA</p>	<p>\$11,490,000 GREATER ORLANDO AVIATION AUTHORITY AIRPORT FACILITIES REFUNDING REVENUE BONDS, SERIES 2022E (TAXABLE) OF THE CITY OF ORLANDO, FLORIDA</p>

Dated: Date of Delivery

Due: October 1, as shown on inside cover

The \$183,100,000 Greater Orlando Aviation Authority Airport Facilities Revenue Bonds, Series 2022A (AMT) of the City of Orlando, Florida (the "Series 2022A Bonds"), \$64,050,000 Greater Orlando Aviation Authority Airport Facilities Revenue Bonds, Series 2022B (Taxable) of the City of Orlando, Florida (the "Series 2022B Bonds") and, together with the Series 2022A Bonds, the "Series 2022 Additional Bonds"), \$8,665,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2022C (AMT) of the City of Orlando, Florida (the "Series 2022C Bonds"), \$19,735,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2022D (Non-AMT) of the City of Orlando, Florida (the "Series 2022D Bonds") and \$11,490,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2022E (Taxable) of the City of Orlando, Florida (the "Series 2022E Bonds") and together with the Series 2022C Bonds and the Series 2022D Bonds, the "Series 2022 Refunding Bonds" and together with the Series 2022 Additional Bonds, the "Series 2022 Bonds", are being issued by the Greater Orlando Aviation Authority (the "Authority"), an agency of the City of Orlando, Florida (the "City"), under and pursuant to various provisions of law, and pursuant to the Amended and Restated Airport Facilities Revenue Bond Resolution Authorizing Airport Facilities Revenue Bonds of the City of Orlando, Florida, adopted by the governing board of the Authority, on September 16, 2015, and having an effective date of May 1, 2017, as may be further restated, supplemented and amended from time to time (the "Amended and Restated Bond Resolution"), and as specifically supplemented by that certain Supplemental Airport Facilities Revenue Bond Resolution, authorizing the issuance of the Series 2022 Bonds, adopted by the Authority on January 19, 2022 (the "2022 Supplemental Resolution," and together with the Amended and Restated Bond Resolution, the "Bond Resolution"). Unless otherwise defined herein, capitalized terms used in this Official Statement shall have the meanings set forth in the Bond Resolution. See "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto.

The Series 2022 Additional Bonds are being issued for the purpose of providing funds to: (a) finance a portion of the costs associated with the 2022 Project (as defined herein); (b) refinance certain draws made on certain of the Existing Lines of Credit (as defined herein), the proceeds of which were used to finance a portion of the cost of the 2022 Project and associated interest; (c) fund a deposit to the Composite Reserve Subaccount of the Debt Service Reserve Account to bring the balance therein equal to the Composite Reserve Requirement; and (d) pay certain costs of issuance of the Series 2022 Additional Bonds. See "PLAN OF FINANCE - 2022 Project," "ESTIMATED SOURCES AND USES OF FUNDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "CAPITAL IMPROVEMENT PROGRAM" herein.

The Series 2022 Refunding Bonds are being issued, together with other available funds of the Authority, if any, for the purpose of providing funds to: (a) refinance all or a portion of the Refunded Bonds (defined herein); and (b) pay certain costs of issuance of the Series 2022 Refunding Bonds. See "PLAN OF FINANCE - Refunded Bonds," "ESTIMATED SOURCES AND USES OF FUNDS" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The Series 2022 Bonds are being issued as fully registered bonds and will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of beneficial interests in the Series 2022 Bonds will be made in book-entry only form, in the principal amount of \$5,000 and any integral multiple of \$5,000. Interest on the Series 2022 Bonds will accrue from their dated date and will be payable on April 1 and October 1 of each year commencing on October 1, 2022. Purchasers of beneficial interests in the Series 2022 Bonds will not receive physical delivery of certificates. Transfers of beneficial interests in the Series 2022 Bonds will be affected through the DTC book-entry system as described herein. The Series 2022 Bonds will not be transferable or exchangeable, except for transfer to another nominee of DTC or otherwise as described herein. Principal, interest, and the redemption premium, if any, with respect to the Series 2022 Bonds will be payable by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as Paying Agent for the Series 2022 Bonds to Cede & Co., as nominee of DTC. See "BOOK-ENTRY ONLY SYSTEM" herein.

Certain of the Series 2022 Bonds may be subject to redemption prior to maturity as more fully described herein. See "DESCRIPTION OF THE SERIES 2022 BONDS - Redemption Provisions" herein.

The Series 2022 Bonds are limited obligations, payable solely from and secured by a pledge of the Pledged Funds (as defined in the Amended and Restated Bond Resolution attached hereto as APPENDIX B), in the manner and to the extent provided in the Bond Resolution, as described herein. A significant portion of the 2022 Project being funded by proceeds of the Series 2022 Additional Bonds constitutes Passenger Facility Charge ("PFC") eligible projects for which the Authority is authorized to collect and use PFCs. Additionally, portions of the projects financed with proceeds of the Refunded Bonds and refinanced with proceeds of the Series 2022 Refunding Bonds are PFC-eligible projects for which the Authority is authorized to collect and use PFCs. Consequently, certain PFC Revenues will be designated as 2022 Available PFC Revenues (as defined herein) for payment of a portion of the debt service on the Series 2022 Bonds under the Bond Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Available PFC Revenues" herein and "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES - Passenger Facility Charges" herein. The Authority determined in the 2022 Supplemental Resolution that an amount of PFCs as provided in a certificate of the Chief Financial Officer of the Authority shall be Available PFC Revenues (the "2022 Available PFC Revenues"). For purposes of the Series 2022 Bonds, the Pledged Funds consist primarily of Revenues (as defined in the Amended and Restated Bond Resolution) and 2022 Available PFC Revenues. The lien upon the Pledged Funds in favor of the Series 2022 Bonds is on a parity as to payment with the Outstanding Senior Bonds (as defined herein) and any Additional Bonds and Refunding Bonds hereafter issued under the Bond Resolution and senior to the pledge of and lien thereon in favor of the Outstanding Subordinated Indebtedness (as defined herein) and any Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness hereafter issued under the Master Subordinated Indenture (as defined herein). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

On August 28, 2019, the Authority adopted its Second Amended and Restated Resolution relating to Airline Rates and Charges and Airline Operating Terms and Conditions for the Use of Facilities and Services at Orlando International Airport (the "Rate Resolution") which became effective on October 1, 2019 and which applies to all airlines operating scheduled or non-scheduled commercial transportation by air of persons, property, mail, parcels and/or cargo and/or making use of the Airfield or Terminal (as such terms are defined in the Rate Resolution) at the Airport (the "Airlines"), whether or not any such Airline specifically agrees in writing to its terms and which provides for the payment of fees and charges by the Airlines as more fully described herein. See "SUMMARY OF CERTAIN PROVISIONS OF THE RATE RESOLUTION AND THE AUTHORITY'S RATE MAKING METHODOLOGY" and "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES" herein and "APPENDIX C - RATE RESOLUTION AND FORM OF REVENUE SHARING AGREEMENT" attached hereto for more information regarding the Rate Resolution, the Revenue Sharing Agreement (as defined herein) and their impact on Revenues.

See "IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT" herein for information regarding certain effects of the ongoing COVID-19 pandemic on the Airport operations and on Revenues.

THE SERIES 2022 BONDS SHALL NOT BE OR CONSTITUTE A GENERAL INDEBTEDNESS OF THE CITY, THE AUTHORITY, THE STATE OF FLORIDA (THE "STATE") OR ANY OTHER POLITICAL SUBDIVISION IN THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION. THE SERIES 2022 BONDS AND THE OBLIGATIONS EVIDENCED THEREBY SHALL NOT CONSTITUTE NOR BE A LIEN UPON ANY PROPERTY OF THE CITY OR THE AUTHORITY, EXCEPT THE PLEDGED FUNDS TO THE EXTENT PROVIDED IN THE BOND RESOLUTION. NEITHER THE GENERAL FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE SERIES 2022 BONDS OR ANY PREMIUM OR INTEREST THEREON AND NO REGISTERED OWNER OF A SERIES 2022 BOND SHALL EVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF FOR THE PAYMENT OF THE PRINCIPAL OF ANY SERIES 2022 BOND OR ANY PREMIUM OR INTEREST THEREON, AND THE CITY AND THE AUTHORITY ARE NOT AND SHALL NEVER BE UNDER ANY OBLIGATION TO PAY THE PRINCIPAL OF, INTEREST ON OR ANY PREMIUM WITH RESPECT TO THE SERIES 2022 BONDS EXCEPT FROM THE PLEDGED FUNDS, IN THE MANNER PROVIDED IN THE BOND RESOLUTION. THE AUTHORITY HAS NO TAXING POWER.

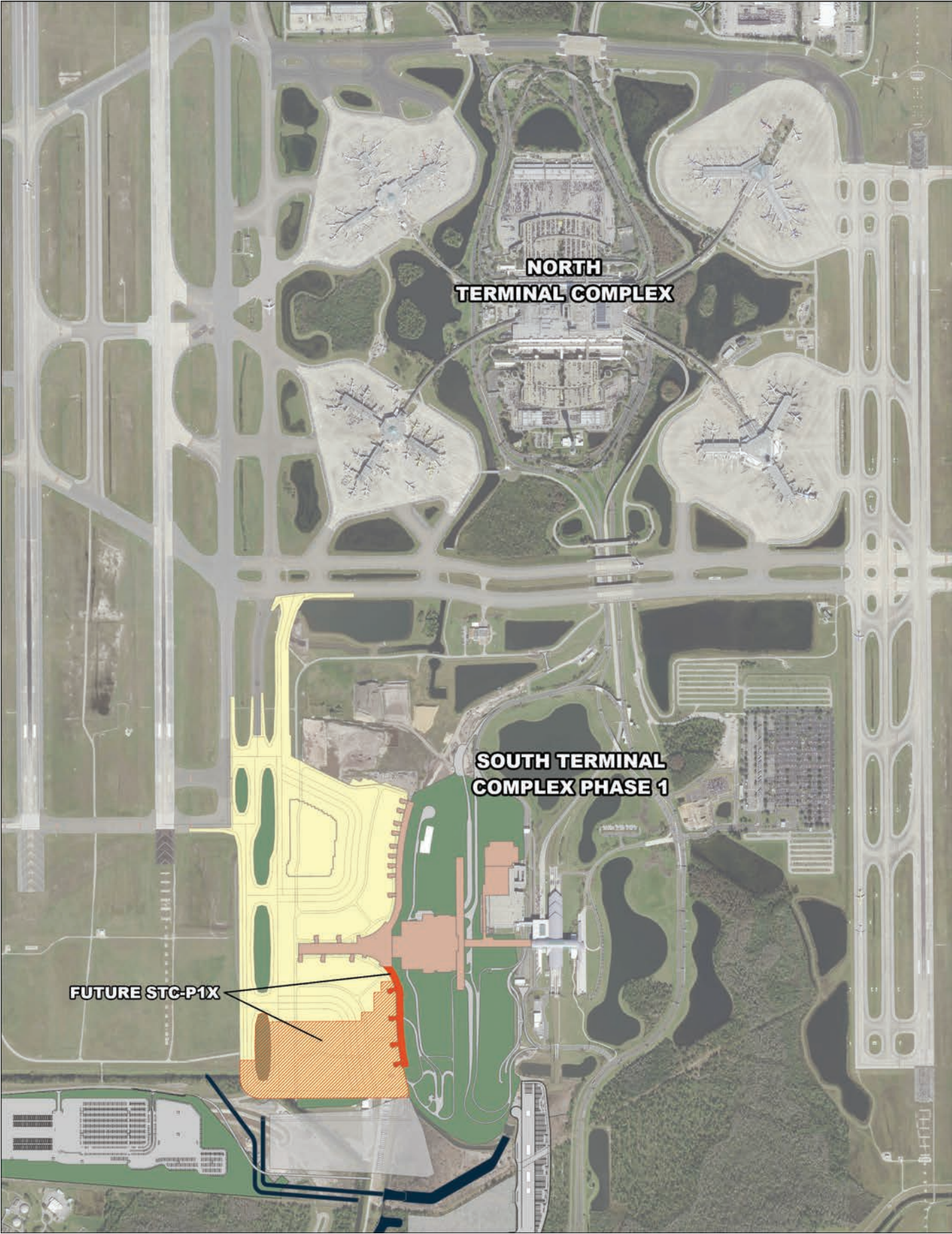
This cover page contains certain information for quick reference only. It is not a summary of the Series 2022 Bonds. Investors should read this entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2022 Bonds are offered when, as and if issued by the Authority and received by the Underwriters, and subject to the approval of legality by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, and D. Seaton and Associates, P.A., Orlando, Florida, as Co-Bond Counsel. Certain legal matters will be passed on for the Authority by Nelson Mullins Riley & Scarborough LLP, Orlando, Florida, as Issuer's Counsel to the Authority. Bryant Miller Olive P.A., Orlando, Florida, and Virtus LLP, Windermere, Florida, have served as Co-Disclosure Counsel. Certain legal matters in connection with the Series 2022 Bonds will be passed upon for the Underwriters by Greenberg Traurig, P.A., Orlando, Florida, Counsel to the Underwriters. Frasca & Associates, LLC, Orlando, Florida, National Minority Consultants, Inc., Orlando, Florida, and Raymond James & Associates, Inc., Winter Park, Florida are Co-Municipal Advisors to the Authority. It is expected that the Series 2022 Bonds in definitive form will be available for delivery through DTC on or about February 22, 2022.

Wells Fargo Securities
(Book-Runner)
Citigroup
Barclays
Loop Capital Markets
Ramirez & Co., Inc.
Siebert Williams Shank & Co., LLC

J.P. Morgan

BofA Securities
Jefferies
Drexel Hamilton, LLC
Morgan Stanley
RBC Capital Markets
UBS



**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS,
PRICES AND INITIAL CUSIP NUMBERS**

\$183,100,000

**GREATER ORLANDO AVIATION AUTHORITY
AIRPORT FACILITIES REVENUE BONDS,
SERIES 2022A (AMT)
OF THE CITY OF ORLANDO, FLORIDA**

\$90,875,000 Series 2022A Serial Bonds

<u>Maturity (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Initial CUSIP No.**</u>
2023	\$2,775,000	5.00%	0.99%	106.381	392275AP8
2024	2,915,000	5.00	1.24	109.619	392275AQ6
2025	3,060,000	5.00	1.41	112.585	392275AR4
2026	3,215,000	5.00	1.56	115.237	392275AS2
2027	3,375,000	5.00	1.66	117.814	392275AT0
2028	3,545,000	5.00	1.77	120.058	392275AU7
2029	3,720,000	5.00	1.88	122.020	392275AV5
2030	3,905,000	5.00	1.97	123.881	392275AW3
2031	4,100,000	5.00	2.05	125.606	392275AX1
2032	4,305,000	5.00	2.13*	124.816	392275AY9
2033	4,525,000	5.00	2.22*	123.933	392275AZ6
2034	4,750,000	5.00	2.25*	123.640	392275BA0
2035	4,985,000	5.00	2.27*	123.446	392275BB8
2036	5,235,000	5.00	2.27*	123.446	392275BC6
2037	5,500,000	4.00	2.47*	113.013	392275BD4
2038	5,715,000	4.00	2.50*	112.739	392275BE2
2039	5,945,000	4.00	2.56*	112.194	392275BF9
2040	6,185,000	4.00	2.59*	111.923	392275BG7
2041	6,430,000	4.00	2.61*	111.743	392275BH5
2042	6,690,000	4.00	2.63*	111.562	392275BJ1

\$29,985,000 –5.00% Series 2022A Term Bonds due October 1, 2046, Yield 2.51%*, Price 121.138, Initial CUSIP No. 392275BK8**

\$62,240,000 –4.00% Series 2022A Term Bonds due October 1, 2052, Yield 2.82%*, Price 109.868, Initial CUSIP No. 392275BL6**

* Calculated to first optional redemption date of October 1, 2031.

** Initial CUSIP numbers have been assigned to the Series 2022A Bonds by an organization not affiliated with the Authority and are included for the convenience of the owners of the Series 2022A Bonds only at the time of original issuance of the Series 2022A Bonds. The Authority is not responsible for the selection, use or accuracy of the CUSIP numbers nor is any representation made as to the accuracy of the CUSIP numbers as to the Series 2022A Bonds indicated above now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of such Series 2022A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such maturity of the Series 2022A Bonds.

\$64,050,000
GREATER ORLANDO AVIATION AUTHORITY
AIRPORT FACILITIES REVENUE BONDS,
SERIES 2022B (TAXABLE)
OF THE CITY OF ORLANDO, FLORIDA

\$40,095,000 Series 2022B Serial Bonds

<u>Maturity</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Initial</u> <u>CUSIP No.*</u>
2029	\$19,785,000	2.652%	100.00	392275AA1
2030	20,310,000	2.700	100.00	392275AB9

\$23,955,000 –3.600% Series 2022B Term Bonds due October 1, 2051, Price 100.00, Initial CUSIP No. 392275AC7*

\$8,665,000
GREATER ORLANDO AVIATION AUTHORITY
AIRPORT FACILITIES REFUNDING REVENUE BONDS,
SERIES 2022C (AMT)

\$8,665,000 Series 2022C Serial Bonds

<u>Maturity</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Initial</u> <u>CUSIP No.*</u>
2023	\$1,275,000	5.00%	0.99%	106.381	392275BM4
2024	1,335,000	5.00	1.24	109.619	392275BN2
2025	1,400,000	5.00	1.41	112.585	392275BP7
2026	1,475,000	5.00	1.56	115.237	392275BQ5
2027	1,555,000	5.00	1.66	117.814	392275BR3
2028	1,625,000	5.00	1.77	120.058	392275BS1

* Initial CUSIP numbers have been assigned to the Series 2022B Bonds and the Series 2022C Bonds by an organization not affiliated with the Authority and are included for the convenience of the owners of the Series 2022B Bonds and the Series 2022C Bonds only at the time of original issuance of the Series 2022B Bonds and the Series 2022C Bonds. The Authority is not responsible for the selection, use or accuracy of the CUSIP numbers nor is any representation made as to the accuracy of the CUSIP numbers as to the Series 2022B Bonds and the Series 2022C Bonds indicated above now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of such Series 2022B Bonds and the Series 2022C Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such maturity of the Series 2022B Bonds and the Series 2022C Bonds.

\$19,735,000
GREATER ORLANDO AVIATION AUTHORITY
AIRPORT FACILITIES REFUNDING REVENUE BONDS,
SERIES 2022D (NON-AMT)
OF THE CITY OF ORLANDO, FLORIDA

\$19,735,000 Series 2022D Serial Bonds

<u>Maturity</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Initial</u> <u>CUSIP No.**</u>
2023	\$1,570,000	5.00%	0.82%	106.664	392275BT9
2024	1,650,000	5.00	1.03	110.190	392275BU6
2025	1,730,000	5.00	1.18	113.454	392275BV4
2026	1,815,000	5.00	1.29	116.545	392275BW2
2027	1,910,000	5.00	1.40	119.351	392275BX0
2028	2,005,000	5.00	1.45	122.292	392275BY8
2029	2,100,000	5.00	1.55	124.668	392275BZ5
2030	2,210,000	5.00	1.63	126.962	392275CA9
2031	2,315,000	5.00	1.69	129.240	392275CB7
2032	2,430,000	5.00	1.77*	128.422	392275CC5

* Calculated to first optional redemption date of October 1, 2031.

** Initial CUSIP numbers have been assigned to the Series 2022D Bonds by an organization not affiliated with the Authority and are included for the convenience of the owners of the Series 2022D Bonds only at the time of original issuance of the Series 2022D Bonds. The Authority is not responsible for the selection, use or accuracy of the CUSIP numbers nor is any representation made as to the accuracy of the CUSIP numbers as to the Series 2022D Bonds indicated above now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of such Series 2022D Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such maturity of the Series 2022D Bonds.

\$11,490,000
GREATER ORLANDO AVIATION AUTHORITY
AIRPORT FACILITIES REFUNDING REVENUE BONDS,
SERIES 2022E (TAXABLE)
OF THE CITY OF ORLANDO, FLORIDA

\$11,490,000 Series 2022E Serial Bonds

<u>Maturity</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Initial</u> <u>CUSIP No.*</u>
2023	\$1,020,000	1.481%	100.00	392275AD5
2024	1,025,000	1.681	100.00	392275AE3
2025	1,085,000	1.964	100.00	392275AF0
2026	1,110,000	2.202	100.00	392275AG8
2027	1,130,000	2.302	100.00	392275AH6
2028	1,160,000	2.572	100.00	392275AJ2
2029	1,190,000	2.652	100.00	392275AK9
2030	1,220,000	2.700	100.00	392275AL7
2031	1,260,000	2.800	100.00	392275AM5
2032	1,290,000	2.900	100.00	392275AN3

* Initial CUSIP numbers have been assigned to the Series 2022E Bonds by an organization not affiliated with the Authority and are included for the convenience of the owners of the Series 2022E Bonds only at the time of original issuance of the Series 2022E Bonds. The Authority is not responsible for the selection, use or accuracy of the CUSIP numbers nor is any representation made as to the accuracy of the CUSIP numbers as to the Series 2022E Bonds indicated above now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of such Series 2022E Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such maturity of the Series 2022E Bonds.

Greater Orlando Aviation Authority
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Authority Board Members

M. Carson Good, Chairman
The Honorable Buddy Dyer, Mayor, City of Orlando, Vice Chairman
The Honorable Jerry Demings, Mayor, Orange County, Treasurer
Craig Mateer, Member
Dr. John L. Evans, Jr., Member
Tim Weisheyer, Member
Belinda Kirkegard, Member

City Council Commissioners

The Honorable Buddy Dyer, Mayor
Jim Gray
Tony Ortiz
Robert F. Stuart
Patty Sheehan
Regina I. Hill
Bakari F. Burns

Authority Management

Thomas W. Draper, Acting Chief Executive Officer*
and Chief of Operations
Kathleen M. Sharman, Chief Financial Officer
Yovannie Rodriguez, Esq., CM, Chief Administrative Officer
Kathy Bond, Senior Director of Human Resources & Risk Management
Carolyn Fennell, Senior Director of Public Affairs and Community Relations
Victoria Jaramillo, Senior Director Air Service Development & Marketing
Davin D. Ruohomaki, CGC, MBA, Senior Director of Planning, Engineering and Construction

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Winter Park, Florida

National Minority Consultants, Inc.
Orlando, Florida

Airport Consultant

LeighFisher
San Francisco, California

Independent Auditors

Moore Stephens Lovelace, P.A.
Winter Park, Florida

* Phillip N. Brown, Chief Executive Officer of the Authority retired from the Authority, effective January 31, 2022. The Authority selected Mr. Kevin J. Thibault as Mr. Brown's successor and directed the Authority's counsel to engage in contract negotiations with Mr. Thibault. Mr. Thomas Draper has been appointed as the Acting Chief Executive Officer effective January 22, 2022 and will serve in such capacity until the beginning of employment of Mr. Brown's successor. See "THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM – Authority Governing Board and Management" herein.

NO DEALER, BROKER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED BY THE AUTHORITY, THE CITY OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, IN CONNECTION WITH THE OFFERING OF THE SERIES 2022 BONDS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE FOREGOING. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SERIES 2022 BONDS AND THERE SHALL BE NO SALE OF THE SERIES 2022 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED IN THIS OFFICIAL STATEMENT ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE THE IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE AUTHORITY SINCE THE DATE HEREOF OR THE EARLIEST DATE AS OF WHICH SUCH INFORMATION IS GIVEN.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING STATEMENT 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.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE SERIES 2022 BONDS. STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT WHICH INVOLVE ESTIMATES, PROJECTIONS OR MATTERS OF OPINION, WHETHER OR NOT EXPRESSLY SO DESCRIBED IN THIS OFFICIAL STATEMENT, ARE INTENDED SOLELY AS SUCH AND ARE NOT TO BE CONSTRUED AS REPRESENTATIONS OF FACTS.

THIS OFFICIAL STATEMENT CONTAINS CERTAIN "FORWARD-LOOKING STATEMENTS" CONCERNING THE AUTHORITY'S OPERATIONS, PERFORMANCE AND FINANCIAL CONDITION, INCLUDING THE AUTHORITY'S FUTURE ECONOMIC PERFORMANCE, PLANS AND OBJECTIVES AND THE LIKELIHOOD OF SUCCESS IN DEVELOPING AND EXPANDING THE AIRPORT. THESE STATEMENTS ARE BASED UPON A NUMBER OF ASSUMPTIONS AND ESTIMATES WHICH ARE SUBJECT TO UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE AUTHORITY. THE WORDS "MAY," "WOULD," "COULD," "WILL," "EXPECT," "ANTICIPATE," "BELIEVE," "INTEND," "PLAN," "ESTIMATE," "PROJECT" AND SIMILAR EXPRESSIONS ARE MEANT TO IDENTIFY THESE FORWARD-LOOKING STATEMENTS. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED BY THESE FORWARD-LOOKING STATEMENTS.

ALL SUMMARIES HEREIN OF DOCUMENTS AND AGREEMENTS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH DOCUMENTS AND AGREEMENTS, AND ALL SUMMARIES HEREIN OF THE SERIES 2022 BONDS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE FORM THEREOF INCLUDED IN THE AFORESAID DOCUMENTS AND AGREEMENTS.

THE SERIES 2022 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2022 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2022 BONDS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2022 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

relating to

\$183,100,000
GREATER ORLANDO
AVIATION AUTHORITY
AIRPORT FACILITIES
REVENUE BONDS,
SERIES 2022A (AMT)
OF THE
CITY OF ORLANDO, FLORIDA

\$64,050,000
GREATER ORLANDO
AVIATION AUTHORITY
AIRPORT FACILITIES
REVENUE BONDS,
SERIES 2022B (TAXABLE)
OF THE
CITY OF ORLANDO, FLORIDA

\$8,665,000
GREATER ORLANDO
AVIATION AUTHORITY
AIRPORT FACILITIES
REFUNDING REVENUE BONDS,
SERIES 2022C (AMT)
OF THE
CITY OF ORLANDO, FLORIDA

\$19,735,000
GREATER ORLANDO
AVIATION AUTHORITY
AIRPORT FACILITIES
REFUNDING REVENUE BONDS,
SERIES 2022D (NON-AMT)
OF THE
CITY OF ORLANDO, FLORIDA

\$11,490,000
GREATER ORLANDO
AVIATION AUTHORITY
AIRPORT FACILITIES
REFUNDING REVENUE BONDS,
SERIES 2022E (TAXABLE)
OF THE
CITY OF ORLANDO, FLORIDA

INTRODUCTION

General

The purpose of this Official Statement, which includes the cover page, the inside cover pages and appendices attached hereto, is to set forth information concerning the Greater Orlando Aviation Authority (the "Authority"), the Airport System (as defined in the Amended and Restated Bond Resolution hereinafter defined), the City of Orlando, Florida (the "City"), and certain other information in connection with the sale of the \$183,100,000 Greater Orlando Aviation Authority Airport Facilities Revenue Bonds, Series 2022A (AMT) of the City of Orlando, Florida (the "Series 2022A Bonds"), \$64,050,000 Greater Orlando Aviation Authority Airport Facilities Revenue Bonds, Series 2022B (Taxable) of the City of Orlando, Florida (the "Series 2022B Bonds" and, together with the Series 2022A Bonds, the "Series 2022 Additional Bonds"), \$8,665,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2022C (AMT) of the City of Orlando, Florida (the "Series 2022C Bonds"), \$19,735,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2022D (Non-AMT) of the City of Orlando, Florida (the "Series 2022D Bonds") and \$11,490,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2022E (Taxable) of the City of Orlando, Florida, (the "Series 2022E Bonds" and, together with the Series 2022C Bonds and the Series 2022D Bonds, the "Series 2022 Refunding Bonds" and, together with the Series 2022 Additional Bonds, the "Series 2022 Bonds").

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, the more complete and detailed information contained in the entire Official Statement, including the cover page and the appendices attached hereto, and the documents summarized or described herein. Before making an investment decision, a full review should be made of the entire Official Statement and of the documents summarized or described herein. The offering of the Series 2022 Bonds to potential investors is made only by means of the entire Official Statement, including the appendices attached hereto. No person is authorized to detach this Introduction from this Official Statement or to otherwise use it without the entire Official Statement including the appendices attached hereto.

Authorization for the Series 2022 Bonds

Under the Act (as defined herein), the Authority is authorized to issue revenue bonds to finance airport facilities and to refund outstanding bonds or other indebtedness of the Authority. The Series 2022 Additional Bonds are being issued by the Authority as Additional Bonds, and the Series 2022 Refunding Bonds are being issued as Refunding Bonds, under and pursuant to various provisions of law, and pursuant to the Amended and Restated Airport Facilities Revenue Bond Resolution Authorizing Airport Facilities Revenue Bonds of the City of Orlando, Florida, adopted by the governing board of the Authority, on September 16, 2015, and having an effective date of May 1, 2017, as may be further restated, supplemented and amended from time to time (the “Amended and Restated Bond Resolution”), and as specifically supplemented by that certain Supplemental Airport Facilities Revenue Bond Resolution, authorizing the issuance of the Series 2022 Bonds, adopted by the Authority on January 19, 2022 (the “2022 Supplemental Resolution,” and together with the Amended and Restated Bond Resolution, the “Bond Resolution”). Unless otherwise defined herein, capitalized terms used in this Official Statement shall have the meanings set forth in the Bond Resolution. See “APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION” attached hereto.

The Authority and the Airport System

The Authority was established as an agency of the City pursuant to Chapter 57-1658, Special Laws of Florida 1957 which was subsequently repealed, re-codified and amended by Chapter 98-492, Special Laws of Florida 1998, as amended (the “Act”). Orlando International Airport (the “Airport”) is owned by the City. Pursuant to an Amended and Restated Operation and Use Agreement dated August 31, 2015, and effective as of October 1, 2015, by and between the City and the Authority (the “Transfer Agreement”), the City has transferred to the Authority custody, control and management of the Airport for a term that will expire on September 30, 2065, subject to early termination under certain conditions, unless extended by the City and the Authority.

The Authority operates the Airport System for the accommodation of air commerce and transportation. The Authority also operates the Orlando Executive Airport (“OEA”) as a general aviation airport. OEA does not constitute a part of the Airport System and revenues derived from the operation of OEA are not pledged to payment of the Outstanding Bonds, including the Series 2022 Bonds, or the interest or the premium, if any, thereon. See “THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM” herein and “APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION” attached hereto.

The Authority is governed by a seven-member board (the “Board”). Five members are appointed by the Governor of the State of Florida (the “State”), subject to confirmation by the State Senate, one member is the Mayor of the City and one member is the Mayor of Orange County, Florida (the “County”). One of the five members of the Board appointed by the Governor must be a resident of Osceola County, Florida. See “THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM - Authority Governing Board and Management” herein.

COVID-19

In March 2020, the novel coronavirus disease (“COVID-19”) was declared a global pandemic by the World Health Organization. Work-at-home requirements, mandated closures of offices and businesses, and other restrictions imposed to contain the COVID-19 pandemic caused serious economic contraction,

unemployment, and financial hardship. Airlines reported unprecedented reductions in passenger volumes, causing the cancellation of numerous flights and a dramatic reduction in network capacity. As a result, airports in the United States have been acutely affected by interruptions in travel, reductions in passenger volumes and flights, as well as by the broader economic slowdown resulting from the COVID-19 pandemic.

With respect to the Airport, the outbreak of COVID-19 had an adverse effect on Airlines serving the Airport, Airport concessionaires, rental car companies and Airport revenues, as more fully discussed herein. The Airport witnessed a sharp contraction in activity, beginning in March 2020 when domestic and international flights in and out of the Airport were drastically curtailed. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT" herein for a comparison of passenger activity for Fiscal Years 2019, 2020 and 2021. Retail, food and other service concessionaires located in terminal facilities at the Airport reported significant declines in sales, and many of the locations reduced hours or temporarily closed as a result of reduced passenger traffic. In addition, the reduction in air travel had an adverse effect on parking, ground transportation companies and rental car activity and, consequently, such related Airport revenues. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT" herein for a comparison of revenues generated for Fiscal Years 2019, 2020 and 2021 (unaudited) and historical debt service coverage.

Like most of the world, the City, the County, the State and the Authority are continuing to respond to COVID-19. Since the outbreak of the COVID-19 pandemic, the President of the United States, the Governor of the State, the Mayor of the County and the Mayor of the City each issued emergency declarations regarding the COVID-19 pandemic. International travel restrictions resulted in suspension of flights to virtually every international market served by the Airport. Public officials in other states instituted 14-day quarantines for travelers coming from Florida and other areas. Business travel was severely negatively impacted. Public health officials, including the National Institutes of Health, United States Centers for Disease Control and Prevention, Florida Department of Health and local health officials warned U.S. residents and visitors to maintain physical distancing and to avoid travel. International organizations issued similar warnings to people around the globe.

Nonagricultural employment in Florida and the Orlando MSA decreased by 13% and 15%, respectively, between March and April 2020, as consumer demand in the leisure and hospitality sectors decreased and businesses laid off workers. Central Florida theme parks, including Disney World, closed in mid-March 2020 due to COVID-19 and reopened four months later in mid-July with capacity restrictions.

At the onset of the COVID-19 pandemic, the Authority took immediate action to reduce costs and implement strict budget monitoring procedures for the Fiscal Year 2020, which continued into Fiscal Year 2021. In addition to other measures, to decrease operating costs of the Airport, the Authority (i) instituted a hiring freeze effective March 2020 which was lifted in June 2021, (ii) deferred approximately \$28.6 million of renewal and replacement projects (in April 2021, \$11.7 million of these projects were permanently closed and \$16.9 million were reinstated), (iii) stopped work on all nonessential consultant and contractor projects through the remainder of Fiscal Year 2020, (iv) worked with vendors to reduce labor hours where appropriate and waive contract renewal escalators through the remainder of Fiscal Year 2020, (v) temporarily closed the employee parking lot and portions of the economy parking lots and reduced associated parking shuttles, (vi) reduced the capital improvement program from \$4.116 billion to \$3.58 billion and (vii) in October 2020 authorized the establishment of a voluntary separation incentive program ("VSIP") for certain employees, pursuant to which the Authority approved 33 VSIP agreements for an estimated 2021 calendar year savings of approximately \$2.8 million. Due to these and other cost-cutting measures, the Authority was able to reduce operating expenses for Fiscal Years 2020 and 2021 as compared

to Fiscal Year 2019. With respect to the reduction of its capital improvement program, in December 2021, the Authority adjusted its 2021-2027 Capital Improvement Program (the “2021-2027 Capital Improvement Program”), which was originally adopted in August 2021, to reflect the construction of facilities that more appropriately match passenger demand. See “IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT – Impact of COVID-19 Pandemic on Capital Improvement Program” and “CAPITAL IMPROVEMENT PROGRAM” herein for changes to the 2021- 2027 Capital Improvement Program due to the COVID-19 pandemic and a description of the 2021-2027 Capital Improvement Program. See also “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT” attached hereto.

Several forms of relief have been provided to the Airport, the Airlines serving the Airport, and the concessionaires and rental car companies through the enactment of federal legislation. These include the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”) in March 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSA”) in December 2020 and the American Rescue Plan Act (“ARPA”) in March 2021. See “IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT” and “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT” attached hereto for amounts received under the CARES Act, CRRSA and ARPA and how and when the Authority has allocated or plans to allocate such funds, including to pay debt service, to defease or redeem Bonds, and/or to reimburse itself for expenses.

While passenger traffic recovery has been steady at the Airport, certain variants of COVID-19 have emerged, including the Delta variant and the new Omicron variant first reported in November 2021. On November 9, 2021 the World Health Organization announced the discovery of the Omicron variant which it classified as “a variant of concern” and border restrictions were reinstituted in several countries. On December 4, 2021, the CDC estimated that the Delta variant accounted for more than 99% of new cases in the United States. However, as of January 22, 2022, the CDC estimated that the more recent Omicron variant accounts for approximately 100% of new cases in the United States.

Due to staffing challenges resulting from surges in the number of staff members contracting COVID-19, including variants thereof, airlines have reduced flight schedules nationally. The Authority cannot predict the effect the Omicron variant, or future variants, could have on future flight schedules or on the Airport, the Airlines or the concessionaires in general.

Due to the evolving nature of the COVID-19 pandemic, including known and unknown variants of COVID-19, the development, acceptance and effectiveness of the COVID-19 vaccines and treatments, and the responses of governments, businesses, and individuals to the COVID-19 pandemic, the full impact of the COVID-19 pandemic on the Airport and the Authority cannot be fully quantified at this time and the Authority cannot predict, among other things, the effect of the following on the operations and finances of the Airport: (a) the scope, duration or extent of the COVID-19 pandemic or any other outbreak or pandemic; or (b) existing restrictions and warnings or any additional restrictions and warnings which may be imposed by local, state or federal governments, the duration of such restrictions nor the timing of the relaxation or release of such restrictions.

For a more detailed discussion of the various impacts of the COVID-19 pandemic on activities at the Airport, see “IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT” herein. See also, “CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS” herein and “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT” attached hereto.

Purpose of the Series 2022 Bonds

The Series 2022 Additional Bonds are being issued for the purpose of providing funds to: (a) finance a portion of the costs associated with the 2022 Project (as defined herein); (b) refinance certain draws made on certain of the Existing Lines of Credit (as defined herein), the proceeds of which were used to finance a portion of the cost of the 2022 Project and associated interest; (c) fund a deposit to the Composite Reserve Subaccount of the Debt Service Reserve Account to bring the balance therein equal to the Composite Reserve Requirement; and (d) pay certain costs of issuance of the Series 2022 Additional Bonds. See "PLAN OF FINANCE - 2022 Project," "ESTIMATED SOURCES AND USES OF FUNDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "CAPITAL IMPROVEMENT PROGRAM" herein.

The Series 2022 Refunding Bonds are being issued for the purpose of providing funds, together with other available funds of the Authority, if any, to: (a) refinance all or a portion of the \$70,040,000 Airport Facilities Refunding Revenue Bonds, Series 2011B (AMT) of the City of Orlando, Florida (the "Series 2011B Bonds"); the \$40,425,000 Airport Facilities Refunding Revenue Bonds, Series 2011C (Non-AMT) of the City of Orlando, Florida (the "Series 2011C Bonds"); the \$67,945,000 Airport Facilities Refunding Revenue Bonds, Series 2011D (Taxable) of the City of Orlando, Florida (the "Series 2011D Bonds"); and the \$37,065,000 Airport Facilities Refunding Revenue Bonds, Series 2012A (AMT) of the City of Orlando, Florida (the "Series 2012A Bonds," and collectively, the "Refunded Bonds") (a determination as to which Refunded Bonds, if any, to refund will be made by the Authority at the time the Series 2022 Bonds are priced); and (b) pay certain costs of issuance of the Series 2022 Refunding Bonds. The issuance of the Series 2022 Refunding Bonds is expected to provide savings to the Authority without extending the maturity of the Refunded Bonds. See "PLAN OF FINANCE-Refunded Bonds," "ESTIMATED SOURCES AND USES OF FUNDS" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

Description of the Series 2022 Bonds

The Series 2022 Bonds are being issued as fully registered bonds and will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of beneficial interests in the Series 2022 Bonds will be made in book-entry only form, in the principal amount of \$5,000 and any integral multiple of \$5,000. Interest on the Series 2022 Bonds will accrue from their dated date and will be payable on April 1 and October 1 of each year commencing on October 1, 2022. Purchasers of beneficial interests in the Series 2022 Bonds will not receive physical delivery of certificates. Transfers of beneficial interests in the Series 2022 Bonds will be affected through the DTC book-entry system as described herein. The Series 2022 Bonds will not be transferable or exchangeable, except for transfer to another nominee of DTC or otherwise as described herein. Principal, interest, and the redemption premium, if any, with respect to the Series 2022 Bonds will be payable by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as paying agent and trustee for the Series 2022 Bonds (the "Paying Agent" or "Trustee") to Cede & Co., as nominee of DTC. See "BOOK-ENTRY ONLY SYSTEM" herein.

Certain of the Series 2022 Bonds may be subject to redemption prior to maturity as more fully described herein. See "DESCRIPTION OF THE SERIES 2022 BONDS - Redemption Provisions" herein.

Security and Sources of Payment for the Bonds

The Series 2022 Bonds are limited obligations, payable solely from and secured by a pledge of the Pledged Funds, in the manner and to the extent provided in the Bond Resolution, as described herein. A significant portion of the new 15 gate South Terminal (the "South Terminal Complex") being funded by a portion of the proceeds of the Series 2022 Additional Bonds constitutes a Passenger Facility Charge ("PFC" or "Passenger Facility Charge") eligible project for which the Authority is authorized to collect and use PFCs. Additionally, portions of the projects financed with proceeds of the Refunded Bonds and refinanced with proceeds of the Series 2022 Refunding Bonds are PFC-eligible projects for which the Authority is authorized to collect and use PFCs. Consequently, certain PFC Revenues will be designated as 2022 Available PFC Revenues (the "2022 Available PFC Revenues") for payment of a portion of the debt service on the Series 2022 Bonds under the Bond Resolution. Such 2022 Available PFC Revenues deposited in the related subaccount of the Available PFC Account will secure the Series 2022 Bonds and such amount shall be accounted for as a credit against the amounts required to be deposited in the Bond Fund with respect to the Series 2022 Bonds for such purpose pursuant to the Bond Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Available PFC Revenues" herein and "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES - Passenger Facility Charges" herein. The Authority determined in the 2022 Supplemental Resolution that an amount of PFCs as provided in a certificate of the Chief Financial Officer of the Authority (the "2022 PFC Certificate") shall be Available PFC Revenues. For purposes of the Series 2022 Bonds, the Pledged Funds consist primarily of Revenues (as defined in the Amended and Restated Bond Resolution) and 2022 Available PFC Revenues. The lien upon the Pledged Funds in favor of the Series 2022 Bonds is on a parity as to payment with the Outstanding Senior Bonds (as defined herein) and any Additional Bonds and Refunding Bonds hereafter issued under the Bond Resolution senior to the pledge of and lien thereon in favor of the Outstanding Subordinated Indebtedness (as defined herein) and any Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness hereafter issued under the Master Subordinated Indenture (as defined herein). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

THE SERIES 2022 BONDS SHALL NOT BE OR CONSTITUTE A GENERAL INDEBTEDNESS OF THE CITY, THE AUTHORITY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION IN THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION. THE SERIES 2022 BONDS AND THE OBLIGATIONS EVIDENCED THEREBY SHALL NOT CONSTITUTE NOR BE A LIEN UPON ANY PROPERTY OF THE CITY OR THE AUTHORITY, EXCEPT THE PLEDGED FUNDS TO THE EXTENT PROVIDED IN THE AMENDED AND RESTATED BOND RESOLUTION. NEITHER THE GENERAL FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE SERIES 2022 BONDS OR ANY PREMIUM OR INTEREST THEREON AND NO REGISTERED OWNER OF A SERIES 2022 BOND SHALL EVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF FOR THE PAYMENT OF THE PRINCIPAL OF ANY BOND OR ANY PREMIUM OR INTEREST THEREON, AND THE CITY AND THE AUTHORITY ARE NOT AND SHALL NEVER BE UNDER ANY OBLIGATION TO PAY THE PRINCIPAL OF, INTEREST ON OR ANY PREMIUM WITH RESPECT TO THE SERIES 2022 BONDS EXCEPT FROM THE PLEDGED FUNDS, IN THE MANNER PROVIDED IN THE BOND RESOLUTION. THE AUTHORITY HAS NO TAXING POWER.

The Authority has previously issued various series of Senior Bonds pursuant to the Bond Resolution, \$1,639,068,022 aggregate principal amount of which were outstanding as of December 31, 2021 (the "Outstanding Senior Bonds"). See "AUTHORITY INDEBTEDNESS - Outstanding Senior Bonds" herein. The Series 2022 Additional Bonds are being issued as Additional Bonds and the Series 2022 Refunding Bonds are being issued as Refunding Bonds pursuant to the Bond Resolution and will be secured on a parity with the Outstanding Senior Bonds as to the pledge of, lien on and source of payment from the Pledged Funds and senior to the pledge of and lien thereon in favor of the Outstanding Subordinated Indebtedness and any Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness hereafter issued under the Master Subordinated Indenture. Subject to certain conditions as set forth in the Bond Resolution, Additional Bonds and Refunding Bonds may be issued under the Bond Resolution on a parity with the Outstanding Senior Bonds and the Series 2022 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein. The Outstanding Senior Bonds, the Series 2022 Bonds and any Additional Bonds and Refunding Bonds hereafter issued are collectively referred to as the "Bonds."

The Authority has previously issued and has outstanding under the Amended and Restated Master Subordinated Indenture of Trust dated as of July 1, 2016, as supplemented and amended from time to time (the "Master Subordinated Indenture"): (a) \$883.0 million in aggregate principal amount of Outstanding Subordinated Bonds (as defined herein) as of December 31, 2021; (b) \$50.2 million under the FDOT Loan (as defined herein) as of December 31, 2021; and (c) an aggregate of approximately \$251.2 million under the Existing Lines of Credit as of December 31, 2021, of which \$207,945,375, plus interest, is expected to be refinanced with the proceeds of the Series 2022 Bonds. The Outstanding Subordinated Bonds and the FDOT Loan are hereinafter referred to as the "Outstanding Priority Subordinated Indebtedness." The Outstanding Priority Subordinated Indebtedness is junior to the Bonds as to the pledge of, lien on, and sources of payment from, the Pledged Funds. Currently, the Existing Lines of Credit are the Authority's only Secondary Subordinated Indebtedness (as defined in the Master Subordinated Indenture) outstanding under the Master Subordinated Indenture. The Secondary Subordinated Indebtedness is junior as to the pledge of, lien on, and sources of payment from, the Pledged Subordinated Revenues (as defined in the Master Subordinated Indenture), to the Outstanding Priority Subordinated Indebtedness and any Priority Subordinated Indebtedness (as defined in the Master Subordinated Indenture) issued under the Master Subordinated Indenture in the future. See "AUTHORITY INDEBTEDNESS - Outstanding Subordinated Indebtedness" herein for more information about the Authority's Outstanding Subordinated Indebtedness (as defined herein) and the ability to issue additional Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness in the future.

Capital Improvement Program

On December 15, 2021, the Authority modified its 2021 - 2027 Capital Improvement Program, originally adopted on August 18, 2021, to reflect the construction of facilities that more appropriately match passenger demand. The Authority expects to fund the 2021 - 2027 Capital Improvement Program through a combination of the proceeds of certain prior Bonds, the Series 2022 Additional Bonds, the Proposed 2023 Bonds (as defined herein), federal grants in aid, Florida Department of Transportation ("FDOT") participation grants, PFC Revenues, CFCs, third party sources and other available funds of the Authority. See "CAPITAL IMPROVEMENT PROGRAM" and "CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS - Capacity of the Airport; Cost and Schedule of the 2021 - 2027 Capital Improvement Program" herein and "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT" attached hereto.

Rate Resolution and Revenue Sharing Agreement

On August 28, 2019, the Authority adopted a Second Amended and Restated Resolution relating to Airline Rates and Charges and Airline Operating Terms and Conditions for the Use of Facilities and Services at the Orlando International Airport (the “Rate Resolution”), which became effective October 1, 2019 and which applies to all airlines operating scheduled or non-scheduled commercial transportation by air of persons, property, mail, parcels and/or cargo and/or making use of the Airfield or Terminal (as such terms are defined in the Rate Resolution) at the Airport (the “Airlines”), whether or not any such Airline specifically agrees in writing to its terms. The Rate Resolution provides for the payment of fees and charges by the Airlines as more fully described herein. The Rate Resolution has no expiration date and may be amended at any time by the Authority as it deems necessary or appropriate. On August 28, 2019, the Authority approved the current form of Rate and Revenue Sharing Agreement (the “Revenue Sharing Agreement”) for Fiscal Years 2020 through 2024. Certain Airlines have executed and delivered to the Authority the Revenue Sharing Agreement and, by virtue of being a party to an effective Revenue Sharing Agreement, are eligible to receive a share of certain Authority revenues. All passenger Airlines that have executed and are parties to an effective Revenue Sharing Agreement for the applicable Fiscal Year are referred to as “Participating Airlines.” Airlines that are not parties to an effective Revenue Sharing Agreement do not share Authority revenues but are still subject to the provisions of the Rate Resolution and are referred to as “Non-Participating Airlines.” The Rate Resolution is effective whether or not the Revenue Sharing Agreement is signed by any Airline. See “SUMMARY OF CERTAIN PROVISIONS OF THE RATE RESOLUTION AND THE AUTHORITY’S RATE MAKING METHODOLOGY” herein for more information regarding the Rate Resolution and its impact on Revenues. A copy of the Rate Resolution and the form of Revenue Sharing Agreement are attached hereto collectively as APPENDIX C.

Continuing Disclosure

In order to assist the Underwriters (as defined herein) in complying with paragraph (b)(5) of Rule 15c2-12 of the Securities and Exchange Commission (“SEC”) promulgated pursuant to the Securities Exchange Act of 1934, as in effect on the date hereof (the “Rule”), simultaneously with the issuance of the Series 2022 Bonds, the Authority will enter into a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) with Digital Assurance Certification, L.L.C. (“DAC”), as initial dissemination agent. See “CONTINUING DISCLOSURE” herein and “APPENDIX F - FORM OF CONTINUING DISCLOSURE AGREEMENT” attached hereto for more information regarding the Continuing Disclosure Agreement and the information to be provided.

Report of the Airport Consultant

In connection with the issuance of the Series 2022 Bonds, the Authority has commissioned LeighFisher (the “Airport Consultant”) to prepare the Report of the Airport Consultant dated January 25, 2022 (the “Report of the Airport Consultant”). The Report of the Airport Consultant presents, among other things, an analysis of the Airport, the 2021 - 2027 Capital Improvement Program, and certain financial matters, including certain Airline traffic and financial projections for Fiscal Years 2022 through 2025 (the “Projection Period”) and sets forth the assumptions upon which the projections are based. The Report of the Airport Consultant is attached hereto as APPENDIX A and should be read in its entirety to obtain a more complete description of the Airport, its operations, the 2021 - 2027 Capital Improvement Program, and other proposed improvements as well as the Airline traffic and financial projections for the Projection Period. See “REPORT OF THE AIRPORT CONSULTANT AND RATE COVENANT PROJECTION” herein and “APPENDIX A - REPORT OF THE AIRPORT CONSULTANT” attached hereto.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement contains brief descriptions of, among other matters, the Authority, the Airport System, the Series 2022 Bonds, the 2022 Project and the security and sources of payment for the Series 2022 Bonds. The Report of the Airport Consultant, the Amended and Restated Bond Resolution, the Continuing Disclosure Agreement, the Rate Resolution, and the form of Revenue Sharing Agreement, are attached as appendices hereto. References to such documents are qualified in their entirety to the copies and forms thereof attached hereto. Summaries of the Act and various constitutional provisions, statutes, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents. To the extent not provided as an appendix hereto, copies of the Act and other documents referred to herein may be obtained upon written request and payment of any applicable charge for copying, mailing and handling, from the Office of the Chief Financial Officer, One Jeff Fuqua Boulevard, Orlando, Florida 32827-4399.

PLAN OF FINANCE

2022 Project

The 2022 Project consists of improvements to the Airport System to be financed in whole or in part from proceeds of the Series 2022 Additional Bonds, including the acquisition, design, construction and equipping of (i) the new South Terminal Complex, and (ii) certain capital projects in the North Terminal Complex and other Airport facilities and associated infrastructure, all as more particularly described in the plans and specifications on file with the Authority (the “2022 Project”).

For more detailed information about the 2022 Project, the need for, nature of, and status of the South Terminal Complex and the 2021 - 2027 Capital Improvement Program, see “CAPITAL IMPROVEMENT PROGRAM” herein and “APPENDIX A - REPORT OF THE AIRPORT CONSULTANT” attached hereto.

Refunded Bonds

The Series 2022 Refunding Bonds are being issued by the Authority to provide funds which will be used, together with other legally available funds of the Authority, for the purpose of: (i) refunding the Refunded Bonds for the purpose of achieving debt service savings and (ii) paying certain costs of issuance with respect to the Series 2022 Refunding Bonds.

To effect the refunding and redemption of the Refunded Bonds, a portion of the proceeds of the Series 2022 Refunding Bonds, together with other available funds of the Authority will be utilized on the date of delivery of the Series 2022 Bonds to redeem the Series 2011B Bonds, the Series 2011C Bonds and the Series 2011D Bonds that are Refunded Bonds. In addition, proceeds of the Series 2022E Bonds, together with other available funds of the Authority will be deposited with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “Escrow Agent”) in an escrow deposit trust fund created under an Escrow Deposit Agreement (the “Escrow Deposit Agreement”). Such proceeds of the Series 2022E Bonds, together with other available funds of the Authority deposited with the Escrow Agent, other than any initial cash deposit, shall be applied by the Escrow Agent to purchase certain U.S. Treasury obligations (the “Investment Securities”), the principal of and interest on which shall be sufficient, together with any initial cash deposit, to pay the principal of, and accrued interest on, the Refunded Bonds that are Series 2012A

Bonds on or prior to their redemption date on October 1, 2022. The portion of the proceeds of the Series 2022E Bonds held by the Escrow Agent as well as the maturing principal and interest on the Investment Securities and any other amounts held by the Escrow Agent under the Escrow Deposit Agreement will be held in trust for the sole benefit of the holders of the Refunded Bonds that are Series 2012A Bonds. Such amounts will not be available to pay the principal of, or premium, if any, or interest on the Series 2022 Bonds. The sufficiency of the amounts deposited pursuant to the Escrow Deposit Agreement to pay the principal of and accrued interest on the Refunded Bonds that are Series 2012A Bonds shall be verified by Precision Analytics Inc., as verification agent (the "Verification Agent"). See "VERIFICATION OF ARITHMETICAL COMPUTATIONS" herein.

Upon the deposit of such funds with the Escrow Agent, the purchase of such Investment Securities and the filing of certain notices and instructions required under the Bond Resolution, in the opinion of Co-Bond Counsel, rendered in reliance on the verification report of the Verification Agent, described under "VERIFICATION OF ARITHMETICAL COMPUTATIONS" herein, the Refunded Bonds that are Series 2012A Bonds will be deemed paid and the pledge of any Pledged Funds (as defined in the Bond Resolution), and other moneys and securities pledged under the Bond Resolution and all covenants, agreements and other obligations of the Authority to the holders of such Refunded Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Series 2022 Bonds, together with any other funds made available by the Authority, are expected to be applied as follows:

	Series 2022A <u>Bonds</u>	Series 2022B <u>Bonds</u>	Series 2022C <u>Bonds</u>	Series 2022D <u>Bonds</u>	Series 2022E <u>Bonds</u>	<u>Total</u>
<u>Sources:</u>						
Par Amount of the Series 2022 Bonds	\$183,100,000.00	\$64,050,000.00	\$8,665,000.00	\$19,735,000.00	\$11,490,000.00	\$287,040,000.00
Plus Original Issue Premium	28,031,401.95	--	1,213,657.35	4,103,813.25	--	33,348,872.55
Other Available Funds ⁽¹⁾	--	--	190,739.58	488,864.58	227,010.05	906,614.21
Total Sources	\$211,131,401.95	\$64,050,000.00	\$10,069,396.93	\$24,327,677.83	\$11,717,010.05	\$321,295,486.76
<u>Uses:</u>						
Refund the Refunded Bonds	--	--	\$9,984,295.21	\$24,124,532.71	\$11,612,734.77	\$45,721,562.69
Deposit to the 2022 Construction Account of the Construction Fund ⁽²⁾	\$201,308,840.00	\$61,040,000.00	--	--	--	262,348,840.00
Deposit to the Composite Reserve Subaccount of the Debt Service Reserve Account of the Bond Fund	8,038,503.17	2,438,605.17	--	--	--	10,477,108.34
Costs of Issuance ⁽³⁾	1,784,058.78	571,394.83	85,101.72	203,145.12	104,275.28	2,747,975.73
Total Uses	\$211,131,401.95	\$64,050,000.00	\$10,069,396.93	\$24,327,677.83	\$11,717,010.05	\$321,295,486.76

(1) Includes amounts on deposit in the Debt Service Fund with respect to the Refunded Bonds.

(2) The Authority anticipates \$1,900,000 will be used to reimburse the Authority for interest paid on the Existing Lines of Credit and \$207,945,375 will be used to pay principal on the Existing Lines of Credit. See "AUTHORITY INDEBTEDNESS - Outstanding Subordinated Indebtedness - Secondary Subordinated Indebtedness" herein.

(3) Includes, among other things, Underwriters' discount, legal, financial advisory, ratings, consulting and administrative expenses with respect to the Series 2022 Bonds.

DESCRIPTION OF THE SERIES 2022 BONDS

General

The Series 2022 Additional Bonds are being issued as Additional Bonds, and the Series 2022 Refunding Bonds are being issued as Refunding Bonds, under the Bond Resolution, solely in the form of fully registered bonds, and in authorized denominations of \$5,000 and any integral multiple thereof. The Series 2022 Bonds shall be dated the date of the delivery thereof and will mature and bear interest from their dated date to their respective maturity dates in the amounts and at the rates set forth on the inside cover pages of this Official Statement. Interest on the Series 2022 Bonds will be paid by the Paying Agent on April 1 and October 1 of each year commencing on October 1, 2022, provided however, that if any such day is not a business day (i.e., a Saturday, Sunday, legal holiday or a day in which banking institutions in the city where the corporate trust office of the Paying Agent is located are closed, or a date on which the Paying Agent is closed), then such payment shall be made on the next business day thereafter without payment of additional interest. Interest shall be paid by check or draft mailed by the Paying Agent to the registered owners thereof as their addresses appear on the registration books maintained by the Bond Registrar, at the close of business on the fifteenth (15th) day (whether or not a business day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any transfer or exchange of such Series 2022 Bonds after such Record Date and before such interest payment date unless the Authority shall be in default of interest due on such interest payment date. The principal of the Series 2022 Bonds will be payable at the corporate trust operations office of the Trustee in Dallas, Texas. Registered owners of \$1,000,000 or more in principal amount of Series 2022 Bonds may arrange for the payment of principal and interest with respect to the Series 2022 Bonds by wire transfer in immediately available funds by written request made to the Trustee within certain times and upon certain conditions set forth in the Bond Resolution.

So long as Cede & Co. is the registered owner of the Series 2022 Bonds, all payments of principal, premium, if any, and interest on the Series 2022 Bonds are payable by wire transfer by the Trustee to Cede & Co., as nominee for DTC, which, in turn, is expected to remit such amounts to the DTC Participants (as defined herein) for subsequent disposition to Beneficial Owners (as defined herein). See "BOOK-ENTRY ONLY SYSTEM" herein.

Redemption Provisions

Optional Redemption – Series 2022A Bonds. The Series 2022A Bonds maturing on or before October 1, 2031 are not subject to redemption prior to maturity. The Series 2022A Bonds maturing on or after October 1, 2032 are subject to redemption prior to maturity, at the option of the Authority, in whole or in part, on October 1, 2031 and any date thereafter, and if in part, in such maturities as the Authority may direct, at a Redemption Price equal to the principal amount of the Series 2022A Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

Optional Redemption – Series 2022B Bonds. The Series 2022B Bonds maturing on or after October 1, 2032 are subject to redemption prior to maturity, at the option of the Authority, subject to the provisions for such Series 2022B Bonds described under "-Selection of Series 2022 Bonds to be Redeemed" herein, in whole or in part, on October 1, 2031 and any date thereafter, and if in part, in such maturities as the Authority may direct, at a Redemption Price equal to the principal amount of the Series 2022B Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

Make Whole Optional Redemption - Series 2022B Bonds. The Series 2022B Bonds are subject to optional redemption prior to maturity, in whole or in part at any time, in such maturities as the Authority may direct, at a redemption price, which prior to October 1, 2031 shall equal the Make-Whole Redemption Price.

The “*Make-Whole Redemption Price*” is equal to the greater of (i) 100% of the principal amount of such Series 2022B Bonds to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date of such Series 2022B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2022B Bonds are to be redeemed, discounted to the date on which such Series 2022B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below), plus 20 basis points.

“*Treasury Rate*” means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days and no more than forty-five business days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2022B Bonds to be redeemed.

Optional Redemption – Series 2022C Bonds. The Series 2022C Bonds are not subject to redemption prior to maturity.

Optional Redemption – Series 2022D Bonds. The Series 2022D Bonds maturing on or before October 1, 2031 are not subject to redemption prior to maturity. The Series 2022D Bonds maturing on or after October 1, 2032 are subject to redemption prior to maturity, at the option of the Authority, in whole or in part, on October 1, 2031 and any date thereafter, and if in part, in such maturities as the Authority may direct, at a Redemption Price equal to the principal amount of the Series 2022D Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

Optional Redemption – Series 2022E Bonds. The Series 2022E Bonds maturing on or after October 1, 2032 are subject to redemption prior to maturity, at the option of the Authority, subject to the provisions for such Series 2022E Bonds described under “-Selection of Series 2022 Bonds to be Redeemed” herein, in whole or in part, on October 1, 2031 and any date thereafter, and if in part, in such maturities as the Authority may direct, at a Redemption Price equal to the principal amount of the Series 2022E Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

Make Whole Optional Redemption - Series 2022E Bonds. The Series 2022E Bonds are subject to optional redemption prior to maturity, in whole or in part at any time, in such maturities as the Authority may direct, at a redemption price, which prior to October 1, 2031 shall equal the Make-Whole Redemption Price.

The “*Make-Whole Redemption Price*” is equal to the greater of (i) 100% of the principal amount of such Series 2022E Bonds to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date of such Series 2022E Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2022E Bonds are to be redeemed, discounted to the date on which such Series 2022E Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below), plus 20 basis points.

“*Treasury Rate*” means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days

and no more than forty-five business days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2022E Bonds to be redeemed.

Mandatory Redemption – Series 2022A Bonds. The Series 2022A Bonds maturing on October 1, 2046 are subject to mandatory redemption in part, prior to maturity, by operation of the Debt Service Account to satisfy Sinking Fund Installments at Redemption Prices equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, on October 1 in the following years and in the following principal amounts.

**Series 2022A Term Bonds
Maturing on October 1, 2046**

<u>Year</u>	<u>Principal Amount</u>
2043	\$6,955,000
2044	7,305,000
2045	7,670,000
2046*	8,055,000

*Maturity.

The Series 2022A Bonds maturing on October 1, 2052 are subject to mandatory redemption in part, prior to maturity, by operation of the Debt Service Account to satisfy Sinking Fund Installments at Redemption Prices equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, on October 1 in the following years and in the following principal amounts.

**Series 2022A Term Bonds
Maturing on October 1, 2052**

<u>Year</u>	<u>Principal Amount</u>
2047	\$8,455,000
2048	8,795,000
2049	9,145,000
2050	9,510,000
2051	10,570,000
2052*	15,765,000

*Maturity.

Mandatory Redemption – Series 2022B Bonds. The Series 2022B Bonds maturing on October 1, 2051 are subject to mandatory redemption in part, prior to maturity, by operation of the Debt Service Account to satisfy Sinking Fund Installments at Redemption Prices equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, on October 1 in the following years and in the following principal amounts.

**Series 2022B Term Bonds
Maturing on October 1, 2051**

<u>Year</u>	<u>Principal Amount</u>
2047	\$4,585,000
2048	4,750,000
2049	4,915,000
2050	5,100,000
2051*	4,605,000

*Maturity.

Notice of Redemption

Each notice of redemption shall specify the maturities of the Series 2022 Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2022 Bonds are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2022 Bonds to be redeemed, and, in the case of Series 2022 Bonds to be redeemed in part only, such notice shall specify the respective portions of the principal amount, thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Series 2022 Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Series 2022 Bonds to be redeemed in part only together with interest accrued to the redemption date with respect to Series 2022 Bonds, and that from and after such date interest thereon shall cease to accrue and be payable.

Notice of redemption shall be given by the deposit in the U.S. Mail of a copy of the redemption notice, postage prepaid, at least thirty (30) and not more than sixty (60) days before the redemption date to all registered owners of the Series 2022 Bonds or portions of the Series 2022 Bonds to be redeemed at their last addresses as they appear on the registration books maintained in accordance with the provisions of the Bond Resolution, which as long as the Series 2022 Bonds are maintained in book-entry only form, will be through DTC. See “BOOK-ENTRY ONLY SYSTEM” herein. Failure to mail any such notice to a registered owner of a Series 2022 Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Series 2022 Bond or portion thereof with respect to which no such failure or defect occurred. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the owner of such Series 2022 Bond receives such notice.

An optional redemption may be a Conditional Redemption and the notice of redemption shall state that the redemption is conditional upon the conditions set forth therein, and such notice and optional redemption shall be of no effect (a) if by no later than the scheduled redemption date, the conditions set forth therein have not been satisfied, or (b) the Authority or the Trustee, at the written direction of the Authority, rescinds such notice on or prior to the scheduled redemption date. If a redemption is a Conditional Redemption, such redemption shall be conditional upon receipt by the Trustee or escrow agent named by the Authority of sufficient moneys to redeem the Series 2022 Bonds subject to such Conditional Redemption and any redemption premium and the satisfaction of such other conditions set forth in the notice of redemption. A Conditional Redemption shall be deemed canceled once the Authority or the Trustee, at the written direction of the Authority, has given notice of rescission. The Authority or the

Trustee, at the written direction of the Authority, shall give notice of rescission of a Conditional Redemption by the same means as is provided for the giving of notice of redemption. Any Series 2022 Bonds subject to a Conditional Redemption which has been canceled shall remain Outstanding, and neither the rescission nor the failure of funds being made available in part or in whole on or before the proposed redemption date shall constitute an Event of Default.

Selection of Series 2022 Bonds to be Redeemed

Except as provided below with respect to the Series 2022B Bonds and Series 2022E Bonds, if less than all of the Series 2022 Bonds of like Series and maturity shall be called for prior redemption, the particular Series 2022 Bonds or portion of Series 2022 Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that so long as Cede & Co., as DTC's nominee, is the registered owner of the Series 2022 Bonds, DTC will select the Series 2022 Bonds to be redeemed. The portion of any Series 2022 Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or any integral multiple thereof, and that in selecting portions of such Series 2022 Bonds for redemption, the Trustee or DTC shall treat each such Series 2022 Bond as representing that number of Series 2022 Bonds of \$5,000 denomination which is obtained by dividing the principal amount.

If less than all Series 2022B or Series 2022E Bonds are to be redeemed, the maturities to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with the operational arrangements of DTC then in effect. It is the Authority's intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Authority and the beneficial owners be made on a pro rata pass-through distribution of principal basis. However, the Authority can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among beneficial owners on such a proportional basis. If the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, all Series 2022B and/or Series 2022E Bonds to be so redeemed will be selected for redemption in accordance with DTC procedures by lot; provided further that any such redemption must be performed such that all Series 2022B and/or Series 2022E Bonds remaining outstanding will be in authorized denominations.

If the Series 2022B and/or Series 2022E Bonds are not registered in book-entry-only form, any redemption of less than all of the Series 2022B and/or Series 2022E Bonds will be allocated among the registered owners of such Series 2022B and/or Series 2022E as nearly as practicable in proportion to the principal amounts of the Series 2022B and/or Series 2022E Bonds owned by each registered owner, subject to the authorized denominations applicable to the Series 2022B and/or Series 2022E Bonds. This will be calculated based on the formula: (principal amount to be redeemed) x (principal amount owned by owner) / (principal amount outstanding). The particular Series 2022B and/or Series 2022E Bonds to be redeemed will be determined by the Authority, using such method as it deems fair and appropriate.

Purchase in Lieu of Redemption

At any time the Series 2022 Bonds are subject to optional redemption, all or a portion of the Series 2022 Bonds to be redeemed pursuant to an optional redemption may be purchased in lieu of being redeemed by the Trustee at the written direction of the Authority on the date on which such Series 2022 Bonds would otherwise have been redeemed. The purchase price for the Series 2022 Bonds purchased in lieu of redemption will be equal to the Redemption Price that would have been applicable to the Series 2022 Bonds on such date. No notice to the owners of the Series 2022 Bonds to be purchased (other than the notice of redemption otherwise required by the Bond Resolution) is required. All Series 2022 Bonds to be so purchased in lieu of redemption that are not delivered to the Trustee on the purchase date shall be deemed to have been so purchased and not redeemed on the purchase date and shall cease to accrue interest

as to the former registered owner on the purchase date, so long as the Redemption Price that would have been applicable to such Series 2022 Bonds on such date is deposited by the Authority with the Trustee.

Registration and Exchange

The registration of any Series 2022 Bond may be transferred upon the registration books as provided in the Bond Resolution. So long as the Series 2022 Bonds are issued solely in fully registered form and notwithstanding anything contained in the Bond Resolution to the contrary, the provisions of the Bond Resolution with respect to the interchangeability of registered bonds for coupon bonds will not be applicable to the Series 2022 Bonds. In all cases of a transfer of a Series 2022 Bond, the Bond Registrar, shall at the earliest practical time, in accordance with the terms of the 2022 Supplemental Resolution, enter the transfer of ownership in the registration books and shall deliver in the name of the new transferee or transferees a new fully registered Series 2022 Bond, maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same source of funds. The Authority, the City and the Bond Registrar may charge the registered owner for the registration of every transfer or exchange of a Series 2022 Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the City or the Authority) to be paid with respect to or in connection with any such transfer or exchange and may require that such amounts be paid before any such new Series 2022 Bond shall be delivered.

The City, the Authority, the Bond Registrar, and the Paying Agent may deem and treat the registered owner of any Series 2022 Bond as the absolute owner of such Series 2022 Bond for the purpose of receiving payment of the principal thereof and the interest thereon. Subject to the provisions of the 2022 Supplemental Resolution, a Series 2022 Bond may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of Series 2022 Bonds of each series, maturity and interest rate, in other authorized denominations.

BOOK-ENTRY ONLY SYSTEM

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

DTC will act as securities depository for the Series 2022 Bonds. The Series 2022 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2022 Bond certificate will be issued for each maturity (and each interest rate within a maturity) of each series of the Series 2022 Bonds and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry 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"). The DTC rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2022 Bonds (each a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant (collectively, "Participants") through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2022 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2022 Bonds, except in the event that use of the book-entry system for the Series 2022 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2022 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2022 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2022 Bond documents. For example, Beneficial Owners of Series 2022 Bonds may wish to ascertain that the nominee holding the Series 2022 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 the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2022 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2022 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 Authority 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 2022 Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2022 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 Authority or the Paying Agent on a payment 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 Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Series 2022 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2022 Bonds at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2022 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC upon compliance with any applicable DTC rules and procedures. In that event, Series 2022 Bond certificates will be printed and delivered to DTC.

Neither the Authority nor the Trustee shall have any responsibility or obligation to the Participants, Beneficial Owners or other nominees of such Beneficial Owners for (a) sending transaction statements; (b) maintaining, supervising or reviewing, or the accuracy of, any records maintained by DTC or any Participant or other nominees of such Beneficial Owners; (c) payment or the timeliness of payment by DTC to any Participant or by any Participant or other nominees of Beneficial Owners to any Beneficial Owner of any amount due in respect of the principal or the redemption premium of or interest on Series 2022 Bonds; (d) delivery or timely delivery by DTC to any Participant or by any Participant, or other nominees of Beneficial Owners to any Beneficial Owners of any notice (including notice of redemption) or other communication which is required or permitted under the terms of the Bond Resolution, as supplemented herein, to be given to Holders of Series 2022 Bonds; (e) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of Series 2022 Bonds; or (f) any action taken by DTC or its nominee as the Holder of the Series 2022 Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Brief descriptions of the security and sources of payment for the Bonds (including the Series 2022 Bonds), the Pledged Funds, the flow of funds and application of Revenues under the Bond Resolution, the Authority's rate covenant and certain other provisions of the Bond Resolution are provided herein. The descriptions provided herein are qualified in their entirety by the applicable provisions of the Amended and Restated Bond Resolution, a copy of which is attached hereto as APPENDIX B.

General

The Series 2022 Additional Bonds are being issued as Additional Bonds, and the Series 2022 Refunding Bonds are being issued as Refunding Bonds, under the Bond Resolution. As such, the Series 2022 Bonds are "Bonds" as such term is used in the Bond Resolution and are secured on parity with the Outstanding Senior Bonds as to the pledge of, lien on and source of payment from the Pledged Funds. In accordance with and subject to the terms and conditions of the Bond Resolution, Additional Bonds and

Refunding Bonds may be issued under the Bond Resolution on parity with the Outstanding Senior Bonds and the Series 2022 Bonds and senior to the pledge of and lien on the Pledged Funds in favor of any the Outstanding Subordinated Indebtedness and any Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness hereafter issued under the Master Subordinated Indenture. See "AUTHORITY INDEBTEDNESS - Outstanding Senior Bonds" herein for a description of the Outstanding Senior Bonds and "CAPITAL IMPROVEMENT PROGRAM" herein for the Authority's current plans to issue Additional Bonds, in the form of Bonds with a senior lien on the Pledged Funds.

Pursuant to the Bond Resolution, the Bonds, including the Series 2022 Bonds, and the interest and premium, if any, thereon are payable solely from and secured by a pledge of, and first lien on the Pledged Funds. As such term is used in the Bond Resolution, the Pledged Funds include (a) the proceeds of the sale of Bonds, (b) Revenues, (c) all moneys and investments on deposit in all funds, accounts and subaccounts established by the Bond Resolution (excluding any fund established to pay rebatable arbitrage), provided moneys in a subaccount of the Debt Service Reserve Account shall secure only the Series of Bonds designated by Supplemental Resolution to be secured by such subaccount, and (d) any Available Revenues, provided such Available Revenues shall secure only the Series of Bonds to which they are pledged pursuant to a Supplemental Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Debt Service Reserve Account" and " - Available PFC Revenues" herein.

Revenues

Under the Bond Resolution, the term "Revenues" includes (a) all income and revenues from all sources collected or received by the Authority in the operation of the Airport System, including without limitation except as expressly provided in the Bond Resolution, all rentals, charges, landing fees, use charges and concession revenue received by or on behalf of the Authority in its capacity as the operator of the Airport System in connection with the operation, improvement and enlargement of the Airport System, or any part thereof; (b) all gifts, grants, reimbursements or payments received from governmental units or public agencies for the Airport System's benefit which are lawfully available for the payment of debt service with respect to any Bonds, Subordinated Indebtedness and Secondary Subordinated Indebtedness, or payment of Operation and Maintenance Expenses; (c) income received on any investment of moneys held pursuant to the Bond Resolution and paid into the Revenue Fund pursuant to the terms of the Bond Resolution; (d) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Authority, including rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the Authority or any successor thereto from the possession, management, charge, superintendence and control of the Airport System and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the Authority receives payments which are attributable to the Airport System or activities or undertakings related thereto; and (e) Special Purpose Facility Revenues, to the extent designated as Revenues by Supplemental Resolution.

The term "Revenues" shall not include: (a) any revenue or income from OEA or any additions, extensions or improvements thereto unless OEA is added to the Airport System as provided in the definition of "Airport System"; (b) all gifts, grants, reimbursements or payments received from governmental units or public agencies for the Airport System's benefit which are not lawfully available for the payment of Operation and Maintenance Expenses or payment of debt service with respect to any Bonds, Subordinated Indebtedness and Secondary Subordinated Indebtedness; (c) insurance proceeds, to the extent used by the Authority to repair or replace damaged property or to the extent the use of such proceeds is restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of Operation and Maintenance Expenses or the payment of debt service with respect to Bonds, Subordinated Indebtedness and Secondary Subordinated Indebtedness; (d) any Transfers; (e) any Released Revenues; (f) any unrealized gains on securities held for investment by or on behalf of the Authority; (g) any gains

resulting from changes in valuation of any Qualified Derivative Agreement; (h) any unrealized gains from the write-down, reappraisal or revaluation of assets; (i) the proceeds of Bonds, Subordinated Indebtedness and Secondary Subordinated Indebtedness; (j) Passenger Facility Charges; (k) Customer Facility Charges; (l) investment income derived from any moneys or securities which may be placed in escrow or trust to defease Bonds, Subordinated Indebtedness or Secondary Subordinated Indebtedness; (m) Subordinated Pledged Revenues; (n) cash subsidy payments or similar payments made by the U.S. Treasury or other federal or State governmental entity to or on behalf of the Authority for payment coming due on the Bonds or any portion thereof; (o) any arbitrage earnings which are required to be paid to the United States of America pursuant to Section 148 of the Code; (p) interest earnings or other investment earnings on any Account in the Construction Fund established by any Supplemental Resolution unless otherwise provided in such Supplemental Resolution; and (q) Special Purpose Facility Revenues, except as otherwise provided by Supplemental Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Available PFC Revenues" and "APPLICATION OF REVENUES" herein.

Available PFC Revenues

For purposes of the Bond Resolution, Passenger Facility Charges are excluded from the definition of Revenues and therefore are not part of Net Revenues (as defined in the Amended and Restated Bond Resolution attached hereto as APPENDIX B) which are utilized to satisfy the requirements of the rate covenant under the Bond Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Rate Covenant" herein. However, Section 727 of the Amended and Restated Bond Resolution permits the Authority to designate all or a portion of PFC Revenues, as well as other sources of revenues which are not included in the definition of Revenues, as Available Revenues which shall be used to pay debt service on one or more Series of Bonds. The designation of such Available PFC Revenues to the payment of debt service on such Bonds shall, in turn, reduce the amount of debt service payable for the purpose of determining compliance with the provisions of Section 711.2 of the Amended and Restated Bond Resolution relating to the rate covenant and the Additional Bonds test calculations under Section 204 of the Amended and Restated Bond Resolution.

In connection with the issuance of the Series 2022 Bonds, the Authority has determined it will designate the 2022 Available PFC Revenues which will be deposited in the Bond Fund to pay a portion of the debt service on the Series 2022 Bonds. Other PFC Revenues have been designated as Available PFC Revenues to pay a portion of the debt service on various Series of Outstanding Senior Bonds (including the Refunded Bonds) which financed or refinanced PFC-eligible projects. Such deposits effectively reduce the total amount of Revenues that must be collected each Fiscal Year to comply with the rate covenant under the Bond Resolution. To the extent such Available PFC Revenues are not available for deposit in the Bond Fund to pay debt service on such Bonds as provided above, Revenues, including fees and charges to the Airlines, might have to be increased to comply with the application of Revenues and rate covenant under the Bond Resolution.

The Series 2022 Bonds are secured by, and payable from, the 2022 Available PFC Revenues specified in the 2022 PFC Certificate. Pursuant to the 2022 Supplemental Resolution, the Authority has established the "2022 Subaccount" in the Available PFC Account and shall, promptly upon receipt, deposit all 2022 Available PFC Revenues into the 2022 Subaccount of the Available PFC Account. The Authority is required, by the provisions of the 2022 Supplemental Resolution, to withdraw moneys in the 2022 Subaccount of the Available PFC Account for deposit to the Bond Fund for the payment of debt service on the Series 2022 Bonds in the amounts and at the times specified in the 2022 PFC Certificate. The provisions of Section 727 of the Amended and Restated Bond Resolution shall apply to the 2022 Subaccount of the Available PFC Account. See "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto.

Debt Service Reserve Account

The Bond Resolution establishes a Debt Service Reserve Account within the Bond Fund, consisting of a Composite Reserve Subaccount and such additional reserve subaccounts as may be established with respect to particular Series of Bonds. The Series 2022 Bonds will be secured by the Composite Reserve Subaccount. An amount equal to the Composite Reserve Requirement is required to be maintained in the Composite Reserve Subaccount. The Composite Reserve Subaccount secures those Bonds designated to be secured by the Composite Reserve Subaccount and additional reserve subaccounts established with respect to particular Series of Bonds secure only those Series of Bonds designated to be secured by each such subaccount.

As of the date hereof, the Composite Reserve Subaccount secures all of the Outstanding Senior Bonds, other than the Airport Facilities Taxable Refunding Revenue Bonds, Series 2016D Bonds, and no Series of Bonds is secured by its own separate subaccount. Upon the issuance of the Series 2022 Bonds, the Composite Reserve Subaccount will be fully funded in the amount of the Composite Reserve Requirement which is equal to \$122,786,800.77.

If, on the final business day of any month, the amount in the Debt Service Account shall be less than the amount required to be in such Account pursuant to the Bond Resolution, the Trustee shall apply amounts from the applicable subaccounts in the Debt Service Reserve Account to the extent necessary to make good the deficiency; provided, however, that amounts in the separate subaccounts in the Debt Service Reserve Account shall be used only for the purpose of curing deficiencies with respect to the Series of Bonds secured by such subaccount. Any proceeds received from a Reserve Product shall be applied to cure deficiencies in the Debt Service Account only with respect to the Series of Bonds for which such Reserve Product was provided.

Whenever the moneys on deposit in a subaccount in the Debt Service Reserve Account shall exceed the applicable Debt Service Reserve Requirement, the Trustee, at the direction of an Authorized Officer of the Authority, shall allocate and apply the amount of such excess in the same manner as Available Revenues or Revenues pursuant to the Bond Resolution.

Whenever the amounts in the applicable subaccounts in the Debt Service Reserve Account, together with the amount in the Debt Service Account, are sufficient to pay fully all then Outstanding Bonds in accordance with their terms (including the principal of or applicable sinking fund Redemption Price and interest thereon), the funds on deposit in the Debt Service Reserve Account shall be transferred to the Debt Service Account. Prior to said transfer, all investments held in the Debt Service Reserve Account shall be liquidated to the extent deemed necessary in order to provide for the timely payment of principal of and interest (or Redemption Price) on the Outstanding Bonds secured by the applicable subaccount in the Debt Service Reserve Account.

Notwithstanding the foregoing, if one or more subaccounts in the Debt Service Reserve Account have been funded with cash or Investment Securities and no event of default shall have occurred and be continuing under the Bond Resolution, the Authority may, at any time in its discretion, substitute a Reserve Product meeting the requirements of the Bond Resolution for the cash and Investment Securities in any such subaccount, and the Authority may then withdraw such cash and Investment Securities from such account and deposit them to the credit of the Discretionary Fund or such other fund or account as shall be designated by the Authority so long as the Authority obtains an opinion of Bond Counsel that such actions will not, in and of themselves, adversely affect the exclusion from gross income of interest on the applicable Series of Bonds (if other than Taxable Bonds) for federal income tax purposes.

Cash on deposit in the applicable subaccount in the Debt Service Reserve Account shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior

to any drawing on any Reserve Product. If and to the extent that more than one Reserve Product is deposited in the applicable subaccount in the Debt Service Reserve Account, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

The Composite Reserve Subaccount is funded entirely with cash and Investment Securities and does not currently contain any Reserve Products.

If Available Revenues or moneys other than Revenues have been irrevocably committed pursuant to a Supplemental Resolution duly adopted by the Board or amounts have been actually deposited for the purpose of paying principal or interest on Bonds, then the principal or interest to be paid from Available Revenues or moneys other than Revenues which have been irrevocably committed or such amounts which have been actually deposited, including any investment earnings thereon, shall be disregarded and not included in calculating Debt Service and therefore are also not accounted for in calculating the Composite Reserve Requirement.

Flow of Funds

The Bond Resolution requires that all Revenues shall be promptly deposited by the Authority into the Revenue Fund. As soon as practicable in each month after the deposit of Revenues in the Revenue Fund but in any case no later than five (5) business days before the end of such month, the Special Trustee shall withdraw from the Revenue Fund and transfer to the Trustee or the Authority, as the case may be, for deposit in the following Funds or transfer to the entities described below in the following order of priority the amounts set forth below:

(a) to the Operation and Maintenance Fund, an amount equal to one-twelfth (or such greater fraction if the period is less than 12 months as may be appropriate) of the money appropriated for Operation and Maintenance Expenses for the then current Fiscal Year as set forth in the then current Annual Budget;

(b) to the Bond Fund for credit to the Debt Service Account, if and to the extent required so that the balance in said Account shall equal the Accrued Aggregate Debt Service; provided that, for the purposes of computing the amount in said Account, there shall be excluded the amount, if any, set aside in said Account which was deposited therein from the proceeds of each Series of Bonds less the amount of interest accrued and unpaid and to accrue on the Bonds of such Series (or any Refunding Bonds issued to refund such Bonds), other than with respect to Capital Appreciation Bonds, to the last day of the then current calendar month;

(c) except as otherwise provided below, to the Bond Fund for credit of the applicable subaccounts in the Debt Service Reserve Account, an amount, if and to the extent necessary, so that the balance in each subaccount shall equal the Debt Service Reserve Requirement with respect thereto;

(d) to the trustee, paying agent or holders of any Subordinated Indebtedness, such amount and at such times as shall be sufficient, taking into account any Subordinated Pledged Revenues, to pay the principal of and interest becoming due in the next succeeding month on any Subordinated Indebtedness, including any obligations to set aside or deposit moneys for future debt service payments, in the manner set forth in the Issuing Instrument(s) for Subordinated Indebtedness;

(e) to the deposit to any debt service reserve account established by the Issuing Instrument(s) for Subordinated Indebtedness such amount and at such times as shall be required by the terms of the Issuing Instrument(s);

(f) to the Operation and Maintenance Fund for credit to the Operation and Maintenance Reserve Account an amount equal to one-twelfth (or such greater fraction if the period is less than 12 months as may be appropriate) of the amount which is equal to the difference between the sum on deposit in said Account at the beginning of the then current Fiscal Year and one-sixth of the Operation and Maintenance Expenses for the then Fiscal Year as set forth in the then current Annual Budget;

(g) to the trustee, paying agent or holders of any Secondary Subordinated Indebtedness, such amount and at such times as shall be sufficient to pay the principal of and interest becoming due in the next succeeding month on any Secondary Subordinated Indebtedness, including any obligations to set aside or deposit moneys for future debt service payments, in the manner set forth in the Issuing Instrument(s) for Secondary Subordinated Indebtedness;

(h) to the deposit to any debt service reserve account established by the Issuing Instrument(s) for Secondary Subordinated Indebtedness such amount and at such times as shall be required by the terms of the Issuing Instrument(s);

(i) to the Capital Expenditures Fund, an amount equal to one-twelfth (or such greater fraction if the period is less than 12 months as may be appropriate) of the money appropriated for said Fund as set forth in the then current Annual Budget; provided that, if any such monthly allocation to said Fund shall be less than the required amount, the amount of the next succeeding monthly payments shall be increased by the amount of such deficiency;

(j) to the Renewal and Replacement Fund, an amount equal to one-twelfth (or such greater fraction if the period is less than 12 months as may be appropriate) of the money appropriated for said Fund as set forth in the then current Annual Budget; provided that, no deposit shall be required to be made into said Fund whenever and as long as uncommitted moneys in said Fund are equal to \$2,000,000 or such other greater amount as provided therefor by the Authority as necessary for the purposes of said Fund; and provided further that, if any such monthly allocation to said Fund shall be less than the required amount, the amount of the next succeeding monthly payments shall be increased by the amount of such deficiency; and;

(k) to the Discretionary Fund, any amount remaining after making the deposits required by clauses (a) through (j) above.

Deposits to the Bond Fund shall be increased to the extent required to pay principal, interest and redemption premiums, if any, next becoming due, and to make up any deficiencies or losses that may otherwise arise in such Funds and subaccounts.

If there are not sufficient funds in the Revenue Fund available to make the amounts on deposit in each subaccount in the Debt Service Reserve Account equal to the Debt Service Reserve Requirement for the applicable Series of Bonds, there shall be deposited in each such subaccount an amount equal to the lesser of the Debt Service Reserve Requirement for such subaccount or the total amount available to be deposited into the Debt Service Reserve Account multiplied by a fraction, the numerator of which is the Bond Obligation of all Bonds of the applicable Series then Outstanding and the denominator of which is the total aggregate amount of the Bond Obligation of all Bonds of every Series then Outstanding under the Bond Resolution secured by a subaccount in the Debt Service Reserve Account.

Notwithstanding anything in the Bond Resolution to the contrary, the Authority shall not be required to fully fund a subaccount in the Debt Service Reserve Account at the time of issuance of any Series of Bonds under the Bond Resolution, if it provides on the date of issuance of any Series of Bonds in lieu of such funds, a Reserve Product issued by a Reserve Product Provider in an amount equal to the difference between the applicable Debt Service Reserve Requirement and the sums then on deposit in the

applicable subaccount in the Debt Service Reserve Account. Such Reserve Product as provided above 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 under the Bond Resolution for a payment with respect to the applicable Series of Bonds, which cannot be cured by funds in any other account held pursuant to the Bond Resolution and available for such purpose, and which shall name the Trustee or a Paying Agent as the beneficiary thereof.

See "APPLICATION OF REVENUES" herein for a flow chart demonstrating the application of Revenues and PFC Revenues to various funds and accounts as governed by the provisions of the Bond Resolution and the Master Subordinated Indenture.

Additional Bonds

The Bond Resolution provides that Additional Bonds may be issued for the purpose of paying the Cost of Construction of any Additional Project, subject to the conditions set forth therein. Particularly, the Bond Resolution conditions the issuance of Additional Bonds upon the satisfaction of the limitation contained therein with respect to the issuance of Additional Bonds, which generally requires certification by the Airport Consultant that, based upon assumptions the Airport Consultant deems reasonable, projected Net Revenues and any Subordinated Pledged Revenues, will be sufficient to satisfy the rate covenant set forth in the Bond Resolution (provided Subordinated Pledged Revenues shall not be utilized in determining compliance with the provisions of Section 711.2 of the Amended and Restated Bond Resolution relating to the rate covenant), when considering the projected Aggregate Debt Service on such proposed Additional Bonds for each of the next three 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 funded from proceeds of such Additional Bonds, whichever is later, including the Aggregate Debt Service during such Fiscal Years on such proposed Additional Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Rate Covenant" herein and "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto. In addition, the Bond Resolution permits the issuance of Refunding Bonds upon the conditions described therein.

Rate Covenant

The Authority has covenanted in the Bond Resolution that:

(a) it shall, while any of the Bonds remain Outstanding, establish, fix, charge, prescribe 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 Transfers and Subordinated Pledged Revenues in each Fiscal Year will be at least equal to 100% of the aggregate amount required to be applied and/or deposited by the Authority pursuant to Sections 405(2)–(10) of the Amended and Restated Bond Resolution during such Fiscal Year.

(b) it will establish, fix, charge, prescribe 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 Transfers for such Fiscal Year will be equal to at least 1.25 times the Aggregate Debt Service on all Outstanding Bonds for such Fiscal Year.

(c) if Net Revenues plus any Transfer and any Subordinated Pledged Revenues in any Fiscal Year are less than the amounts specified in paragraphs (a) and (b) above, the Authority will retain and direct an Airport Consultant to make recommendations as to the revision of the Authority's schedule of rates, fees, rentals and charges for the use of the Airport System. After receiving such recommendations,

the Authority will take such action as it deems appropriate to become compliant with the provisions of the Bond Resolution in the next Fiscal Year.

For purposes of the foregoing, the term "Transfer" means the lesser of (a) the sum of (i) amounts on deposit in the Discretionary Fund on the last day of the Fiscal Year, to the extent such amounts are not restricted to other uses, plus (ii) amounts paid from the Discretionary Fund during such Fiscal Year toward Operating and Maintenance Expenses and Debt Service, minus (iii) amounts deposited into the Discretionary Fund in such Fiscal Year, or (b) twenty five percent (25%) of Debt Service payable in such Fiscal Year. In accordance with the provisions of Section 1211 and Section 727 of the Amended and Restated Bond Resolution, debt service expected to be paid from Available Revenues, including Available PFC Revenues, is excluded from the calculation of the Aggregate Debt Service for purposes of the foregoing test. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Available PFC Revenues" herein and "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto.

The Authority shall remain obligated under the Bond Resolution to establish, fix, prescribe and collect rates, fees, rentals and other charges as provided above until such time as there are no longer any Outstanding Senior Bonds. See "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES - Passenger Facility Charges" and " - Customer Facility Charges" and "REPORT OF THE AIRPORT CONSULTANT AND RATE COVENANT PROJECTION" herein.

Limited Obligations

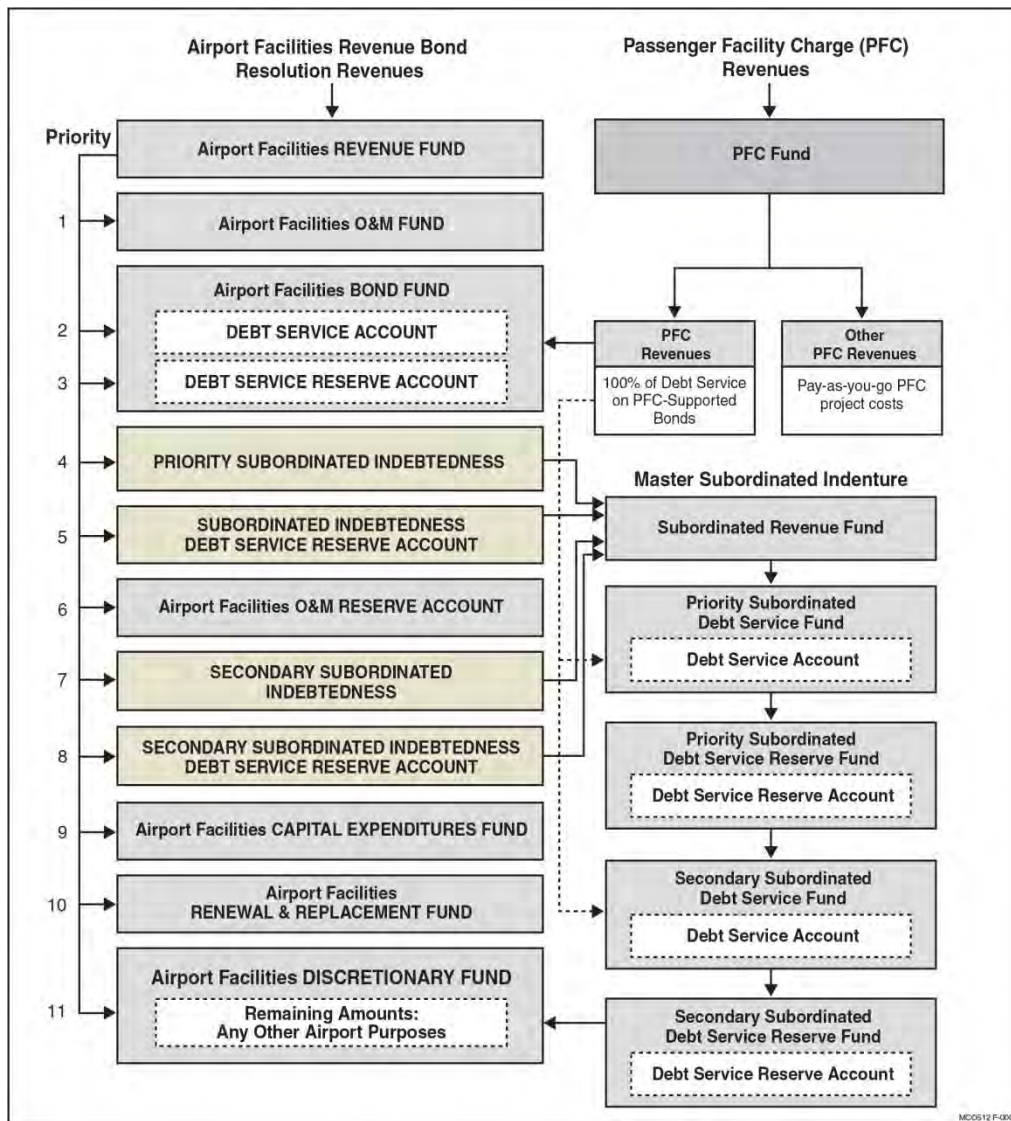
THE BONDS SHALL NOT BE OR CONSTITUTE A GENERAL INDEBTEDNESS OF THE CITY, THE AUTHORITY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION IN THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION. THE BONDS AND THE OBLIGATIONS EVIDENCED THEREBY SHALL NOT CONSTITUTE NOR BE A LIEN UPON ANY PROPERTY OF THE CITY OR THE AUTHORITY, EXCEPT THE PLEDGED FUNDS TO THE EXTENT PROVIDED IN THE BOND RESOLUTION. NEITHER THE GENERAL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE AUTHORITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS OR ANY PREMIUM OR INTEREST THEREON AND NO REGISTERED OWNER OF A BOND SHALL EVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF FOR THE PAYMENT OF THE PRINCIPAL OF ANY BOND OR ANY PREMIUM OR INTEREST THEREON, AND THE CITY AND THE AUTHORITY ARE NOT AND SHALL NEVER BE UNDER ANY OBLIGATION TO PAY THE PRINCIPAL OF, INTEREST ON OR ANY PREMIUM WITH RESPECT TO THE BONDS EXCEPT FROM THE PLEDGED FUNDS, IN THE MANNER PROVIDED IN THE BOND RESOLUTION. THE AUTHORITY HAS NO TAXING POWER.

APPLICATION OF REVENUES

The following diagram presents a summary of the application of Revenues and PFC Revenues to various funds and accounts as governed by the provisions of the Bond Resolution and the Master Subordinated Indenture. A more complete description of the application of Revenues and PFC Revenues is included in "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto and the Master Subordinated Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Revenues" and " - Available PFC Revenues" for a description of the types of income and revenues of the Authority included in the definition of Revenues as well as a description of the 2022 Available PFC Revenues and "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING

SOURCES - Passenger Facility Charges” and “ - Customer Facility Charges” herein for a description of these two sources of revenues of the Authority which are excluded from the definition of Revenues.

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AUTHORITY INDEBTEDNESS

Outstanding Senior Bonds

The following table presents the list of Outstanding Senior Bonds under the Bond Resolution along with the principal amounts thereof which were Outstanding as of December 31, 2021. Certain Senior Bonds and Subordinated Obligations which were defeased on or prior to December 31, 2021 are no longer Outstanding under the Bond Resolution and have been excluded from the table. The Outstanding Senior Bonds have a prior lien on the Pledged Funds senior in all respects to the lien granted in favor of the Subordinated Obligations issued under the Master Subordinated Indenture.

<u>Outstanding Senior Bonds</u>	<u>Outstanding Principal Amount⁽¹⁾</u>
Airport Facilities Revenue Bonds (Non-AMT), Series 2009C (the "Series 2009C Bonds") ⁽³⁾	\$2,830,000
Airport Facilities Revenue Bonds (Non-AMT), Series 2010A (the "Series 2010A Bonds")	48,830,000
Airport Facilities Refunding Revenue Bonds (AMT), Series 2011B ⁽²⁾⁽³⁾	11,205,000
Airport Facilities Refunding Revenue Bonds (Non-AMT), Series 2011C ⁽²⁾⁽³⁾	25,470,000
Airport Facilities Refunding Revenue Bonds (Taxable), Series 2011D ⁽²⁾⁽³⁾	2,605,000
Airport Facilities Refunding Revenue Bonds (AMT), Series 2012A ⁽²⁾	9,380,000
Airport Facilities Revenue Bonds (AMT), Series 2015A (the "Series 2015A Bonds")	181,145,000
Airport Facilities Revenue Bonds (AMT), Series 2016A (the "Series 2016A Bonds")	62,130,000
Airport Facilities Revenue Bonds (Non-AMT), Series 2016B	93,130,000
Airport Facilities Taxable Refunding Revenue Bonds, Series 2016C	68,085,000
Airport Facilities Taxable Refunding Revenue Bonds, Series 2016D	19,273,022
Airport Facilities Revenue Bonds (AMT), Series 2019A	<u>1,114,985,000</u>
Total Outstanding Senior Bonds	\$1,639,068,022

(1) Totals may not add due to rounding.

(2) The Authority will refund all or a portion of the Refunded Bonds through the issuance of the Series 2022 Refunding Bonds.

(3) The Authority expects to redeem the remaining Outstanding Series 2009C Bonds and a portion of the Series 2011B Bonds, Series 2011C Bonds and Series 2011D Bonds in the first quarter of calendar year 2022 with PFC Revenues on hand.

Outstanding Subordinated Indebtedness

Pursuant to the Master Subordinated Indenture, the Authority is permitted to issue either Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness as authorized under the Bond Resolution, that (a) are subordinate to the Bonds as to the pledge of, lien on and source of payment from the Pledged Funds, and (b) are on parity with certain other Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness (as applicable) as to the pledge of, lien on and source of payment from Pledged Subordinated Revenues (as defined below).

Under the Master Subordinated Indenture, the term "Pledged Subordinated Revenues" includes:

- Available Net Revenues, which consist of all Revenues of the Authority remaining after all deposit requirements in clauses (1), (2) and (3) of Section 405.1 of the Amended and Restated Bond Resolution (providing for payment of the Authority's operation and

maintenance expenses, debt service on the Bonds and funding the debt service reserve fund for the Bonds) have been satisfied;

- all moneys and investments on deposit in the funds and accounts created under the Master Subordinated Indenture (other than the Secondary Subordinated Debt Service Fund, the Secondary Subordinated Debt Service Reserve Fund and the Rebate Fund) and, to the extent provided in the Master Subordinated Indenture and after provision for deficiencies in the accounts for the Outstanding Senior Bonds as provided in the Bond Resolution, any remaining amounts in the Discretionary Fund available for the purpose of paying Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness as provided in Section 411 of the Amended and Restated Bond Resolution; and
- any other revenues or Available Revenues (which may consist of PFCs, CFCs or other revenues not subject to the pledge under the Bond Resolution) pledged by the Authority to the payment of the Priority Subordinated Indebtedness by a Supplemental Subordinated Indenture or by an Issuing Instrument; provided, however, that moneys in an account of the Priority Subordinated Debt Service Reserve Fund shall secure only the Series of Priority Subordinated Indebtedness designated by the Issuing Instrument to be secured by such account.

The Outstanding Subordinated Bonds are additionally secured by the Pooled Subordinated Reserve Account (as defined in the Master Subordinated Indenture) within the Priority Subordinated Debt Service Reserve Fund. See “APPLICATION OF REVENUES” herein.

Priority Subordinated Indebtedness. The Authority has previously issued and has outstanding as of December 31, 2021, under the Master Subordinated Indenture the following series of Priority Subordinated Indebtedness: (a) its Priority Subordinated Airport Facilities Revenue Refunding Bonds, Series 2016 (AMT) in the original aggregate principal amount of \$76,930,000 (the “Series 2016 Subordinated Bonds”), (b) its Priority Subordinated Airport Facilities Revenue Refunding Bonds, Series 2017A (AMT) in the original aggregate principal amount of \$923,830,000 (the “Series 2017A Subordinated Bonds” and together with the Series 2016 Subordinated Bonds, the “Outstanding Subordinated Bonds”), and (c) the FDOT Loan (hereafter defined).

The Authority entered into two Joint Participation Agreements, as amended (collectively, the “JPA”), with FDOT, under which FDOT agreed to provide total funding of approximately \$211 million (the “FDOT Funding”), of which the Authority is required to reimburse FDOT for \$52.7 million of the funds authorized under one of the JPAs (the “FDOT Loan”) with the balance of the FDOT Funding being a grant. The Authority used a portion of the proceeds of the FDOT Loan to pay for portions of the Intermodal Terminal Facility (the “ITF”) that are related to the construction of the intercity passenger rail terminal in the ITF adjacent to the South APM System (as defined herein) as well as other costs eligible for reimbursement under the JPA. Under the JPA, the Authority was obligated to repay the FDOT Loan over a period of 18 years without interest. See “IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT – Strategies to Achieve Savings – FDOT Debt Deferral” herein for a description of deferral of payments due in Fiscal Years 2021 and 2022.

Secondary Subordinated Indebtedness. The Authority has entered into two revolving credit agreements with Bank of America, N.A., one in the authorized amount of \$150,000,000 which expires on July 29, 2022 and one in the authorized amount of \$125,000,000 which expires on December 29, 2022 (collectively, the “Bank of America Lines of Credit”) and two revolving credit agreements with Wells Fargo, N.A., one in the authorized amount of \$50,000,000 which expires on July 29, 2022 and one in the authorized amount of \$225,000,000 which expires on December 1, 2022 (collectively the “Wells Fargo Lines of Credit”

and, together with the Bank of America Lines of Credit, the “Existing Lines of Credit”). The Authority draws on the Existing Lines of Credit for interim financing for capital projects in anticipation of the issuance of long term bonds and/or receipt of grants, PFCs, CFCs, Authority funds, and other permanent funding sources. The Authority intends to continue using the Existing Lines of Credit to provide interim financing for portions of the 2021 - 2027 Capital Improvement Program and intends to renew the Existing Lines of Credit prior to their expiration dates. See “CAPITAL IMPROVEMENT PROGRAM” herein.

The following table presents the list of Outstanding Subordinated Indebtedness under the Bond Resolution along with the principal amounts thereof outstanding as of December 31, 2021. Certain Subordinated Obligations which were defeased on or prior to December 31, 2021 are no longer outstanding under the Master Subordinated Indenture and have been excluded from the table.

Outstanding Subordinated Indebtedness

		<u>Outstanding Principal Amount⁽¹⁾</u>
Priority Subordinated Indebtedness		
FDOT Loan		\$50,240,975
Series 2016 Subordinated Bonds		38,350,000
Series 2017A Subordinated Bonds		<u>844,575,000</u>
Total Priority Subordinated Indebtedness:		\$933,165,975
Secondary Subordinated Indebtedness		
	<u>Authorized Amount</u>	
Wells Fargo Line of Credit	\$225,000,000	\$55,289,659 ⁽²⁾
Bank of America Line of Credit	150,000,000	96,290,091 ⁽²⁾
Wells Fargo Line of Credit	50,000,000	35,556,141 ⁽²⁾
Bank of America Line of Credit	<u>125,000,000</u>	<u>64,101,849⁽²⁾</u>
Total Secondary Subordinated Indebtedness:	\$550,000,000	\$251,237,740

(1) Numbers may not add due to rounding.

(2) The Authority plans to use a portion of the proceeds of the Series 2022 Additional Bonds to pay down approximately \$207,945,375 principal amount on the Existing Lines of Credit along with associated interest. See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Under the Master Subordinated Indenture, the Authority may enter into, and have outstanding at any time, Other Parity Indebtedness consisting of the FDOT Loan in a principal amount not to exceed \$55,000,000 and Line of Credit Indebtedness (including the Existing Lines of Credit) in an aggregate principal amount not to exceed \$550,000,000 without having to satisfy the additional indebtedness requirements under the Master Subordinated Indenture.

The Authority may issue in the future certain additional Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness, payable as provided in the Master Subordinated Indenture or the Issuing Instrument, after payment of such amounts as necessary to pay Outstanding Bonds. See “CAPITAL IMPROVEMENT PROGRAM” herein for more information regarding the Authority's current plans for financing capital projects.

Interest Rate Swap Agreements

Although the Authority does not currently have any outstanding interest rate swap agreements, forward purchase agreements or other synthetic financial instruments, the Authority may enter into such transactions in the future for the purpose of managing the interest cost of its debt. Interest rate swaps and other synthetic financial instruments involve risks that could result in an economic loss to the Authority.

While the Authority could elect to have regularly scheduled interest rate swap payment obligations secured by a lien on the Pledged Funds on parity with Bonds issued under the Bond Resolution or on parity with certain Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness, the Authority's obligations with respect to termination payments or other obligations under any such interest rate swap agreement would be secured by a lien on funds on deposit in the Discretionary Fund.

CFC Indebtedness

Pursuant to a resolution of the Authority adopted on August 20, 2008, as amended and restated on August 19, 2009, February 18, 2015 and June 21, 2017 (collectively, the "CFC Enabling Resolution"), the Authority authorized, and in October 2008 began collecting, a rental automobile customer facility charge or "CFC" to be derived from the operation of rental automobile activities, conducted at various rental automobile facilities assessed on each rental car transaction, which, as of October 1, 2017, is imposed at a rate equal to \$3.50 per day up to a maximum of seven days.

Pursuant to the CFC Enabling Resolution, CFCs may be used by the Authority to cash fund the costs and expenses of, or pay debt service for, financing, interim financing, designing, constructing, operating, relocating, and maintaining (a) rental automobile related facilities or Customer Service Facilities, which include any facility operated by a Concessionaire for the processing and/or servicing of, or for the delivery of automobiles rented to its customers located on the Premises, or within the applicable radius from the Airport (as such terms are defined and more fully described in the CFC Enabling Resolution), (b) facilities to be modified, improved, or relocated to accommodate rental automobile related facilities at the Airport or the Customer Service Facilities, and (c) to the extent not needed to satisfy reasonably expected project costs or debt service due, when considering projected CFC receipts, for rental automobile related facilities set forth in the 2021-2027 Capital Improvement Program (e.g., CFCs and projected CFCs in excess of CFC obligations for rental automobile related facilities), any other project or facility for which general airport revenues may be used pursuant to the Act or to the extent pledged as a source of repayment for debt issued under the Bond Resolution, any project or facility financed with such debt. The Authority may pledge CFCs to repay obligations issued to finance projects permitted by the CFC Enabling Resolution, as debt service offsets for such projects, to repay financing or interim financing for such projects or as revenues pledged to a particular lien of revenue bonds issued for such projects, subject to conditions and terms approved by the Authority at that time. CFCs not needed for project financing may be used for any other lawful purpose permitted by the Act or the Bond Resolution. See "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto for more information on the ability of the Authority to designate all or a portion of CFCs as Available CFC Revenues.

On March 29, 2018, the Authority issued, under and pursuant to the Trust Indenture, dated as of October 1, 2009, between The Bank of New York Mellon Trust Company, N.A., as trustee and the Authority (the "CFC Indenture"), its Taxable Revenue Note (CFC Ground Transportation Project), Series 2018 in the original aggregate principal amount of \$160,000,000 (the "2018 CFC Bank Note") with an interest rate of 3.48% and a term of nine years. The 2018 CFC Bank Note is a limited obligation of the Authority, payable solely from and secured by a pledge of CFCs and other funds pledged under the CFC Indenture. All indebtedness secured by, or payable from, CFCs are herein referred to as "CFC Indebtedness."

The proceeds of the 2018 CFC Bank Note were used to pay or reimburse the Authority for a portion of the costs and expenses of financing, designing, constructing, operating, relocating, and maintaining the CFC Ground Transportation Project (as described below), funding all or a portion of the CFC Stabilization Fund Requirement (as defined in the CFC Indenture), and paying certain costs of issuance. The 2018 CFC Bank Note was structured as a drawdown note, the proceeds of which were drawn over an 18-month period, with the full amount having been drawn and deposited under the CFC Indenture by October 1, 2019. The outstanding balance of the 2018 CFC Bank Note as of December 31, 2021 is \$121,295,681.

The “CFC Ground Transportation Project” includes the following components, all or a portion of which the Authority has funded or intends to fund either from the proceeds of the 2018 CFC Bank Note or available CFCs:

<u>CFC Ground Transportation Project</u>	<u>Cost Estimate (in millions)</u>
South Terminal Complex Parking and Ground Transportation Facility	\$135
Rental Car Storage Lot and Quick Turn Around Facility	45
Ground Transportation Facility Pedestrian Bridge	<u>14</u>
Total	\$194

The Authority currently contemplates using CFCs to (a) pay principal and interest payments on the 2018 CFC Bank Note, (b) fund certain project costs for the CFC Ground Transportation Project on a pay-as-you-go basis and (c) other project costs permitted under the CFC Enabling Resolution.

CFCs are not included in the definition of Revenues under the Bond Resolution, however under certain circumstances, CFCs may be designated as Available CFC Revenues under an Issuing Instrument and used to pay principal of and interest on Bonds to the extent that the Authority designates all or a portion thereof in a Supplemental Resolution as Available CFC Revenues. The Authority currently has no plans to designate CFCs as Available CFC Revenues. The Authority currently anticipates funding a portion of the 2021 - 2027 Capital Improvement Program with CFC Indebtedness. See “THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM - Rental Automobile Concessions” and “CAPITAL IMPROVEMENT PROGRAM” herein and “APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION” attached hereto for more information regarding the use of CFCs and Available CFC Revenues.

OUC Global Agreement

As permitted under the Interlocal Cooperation Agreement between the Authority and Orlando Utilities Commission (“OUC”), the local public utility company, the Authority and OUC entered into that certain Amended and Restated Global Agreement on November 12, 2021, as amended (the “Global Agreement”), pursuant to which, among other things, the Authority agreed to build, and OUC agreed to finance, operate and monitor a central energy plant (“CEP”), and an emergency power generation and 12kV distribution facility (“EPG”) for the South Terminal Complex. OUC agreed to staff the CEP with OUC personnel, including onsite personnel for management and provision of emergency response for the EPG. OUC also agreed to construct, own, operate and maintain a solar energy facility (collectively with the CEP and the EPG, the “OUC Projects”). The aggregate cost of the OUC Projects is currently estimated at \$55,000,000 (the “OUC Project Construction Cost”), inclusive of a capital improvement fund, held by or on behalf of OUC, in the amount of \$2,700,000, any portion of which not expended during the term of service will be returned to the Authority.

The Authority will be obligated, under the Global Agreement, to make monthly payments to OUC over the 20-year term, commencing on the date of beneficial occupancy, which will consist of two components: a variable usage and maintenance charge and a fixed capacity charge. The variable usage charge is intended to be a pass-through by which OUC will charge the Authority an amount equal to its utility costs based on market rate for the OUC Projects while the variable maintenance charge will be based on the cost to maintain the OUC Projects with annual increases based on a percentage of the Consumer Price Index. For the approximate estimated annual charges during the Projection Period, see Exhibit G to APPENDIX A hereto. Under the terms of the Global Agreement, OUC has agreed and acknowledged that all of the Authority's obligations to make the payments to OUC under the Global Agreement will be

subordinate, in all respects, to all of the Authority's obligations under the Bond Resolution and the Master Subordinated Indenture. Such payments will be paid by the Authority from the Discretionary Fund after all required deposits are made as and when required by the Bond Resolution and the Master Subordinated Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Flow of Funds" herein and APPENDIX B attached hereto. Pursuant to the terms of the Global Agreement, OUC will ultimately transfer ownership of the OUC Projects to the Authority for an agreed upon purchase price equal to the unamortized value of the OUC Projects upon the termination of the Global Agreement.

Any or all of the project agreements entered into pursuant to the Global Agreement may be terminated by either party at year ten. If the agreement is terminated at year ten, the Authority retains the option of purchasing the capital assets of the terminated OUC Project from OUC at a value equal to the unamortized cost of the assets as of the date of termination or prior to year ten if a regulatory authority with control over the OUC Projects determines such OUC Project is not in compliance with laws, rules or regulations or in the event the Authority decides expansion of the OUC Projects is necessary and negotiations are not finalized within one year.

Issuance of Additional Obligations

In addition to the Series 2022 Bonds, the Authority currently expects to issue Additional Bonds in the form of Senior Bonds in Fiscal Year 2023 to fund approximately \$124.5 million of the costs associated with various portions of the 2021 - 2027 Capital Improvement Program (the "Proposed 2023 Bonds"). The Series 2022 Bonds and the Proposed 2023 Bonds are included as part of the financial projections in the Report of the Airport Consultant. See APPENDIX A attached hereto. In addition, the Authority may issue Senior Bonds, Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness (or a combination of the foregoing) in connection with financing or refinancing opportunities that: (a) lower costs of borrowing and/or maximize savings in accordance with long term planning objectives, and/or (b) provide funding for projects approved by the Board. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Additional Bonds" herein and "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto for further details on the requirements relating to the issuance of Senior Bonds and the Master Subordinated Indenture relating to the issuance of Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness.

THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM

General

The Authority was established as an agency of the City pursuant to the Act. The Airport is owned by the City. Pursuant to the Transfer Agreement, the City transferred to the Authority custody, control and management of the Airport for a term that will expire on September 30, 2065, subject to early termination under certain conditions, unless extended by the City and the Authority. Under the Transfer Agreement, the Authority pays the City for specific services rendered by the City in accordance with schedules negotiated with the City. Upon the expiration of the term of the Transfer Agreement, the custody, control and management of the Airport will revert to the City and the City shall automatically assume all of the Authority's obligations under the Bond Resolution, the Master Subordinated Indenture and the CFC Indenture and all of the liabilities of the Authority with respect to the Airport, but all such obligations or liabilities, including debt service on any Bonds, Priority Subordinated Indebtedness, Secondary Subordinated Indebtedness and CFC Indebtedness which are outstanding on and after the expiration of the Transfer Agreement, shall continue to be payable solely from their respective identified sources. Any such obligations or liabilities of the Authority will not be a general obligation of the City and neither the faith and credit nor the taxing power of the City will be pledged for the payment of any such obligations or liabilities, including the payment of principal, interest or premium on any Bonds.

The Authority operates the facilities of the Airport System for the accommodation of air commerce and transportation. The Airport System presently consists of: (a) the Airport, which is owned by the City and operated by the Authority; and (b) any other aviation facility or airport that is acquired or constructed by the Authority, provided however, that the Airport System currently excludes OEA.

The Authority also operates OEA as a general aviation airport. OEA does not constitute a part of the Airport System and revenues derived from the operation of OEA are not pledged to payment of the Bonds, Priority Subordinated Indebtedness, Secondary Subordinated Indebtedness and CFC Indebtedness or the interest or premium, if any, thereon. Likewise, the Authority may not expend Revenues on the operation of OEA unless the "Airport System" is revised to include that airport. However, the Authority may include OEA within the definition of the Airport System by a future Supplemental Resolution to the Bond Resolution, and upon delivery to the Trustee of (a) confirmation from each Rating Agency then maintaining a rating at the request of the Authority on any Bonds, Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness outstanding that adding OEA to the Airport System will not result in a reduction or withdrawal of the credit ratings then assigned to the Bonds and Subordinated Indebtedness outstanding and (b) the written consent of any bond insurers or other credit provider having in effect a bond insurance policy insuring, or other credit enhancement securing, payment of any Bonds, Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness outstanding under the Bond Resolution. See "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto. Currently, the Authority has no plans to include OEA within the Airport System.

The Airport is located in central Florida, nine miles southeast of downtown Orlando in Orange County, Florida. The Airport occupies approximately 11,605 acres of land. The service region for the Airport extends throughout central Florida, an attribute made possible by its location at the crossroads of Florida's road network and the availability of low fares at the Airport. The primary metropolitan area within the Airport service region is the Orlando-Kissimmee-Sanford Metropolitan Statistical Area, which comprises Lake, Orange, Osceola and Seminole Counties (the "Orlando MSA"). With a population of 2,673,376 in 2020, the Orlando MSA accounted for approximately 12% of the population of the State according to the United States Census Bureau.

The Orlando region is one of the primary tourism destinations in the United States. In 2020, more than 35.2 million people visited the Orlando MSA. The area also features significant convention and cruise ship activity. In addition to tourism, the Orlando MSA's economy features increasing diversification via healthcare, aerospace and defense, finance, and advanced manufacturing, and a large education sector with several colleges and universities, including the University of Central Florida with an enrollment of more than 70,000 students. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT."

The Airport was the busiest airport in Florida in terms of enplaned passengers in Fiscal Years 2019, 2020 and 2021, with over 24.2 million revenue enplaned passengers in 2019 (26% of revenue enplaned passengers at all Florida airports for that year), nearly 14.1 million revenue enplaned passengers in 2020 (25% of revenue enplaned passengers at all Florida airports for that year) and over 16.5 million revenue enplaned passengers in 2021 (unaudited) (25% of revenue enplaned passengers at all Florida airports for that year) and was the 9th busiest in the United States in calendar year 2020. The Airport was the second largest airport in the United States in terms of origin and destination for the 12 month period ended June 30, 2021. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT."

The current fiscal year of the Authority is the 12-month period beginning on October 1 and ending on September 30 (the "Fiscal Year").

Authority Governing Board and Management

The Authority is governed by a seven-member board. Five members are appointed by the Governor of the State, subject to confirmation by the State Senate, one member is the Mayor of the City and one member is the Mayor of Orange County, Florida. One of the five members of the Board appointed by the Governor must be a resident of Osceola County, Florida. Members appointed by the Governor are appointed for four-year terms. All Board members may be reappointed, provided that the maximum consecutive service for appointed members may not exceed eight years or two consecutive four-year terms, whichever is longer.

The current Board members and their respective term expiration dates are provided below.

<u>Board Member</u>	<u>Term</u>
M. Carson Good, Chairman	April 16, 2022
The Honorable Buddy Dyer, Vice Chairman	Term in Office
The Honorable Jerry Demings, Treasurer	Term in Office
Craig Mateer	April 16, 2024
Dr. John L. Evans, Jr.	April 16, 2022
Tim Weisheyer	April 16, 2024
Belinda Kirkegard	April 16, 2024

The Airport System is managed by a Chief Executive Officer who oversees a staff of approximately 780 employees (includes full-time, part-time and temporary employees) as of September 30, 2021. Phillip N. Brown was the Chief Executive Officer until January 22, 2022 and retired from the Authority on January 31, 2022. The Authority selected Kevin J. Thibault as the successor Chief Executive Officer to Mr. Brown and has instructed the Authority's counsel to enter into contract negotiations with Mr. Thibault. The Authority also appointed Thomas W. Draper as the Acting Chief Executive Officer, who will serve in this role until Mr. Brown's successor begins.

Biographical data concerning the selected successor Chief Executive Officer, the Acting Chief Executive Officer and certain other key officials of the Authority is set forth below.

Thomas W. Draper. Mr. Draper is the Acting Chief Executive Officer* and Chief of Operations for the Authority. As Acting Chief Executive Officer, he is responsible for the operation and management of the Airport and OEA and, as Chief of Operations, is responsible for the overall management of the daily airport operation at the Airport and OEA. His areas of responsibility include airport operations, general aviation, security, maintenance, customer experience, emergency management, and aircraft rescue and firefighting. As part of his duties, Mr. Draper is charged with the oversight of planning, developing, promoting, and implementing, operating and budgeting for programs. He also oversees the Airport's emergency preparedness and management. Mr. Draper joined the Authority as a firefighter/paramedic over thirty years ago. He moved through the ranks of the Airport fire department and briefly served in the Airport's maintenance department before moving into Airport operations where over the last twenty years he has been responsible for the Airport's emergency management program as well as the Landside and Ground Transportation Services Divisions before serving as Director, Senior Director, and now Chief of Operations. Mr. Draper holds an A.S. Degree in Emergency Medical Services, a B.S. Degree in Management, and is accredited as a Master Exercise Practitioner (MEP) by the Federal Emergency Management Agency (FEMA).

* The Authority selected Kevin J. Thibault as the successor Chief Executive Officer to Mr. Brown and has instructed the Authority's counsel to enter into contract negotiations with Mr. Thibault. Mr. Thibault has been the Secretary of the State of Florida Department of Transportation since 2019. In addition

to holding two other positions at the Florida Department of Transportation over the past twenty years, Mr. Thibault, a professional engineer, has worked at several engineering firms since 1985.

Kathleen M. Sharman. Ms. Sharman has been the Chief Financial Officer of the Authority since 2016. As Chief Financial Officer she is responsible for managing the finance and purchasing departments for the Authority and manages a nearly \$600 million annual operating budget and an approximately \$3.6 billion capital improvement program. During her tenure at the Authority, Ms. Sharman has, among other things, negotiated and implemented utility public/public partnerships, liquidity facilities providing over \$500 million in capacity, an innovative rates and charges methodology which encourages efficient use of the Airport facilities, rate and revenue sharing agreements with airlines and managed multiple PFC application and approval processes. Ms. Sharman also secured the first S&P Green Evaluation for a U.S. airport for bond financing related to the South Terminal Complex at the Airport. Ms. Sharman has more than 30 years of accounting and finance experience across multiple transportation modes (toll roads, transit and airport) as well as solid waste and real estate industries in the public and private sectors. Prior to joining the Authority, Ms. Sharman served as the CFO and Treasurer of the New Jersey Transit Corporation, one of the nation's largest providers of bus, rail and light rail transit with over 11,000 employees and an operating budget of over \$2 billion. In this capacity, she was responsible for managing the accounting, budget, treasury, risk management, real estate, pension and benefits and project finance functions of the corporation and was the President of ARH III, the Corporation's Insurance Captive. Her public sector experience also includes serving as CFO and Treasurer of Georgia's State Road and Tollway Authority where she managed a nearly \$2 billion GARVEE program, a \$40 million State Transportation Infrastructure Bank and the finance and administrative functions of the Authority. In addition, she served as the CFO and Treasurer for the South Jersey Transportation Authority, operator of the Atlantic City Expressway and the Atlantic City International Airport. Ms. Sharman's accomplishments include managing more than \$8 billion in bond debt issues and managing creative project financings and public-private partnership transactions in both Georgia and New Jersey as well as overseeing the Atlantic City Expressway's initial implementation of the E-ZPass® electronic-toll-collection back-office interface. Ms. Sharman began her career at Arthur Andersen and has held corporate Controller positions for several private sector companies in the solid waste and real estate industries. During the COVID-19 pandemic, Ms. Sharman managed financial mitigation measures for the Airport, including reductions in O&M expenses, relief to concessionaires, rental car companies and airlines, utilization of federal grants and liquidity enhancement. Ms. Sharman is an active member of the Airports Council International and is the current Vice Chair of the Finance Steering Committee where she is a frequent presenter and moderator. She has also been recognized as the Airports Council International's 2021 Finance Professional of the Year (Large Hub Airports) and as The Bond Buyer's 2018 Trailblazing Women in Public Finance. She is currently a board member of the Florida Chapter of Women in Public Finance and was named a 2022 Orlando Business Journal "Women Who Mean Business". Ms. Sharman holds a Bachelor of Business Administration from George Washington University and is a Certified Public Accountant.

Yovannie Rodriguez. Ms. Rodriguez is the Chief Administrative Officer for the Authority and a Certified Member through the American Association of Airport Executives. As the Chief Administrative Officer, she is responsible for Board Services, Concessions, Small Business, Records and Executive Administration. She represents the Authority's interests and provides guidance and advice to the Chief Executive Officer, Directors and internal departments on a wide variety of administrative matters related to all aspects of the Authority and assists in achieving strategic development of the Airport by directing administrative objectives and administrative controls, policies and procedures resulting in the efficient and effective accomplishment of strategic and tactical objectives. Prior to this position, she served as Deputy General Counsel and as the Interim Senior Director of Concessions and Commercial Properties. As former Deputy General Counsel to the Authority, Ms. Rodriguez counseled on a capital improvement program involving \$3 billion in infrastructure development, including an intermodal complex, related improvements, transportation infrastructure, a new terminal complex, development of procurement plans,

contract documents, risk management and insurance and bonding plans, as well as small business participation. Ms. Rodriguez currently advises on ongoing matters related to all diversity programs including the federally required DBE, ACDBE and Title VI as well as voluntary programs including Minority and Women Business Enterprise, Local Developing Business Initiatives and Veteran Business Enterprise Initiatives. Ms. Rodriguez has been admitted to the Florida Bar since 1999. She received her Juris Doctor degree from Florida State University and a Bachelor of Arts degree in Political Science from Stetson University. Ms. Rodriguez is certified in Project Management through the Airports Council International for which she serves on the Legal Steering Committee.

Kathy Bond. Ms. Bond is the Senior Director of Human Resources & Risk Management for the Authority. She has over 27 years of experience in human resources. Ms. Bond directs all of the Aviation Authority's human resources functions that include employee and labor relations, compensation, HRIS, benefits, staffing, training, development and associated regulatory compliance. In 2016, she assumed oversight of the Risk Management Department. A lifelong resident of Florida, Ms. Bond joined the Authority in 1992 as the Administrative Aide in the Human Resources Department and has held progressively responsible positions within the department. She was appointed Director of Human Resources in August 2005. She is a graduate of Rollins College with the Degree of Master of Human Resources, a certified Florida Public Sector Labor Relations Professional, and Certified Public Pension Trustee, a member of the Society of Human Resource Management, the Florida Public Personnel Association, Airports Council International and other professional organizations. Ms. Bond serves as Chairperson for the Aviation Authority's Retirement Benefits Committee and the Chief Negotiator for the Aviation Authority's labor contract.

Carolyn M. Fennell. Ms. Fennell is the Senior Director of Public Affairs and Community Relations and is responsible for external and internal media and public relations at the Airport and OEA. In her role as primary spokesperson, she oversees all domestic and international media relations including crisis communications for both airports. At the Authority, she has had various roles in international marketing, customer service and community outreach. Prior to joining the Aviation Authority, she has held positions as production assistant to Peter Jennings for *ABC News* in London and a publicist for Walt Disney World. Among her numerous awards are Public Relations Professional of the year by the Florida Public Relations Association, Orlando Business Journal Business Woman of the Year and Airports Council of North America's Ted Bushelman Legacy Award for Creativity and Excellence. Ms. Fennell served on the Jacksonville Branch Board of Directors for the Federal Reserve Bank of Atlanta and was twice appointed Chair of the Board in 2013 and 2016. She previously served on the Executive Committee and Board of Directors for the Orlando/Orange County Convention & Visitors Bureau, now Visit Orlando. In the airport industry, she served on the Airports Council International –North America Marketing and Communications Steering Committee and previously twice Chairman of that committee. Ms. Fennell, long active in the Central Florida community, in 2015 the Florida Commission on the Status of Women awarded Ms. Fennell for Outstanding Contributions and Services to the Community. In September of 2010, she was inducted into the Central Florida Hospitality Hall of Fame by the University Central Florida Rosen College of Hospitality. She currently serves on the Boards of the Valencia College Foundation, Central Florida Hotel Lodging Association, Orlando Museum of Art, Orlando Philharmonic Orchestra and Valencia Community College Foundation. In addition, Ms. Fennell was previously named by Orlando Magazine as one of the 15 women defining power in Central Florida. As a featured speaker, she has addressed national conferences, universities, student organizations and international and civic groups. With her broad international experience, Ms. Fennell has lived in the United Kingdom, Asia, and the South Pacific. She holds a Bachelor of Arts degree in English and Journalism from Florida A & M University and studied at Queen's University, Belfast, Northern Ireland, and the University of the South Pacific, Suva, Fijiarch 2020.

Victoria Jaramillo. Ms. Jaramillo is Senior Director Air Service Development & Marketing for the Airport is one of the leading airport marketing officials in the U.S., with 28 years of aviation marketing

experience in Orlando and Miami, as well as 13 years of tourism and economic development experience in Florida. Ms. Jaramillo joined Authority in January 1994. She is responsible for air service development, strategic planning for new routes, airline relationships, passenger marketing and advertising, aviation research, and website. Ms. Jaramillo has successfully worked on bringing dozens of new nonstop routes to the Airport including Frankfurt, Sao Paulo, Amsterdam, Medellin, Bogotá, Dubai, Santo Domingo, Lima, Oslo, Dublin, Panama, Mexico City, Seattle, and San Diego among many others. During her 25 years with the Airport, passenger traffic has risen from 22.4 million passengers to over 50 million annual passengers. Ms. Jaramillo previously worked as Chief of Aviation Marketing for Miami International Airport. She is the former International Business Manager for the Beacon Council of Miami, for which she assisted in attracting foreign investment and joint venture opportunities to Miami Dade County. In addition, she was an International Sales Representative for the Florida Division of Tourism and is a former Walt Disney World Ambassador, representing Disney worldwide at key domestic and international events. Ms. Jaramillo currently serves as the Incoming Chairperson of Experience Kissimmee and will Chair the Board in 2021. She also serves on the international committee of Visit Florida. She previously served as Chairperson of Airport Council International – U.S. International Air Service Program; is past president of the Central Florida Business Travel Association and the Miami American Marketing Association. The Hispanic Chamber of Greater Orlando recognized Ms. Jaramillo in 2013 as one of the top 25 Influential Hispanics in Central Florida. She led the Airport team that won the 2015 Routes Americas Excellence in Airport Marketing Award in the over 20 million-passenger category. Most recently, Ms. Jaramillo was the winner of the 2018 Don Quixote Award for Professional of the Year by the Hispanic Chamber of Greater Orlando and Prospera. Orlando Business Journal named Vicki one of Central Florida's 2019 game changers as well as the 2019 Business Women of the Year. She holds a Bachelor of Science degree in Marketing and Multinational Business from Florida State University.

Davin D. Ruohomaki. Mr. Ruohomaki is currently the Senior Director of Engineering and Construction for the Authority. Mr. Ruohomaki is focused on the planning, design and implementation of the Authority's strategic plan and capital improvement program. Mr. Ruohomaki is a former Corporate Officer/Vice President of URS Corporation (now Aecom), where he was responsible for total profit/loss for the Division of Florida Construction Management/Program Management (CMPM) operations and was Business Line Leader for the Mid-Atlantic South and Latin America. Prior to this role, Mr. Ruohomaki led the program management contract for the Orange County School Board/URS contract as Director of Construction, with the successful completion of over 70 school construction/renovation/transportation projects. Mr. Ruohomaki's experience includes design/construction of the Pentagon Renovation Program pre/post 911, design/construction of the first Sprint PCS facilities in the United States; design/construction of the telecom total infrastructure for Disney's Animal Kingdom Theme Park; Manager of Project Management for all information technology project management work on Disney property in central Florida. Mr. Ruohomaki graduated as a Distinguished Military Graduate from the Virginia Military Institute in 1989 with a B.S. in Mechanical Engineering and earned his Executive Master of Business Administration from the University of Central Florida in 2000.

Airport Facilities

Airfield. The Airport has four north-south commercial aircraft runways and a passenger terminal complex located between the two sets of parallel runways. The runways are designated as Runway 18L/36R, Runway 18R/36L, Runway 17R/35L, and Runway 17L/35R. All four runways have full instrumentation and lighting to permit all weather operations and are capable of handling all commercial aircraft currently in use, with Runway 18R/36L capable of accommodating Group VI aircraft (e.g., the Airbus A380 and Boeing 747-8). The spacing between sets of parallel runways is adequate to allow triple simultaneous approaches under instrument flight rules set by the Federal Aviation Authority (the "FAA"). The runways are supported by a network of taxiways, aprons, and hold areas.

The Airfield, which serves both the current North and future South Terminals is undergoing rehabilitation projects. Taxiway J construction rehabilitation reached final completion as well as runway 17R-35L in 2019 and rehabilitation of Runway 18L-36R began during 2020 and is substantially complete. Three crossover taxiways connect the runways on either side of the terminal complex.

<u>Runway</u>	<u>Length</u>	<u>Width</u>
18L/36R	12,005 feet	200 feet
18R/36L	12,004 feet	200 feet
17R/35L	10,000 feet	150 feet
17L/35R	9,001 feet	150 feet

North Terminal Complex. The North Terminal Complex consists of the landside terminal, four airside buildings with associated aircraft parking aprons and connecting taxiways, automated people movers (“APMs”) connecting the landside terminal to the airside buildings, an in-terminal Hyatt Regency Hotel (the “Hotel”), a terminal roadway system with associated signage, ground level and structured parking for automobiles, rental car facilities, landscaping, a hydrant fueling storage and distribution system, a flood control bypass canal, and utilities and drainage.

The landside terminal and airside buildings provide approximately 3.5 million square feet of enclosed space, excluding the Hotel, which comprises an additional 807,000 square feet. On a gross square footage basis, the North Terminal Complex, including the Hotel, the unenclosed roadways under the landside terminal, and the terminal rooftop parking, comprises approximately 6 million square feet. The north and south sides of the landside terminal are known as Terminals A and B, respectively. The airside buildings are known as Airsides 1, 2, 3 and 4.

Enhancements for the East and West checkpoint expanding the number of screening lanes was completed in Fiscal Year 2020, as well as relocation of the Transportation Security Administration (“TSA”) offices. During Fiscal Year 2020 the Airport became the first airport to implement the ability to accommodate 100% biometric screening for both entry and exit of international passengers. This allows for faster processing time for international travelers.

The landside terminal has ten levels. Level 1 accommodates ground transportation functions, including staging and parking areas for buses, limousines, and taxis as well as a tunnel under the terminal roadway system to connect passengers to parking facilities. Level 2 accommodates arrival and baggage claim functions, including space for rental car and bus check-in counters. Level 3 accommodates airline ticketing and departure functions and most of the landside terminal space allocated to food/beverage and retail merchandise concessions.

The Hotel is a 445-room facility with restaurants and conference facilities and is an integral part of the landside terminal and is directly accessible from Level 3, the departure level. The Hotel occupies Levels 4 through 10 on the eastern-most portion of the landside terminal. In addition to the Hotel areas, Levels 4 through 10 also accommodate parking. The Hotel remained open throughout the COVID-19 pandemic, although it accommodated far less customers than prior to the COVID-19 pandemic.

The landside terminal is connected by APMs to the four airside buildings. The airside buildings and aprons provide 93 Narrow Body Equivalent (“NBE”) contact aircraft gates for jet aircraft and associated passenger waiting areas, concessions, and airline operations space. Pursuant to the Rate Resolution, since October 1, 2019, the Authority no longer assigns specific gates to the Airlines on an exclusive or preferential use basis. All 93 gates are assigned on a flight by flight basis to the Airlines by the Authority in the Authority’s discretion, based on operational efficiency and scheduling priorities. As a result, all gates are available for use on a per turn basis. The Authority may award an Airline “priority access” rights to certain

gates, which gives the Airline scheduling priority at such gates, as specified from time to time in the Authority's Operating Policies and Procedures. Currently, of the 93 NBE jet aircraft gates, 80 gates are assigned gate access or priority gate access (if they meet the utilization threshold established in the operating procedures, currently six turns per gate per day) to Airlines that have signed Letters of Authorization (as defined in the Rate Resolution). The 13 remaining NBE gates are available for use on a per-turn basis. See "SUMMARY OF CERTAIN PROVISIONS OF THE RATE RESOLUTION AND THE AUTHORITY'S RATE MAKING METHODOLOGY" herein. Federal Inspection Services ("FIS") facilities are provided in airside buildings 1 and 4 and can accommodate international arrivals at 20 gates. In addition to the 93 NBE contact aircraft gates, the terminal apron provides aircraft parking for 22 remain-over-night spaces.

South APM Complex and ITF. The "South APM Complex" consists of: (a) the South APM System, an automated people mover system from the existing North Terminal Complex to the South APM Station (as defined herein), which connects passengers to the North Terminal Complex in less than 4 minutes; (b) the South automated people mover station (the "South APM Station"); (c) a parking facility, located on the South Entrance Road adjacent to the South APM Station, which will provide for rental car operations that will operate from the South Terminal Complex upon completion of South Terminal Complex on Levels 1-2 and approximately 2,400 public parking spaces on Levels 3-6 with remote check-in facilities for Alaska, American, Delta Air Lines, JetBlue Airways, Southwest Airlines and United Airlines ("Parking Garage C"); and (d) roadway systems, which include the South APM Complex entrance and departure roads, including roadway lighting and overhead signage.

The ITF, which is adjacent to the South APM Complex, will support future multi-modal travel connections in the vicinity of the South Terminal Complex to provide greater connectivity to the region and the State and relieve congestion in the existing North Terminal Complex. It includes infrastructure improvements that could accommodate at least three rail systems: (a) the South APM Station that connects to the North Terminal Complex, (b) the passenger train service between Miami and Orlando being developed by Florida East Coast Industries ("FECI"); and (c) SunRail, Central Florida's commuter rail line. FECI is the parent company of All Aboard Florida - Operations, LLC, which launched Virgin Trains, now known as Brightline, a privately owned express intercity passenger rail service that plans to connect Miami, Fort Lauderdale, West Palm Beach, and Orlando (via the station at the Airport). It was rebranded to Brightline in 2020. The Miami to West Palm Beach service is in operation. Construction of the last 35 miles of track for the 170-mile extension from West Palm Beach to the Airport started in June 2019. Brightline expects this service to begin operations in 2023. All Aboard Florida - Operations, LLC has also indicated its intentions for a potential additional extension beyond the Airport with stops at Walt Disney World and SunRail's Meadow Wood station and ultimately Tampa, subject to numerous actions that are required. Brightline's agreement with the Authority has been amended to allow for such southern connection, subject to certain conditions. Both the South APM Complex and the ITF opened in November 2017.

Roadway System and Public Parking Facilities. The North Terminal Complex is served by a three-level roadway system that provides access to separate enplaning, deplaning, and commercial vehicle curbsides on the north (Terminal A) and south (Terminal B) sides of the landside terminal at Levels 1, 2 and 3. Public parking spaces are located on Levels 4 through 10 of the garages adjacent to the landside terminal. In addition, there are two cell lots and a travel plaza. There are 22,458 public parking spaces located on the Airport, including 8,878 North Terminal Complex garage spaces, 2,418 South Terminal Complex garage spaces, and 11,162 satellite (economy) parking spaces located at remote lots to the north and south of the North Terminal Complex.

The North Cell Lot is located north of the terminal/existing Taxiway J and to the south of Cargo Road. This lot contains a Return-to-Terminal A roadway, access lanes, roadway signage, and restrooms with the capacity for approximately 227 passenger vehicles. The South Cell Lot was constructed by

reconfiguring the entrance to the existing Red Lot/Taxi Staging area and sits at the northeast corner of Jeff Fuqua Boulevard and South Park Place, adjacent to the South Travel Plaza. This lot consists of 200 passenger vehicle spaces.

The South Travel Plaza consists of a 9,000 square foot convenience store with 12 fuel pumps and restaurant including customer restrooms and outdoor seating on 2.6 acres. Improvements included subsurface fuel storage tanks, parking spaces, water, sanitary sewer, electric, natural gas, drainage utilities, landscaping, lighting, and associated project grading.

Rental Car Facilities. Rental car ready/return stalls are located on Levels 1 and 2 of the garages adjacent to the landside terminal. Adjacent to the garages at grade level (Level 1) are quick turnaround areas ("QTAs") for stacking, cleaning, fueling, washing, and staging cars prior to moving them into the ready car spaces in the garage. For information regarding rental automobile concessions, on-airport rental car companies and off-airport operators, see "THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM - Rental Automobile Concessions" herein and "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT - AIRLINE TRAFFIC ANALYSIS - Airport Facilities - Rental Car Facilities" attached hereto. There will be two floors reserved in Garage C for rental car ready/return.

Ground Access. The Airport is served by a combination of state roads and interstates that allow for convenient access to Orlando and the major attractions. The Airport can be accessed directly from the north or south using Jeff Fuqua Boulevard, which forms a loop around the Airport. For additional information regarding ground access at the Airport, see "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT - AIRLINE TRAFFIC ANALYSIS - Airport Facilities - Ground Access" attached hereto.

Commercial Property Development and Other Facilities. The Authority has pursued aviation and commercial development of the Tradeport Drive corridor on the west side of the Airport and the Heintzelman Boulevard corridor on the east side of the Airport. The Tradeport area comprises approximately 1,000 acres and the Heintzelman Boulevard corridor comprises approximately 440 acres. The Authority's commercial development property will allow it to participate in the continued economic growth of the region. For additional information regarding the economic growth of the region, and the facilities at the Tradeport Drive and Heintzelman corridors, see "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT - AIRLINE TRAFFIC ANALYSIS - Airport Facilities - Commercial Property Development and Other Facilities" and " - Airport Service Region" attached hereto.

Airlines Serving Orlando International Airport

As of January 2022, a total of 34 passenger airlines served the Airport, including five U.S. network passenger airlines, one regional airline, two low cost carriers ("LCCs"), four ultra-low cost carriers ("ULCCs"), 19 foreign-flag airlines, and three chartered airlines. One additional foreign-flag airlines (GOL Airlines) is expected to resume service in the second quarter of 2022 for a total of 35 passenger airlines as shown in the following table. Regarding the foreign-flag airlines, Lufthansa resumed service at the Airport in June 2021, followed by Emirates, Icelandair and LATAM Peru in July 2021, Caribbean in August 2021; and Aer Lingus, Azul, British Airways, LATAM Brasil, and Virgin Atlantic in November/December 2021 after the easing of international travel restrictions. In addition, 11 airlines provided all-cargo service during Fiscal Year 2021.

Airlines Serving Orlando International Airport
(as of January 2022)

Network Airlines

Alaska Airlines
American Airlines
Delta Air Lines
Hawaiian Airlines
United Airlines

Regional Airlines

Silver Airways

Low Cost Carriers

JetBlue Airways
Southwest Airlines

Ultra Low Cost Carriers

Avelo⁽¹⁾
Frontier Airlines
Spirit Airlines
Sun Country

All-Cargo Airlines

ABX Air
Amerijet International
Atlas Air
DHL Air
DHL Aero Expreso
FedEx
Kalitta Air
Mountain Air Cargo
National Air Cargo Group
Suburban Air Freight
United Parcel Service

Foreign-Flag Airlines

Aer Lingus⁽²⁾
Aeromexico
Air Canada
Air Transat
Avianca
Azul Airlines⁽³⁾
Bahamasair
British Airways⁽²⁾
Caribbean Airlines
COPA Airlines
Emirates
GOL Airlines⁽⁴⁾
Icelandair
LATAM Brasil⁽³⁾
LATAM Peru
Lufthansa
Virgin Atlantic Airways⁽²⁾
Viva Air (Fast Colombia SAS)
Volaris
WestJet

Chartered Airlines

National
Omni Air International
Swift Air

Note: Airline service by regional affiliates of network airlines is not shown separately.

(1) Commenced Airport operations in November 2021; formerly operated as Xtra Airways.

(2) Resumed service in November 2021.

(3) Resumed service in December 2021.

(4) Expected to resume service during the second quarter of 2022.

Source: Greater Orlando Aviation Authority.

Frontier Group Holdings, Inc., parent company of Frontier Airlines, Inc. ("Frontier Airlines"), and Spirit Airlines, Inc. ("Spirit Airlines") announced on February 7, 2022 that they have agreed to merge Frontier Airlines and Spirit Airlines. The Authority cannot determine at this time if the merger will be approved by the necessary governing agencies or bodies or what effect such a merger would have on the Airport, if approved. See "THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM – Airline Market Shares," "CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS – Airline Industry Consolidation, Competition and Airfares" and "CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS – Growth of Low Cost Carriers and Ultra Low Cost Carriers" herein.

The following table sets forth the number of aircraft gates (80) for which Airlines have committed to pay on a fixed monthly fee basis (“Committed Gates”) as of September 30, 2021 through Fiscal Year 2024. See “SUMMARY OF CERTAIN PROVISIONS OF THE RATE RESOLUTION AND THE AUTHORITY’S RATE MAKING METHODOLOGY” herein for more information about the Airlines’ use and occupancy of Terminal premises.

**Number of Committed Narrow Body Equivalent Access Gates by Airline
as of September 30, 2021**

<u>Assigned Under Letters of Authorization</u>	
AeroMexico	1
Air Canada	1
American Airlines	9
Bahamasair	1
British Airways*	1.5
COPA Airlines	1
Delta Air Lines	8
Frontier Airlines	7
JetBlue Airways	10
Silver Airways	1
Southwest Airlines	20
Spirit Airlines	8
United Airlines	9
Virgin Atlantic*	1.5
WestJet	<u>1</u>
Total Preferential Use Gates	<u>80</u>
Authority Gates	<u>13</u>
Total	<u>93</u>

* British Airways and Virgin Atlantic are assigned jumbo preferential use gates.

Source: Greater Orlando Aviation Authority.

Airline Market Shares

In Fiscal Years 2020 and 2021, Southwest Airlines accounted for 22.2% and 23.6%, respectively, of all passengers enplaned at the Airport, less than its Fiscal Year 2010 share of 34.9%. Spirit Airlines accounted for the second largest share with 13.7% and 16.9%, followed by Delta Air Lines with 12.1% and 12.7%, American Airlines with 12.0% and 11.8%, Frontier Airlines with 10.8% and 12.3%, JetBlue Airways with 10.7% and 10.3% and United Airlines with 7.9% and 8.4%.

Over the past decade, LCCs and ULCCs providing primarily domestic service were the primary drivers of increased passenger volumes at the Airport, increasing their collective market share of total enplaned passengers from 18% in Fiscal Year 2000 to 51% in Fiscal Year 2010 to 54% in Fiscal Year 2019, to 58% in Fiscal Year 2020, and to 64% in Fiscal Year 2021.

In recent years, ULCCs have accounted for an increasing share of total enplaned passengers, with 4.0% in Fiscal Year 2010, 20.7% in Fiscal Year 2019, 24.8% in Fiscal Year 2020, and 29.8% in Fiscal Year 2021. This gain came largely at the expense of the legacy airlines (Delta, United, and American) which, as a group,

declined from 75% in Fiscal Year 2000 to 43% in Fiscal Year 2010, and to 34% in Fiscal Years 2019, 2020 and 2021. Foreign-flag carriers increased their share from 7% in Fiscal Year 2000 to 8% in Fiscal Year 2010, 11% in Fiscal Year 2019, 9% in Fiscal Year 2020, and 2% in Fiscal Year 2021 as a result of the restrictions on international travel. In addition to domestic service provided by LCCs and ULCCs, international service is also provided by (1) two U.S. LCCs (JetBlue and Southwest), (2) two U.S. ULCCs (Frontier and Spirit), and (4) four foreign-flag lost cost airlines (GOL, Volaris, Viva Air (formerly VivaColombia), and Westjet).

The following table sets forth comparative passenger market share information for air carriers serving the Airport during Fiscal Years 2017 through 2021.

**Historical Airline Market Shares
Percentage of Total Passengers
for Fiscal Years 2017 - 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Participating Airlines					
Southwest Airlines	23.58%	22.15%	21.66%	23.80%	24.97%
Spirit Airlines	16.87	13.71	11.26	8.48	6.61
Delta Air Lines	12.73	12.05	13.34	13.91	14.17
American Airlines	11.78	12.01	11.24	11.96	12.68
Frontier Airlines	12.26	10.82	9.06	8.06	7.17
JetBlue Airways	10.30	10.74	11.95	12.23	13.00
United Airlines	8.43	7.90	8.25	8.50	8.66
Air Canada	0.12	1.38	1.49	1.56	1.62
Virgin Atlantic	-	1.05	1.75	1.77	1.95
COPA Airlines	0.73	0.79	0.98	0.97	0.91
WestJet	0.04	0.78	0.92	0.89	0.81
British Airways	-	0.41	0.61	0.59	0.62
AeroMexico	0.38	0.29	0.34	0.43	0.47
Silver Airways	0.33	0.30	0.27	0.34	0.33
Bahamasair	<u>0.09</u>	<u>0.11</u>	<u>0.19</u>	<u>0.20</u>	<u>0.20</u>
Subtotal Participating Airlines	97.63%	94.49%	93.32%	93.68%	94.18%
Non-Participating Airlines					
Domestic Mainline	1.91%	1.74%	1.67%	1.65%	1.46%
Foreign Flag Airlines	<u>0.46</u>	<u>3.76</u>	<u>5.02</u>	<u>4.67</u>	<u>4.36</u>
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Greater Orlando Aviation Authority.

Enplaned Passengers at the Airport

The following table sets forth the Airport's historical data for (a) domestic enplaned passengers, (b) international enplaned passengers, (c) total enplaned passengers (a+b=c), (d) international enplaned passengers as a percentage of total enplaned passengers (b/c=d), and (e) the respective annual percentage changes, for Fiscal Years 2012 to 2021.

**Greater Orlando Aviation Authority
Orlando International Airport
Historical Domestic, International and Total
Enplaned Passengers
Fiscal Years 2012-2021**

Fiscal Year Ended <u>September 30</u>	Domestic Enplaned Passengers <u>(a)</u>	Percent Change for Domestic Enplaned Passengers from <u>Previous Year</u>	International Enplaned Passengers <u>(b)</u>	Percent Change for International Enplaned Passengers from <u>Previous Year</u>	Total Enplaned Passengers <u>(a + b = c)</u>	Percent Change for Total Enplaned Passengers from <u>Previous Year</u>	International Enplaned Passengers as Percentage of Total Enplaned Passengers <u>(b/c=d)</u>
2012	15,870,366	(1.30%)	1,859,675	9.91%	17,730,041	(0.24%)	10.49%
2013	15,470,690	(2.52)	1,956,577	5.21	17,427,267	(1.71)	11.23
2014	15,477,676	0.05	2,057,323	5.15	17,534,998	0.62	11.73
2015	16,426,194	6.13	2,400,904	16.70	18,827,098	7.37	12.75
2016	17,978,587	9.45	2,758,469	14.89	20,737,056	10.14	13.30
2017	18,882,512	5.03	2,836,039	2.81	21,718,551	4.73	13.06
2018	20,224,240	7.11	3,158,033	11.35	23,382,273	7.66	13.51
2019	21,261,946	5.13	3,584,896	13.52	24,846,842	6.26	14.43
2020 ⁽¹⁾	12,971,025	(38.99)	1,567,101	(56.29)	14,538,126	(41.49)	10.78
2021 ⁽¹⁾	16,368,437	26.19	615,805	(60.70)	16,984,242	16.83	3.63

(1) Decreases are a direct result of COVID-19. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT" herein for more information.
Source: Greater Orlando Aviation Authority.

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The table below shows the trend in monthly enplaned passengers at the Airport since January 2019 and the impact on passenger traffic during the pandemic.

Orlando International Airport Monthly Enplaned Passengers (Calendar Year)

	Calendar Year <u>2019</u>	Calendar Year <u>2020</u>	2020 as % of 2019	Calendar Year <u>2021</u>	2021 as % of 2019
January	2,084,238	2,200,391	105.6%	1,005,364	48.2%
February	1,946,961	2,151,015	110.5	975,947	50.1
March	2,384,019	1,368,452	57.4	1,503,614	63.1
April	2,179,366	82,335	3.8	1,658,706	76.1
May	2,218,675	183,966	8.3	1,878,627	84.7
June	2,128,331	433,523	20.4	1,906,837	89.6
July	2,210,681	597,557	27.0	2,061,525	93.3
August	2,123,800	569,069	26.8	1,794,414	84.5
September ⁽¹⁾	1,558,101	583,307	37.4	1,509,929	96.9
October	2,000,975	778,779	38.9	1,801,982	90.1
November	2,095,613	899,464	42.9	1,935,408	92.4
December	<u>2,271,923</u>	<u>1,011,036</u>	<u>44.5</u>	<u>2,035,738</u>	<u>90.0</u>
TOTAL	25,202,683	10,858,894	43.1%	20,068,091	79.6%

(1) During the week of September 2, 2019, Hurricane Dorian hit central Florida and the Airport was partially closed.
Source: Greater Orlando Airport Authority.

The following table provides a comparison of the monthly enplanements for domestic and international travel for Fiscal Years ended 2019, 2020 and 2021, and the first two months of Fiscal Year 2022 and the percentage difference from 2019. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT – Impact of the COVID-19 Pandemic on Enplanements at the Airport" herein.

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**Orlando International Airport
Monthly Enplaned Passengers
(in thousands)**

<u>Month</u>	<u>Domestic Enplaned Passengers</u>					<u>International Enplaned Passengers</u>				
	<u>Calendar Year</u>			<u>Percent of 2019</u>		<u>Calendar Year</u>			<u>Percent of 2019</u>	
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
January	1,785	1,920	970	107.6%	54.4%	300	280	35	93.6%	11.8%
February	1,677	1,883	958	112.3	57.1	270	268	18	99.3	6.8
March	2,058	1,197	1,470	58.2	71.4	326	171	34	52.5	10.3
April	1,865	80	1,619	4.3	86.8	314	2	40	0.7	12.6
May	1,902	183	1,817	9.6	95.6	317	1	61	0.4	19.4
June	1,828	433	1,830	23.7	100.1	300	1	77	0.2	25.7
July	1,881	591	1,960	31.4	104.2	330	7	102	2.0	30.9
August	1,797	562	1,704	31.3	94.9	327	7	90	2.1	27.6
September	1,321	577	1,434	43.7	108.6	238	7	76	2.8	32.0
October	1,749	765	1,711	43.7	97.8	252	14	91	5.5	36.1
November	1,824	875	1,812	48.0	99.5	272	24	121	9.0	44.3
December	<u>1,972</u>	<u>967</u>	<u>1,833</u>	<u>49.0</u>	<u>92.9</u>	<u>300</u>	<u>44</u>	<u>202</u>	<u>14.8</u>	<u>67.3</u>
Total Airport ⁽¹⁾	21,658	10,033	19,118	46.3%	88.3%	3,546	826	947	23.3%	26.7%

(1) Totals may not add due to rounding.

Source: Greater Orlando Aviation Authority.

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Airline Activity at the Airport

Between July 2010 and July 2019, passenger airline service at the Airport, in terms of scheduled seats and departures, increased to domestic and international destinations. The increase through 2019 in domestic service at the Airport reflected strong growth by ultra-low-cost carriers during that period, particularly Frontier and Spirit. Latin America led the growth in international seats at the Airport between 2010 and 2019, followed by Europe and Canada.

Beginning in March 2020, the Airport experienced a sharp contraction in activity, when domestic and international flights in and out of the Airport were drastically curtailed due to the impact of the COVID-19 pandemic. While passenger activity at the Airport has fluctuated with increases in infection rates associated with new variants, including Delta and Omicron, in calendar year 2021, the Airport was the second busiest airport in the nation ranked by TSA screenings and was the fourth least impacted airport by COVID-19 in the nation ranked by TSA screenings comparing calendar year 2021 to 2019. See “IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT” herein for a comparison of passenger activity for Fiscal Years 2019, 2020 and 2021.

The number of domestic airports served by the Airport in Fiscal Years 2019, 2020 and 2021 were 98, 96, and 90, respectively. The number of international airports served by the Airport in Fiscal Years 2019, 2020 and 2021 were 61, 57 and 26, respectively. Fiscal Year 2022 is currently scheduled to have non-stop service to 99 domestic and 50 international airports. The following table shows monthly scheduled seat capacity for calendar years 2019, 2020 and 2021 and comparisons of 2020 and 2021 to 2019.

Orlando International Airport Monthly Scheduled Seat Capacity (Calendar Year)
(in thousands)

	Calendar Year <u>2019</u>	Calendar Year <u>2020</u>	2020 as % of 2019	Calendar Year <u>2021</u>	2021 as % of 2019
January	79,442	83,150	104.7%	48,837	61.5%
February	80,744	85,580	106.0	49,955	61.9
March	87,515	88,124	100.7	65,342	74.7
April	84,547	34,262	40.5	67,370	79.7
May	79,078	17,173	21.7	70,246	88.8
June	80,048	27,092	27.6	73,717	92.1
July	81,440	42,379	52.0	75,405	92.6
August	77,739	37,064	47.7	74,194	95.4
September	69,600	30,654	44.0	66,395	95.4
October	74,253	38,345	51.6	71,449	96.2
November	80,947	49,793	61.5	77,102	95.2
December	84,527	52,185	61.7	81,172	96.0

Source: Airline Data, Inc. as of January 5, 2022.

The Airport added a total of 59 new or resumed services since the start of Fiscal Year 2022, with another 43 scheduled to be added between February 2022 and November 2022, consisting of 22 domestic and 21 international flights. Of the 43 services expected to be added, four are new to destinations for the Airport (Aruba, Edinburgh, Monterrey and Port-au-Prince), five are existing markets into which a new airline is entering (Avianca to Medellin, Frontier to Aguadilla and Ft. Lauderdale, Spirit to Memphis and Ponce), and the remainder are resumption of incumbent carriers. Frontier accounts for 15 of the 43 domestic routes expected to be added through November 2022, followed by Westjet with seven, Spirit with four, Air Canada, Avianca, GOL, Silver, Southwest and Virgin Atlantic with two each, and one for each Aeromexico, Air Transit, British Airways, Icelandair and Sun Country.

See “IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT” herein.

International Airline Traffic in the Orlando MSA

Orlando International Airport. The Airport has scheduled passenger air service to international destinations in six geographical regions in the world, North America, Central America, South America, the Caribbean, Europe and the Middle East. See “-Airline Activity” above.

Sanford International Airport. International airline service in the Orlando MSA is also provided at Sanford International Airport (“Sanford”). Sanford is located within the Orlando MSA, approximately 34 miles north of the Airport. While located near the Airport, Sanford is classified by the FAA as a small hub airport and international service at Sanford has been focused on charter flights, most of which originated in the United Kingdom and elsewhere in Europe.

Rental Automobile Concessions

The Airport hosts one of the largest rental car markets in the U.S. Existing on-airport rental car concessions at the Airport include automobile rental concession agreements (the “Automobile Rental Concession Agreements”) with Sixt Rent A Car, Inc. (as successor to Advantage OPCO, LLC), Avis-Budget Car Rental, LLC, DTG Operations, Inc., Enterprise Leasing Company of Orlando, LLC, and The Hertz Corporation, which are scheduled to expire on the opening of South Terminal C. New on-airport Automobile Rental Concession Agreements were awarded by the Authority on April 17, 2019, with Avis-Budget Car Rental, LLC, Enterprise Leasing Company of Orlando, LLC, The Hertz Corporation and Sixt Rent A Car, Inc., which will commence on the opening of South Terminal C.

Consistent with the existing on-airport Automobile Rental Concession Agreements, the new on-airport Automobile Rental Concession Agreements require each rental car company to pay to the Authority the greater of a minimum annual guarantee (“MAG”), equivalent to 85% of the company's prior year Minimum Annual Privilege Fee (as defined in the respective Automobile Rental Concession Agreement), or 10% of the company's actual gross receipts, plus annual rental fees for all premises.

Pursuant to the CFC Enabling Resolution, the Authority collected CFCs equal to \$2.50 per day up to a maximum of five days from October 2008 through September 2017. Beginning October 1, 2017 CFCs were imposed at \$3.50 per day and are being collected up to a maximum of seven days. The CFCs collected are currently being used to pay the costs and expenses of financing, designing, constructing, operating, relocating and maintaining certain rental automobile facilities at the Airport, construction costs of Parking Garage C and to repay the 2018 CFC Bank Note.

In Fiscal Years 2019, 2020 and 2021 (unaudited), on airport rental car activity provided \$94.2 million, \$77.5 million and \$87.1 million, respectively in non-airline operating revenue. The 2021 - 2027 Capital Improvement Program includes projects that will accommodate the higher demand projected in the future. Such projects will be funded with CFCs.

Existing off-airport rental car concessions at the Airport include operating permits with an additional 21 rental car companies that require each company to pay to the Authority 10% of the company's actual gross receipts, plus trip charges for all commercial vehicles. In Fiscal Years 2019, 2020 and 2021 (unaudited), off-airport rental car concession activity provided an additional \$7.1 million, \$4.3 million and \$5.6 million in non-airline operating revenue, respectively.

Taxation of Facilities, Rentals and Services

All real and personal property owned by the City or the Authority and used exclusively for governmental, municipal or public purposes is currently exempt from ad valorem taxation. Real property owned by the City, operated by the Authority and used by or leased to private commercial entities for nongovernmental purposes is subject to ad valorem real property taxes. In most cases, a lessee is obligated under its lease with the Authority to pay such taxes. To the extent that certain property is used for nongovernmental purposes and such taxes are not the responsibility of a lessee, the Authority may have a legal obligation to pay or reimburse the City for that portion of taxes assessed against real property operated by the Authority. The Authority is unable to estimate the amount of any such taxes it may be required to pay. However, to the extent the Authority pays or reimburses the City for these taxes, the Authority expects that such taxes will be provided for in the Authority's annual budget, as an operating expense, and paid by rates, fees, rentals and other charges for use of the Airport System.

All tangible personal property owned by private enterprises, including that owned by Airlines, which is located on municipally owned airports, is currently subject to the County's tangible personal property tax.

All gross income received by the Authority for rental of land, buildings or space in buildings (with certain exclusions for property used exclusively for aircraft landing or taxiing and space used by Airlines in connection with loading or unloading passengers or property or for fueling aircraft) is subject to the Florida Sales and Use Tax (currently six and one-half percent). Such taxes are normally added to such rents and paid by the tenants to the Authority, but the Authority is also responsible for the collection and payment of such taxes.

The Authority is subject to certain taxes imposed with respect to the rental of Hotel rooms and the providing of goods and services in connection with the operation of the Hotel, but such taxes are ordinarily added to the fees paid by customers of the Hotel.

SUMMARY OF CERTAIN PROVISIONS OF THE RATE RESOLUTION AND THE AUTHORITY'S RATE MAKING METHODOLOGY

Unless expressly defined herein, capitalized terms used in this section entitled "SUMMARY OF CERTAIN PROVISIONS OF THE RATE RESOLUTION AND THE AUTHORITY'S RATE MAKING METHODOLOGY" shall have the meanings assigned thereto in the Rate Resolution, a copy of which is attached hereto as APPENDIX C.

Rate Resolution

Since November 1, 2013, the Authority has set rates by resolution, rather than by lease agreement. On August 28, 2019, the Authority adopted the Rate Resolution which became effective on October 1, 2019, and which applies to all Airlines, whether or not any such Airline specifically agrees in writing to its terms. The Rate Resolution has no expiration date and may be amended at any time by the Authority as it deems necessary or appropriate. The Rate Resolution provides for the payment of fees and charges by the Airlines as more fully described herein.

The documents underlying the Authority's rate making methodology include: (a) the Rate Resolution; (b) the Rate Methodology; (c) the Operating Permits; (d) the Letters of Authorization (e) the Revenue Sharing Agreement; and (f) the Authority Policies and Procedures. The Rate Resolution, Rate Methodology, Operating Permits, Letters of Authorization and Authority Policies and Procedures set forth (i) the methodology for calculating applicable Rates and Charges for Airline use of the Airfield and Terminal facilities at the Airport; (ii) the space, if any, assigned to each Airline on an exclusive or preferential basis for its use; (iii) the number of gates for which the Airline commits to pay for annual access rights, (iv) the timing and manner of required payments of Rates and Charges; and (v) other applicable operating conditions and requirements at the Airport.

The Rate Resolution applies to all Airlines operating at the Airport and/or making use of the Airfield or Terminal at the Airport, whether or not any such Airline specifically agrees in writing to the terms thereof. All Airlines operating at the Airport are expected to sign and deliver to the Authority either a Letter of Authorization or an Operating Permit prior to commencement of operations at the Airport. In any event, use of the Airfield or Terminal by an Airline in connection with its operations shall constitute the agreement by such Airline with the terms and conditions of the Rate Resolution, including in particular the Rate Methodology and the Rates and Charges determined in accordance with the Rate Methodology. Each Airline is offered the opportunity to execute a Letter of Authorization to commit to certain exclusive or preferential space (other than Gates) and to commit to pay for annual access rights to a specific number of Gates, and to obtain the benefit of rates that are calculated on a square footage basis (i.e., fixed monthly charge for assigned space). Letters of Authorization are also available to Airlines wishing to rent space other than hold rooms, ticket counters, bag make-up, and apron areas. Space (other than Exclusive Use Premises) not subject to a Letter of Authorization may be used by the Airline on a common use basis, but Airlines will be charged on a per turn or other activity basis for such use. See "Rate Methodology, Rates and Charges" below.

Use and Occupancy of Terminal Premises

Pursuant to the Rate Resolution, the Authority may, from time to time, establish minimum or maximum space, facilities and/or equipment usage requirements, pursuant to Authority Policies and Procedures. Unless an Airline enters into a Letter of Authorization for Exclusive Use Premises, the Airlines shall only use such Terminal space, facilities and equipment as shall be assigned to them from time to time by the Authority. Use of particular Baggage System equipment shall be assigned by the Authority to Airlines from time to time based on operational efficiencies and Airline needs. Except with respect to Gates, any Airline assigned specific Committed Premises pursuant to a Letter of Authorization shall be entitled to the exclusive or preferential use of such Committed Premises, as applicable, for the applicable term set forth in such Letter of Authorization. At such time as the Airline Premises are, in the reasonable discretion of the Chief Executive Officer, insufficient to support an Airline's operations, or use of the Airline Premises exceeds the legal capacity for such space, facilities or equipment, the Authority is entitled to assign and

charge to such Airline additional space, facilities or equipment on a per turn basis reasonably sufficient for such Airline's needs. Alternatively, such Airline may commit to occupy and use such additional space, facilities or equipment on an exclusive or preferential use basis in accordance with a Letter of Authorization.

Letters of Authorization may be for a duration of three months or longer and may be signed by an Airline at any time in order to classify Airline Premises as Committed Premises, but shall not be effective until signed by the Authority; provided that Letters of Authorization designating Gates as Committed Premises may only expire at the end of a Fiscal Year. Each Airline may, subject to its compliance with the Rate Resolution and Authority Policies and Procedures, use, in common with others so authorized by the Authority, all Airline Premises, including related space, facilities, equipment, Public Space, the Airfield Cost Center and Terminal Aprons for the operation of each Airline's Air Transportation Business and all activities reasonably necessary to such operations.

Rate Methodology, Rates and Charges

Each Airline is obligated to pay to the Authority Rates and Charges for the use and occupancy of the Airfield, Terminal Apron, and Terminal, which Rates and Charges are to be established by the Authority for each Fiscal Year and shall include, but not be limited to: Landing Fees, monthly charges for Committed Premises, Preferential Use Premises and Exclusive Use Premises, Facility Fees, FIS Fees, Airline Equipment Charges, Apron Use Fees, Common Use South Ticketing Area Charges, and Common Use Baggage Charges. The specific Rates and Charges payable by Airlines during a Fiscal Year and calculated using the Rate Methodology are based on estimates by the Authority of projected costs and Airline activity for the Fiscal Year. Debt Service, Debt Service Coverage, O&M Expenses, Operating Reserves and Amortization may be included in the Rates and Charges for any Fiscal Year in which the facility or equipment to which such relates comes into service, and for each Fiscal Year thereafter.

Within 30 days after the Board has accepted the audit for a Fiscal Year, the Authority shall recalculate Rates and Charges for such Fiscal Year based on actual costs and Airline activity, and provide notice to each Airline operating at the Airport during that Fiscal Year of the total actual Rates and Charges owed for such Fiscal Year, as compared to the Rates and Charges paid ("True-Up"). If an Airline has paid more Rates and Charges than was determined to be due following the True-Up, the Authority shall pay such excess to such Airline within 30 days after the True-Up calculation is complete. If an Airline has paid less Rates and Charges than was determined to be due following the True-Up, such Airline shall pay such shortfall to the Authority within 30 days after receipt of an invoice for such shortfall amount from the Authority, or the Authority may, in its discretion, recover such underpayment by offsetting such amount from any revenue sharing or other payments owed by the Authority to the affected Airline.

A Landing Fee for the use of the Airfield and an Apron Use Fee for the use of the Terminal Apron, will be designated, from time to time, by the Authority based on calculations using the Rate Methodology. See "AUTHORITY FINANCIAL INFORMATION" herein.

Pursuant to the Revenue Sharing Agreement, Participating Airlines have waived their right to challenge the Rate Methodology set forth in the Rate Resolution. The Authority expects that it will, at all times, continue to be able to impose rates and charges that would allow the Authority to generate revenues sufficient to cover the debt service payments in respect of all Outstanding Senior Bonds, including the Series 2022 Bonds and the Outstanding Subordinated Indebtedness. The Authority entered into a new five-year rate agreement with the Participating Airlines effective October 1, 2019.

Federal aviation law requires, in general, that airport fees be reasonable and that, in order to receive federal grant funding, all airport generated revenues must be expended for the capital or operating costs of the airport, the local airport system, or other local facilities owned or operated by the airport owner that are directly and substantially related to air transportation of passengers or property. Pursuant to the requirements of the Federal Aviation Administration Authorization Act of 1994, as subsequently amended in September 2013, the United States Department of Transportation (“U.S. DOT”) and FAA have promulgated regulations setting forth an expedited hearing process to be followed in determining the reasonableness of airport rates and charges, and have also promulgated a policy statement (the “Rates and Charges Policy”), which sets forth the standards that the U.S. DOT uses in determining the reasonableness of the fees charged to airlines and other aeronautical users. Any changes to the Rates and Charges Policy could impact the costs that are permitted to be included in determining the Airport's rate base and the extent to which such future guidelines may limit the Authority's flexibility in setting rates and charges for use of the Airfield and Terminal facilities at the Airport. Any new FAA guidelines or any standards promulgated by a court in connection with a dispute could limit the amounts and allocation of costs payable by airlines serving the Airport.

The Authority believes the Rate Methodology currently utilized by the Authority is reasonable and consistent with applicable law. However, there can be no assurance that a complaint will not be brought against the Authority with respect to the Rate Resolution or the Rate Methodology, and, if a judgment is rendered against the Authority, there can be no assurance that rates and charges paid by the Airlines using the Airport facilities will not be reduced. For more information regarding various other terms of the Revenue Sharing Agreement, including the Participating Airlines' agreement therein not to challenge the Rate Methodology established under the Rate Resolution, see “ - Revenue Sharing Agreement” below. Also, see the Report of the Airport Consultant attached hereto as APPENDIX A for more details regarding conditions associated with the existing Rate Methodology.

Annual Rate Changes

Prior to the end of each Fiscal Year, the Authority is required to notify the Airlines of the proposed schedule of initial Rates and Charges for the ensuing Fiscal Year and of any proposed changes in the Rate Methodology. Subject to limitations set forth in the Revenue Sharing Agreement, the Chief Executive Officer has the authority to modify the Rate Methodology as deemed appropriate, and such modification shall be deemed to be an amendment to the Rate Resolution and the modified Rate Methodology shall thereafter be incorporated therein, without any further action by the Board being required. If the Authority fails to complete the calculation of the new Rates and Charges and provide the required notice to the Airlines on or prior to the end of the then current Fiscal Year, the Rates and Charges then in effect shall continue to be paid by the Airlines until such calculations are concluded and such notice is given. All adjustments to Rates and Charges based on the True-Up or in accordance with the Fiscal Year end calculation of the proposed schedule of initial Rates and Charges, shall apply without the necessity of a formal consultation with the Airlines, Board action or any other approvals; provided there has been no change in the Rate Methodology.

Revenue Sharing Agreement

Certain Airlines have executed and delivered to the Authority the Revenue Sharing Agreement and, following execution by the Authority, by virtue of being a party to an effective Revenue Sharing Agreement, are eligible to receive a share of certain Authority revenues in exchange for certain long-term

commitments to the Authority. On August 28, 2019, the Authority approved the current form of Revenue Sharing Agreement for Fiscal Years 2020 through 2024.

Under the Revenue Sharing Agreement, the Airlines agree to pay Rates and Charges for its use and occupancy of space, facilities and equipment at the Airport calculated in accordance with the Rate Methodology for Fiscal Years 2020 through 2024. With the execution of the Revenue Sharing Agreement, the Airlines agree not to challenge the Rate Resolution, the Rate Methodology, or the Rates and Charges determined in accordance with the Rate Methodology for a period of five years (i.e., Fiscal Years 2020 through 2024).

Under the Revenue Sharing Agreement, the Airlines acknowledge that Rates and Charges are likely to, and are permitted to, change from year to year, even though the Rate Methodology does not change. Notwithstanding the foregoing, in the event (a) the Rate Methodology is successfully challenged by one or more Airlines, whether or not such Airlines signed a Revenue Sharing Agreement, (b) the Authority deems it to be in the Authority's best interest to settle a challenge to the Rate Methodology, (c) the Authority is otherwise required to modify the Rate Methodology in accordance with applicable law, regulation or directive, or (d) Airlines accounting for 75% or more of the enplaned passengers for the most recent 12 full months preceding an agreement to change the Rate Methodology do agree with the Authority on changes to the Rate Methodology, then the Authority shall be released of its obligation not to materially modify the Rate Methodology.

In the event the Authority materially modifies the Rate Methodology for any reason other than with the agreement of the Airlines accounting for 75% or more of the enplaned passengers for the most recent 12 full months preceding such agreement, then the Airlines shall have the option, for a period of 60 days after receipt of notice of such material modification, to terminate the Revenue Sharing Agreement and the remaining period of any Letter of Authorization; and upon termination by an Airline or upon any challenge by an Airline to the Rate Resolution, the Rate Methodology or Rates and Charges determined in accordance with the Rate Methodology, the obligation of the Authority to make any Revenue Sharing Payment to such Airline will terminate and be of no further force and effect. In the event an Airline challenges the Rate Methodology, such Airline will be obligated to reimburse to the Authority all Revenue Sharing Payments made to such Airline for the Fiscal Years to which the challenge relates. Reimbursed Revenue Sharing Payments from any other Airline party to a Revenue Sharing Agreement shall be retained by the Authority and not redistributed to such Airline or any other Airlines.

Under the Revenue Sharing Agreement, the Authority has agreed to pay to the Participating Airlines, for each Fiscal Year from Fiscal Year 2020 through Fiscal Year 2024, an amount equal to such Airline's Revenue Share Percentage of any Net Shared Revenues. The effect of such formula is that the Authority pays all Debt Service, Operating Expenses and Amortization for the entire Airport and, if any Revenues (other than certain excluded Revenues) remain, the Authority keeps the first \$55 million, gives the Airlines the next \$10 million and splits all remaining non-excluded Revenues with the Airlines on a 50/50 basis. Each Airline's proportionate share of Airline revenues is based on such Airline's percentage of certain payments made to the Authority by all Airlines.

The following table provides a listing of Participating Airlines as of September 30, 2021 which Participating Airlines accounted for 97.7% of the passenger market share at the Airport in Fiscal Year 2021.

**Participating Airlines
Orlando International Airport**

AeroMexico	JetBlue Airways
Air Canada	Silver Airways Corp.
American Airlines, Inc.	Southwest Airlines
Bahamasair	Spirit Airlines
British Airways	United Airlines
COPA Airlines	Virgin Atlantic Airways Ltd.
Delta Air Lines	WestJet
Frontier Airlines	

Source: Greater Orlando Aviation Authority.

Subordination to Amended and Restated Bond Resolution

The Rate Resolution and all privileges granted to the Airlines thereunder are expressly made subordinate and subject to the lien, covenants (including the rate covenants), and provisions of the Amended and Restated Bond Resolution. To the extent the Rate Resolution is inconsistent with the Authority's requirements under the Amended and Restated Bond Resolution, the Rate Resolution shall be deemed amended to the extent and for the duration needed to allow the Authority to comply with the requirements under the Amended and Restated Bond Resolution. To the extent required by the Amended and Restated Bond Resolution or law, the holders of Bonds or their designated representatives shall have the right to exercise any and all rights of the Authority under the Rate Resolution.

INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES

General - Revenues

Revenues are generally comprised of revenues received from Rates and Charges paid by Airlines as determined by the Rate Resolution, parking, concessions and rental car revenues, Hotel revenues and rental revenues for other Airport buildings and sites. The table below shows the percentage of total Revenue from the sources indicated for Fiscal Years 2019, 2020 and 2021 (unaudited):

% of Total Revenues (Fiscal Years Ended September 30)			
<u>Revenues Source</u>	<u>2021 (unaudited)</u>	<u>2020</u>	<u>2019</u>
Rates and Charges	28.7%	38.9%	37.0%
Terminal, Concessions, Parking & Rental Car	35.5	45.2	47.0
Hotel	4.4	6.5	7.4
Other Building and Ground	3.3	4.2	3.3
Other Operating	2.4	2.7	2.7
Interest and Other Non-Operating	0.8	2.5	2.6
Federal Relief	24.9	-	-

Source: Greater Orlando Aviation Authority.

Applicability of Rate Resolution

The Rate Resolution applies to all Airlines operating at the Airport and/or making use of the Airfield or Terminal at the Airport, whether or not any such Airline specifically agrees in writing to the terms thereof. All Airlines operating at the Airport are expected to sign and deliver to the Authority either a Letter of Authorization or an Operating Permit prior to commencement of operations at the Airport. In any event, use of the Airfield or Terminal by an Airline in connection with its operations shall constitute the agreement by such Airline with the terms and conditions of the Rate Resolution, including in particular the Rate Methodology and the Rates and Charges described or authorized in the Rate Resolution. See “SUMMARY OF CERTAIN PROVISIONS OF THE RATE RESOLUTION AND THE AUTHORITY’S RATE MAKING METHODOLOGY” herein.

Information Regarding Sources of Revenue

Airfield Area Revenue Sources. Sources of Airfield area revenues include fees for landing passenger and cargo aircraft, apron use, and fuel system rental and fees.

Airfield area revenue sources for Fiscal Years 2019, 2020 and 2021 (unaudited) amounted to approximately \$61.1 million, \$56.1 million and \$53.0 million, respectively, representing a decrease of approximately \$5.0 million and \$8.1 million, respectively, for Fiscal Years 2020 and 2021 (unaudited) when compared to 2019 due to a decrease in airline activity and additional landing fee revenues.

Terminal Area Revenue Sources. Sources of terminal area revenues include space rentals, privilege fees for the operation of terminal concessions, baggage fees and other miscellaneous airline fees. Sources of terminal concession revenues are food and beverage concessions, merchandise concessions, and other terminal concessions. The Authority has a written statement of policy for awarding concession and consumer service privileges at the Airport. In accordance with such policy, the Authority specifies performance and operating standards in its agreements with concessionaires in furtherance of its public service and revenue goals. Under the various concession agreements, the concessionaires pay to the Authority the greater of a percentage of gross receipts or a MAG. For more information regarding the Authority’s concession agreements, see “APPENDIX A - REPORT OF THE AIRPORT CONSULTANT - FINANCIAL ANALYSIS - Revenues - Non-Airline Revenues - Terminal Concessions” attached hereto.

Terminal area revenues for Fiscal Years 2019, 2020 and 2021 (unaudited) totaled approximately \$247.2 million, \$182.0 million and \$174.4 million, respectively, representing a decrease of approximately \$65.2 million or 26.4% for Fiscal Year 2020 and \$72.8 million or 29.5% for Fiscal Year 2021 (unaudited) when compared to Fiscal Year 2019. See “IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT” herein.

Ground Transportation Revenue Sources. Ground transportation revenue sources consist of rental car concessions, taxi, Transportation Network Companies (“TNCs”), shuttle and bus ground transportation revenues, and public parking revenues.

Revenues received by the Authority in connection with rental car services for Airport passengers are the largest source of nonairline revenues at the Airport. The Authority receives privilege fees and rents (associated with ready/return spaces, terminal counter space, and quick turnaround facilities) from rental car companies serving Airport customers pursuant to four Automobile Rental Concession Agreements which are effective according to their terms until the day before the new South Terminal Complex is opened

for processing travelers. The Authority estimates that the rental car operators operating at the Airport now serve approximately 94% of rental car customers that use the Airport.

Under the Automobile Rental Concession Agreements, the rental car operators pay (a) 10% of gross receipts (which are applied to both onsite and offsite operators), however onsite operators must pay the greater of 10% of gross receipts or a MAG calculated each year based on gross receipts for the prior year, with the exception of the first period, (b) ready/return space rent on a per space basis, (c) QTA rent, and (d) rent for terminal counters, office, and queuing space. For the period of April 1, 2021 to March 31, 2022, the aggregate MAG is \$67.2 million. QTA facility rent includes ground rent. In addition, rental car operators pay for all operating, utility, maintenance, and service management expenses. The foregoing fees and rents constitute Revenues under the Bond Resolution. During the COVID-19 pandemic, the Authority provided relief to the rental car operators that included a waiver of certain MAG. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT" herein.

As previously discussed, rental car companies also collect and remit CFCs to the Authority. However, such CFCs are not included in the definition of Revenues but may, under certain circumstances, be designated as Available CFC Revenues pursuant to an Issuing Instrument. See "AUTHORITY INDEBTEDNESS - CFC Indebtedness" and "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto for more information regarding the use of CFCs and Available CFC Revenues.

Beginning July 1, 2017, TNCs were allowed to pick up passengers at the Airport, subject to a charge equal to the pre-arranged taxi charge. Prior to that, only Uber-Black was permitted to pick up passengers at the Airport. Pursuant to the operating agreements the Authority entered into with Rasier-DC, LLC (Uber), Lyft, Inc., and Wingz, the TNCs are required to remit to the Airport a pick-up fee of \$5.80 for each trip. Although the ultimate long-term impact is unknown at this time, to date the TNCs have had the biggest impact on taxis and permitted ground transportation companies (including vehicle-for-hire, out-of-town shuttle, non-concessionaire, concessionaire, off-airport rental car operator, and off-airport parking operator). In addition, TNCs appear to be having a modest impact on parking. TNCs also appear to have negatively affected rental car transactions. To monitor the impact of TNCs on ground transportation revenue, the Authority calculates ground transportation revenue per enplaned passenger on a monthly basis. See "CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS" herein for information about pending legislation which may impact collection of TNCs.

Public automobile parking (which includes Hotel parking) is the third highest source of operating revenues at the Airport, accounting for \$77.2 million (including Hyatt parking revenues), or approximately 12.2% of Revenues, \$47.9 million, or approximately 11% of Revenues, and \$52.3 million, or approximately 13.4% of Revenues, in Fiscal Years 2019, 2020 and 2021 (unaudited), respectively, with the decrease in 2020 and 2021 from 2019 being attributed to COVID-19. Parking facilities located on the Airport provide 22,458 public automobile parking spaces. The Authority offers the following five parking options: (a) garage parking located above or adjacent and connected to the North Terminal Complex landside terminal (\$19 per day); (b) terminal top parking located in the garage above the North Terminal Complex landside building (\$19 per day); (c) North Terminal Complex curbside valet parking (\$28.76 per day); (d) Parking Garage C (\$17 per day); and (e) economy parking located at remote lots less than one mile from the North Terminal Complex (\$10 per day). In addition to the public parking spaces, parking revenues are also generated from private parking, Hotel parking and employee parking.

Since 2007, public parking facilities at the Airport have been operated for the Authority under a management agreement with ABM Parking, Inc. ("ABM Parking"). Under the agreement, the Authority receives all revenues and pays most of the costs to operate and maintain the facilities plus a management fee to ABM Parking. All other operational costs are included in the management fee. The Authority's current management agreement with ABM Parking was scheduled to expire on January 31, 2022. However, on October 20, 2021, the Authority approved the second option year which will expire January 21, 2023. The budget for operating expenses is subject to review by the Authority, which can adjust staffing levels and related costs in response to parking demand and level of service standards.

Ground transportation revenues for Fiscal Years 2019, 2020 and 2021 (unaudited), totaled approximately \$200.5 million, \$143.1 million and \$151.6 million, respectively, representing a decrease in Fiscal Years 2020 and 2021 (unaudited) of \$57.4 or 28.6% and \$48.9 million or 24.4%, respectively, over Fiscal Year 2019. See "IMPACT OF COVID-19 PANDEMIC ON THE AIRPORT" herein for more information.

Other Buildings and Grounds Revenue Sources. Other buildings and grounds revenues include the fees associated with fixed base operators, cargo apron use, in-flight catering and other building and land rentals. Tenants of buildings and grounds at the Tradeport and other airport areas pay rentals and fees for the use of such buildings and sites. Revenues from these areas for Fiscal Years 2019, 2020 and 2021 (unaudited) amounted to approximately \$23.3 million, \$21.8 million and \$22.0 million, respectively.

Hotel Revenue Sources. Hotel revenues are derived from rooms, food and beverage, telecommunications and other rentals and income from the Hotel located at the North Terminal Complex. The Hotel is owned by the Authority and operated under a management contract. Hotel revenues for Fiscal Years 2019, 2020 and 2021 (unaudited) totaled approximately \$41.8 million, \$26.8 million and \$23.5 million, respectively. See "IMPACT OF COVID-19 PANDEMIC ON THE AIRPORT" herein for more information.

The Hyatt Hotels Corporation has operated the Hotel since its opening in 1992 under a management agreement with the Authority. The current management agreement was entered into on January 1, 2015 and is effective until September 30, 2035. Under the management agreement, the Authority receives all revenues from the operation of the Hotel and pays all debt service and operating and maintenance costs associated with its operation. The Authority annually pays Hyatt Hotels Corporation a percentage of gross receipts as a management fee, along with certain other amounts. Under the agreement, the management fee paid to Hyatt Hotels Corporation is 2.75% of gross receipts, plus an additional percentage of available cash flow (10%) above agreed upon amounts as an incentive for the Hyatt Hotels Corporation to maximize the Hotel's surplus revenues. The agreement also provides that amounts, calculated as 5% of gross receipts, are to be deposited annually into an account for the replacement of furniture, fixtures, and equipment. In addition, the agreement contains performance tests, which, if failed for two consecutive years, grants the Authority the right to either terminate the management agreement or require Hyatt Hotels Corporation to pay a cure amount.

General - Other Funding Sources

Federal Grants-in-Aid, FDOT participation grants, PFCs, and CFCs are among some of the other sources of funding available to the Authority which do not generally constitute Revenues. In addition, CARES Act, CRRSA and ARPA funding was received by the Authority due to the COVID-19 pandemic. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT-Federal Aid Related to COVID-19"

herein. For more information regarding the Authority's various sources of revenues see "AUTHORITY FINANCIAL INFORMATION" herein.

Federal Grants-in-Aid

The Airport and Airway Improvement Act of 1982 created the Airport Improvement Program (the "AIP"), which is administered by the FAA and funded by the Airport and Airway Trust Fund. This fund is financed by various federal aviation user taxes. Grants are available to airport operators across the country in the form of "entitlement" funds and "discretionary" funds. Entitlement funds are apportioned annually based upon cargo volume and enplaned passengers, and discretionary funds are available at the discretion of the FAA based upon a national priority system. Actual entitlement funds will vary with the actual number of passenger enplanements and cargo volume, with total appropriations for the AIP and with any revision of the existing statutory formula for calculating such funds. The AIP grant program is subject to periodic reauthorization and appropriation by Congress. Congress passed the FAA Reauthorization Act of 2018 in October 2018 reauthorizing the FAA for Fiscal Years 2019 to 2023 and providing a total of \$97 billion in funding. If not reauthorized in 2023, the AIP could be affected by automatic across-the-board spending cuts, known as sequestration. As a result, there can be no assurance that the FAA will receive spending authority and the Authority is unable to predict the level of available AIP funding it may receive. To the extent AIP grants are not available, the Authority may need to defer projects and/or issue debt to fund them. Pursuant to the PFC Act (as defined herein) and the Aviation Investment and Reform Act for the 21st Century, an airport's annual federal entitlement grants are reduced by 50% following the imposition of PFCs at the \$3.00 level and by 75% following imposition at the \$4.00 or \$4.50 level.

TSA has implemented congressionally mandated security fees to help finance the increased cost of securing the nation's aviation transportation system. The revenue generated from these security fees is utilized to help ensure the safe and efficient flow of people and commerce. The passenger fee, also known as the September 11 security fee, is collected by air carriers from passengers at the time air transportation is purchased. Air carriers then remit the fees to TSA. The fee is currently \$5.60 per one-way trip in air transportation that originates at an airport in the U.S., except that the fee imposed per round trip shall not exceed \$11.20.

State Grants-in-Aid

FDOT implemented the Aviation Grant Program for certain aviation projects. FDOT matches FAA AIP grants at 12.5% for large hub airports and may match airport expenditures for projects not funded by FAA AIP at 50%. The Florida Legislature first used aviation fuel taxes imposed on aviation fuel sales to fund airport projects in 1983. The Florida Aviation Grant program was established to assist with aviation related projects. The Florida Strategic Intermodal System program funds projects that enhance the rail, road, airport and seaport systems. As the aviation fuel sales are dependent upon the industry as a whole, revenues generated and subsequent grants awarded are subject to a variety of potential conditions that may impact the annual fees generated. As such, to the extent that FDOT grants under these programs are not available, the Authority may need to defer projects and/or issue debt to fund them.

Other Contributed Capital

The Authority may receive “contributed capital” for projects from governmental and non-governmental sources that are typically non-recurring. The following table presents other contributed capital received by the Authority during Fiscal Years 2019, 2020 and 2021 (unaudited).

**Contributed Capital Received by Authority
During Fiscal Years 2019, 2020 and 2021 (unaudited)
(in millions)**

	2021		
	<u>(unaudited)</u>	<u>2020</u>	<u>2019</u>
Federal Sources	\$4.1	\$27.7	\$24.6
State Sources	21.8	51.8	11.5
Non-Governmental Sources	1.4	3.3	0.2

Source: Greater Orlando Aviation Authority.

No assurance can be given that federal or state sources will actually be received in the amount or at the time contemplated by the Authority. See “CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS - FAA Reauthorization and Federal Funding” herein for more information regarding federal grants.

Passenger Facility Charges

As part of the Aviation Safety and Capacity Expansion Act of 1990, as amended from time to time (the “PFC Act”), as implemented by the FAA pursuant to published regulations (the “PFC Regulations”), the United States Congress has authorized certain commercial service airports such as the Airport to collect Passenger Facility Charges from each eligible passenger enplaned at such airport in the amount of \$1.00, \$2.00, \$3.00, \$4.00 or \$4.50, subject to certain limitations, set forth in the PFC Regulations. Airport-related projects eligible for PFCs are those that preserve or enhance capacity, safety or security of the national air transportation system, reduce noise from an airport that is part of the system or 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.

PFCs are collected on behalf of airports by air carriers, certain foreign air carriers and their agents (“Collecting Carriers”). The Collecting Carriers are authorized to withhold, as a collection fee (a) 11 cents per enplaning passenger from whom a PFC is collected and (b) any investment income earned on the amount collected prior to the due date of the remittance. The PFC Act was amended in 1996 to provide that PFC Revenues that are held by a Collecting Carrier constitute a trust fund that is held for the beneficial interest of the eligible agency imposing the fee and that the Collecting Carrier holds neither legal nor equitable interest in the PFC Revenues, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, PFC Regulations require Collecting Carriers to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds in financial statements. The Collecting Carriers, however, are permitted to commingle PFC collections with the carriers' other sources of revenue and are also entitled to retain interest earned on PFC collections until such PFC must be remitted.

PFC applications for specific projects (including debt service on obligations issued to fund such projects) are approved by the FAA in specific total amounts and the Authority may impose the designated PFC only until it collects the authorized total amount. Interest earnings on the collections are treated as collections for purposes of the authorized total. The Authority has imposed the PFC since February 1993. On May 8, 2019, the FAA approved PFC Application 20 to fund a portion of Phase 1X of the South Terminal Complex ("Phase 1X") and on December 19, 2019 the FAA approved PFC Application 21 to fund a portion of the costs to construct the aircraft apron as part of Phase 1 of the South Terminal Complex. The Authority is authorized to collect and use PFCs for a total of \$5.03 billion. Through September 30, 2021, PFC Revenues received by the Authority, including investment earnings, totaled \$1.64 billion (unaudited), of which \$1.42 billion (unaudited) had been expended on approved PFC-eligible project costs. The Authority's current collection authority extends to January 1, 2046.

See "CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS - Capacity of the Airport; Cost and Schedule of 2021 - 2027 Capital Improvement Program" and " - Passenger Facility Charges" herein.

Available PFC Revenues shall be utilized in accordance with the Amended and Restated Bond Resolution, including, in particular, Section 727 thereof and are not included in the definition of Revenues. Accordingly, principal or interest to be paid from Available PFC Revenues is not included in the calculation of "Debt Service" for purposes of the Bond Resolution, including for purposes of the rate covenant, the Additional Bonds Test and the calculation of the Composite Reserve Requirement. Available PFC Revenues can only be pledged to secure Bonds to the extent provided for by an Issuing Instrument pursuant to the Bond Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Available PFC Revenues" herein for information regarding the 2022 Available PFC Revenues and "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto.

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The following table provides a listing of the Authority's PFC applications and associated amendments, and the collection authority, collections, and expenditures under each as of September 30, 2021 (unaudited).

Passenger Facility Charges⁽¹⁾
(as of September 30, 2021)

<u>Application Number</u>	<u>PFC Level</u>	<u>Collection Authority</u>	<u>Collections Through 9/30/2021⁽²⁾</u>	<u>Expenditures Through 9/30/2021⁽²⁾</u>	<u>Cumulative Collection Authority⁽²⁾</u>
92-01-C-05-MCO (Closed)	\$3.00	\$34,100	\$34,100	\$34,100	\$34,100
93-02-C-01-MCO (Closed)	3.00	8,140	8,140	8,140	42,240
95-03-C-02-MCO (Closed)	3.00	18,638	18,638	18,638	60,878
96-04-C-08-MCO (Closed)	3.00	58,846	58,846	58,846	119,723
98-05-C-05-MCO (Closed)	3.00	114,472	114,472	114,472	234,195
99-06-C-03-MCO	3.00	115,294	115,294	88,580	349,489
00-07-C-03-MCO	3.00	174,236	174,236	93,922	523,725
00-08-C-02-MCO	4.50	54,834	54,834	37,811	578,558
02-09-C-06-MCO(Closed) ⁽³⁾	4.50	92,658	92,658	92,658	671,216
05-10-C-10-MCO	4.50	749,304	749,304	320,285	1,420,520
07-11-C-01-MCO (Combined Into PFC 19) ⁽⁴⁾	3.00	-	-	-	1,420,520
09-13-C-02-MCO (Combined Into PFC 19) ⁽⁴⁾	3.00	-	-	-	1,420,520
11-14-C-01-MCO (Combined Into PFC 19) ⁽⁴⁾	3.00	-	-	-	1,420,520
13-15-C-00-MCO (Combined Into PFC 19) ⁽⁴⁾	4.50	-	-	-	1,420,520
13-16-C-01-MCO (Combined Into PFC 19) ⁽⁴⁾	4.50	-	-	-	1,420,520
14-17-C-00-MCO (Combined Into PFC 19) ⁽⁴⁾	3.00	-	-	-	1,420,520
17-18-C-00-MCO (Combined Into PFC 19) ⁽⁴⁾	4.50	-	-	-	1,420,520
18-19-C-01-MCO	4.50	3,014,881	216,427	488,103	4,435,401
18-20-C-01-MCO	4.50	517,293	-	11,261	4,952,694
19-21-C-00-MCO	4.50	<u>78,000</u>	<u>-</u>	<u>56,490</u>	5,030,694
Total		\$5,030,694	\$1,636,947	\$1,423,305	

(1) Expenditures for each application may commence upon notification of the approval of the application. For reporting purposes, PFC collections are reported as applied to each application in order of the applications until the collection authority amount has been met for each application. As a result of this reporting method, there are allowable expenditures reported for applications that may not show collections directly assigned to them.

(2) Unaudited. In thousands. Totals may not add due to rounding.

(3) PFC Application 9 was closed effective December 7, 2021.

(4) PFC Application 19 Combined PFC Application 11 through 18.

Source: Greater Orlando Aviation Authority.

Customer Facility Charges

Pursuant to the CFC Enabling Resolution, the Authority collects a CFC which as of October 1, 2021, is imposed at a rate equal to \$3.50 per day and collected up to a maximum of seven days. The Authority has currently pledged the CFCs as security for the 2018 CFC Bank Note. CFCs are currently not included in the definition of Revenues or Available Revenues under the Bond Resolution, but may, under certain circumstances, be designated as Available CFC Revenues in a Supplemental Resolution, however, the Authority currently has no plans to make such a designation. See "AUTHORITY INDEBTEDNESS - CFC Indebtedness" herein and "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto for more information regarding the use of CFCs and Available CFC Revenues.

AUTHORITY FINANCIAL INFORMATION

Debt Service Requirements

The following table shows the debt service requirements for the Outstanding Senior Bonds, Series 2022 Additional Bonds, Series 2022 Refunding Bonds, total Series 2022 Bonds, Outstanding Priority Subordinated Indebtedness, and total aggregate debt service.

Debt Service Requirements ⁽¹⁾									
Fiscal year Ending September 30 ⁽²⁾	Outstanding Senior Bonds Debt Service ⁽³⁾	Series 2022A Bonds	Series 2022B Bonds	Series 2022C Bonds	Series 2022D Bonds	Series 2022E Bonds	Total Series 2022 Bonds Debt Service	Outstanding Priority Subordinated Indebtedness Debt Service ⁽⁴⁾	Total Aggregate Debt Service
2022	\$118,600,787	\$4,968,836	\$1,177,398	\$263,560	\$600,273	\$164,934	\$7,175,001	\$47,300,129	\$173,075,918
2023	120,487,469	10,942,950	1,935,448	1,708,250	2,556,750	1,291,125	18,434,523	53,443,090	192,365,082
2024	116,086,381	10,944,200	1,935,448	1,704,500	2,558,250	1,281,018	18,423,417	53,023,929	187,533,727
2025	116,430,848	10,943,450	1,935,448	1,702,750	2,555,750	1,323,788	18,461,186	52,584,957	187,476,991
2026	115,765,569	10,945,450	1,935,448	1,707,750	2,554,250	1,327,479	18,470,377	52,127,197	186,363,143
2027	115,309,171	10,944,700	1,935,448	1,714,000	2,558,500	1,323,037	18,475,685	51,641,675	185,426,531
2028	115,058,560	10,945,950	1,935,448	1,706,250	2,558,000	1,327,024	18,472,672	41,374,918	174,906,149
2029	90,776,492	10,943,700	21,720,448		2,552,750	1,327,189	36,544,087	41,436,201	168,756,780
2030	90,770,224	10,942,700	21,720,750		2,557,750	1,325,630	36,546,830	41,498,801	168,815,855
2031	95,556,440	10,942,450	862,380		2,552,250	1,332,690	15,689,770	63,327,748	174,573,958
2032	95,566,478	10,942,450	862,380		2,551,500	1,327,410	15,683,740	63,394,816	174,645,035
2033	96,323,095	10,947,200	862,380				11,809,580	63,458,786	171,591,461
2034	96,327,402	10,945,950	862,380				11,808,330	63,527,188	171,662,920
2035	96,337,989	10,943,450	862,380				11,805,830	63,597,051	171,740,870
2036	96,342,936	10,944,200	862,380				11,806,580	63,670,405	171,819,921
2037	96,336,003	10,947,450	862,380				11,809,830	63,744,031	171,889,864
2038	96,324,269	10,942,450	862,380				11,804,830	63,740,531	171,869,630
2039	96,340,125	10,943,850	862,380				11,806,230	63,168,702	171,315,057
2040	86,317,463	10,946,050	862,380				11,808,430	60,343,150	158,469,043
2041	86,311,113	10,943,650	862,380				11,806,030	60,341,400	158,458,543
2042	86,316,963	10,946,450	862,380				11,808,830	60,341,150	158,466,943
2043	86,300,463	10,943,850	862,380				11,806,230	60,343,150	158,449,843
2044	86,306,663	10,946,100	862,380				11,808,480	60,341,650	158,456,793
2045	86,313,063	10,945,850	862,380				11,808,230	60,343,400	158,464,693
2046	72,362,613	10,947,350	862,380				11,809,730	60,343,650	144,515,993
2047	60,322,013	10,944,600	5,447,380				16,391,980	60,342,650	137,056,643
2048	60,323,263	10,946,400	5,447,320				16,393,720	60,340,400	137,057,383
2049	60,323,713	10,944,600	5,441,320				16,385,920	60,344,400	137,054,033
2050	20,388,863	10,943,800	5,449,380				16,393,180	60,340,600	97,122,643
2051	20,389,338	11,623,400	4,770,780				16,394,180	60,341,000	97,124,518
2052	20,388,813	16,395,600					16,395,600	60,342,000	97,126,413
2053	20,391,125								20,391,125
2054	20,390,213								20,390,213
TOTAL	\$2,737,885,914	\$339,439,086	\$96,585,545	\$10,507,060	\$26,156,023	\$13,351,324	\$486,039,038	\$1,790,508,754	\$5,014,433,706

[Footnotes on the following page]

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- (1) Numbers may not add due to rounding.
 - (2) The debt service requirements are shown for the period in which they accrue and not for the period in which they are paid and reflect the principal payments due on October 1.
 - (3) Includes debt service on all Outstanding Senior Bonds, including debt service to be paid from Available PFC Revenues. Excludes debt service on the Refunded Bonds and defeased debt. See “PLAN OF FINANCE,” “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Available PFC Revenues” and “IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT –Strategies to Achieve Savings – Defeasance of Debt” herein.
 - (4) Includes debt service on all Outstanding Priority Subordinated Indebtedness (which includes the Outstanding Subordinated Bonds and the FDOT Loan) and excludes debt service on amounts drawn and outstanding under the Existing Lines of Credit, which are Secondary Subordinated Indebtedness.

Source: Greater Orlando Aviation Authority.

Historical Statement of Revenues and Expenses

The following table presents historical amounts of Revenues, Expenses and Changes in Net Position of the Airport for Fiscal Years 2017 through 2020 and Fiscal Year 2021 (unaudited). These historical amounts relate solely to the Airport and do not include revenues and expenses for OEA; however, the audited financial statements attached as “APPENDIX D – AUDITED FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT AUDITORS THEREON FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2019” hereto present the combined financial position, results of operations and cash flows of the Airport and OEA. For more information regarding Authority revenues and other funding sources see “INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES – Passenger Facility Charges” and “ – Customer Facility Charges” herein.

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Greater Orlando Aviation Authority
Orlando International Airport
Statement of Revenues, Expenses and Changes in Net Position
Fiscal Years 2017-2020 and Fiscal Year 2021 (unaudited)
(in thousands)

	Unaudited				
	<u>2021⁽¹⁾</u>	<u>2020⁽¹⁾</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Operating Revenues:					
Airfield area	\$53,031	\$56,052	\$61,138	\$47,220	\$41,948
Terminal area	174,391	182,048	247,190	231,387	214,997
Ground transportation	151,604	143,134	200,477	187,974	177,756
Other buildings and grounds	21,983	21,828	23,273	20,496	19,298
Hotel	23,534	26,816	41,753	42,850	41,241
Rail	<u>4,121</u>	<u>4,349</u>	<u>4,311</u>	<u>3,855</u>	<u>-</u>
Total Operating Revenues	\$428,664	\$434,227	\$578,142	\$533,782	\$495,240
Operating Expenses:					
Operation and facilities	\$131,157	\$142,074	\$165,494	\$148,409	\$142,187
Safety and security	44,437	48,082	48,342	43,193	38,411
Administration	62,111	68,672	80,660	75,949	64,805
Hotel	19,416	21,969	29,880	29,967	29,500
Other	<u>(259)</u>	<u>2,901</u>	<u>1,692</u>	<u>4,142</u>	<u>3,559</u>
Total Operating Expenses before depreciation	\$256,862	\$283,658	\$326,068	\$301,660	\$278,462
Operating income before depreciation	\$171,802	\$150,569	\$252,074	\$232,122	\$216,778
Depreciation	<u>(182,349)</u>	<u>(188,720)</u>	<u>(181,034)</u>	<u>(163,325)</u>	<u>(125,754)</u>
Operating Income	\$(10,547)	\$(38,151)	\$71,040	\$68,797	\$91,024
Non-Operating Revenues (Expenses):					
Investment income	\$5,358	\$15,174	\$22,218	\$14,735	\$8,147
Net increase (decrease) in the fair value of investments	(7,688)	7,493	8,536	(4,859)	(2,498)
Interest expense	(18,786)	(35,282)	(33,914)	(35,511)	(34,404)
Participating Airline net revenue sharing	(32,658)	(25,575)	(77,111)	(57,659)	(53,140)
Passenger facility charges	76,667	52,308	98,415	91,647	86,990
Customer facility charges	26,767	25,136	43,804	44,847	29,345
Federal and state grants	144,966	197	(775)	649	5,886
Other	<u>9,128</u>	<u>44,948</u>	<u>4,235</u>	<u>58,379</u>	<u>633</u>
Income before Capital Contributions	\$193,207	\$46,248	\$136,448	\$181,025	\$131,983
Capital Contributions ⁽²⁾	<u>27,265</u>	<u>82,772</u>	<u>36,275</u>	<u>58,791</u>	<u>98,563</u>
Increase in Net Position	<u>\$220,472</u>	<u>\$129,020</u>	<u>\$172,723</u>	<u>\$239,816</u>	<u>\$230,546</u>
Total Net Position, Beginning of Year	\$2,784,656	\$2,655,636	\$2,482,913	\$2,243,097	\$2,012,551
Total Net Position, End of Year	\$3,005,128	\$2,784,656	\$2,655,636	\$2,482,913	\$2,243,097

(1) COVID-19, which impacted the Airport beginning in March 2020, and the resultant government measures and changes in passenger travel behavior, caused significant reductions in passenger traffic in the Fiscal Years ended September 30, 2020 and 2021 when compared to Fiscal Year 2019 and earlier. See "IMPACT OF COVID-19 PANDEMIC ON THE AIRPORT" herein for more information.

(2) Includes amounts received as grants from federal and state programs.

Source: Greater Orlando Aviation Authority.

Analysis of Airport Financial Results

Fiscal Year Ended September 30, 2020. The Airport witnessed a sharp contraction in activity, beginning in March 2020 when domestic and international flights in and out of the Airport were drastically curtailed due to the COVID-19 pandemic. See “IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT” herein for more information. Because of the reduction in passenger traffic due to COVID-19, many of the in-terminal concessions temporarily closed or reduced their hours beginning in March 2020, and slowly started to re-open over the remainder of Fiscal Year 2020. Overall, the operating revenues of the Authority decreased \$144.0 million in Fiscal Year 2020, or (24.7%) as compared to Fiscal Year 2019, with Participating Airline revenue decreasing \$25.6 million or (14.4%), and Nonparticipating Airline revenue decreasing \$21.8 million or (50.5%) during this period. Overall, Concession revenues decreased \$22.4 million or (26.4%), Food and Beverage and General Merchandise combined revenues decreased \$17.7 million or (33.3%), Service Concession and Other Terminal Area revenues decreased \$4.8 million or (14.9%) in Fiscal Year 2020 as compared to Fiscal Year 2019. Ground Transportation revenues decreased \$57.0 million or (28.6%) and Hotel revenues decreased \$14.9 million or (35.8%) in Fiscal Year 2020 as compared to Fiscal Year 2019. Rail revenues remained relatively flat for Fiscal Year 2020 when compared to Fiscal Year 2019.

See “IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT” herein for more information.

Fiscal Year Ended September 30, 2021 (unaudited). Overall, the operating revenues decreased \$149.5 million in Fiscal Year 2021, or (25.9%) as compared to Fiscal Year 2019, with Participating Airline Revenue decreasing \$25.9 million or (14.5%), and Nonparticipating Airline Revenue decreasing \$28.5 million or (65.8%) as compared to Fiscal Year 2019. Overall, Concession Revenues decreased \$26.0 million or (31.1%), Food and Beverage and General Merchandise combined revenues decreased \$18.7 million or (35.17%), Service Concession and Other Terminal Area Revenues decreased \$4.5 million or (32.6%) in Fiscal Year 2021 as compared to Fiscal Year 2019. Ground Transportation revenues decreased \$48.6 million or (24.4%) and Hotel revenues decreased \$18.2 million or (43.6%) in Fiscal Year 2021 as compared to Fiscal Year 2019. Rail revenue remained relatively flat for Fiscal Year 2021 when compared to Fiscal Year 2019.

Historical Debt Service Coverage

The following table presents the historical debt service coverage for the Outstanding Senior Bonds for Fiscal Years 2017 through 2020 and Fiscal Year 2021 (unaudited).

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Greater Orlando Aviation Authority
Orlando International Airport
Historical Debt Service Coverage Per Amended and Restated Bond Resolution
(in thousands)

BOND RESOLUTION RATE COVENANT		Unaudited				
		<u>2021⁽¹⁾</u>	<u>2020⁽¹⁾</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues ⁽²⁾⁽³⁾		\$587,193	\$489,998	\$597,900	\$603,640	\$500,698
Less:						
Operations and Maintenance Expenses		<u>(257,034)</u>	<u>(274,526)</u>	<u>(305,247)</u>	<u>(286,286)</u>	<u>(257,114)</u>
Net Revenues	A	\$330,159	\$215,472	\$292,653	\$317,354	\$243,584
Aggregate Debt Service on Outstanding Senior Bonds		\$128,560	\$128,389	\$129,996	\$126,210	\$120,655
Less Debt Service paid from Available PFC Revenues ⁽³⁾		<u>(70,861)</u>	<u>(70,635)</u>	<u>(30,934)</u>	<u>(30,867)</u>	<u>(30,545)</u>
Net Debt Service on Outstanding Senior Bonds	B	\$57,699	\$57,754	\$99,062	\$95,343	\$90,110
Net Debt Service on Outstanding Priority Subordinated Indebtedness and Other Parity Indebtedness	C	\$50,931	\$10,050	\$7,555	\$7,557	\$7,558
Repayment Obligations	D	\$101,467				
Total Debt Service on Outstanding Senior Bonds and Outstanding Priority Subordinated Indebtedness and Other Parity Indebtedness	[E=B+C+D]	<u>\$210,097</u>	<u>\$67,804</u>	<u>\$106,617</u>	<u>\$102,900</u>	<u>\$97,668</u>
Debt Service Coverage						
Coverage ratio for Outstanding Senior Bonds	[A/B]	5.72	3.73	2.95	3.33	2.70
Coverage ratio for all indebtedness	[A/E]	1.57	3.18	2.74	3.08	2.49

- (1) The COVID-19 pandemic, which impacted the Airport beginning in March 2020, and the resultant government measures and changes in passenger travel behavior resulted in significant reductions in passenger traffic in the Fiscal Years ended September 30, 2020 and 2021. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT" herein for more information. For Fiscal Year 2021, Revenues include COVID-19 Grants received in the aggregate amount of \$144,842,000 used to reimburse the Authority for the payment or defeasance of debt from draws on Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT – Strategies to Achieve Savings – *Defeasance of Debt*" herein. If the COVID-19 Grants were not included in Net Revenues [A], the Coverage ratio for Outstanding Senior Bonds [A/B] would have been 3.21 for Fiscal Year 2021 (unaudited).
- (2) Revenues are earned by the Airport Facilities Revenue Account, before revenue sharing with Airlines pursuant to the Revenue Sharing Agreement. See "SUMMARY OF CERTAIN PROVISIONS OF THE RATE RESOLUTION AND THE AUTHORITY'S RATE MAKING METHODOLOGY – "Revenue Sharing Agreement" herein.
- (3) The Authority has designated certain PFC Revenues as Available PFC Revenues under the Bond Resolution. Such Available PFC Revenues may be used to pay a portion of the debt service on certain Bonds and shall, in turn, reduce the amount of debt service that the rate covenant and the Additional Bonds test under the Bond Resolution require to be covered each Fiscal Year. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Available PFC Revenues" herein for more information.

Source: Greater Orlando Aviation Authority.

The following table presents Available Net Revenues available for payment of Outstanding Priority Subordinated Indebtedness pursuant to the Bond Resolution and the Master Subordinated Indenture for Fiscal Years 2017 through 2020 and Fiscal Year 2021 (unaudited).

<p style="text-align: center;">Greater Orlando Aviation Authority Orlando International Airport Available Net Revenues Available for Payment of Outstanding Priority Subordinated Indebtedness Per Amended and Restated Bond Resolution (in thousands)</p>					
	Unaudited				
	<u>2021⁽¹⁾</u>	<u>2020⁽¹⁾</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net Revenues	\$330,159	\$215,472	\$292,653	\$317,354	\$243,584
Less: Debt Service on Outstanding Senior Bonds	<u>(57,699)</u>	<u>(57,754)</u>	<u>(99,062)</u>	<u>(95,343)</u>	<u>(90,110)</u>
Available Net Revenues for payment of Outstanding Priority Subordinated Indebtedness	\$272,460	\$157,718	\$193,591	\$222,011	\$153,474

(1) The COVID-19 pandemic, which impacted the Airport beginning in March 2020, and the resultant government measures and changes in passenger travel behavior resulted in significant reductions in passenger traffic in the Fiscal Years ended September 30, 2020 and 2021. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT" herein for more information.

Source: Greater Orlando Aviation Authority.

See "REPORT OF THE AIRPORT CONSULTANT AND RATE COVENANT PROJECTION" herein and Exhibit G of the Report of the Airport Consultant for the Airport Consultant's projection regarding debt service coverage for the Series 2022 Bonds, the Outstanding Senior Bonds, the Outstanding Priority Subordinated Indebtedness and the Proposed 2023 Bonds.

Pension and Other Postemployment Benefits

Pension Benefits. The Authority maintains two defined benefit plans for its employees, a single-employer plan covering non-firefighter employees and a multi-employer plan for firefighters. Additionally, the Authority provides two defined contribution plans, a single-employer defined contribution retirement plan for non-firefighter employees and a multi-employer defined contribution plan for firefighters.

Single-Employer Defined Benefit Pension Plan. The Authority contributes to the Defined Benefit Retirement Plan for Employees of the Greater Orlando Aviation Authority ("DB Plan"), a single-employer retirement plan. The Authority authorizes all employees hired before October 1, 1999, other than firefighters, to participate in the DB Plan. The DB Plan provides retirement and death benefits to DB Plan members and beneficiaries.

The actuarial valuation used for funding determines the annual contribution requirements of the Authority to the DB Plan. The Authority does not require plan members to contribute to the DB Plan.

The actuarial assumptions for Fiscal Years 2020 and 2021 include: (a) rate of return on investments of 7.00% per year, (b) projected salary increases of 4.25%, (c) inflation adjustments of 2.50%, and (d) assumed the mortality index RP-2000 Fully Generational with Scall BB, with collar and annuitant adjustments.

The Authority's contributions to the DB Plan for each of the Fiscal Years ended September 30, 2019, 2020 and 2021 (unaudited) were approximately \$2.5 million, \$2.2 million and \$2.0 million, respectively, which represents or exceeds the required amount.

The most recent DB Plan actuarial valuation is as of October 1, 2020 and was approved by the Authority's Retirement and Benefits Committee on February 4, 2021. As permitted by GASB Statement No. 68, this valuation will be used to determine the net pension liability for the Fiscal Year ended September 30, 2021 Statement of Net Position for the Authority.

As result of the assumptions in the most recent DB Plan actuarial valuation, as of October 1, 2020, the unaudited unfunded actuarial accrued liability is \$2,365,161, with a funded ratio of 98.4%.

Single-Employer Defined Contribution Retirement Plan. The Defined Contribution Retirement Plan of the Greater Orlando Aviation Authority ("DC Plan") is a single-employer retirement plan. The DC Plan authorizes employees, other than firefighters, hired on or after October 1, 1999, to participate. The Authority contributes 6% of base wages and up to another 4% as a matching contribution. The employee may contribute up to 10%. The DC Plan has separate accounts for each employee, and investments are self-directed by the employee. The DC Plan provides retirement and death benefits to plan participants and beneficiaries. The Authority contributed \$3.5 million, \$3.7 million and 3.6 million for the years ending September 30, 2019, 2020 and 2021 (unaudited), respectively.

Multiple-Employer Pension Plans. All firefighters employed by the Authority participate in the FRS, a cost-sharing, multiple-employer defined benefit public retirement plan administered by the Florida Department of Management Services, Division of Retirement. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Florida Statutes establish benefit provisions.

As a participant in FRS, the Authority is also a participant in the Retiree Health Insurance Subsidy ("HIS") Program, which is a cost-sharing, multiple employer defined benefit plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the State administered retirement systems in paying their health insurance costs. For the Fiscal Year ended June 30, 2020 and 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment was \$30 for Fiscal Year 2021 and 2020 and the maximum is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the State administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Various acts of the Florida Legislature determine the funding methods and benefits. These acts provide employers, such as the Authority, requirements to contribute at the current actuarially determined rate of covered payroll for special risk members. Effective July 1, 2011, all FRS employees, with the exception of the Deferred Retirement Option Program ("DROP") participants and reemployed retirees who are initially reemployed under covered employment on or after July 1, 2010, are required to make pretax retirement contributions of 3% of their gross salary to the plan.

The Authority's required contribution rates are as follows:

	<u>Special Risk</u>	<u>DROP</u>
July 1, 2021 – June 30, 2022	25.89%	18.34%
July 1, 2020 – June 30, 2021	25.45	16.98
July 1, 2019 – June 30, 2020	25.48	14.60
July 1, 2018 – June 30, 2019	24.50	14.03
July 1, 2017 – June 30, 2018	23.27	13.26
July 1, 2016 – June 30, 2017	22.57	12.99

Source: Greater Orlando Aviation Authority.

The Authority's contributions to the FRS for each of the Fiscal Years ended September 30, 2019, 2020 and 2021 (unaudited) were approximately \$1.7 million, \$1.8 million and \$1.7 million, respectively, which represents the required contributions for each Fiscal Year.

Other Postemployment Benefits. The Greater Orlando Aviation Authority Healthcare Plan ("GOAAHP") is a single-employer healthcare plan administered by the Authority. The GOAAHP provides postemployment healthcare benefits to those participants who retire at a participants' normal retirement date or early retirement date and who receive pension benefits immediately upon termination.

The Authority is not required to fund the GOAAHP. However, on September 30, 2011, the Authority funded its OPEB obligation to a qualifying, irrevocable trust in the amount of \$26.3 million. The annual contribution of the employer 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 (or funding excess) over a period not to exceed twenty years.

The Authority's contributions to the OPEB plan for each of the Fiscal Years ended September 30, 2019, 2020, and 2021 (unaudited) were approximately \$1.9 million, \$1.7 million and \$1.3 million, respectively, which represents or exceeds the required contributions for each Fiscal Year.

As of the most recent OPEB Plan Actuarial Valuation as of October 1, 2020, the unaudited actuarial surplus is \$4,719,118 with a funded ratio of 106.9%.

Insurance

The Authority has developed a risk management program in response to its exposure to risks related to torts; theft of, damage to, or destruction of assets; errors and omissions; employee workplace accidents or disease; and natural disasters. One mitigation strategy is the procurement of commercial insurance. Property and liability insurance is renegotiated and renewed or replaced on May 1 of each calendar year. The Authority uses an independent risk management and insurance consultant who works with legal counsel in designing an insurance program which is in the best interest of the Authority, including evaluation, negotiation and recommendation of coverages and quotations.

Environmental Liabilities

The Airport System has certain polluted sites, primarily from chemical and fuel spills, asbestos, and former landfills whereas the Authority is named or will be named a responsible or potentially responsible party or where pollution remediation has already commenced, with monitoring being

completed as necessary. The Authority recorded a pollution remediation liability for the Airport System, as of September 30, 2021, measured at \$2.4 million (unaudited), using the expected cash flow technique. Under this technique, the Authority estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurring. This liability could change over time due to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation efforts. The possibility of recovery of some of these costs from outside governmental funding or other parties exists; however, the Authority only recognizes these recoveries in the financial statements as they become probable.

CAPITAL IMPROVEMENT PROGRAM

Overview

The Authority's capital improvement program is a multi-year plan of major capital projects, linked to the Authority's strategic goals. It is modular and demand driven, designed to accommodate existing and forecast passenger demand at the Airport for Fiscal Years 2021 through 2027. The 2021 - 2027 Capital Improvement Program was adopted by the Board in August 2021, and amended December 15, 2021 and provides a roadmap for implementing the component projects, including targeted completion dates, budgets, and anticipated funding plan. The 2021 - 2027 Capital Improvement Program is dynamic in nature, reflecting current changes in the market, available funding, and the Authority's priorities. The component projects consist of on-going and future projects in varying stages of execution, derived from the Authority's master plan and are being developed to address passenger safety, security, passenger experience, as well as the increasing demand for air service to Central Florida.

The 2021 - 2027 Capital Improvement Program consists of: (a) Phase 1 of the South Terminal Complex; (b) Phase 1X; (c) capacity enhancements, renovations and expansion for the North Terminal Complex; and (d) other projects to maintain and enhance the Airport facilities. The estimated total aggregate cost of the 2021 - 2027 Capital Improvement Program is approximately \$3.58 billion, including allowances for inflation. In addition to the 2021 - 2027 Capital Improvement Program, the Authority also undertakes renewal and replacement of major assets on an ongoing basis.

The Authority reassesses its capital needs at least annually and will modify the 2021 - 2027 Capital Improvement Program as necessary to accommodate demand-driven traffic activity, security needs, any needed receipt of required environmental and other regulatory approvals, and other factors which could result in increases or decreases to the size or number of projects in the 2021 - 2027 Capital Improvement Program or extend or accelerate the timing to complete certain projects as well as incorporate changes in available funding sources.

The Authority has initiated discussions with FDOT to provide funding for the completion of the Phase 1X scope that was deferred in May 2020. Certain Airlines are projecting additional operations that, if they occur, could make it difficult to accommodate such growth, particularly during seasonal peak operations, without adding gates and/or remote parking on the South Terminal Complex to avoid the need for split operations between the North Terminal Complex and the South Terminal Complex. Completion of the Phase 1X gates would add 8 additional NBE aircraft positions or 4 jumbo positions providing space to move smaller operators from congested airside and allowing major carriers to grow within the North Terminal Complex. In addition, it would add an apron large enough for 9 narrow body aircraft parking positions, which would allow for more efficient use of South Terminal Complex gates as flights with

extended ground times could be pushed off the gate during servicing allowing the gate to be used more efficiently. The additional parking positions would provide the ability for remote hard stand operations to react to delays or scheduling conflicts, and would accommodate such potential growth until additional gates could be constructed. Completion of the Phase 1X gates would increase annual passenger capacity by 3 to 4 million annual passengers at the South Terminal Complex. At this time, no portion of the deferred scope of Phase 1X has been added to the 2021-2027 Capital Improvement Program, pending confirmation of a significant contribution from FDOT or other government sources. The Authority is currently in discussions with FDOT to seek funding for all or a portion of the deferred Phase 1X scope. Current discussions are focused on the apron described above which the Authority could use previously approved PFC Application 21 funds as a match to the FDOT contribution.

The 2021 - 2027 Capital Improvement Program is expected to be funded through a combination of the proceeds of the Series 2022 Bonds, proceeds of certain prior Bonds, the Proposed 2023 Bonds, federal grants in aid, FDOT participation grants, PFC Revenues, CFCs, third party sources and other Airport funds. The Authority may elect to defer, or to change, the funding plan for any of the projects. See "CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS - Capacity of the Airport; Cost and Schedule of 2021 - 2027 Capital Improvement Program" herein. The Authority does not need additional PFC approval to complete the 2021-2027 Capital Improvement Program.

South Terminal Complex

In the first quarter of 2017, the Authority commenced construction of the 16-gate Phase 1 of the South Terminal Complex with an expected opening in October 2021. In May 2018, the Authority authorized staff to proceed with procurement of professional services for design and early construction activities of Phase 1X to add three additional gates for a total of 19 gates with each gate able to accommodate both international and domestic air traffic. However, due to the impact of the COVID-19 pandemic, in May 2020, the Authority deferred construction of 4 gates and decided to open with 15 gates. Construction of Phase 1 of the South Terminal Complex and Phase 1X is approximately 87% complete and is currently estimated to cost \$2.8 billion (92% of the pre-COVID budget for the project). As of December 18, 2021, actual expenditures total approximately \$2.5 billion. It is estimated that the South Terminal Complex will receive a temporary certificate of occupancy in February 2022 and is expected to open in July 2022.

For more detailed information about South Terminal Complex and the Authority's 2021 - 2027 Capital Improvement Program, see "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT" attached hereto.

North Terminal Complex

The North Terminal Complex currently accommodates all passenger traffic at the Airport. Improvements to the North Terminal Complex included in the 2021 - 2027 Capital Improvement Program are designed to (1) increase the capacity limits of various functional elements (e.g., gates, curbs, security checkpoint, baggage, etc.), (2) expedite international processing, and (3) improve the overall travel experience. The existing North Terminal Complex provides 93 gates on four airside. The 2021 - 2027 Capital Improvement Program also includes \$50.4 million for an Airline Terminal Improvement Account that will fund certain costs to relocate Airlines and modify space to rebalance terminal utilization. A few projects such as those necessitated by changing regulatory requirements and the health and safety renovations also provide benefits to the South Terminal Complex. The North Terminal Complex

improvements have an estimated cost of \$495.6 million with the majority of the projects expected to be completed prior to the end of Fiscal Year 2024.

For more detailed information about the North Terminal Complex and the Authority's 2021 - 2027 Capital Improvement Program, see "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT" attached hereto.

Other Projects

The Authority has identified a series of additional improvements included in the 2021-2027 Capital Improvement Program to maintain the airfield with the goal of maximizing FAA Airport Improvement Program ("AIP") and FDOT grant participation for Fiscal Years 2021 through 2027. Ground transportation improvements include the rental car-related improvements, ongoing roadway and signage improvements, an employee parking lot, the ground transportation facility pedestrian bridge, and other roadway improvements totaling \$113 million. Other miscellaneous improvements to the Airport include wildlife attractant removal, and fiber infrastructure, office trailers and warehouse renovation projects totaling \$34.2 million.

For more detailed information about the Authority's 2021 - 2027 Capital Improvement Program, see "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT" attached hereto.

Anticipated Funding for 2021 - 2027 Capital Improvement Program

The Authority plans to fund the 2021 - 2027 Capital Improvement Program from a number of sources, including FAA AIP grants-in-aid, FDOT grants-in-aid, TSA grants, PFC pay-as-you-go revenues, proceeds of previously issued Bonds, Authority funds, a payment from OUC in connection with the CEP, third party sources, proceeds of the Series 2022 Bonds and the Proposed 2023 Bonds. The Authority has received FAA approval to fund all PFC-eligible portions of the 2021 – 2027 Capital Improvement Program, with PFC Revenues as shown in the chart below.

See "CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS - Capacity of the Airport; Cost and Schedule of 2021 - 2027 Capital Improvement Program" herein.

The following table provides a summary of the Authority's current expectations regarding the funding sources for the various portions of the 2021 - 2027 Capital Improvement Program (in thousands).

<u>AIP Grants</u>	<u>Non-AIP Grants</u>	<u>Authority Funds</u>	<u>PFC Revenues (pay-as- you-go)</u>	<u>Previous Senior Bonds (PFC)</u>	<u>Additional Senior Bonds (PFC)</u>	<u>Previous Senior Bonds (payable from Net Revenues)</u>	<u>Additional Senior Bonds (payable from Net Revenues)</u>	<u>Subordinated Indebtedness</u>	<u>Other</u>	<u>Total</u>
\$100,528	\$249,571	\$136,747	\$281,630	\$758,574	\$194,000	\$542,441	\$190,928	\$871,700	\$249,819	\$3,575,938

Source: Greater Orlando Aviation Authority.

The total amount of the 2021-2027 Capital Improvement Program is approximately \$3.58 billion. For more information regarding the Authority's various sources of funding, including Revenues and grants, see "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING

SOURCES - Passenger Facility Charges” and “ - Customer Facility Charges,” “AUTHORITY FINANCIAL INFORMATION,” “CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS” and “APPENDIX A - REPORT OF THE AIRPORT CONSULTANT” herein.

IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT

General

The domestic and international economic crisis caused by the COVID-19 pandemic, combined with travel restrictions, public health concerns about the contagion and social distancing requirements resulted in drastic and unprecedented reductions in passenger volume and number of flights at the Airport and other major U.S. and international airports. These and other effects of COVID-19 have had, and continue to have, an adverse effect on Airlines serving the Airport, Airport concessionaires, rental car operations and Airport revenues as more fully discussed herein. International travel restrictions, and the inconsistencies in restrictions from region to region are creating uncertainty and a slower recovery in international travel.

Due to the evolving nature of the COVID-19 pandemic, including variants of COVID-19 and the acceptance and effectiveness of the COVID-19 vaccines, and the responses of governments, businesses, and individuals to the COVID-19 pandemic, the full impact of the COVID-19 pandemic on the Airport and the Authority cannot be fully quantified at this time and the Authority cannot predict, among other things, the effect of the following on the operations and finances of the Airport: (a) the scope, duration or extent of the COVID-19 pandemic or any other outbreak or pandemic; or (b) existing restrictions and warnings or any additional restrictions and warnings which may be imposed by local, state or federal governments, nor the timing of the relaxation or release of such restrictions.

Current Operational Status of Airport

TSA has extended the mask mandate for all travelers through March 18, 2022. Rental car operations are active on both Terminals A and B in the Airport. All Terminal A and B Gates are open and operational. The Hotel is open with restaurant take out and dine in service. Terminals A and B North and South Park Place parking lots are open.

The following Airlines are operating internationally: Air Canada, Avianca, Aero Mexico, Bahamas Air, Copa, British Airways, Emirates, Frontier, Icelandair, JetBlue, LATAM, Lufthansa, Spirit, Southwest, Virgin Atlantic, Viv Air, Volaris, and WestJet. All passengers traveling internationally into the United States must present a negative COVID-19 test result no more than 1 day prior to travel or a letter from a healthcare provider or public health official advising that they are recovering from COVID-19 and are safe to travel. Several testing, quarantine and vaccination requirements are in place in various countries which may affect passenger traffic internationally.

Implemented Measures Related to COVID-19

The Authority implemented several measures at the Airport to mitigate the effects of COVID-19, including requiring face coverings, social distancing, and enhanced cleaning and sanitizing procedures. The Authority also took immediate action to reduce costs and implement strict budget monitoring procedures during Fiscal Year 2020 and Fiscal Year 2021. The Authority instituted a hiring freeze effective March 2020 which was lifted June 2021, deferred approximately \$28.6 million of renewal and replacement

projects (as of April 2021, \$11.7 million of these projects were permanently closed and \$16.4 million were reinstated), stopped work on all nonessential consultant and contractor projects, worked with vendors to reduce labor hours where appropriate and to waive contract renewal escalators in Fiscal Year 2021 and established a voluntary separation incentive program. Due to these measures, operating expenses before depreciation decreased \$42.4 million (13.0%) in Fiscal Year 2020 from Fiscal Year 2019 and \$69.2 million (21.2%) in Fiscal Year 2021 (unaudited) from Fiscal Year 2019.

Impact of the COVID-19 Pandemic on Enplanements at the Airport

Statistical Information on Enplanements. Historical patterns of passenger and cargo traffic at the Airport were drastically disrupted by the emergence of the COVID-19 pandemic and the Airport witnessed a sharp contraction in activity beginning in March 2020. While passenger activity at the Airport has fluctuated with increases in infection rates associated with new variants, including Delta and Omicron, since November 2020, the Airport has ranked among the top ten least impacted airports in the U.S. in terms of TSA passenger security throughput counts. Based on TSA passenger security throughput counts for calendar year 2021, the Airport was the second busiest in the nation, and the fourth least impacted airport in the nation, when compared to 2019 volume.

For additional information regarding historical passenger enplanements at the Airport, including historical enplaned passengers, and historical market share by Airline for Fiscal Year 2021, see “THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM- Enplaned Passengers at the Airport” and “-Airline Activity at the Airport” herein.

Impact of the COVID-19 Pandemic on Concessionaires at the Airport

Statistical Information on Operations of Concessionaires. Retail, food and other service concessionaires located in terminal facilities at the Airport have reported significant declines in sales. Due to the reduction in passenger traffic due to COVID-19, many of the in terminal concessions temporarily closed or reduced their hours beginning in March 2020 and started to re-open over the remainder of Fiscal Year 2020. During calendar year 2021, as passenger traffic increased, concessionaires re-opened and sales increased; although sales have not achieved pre-pandemic levels. As of November 2021, all concessionaires are open.

Actions Taken by the Authority to Provide Relief to Concessionaires. In August 2020, the Board adopted a resolution (the “Relief Resolution”) approving supplemental relief for in terminal concessionaires and rental car companies. The Relief Resolution provided for (i) a deferral of the MAG due to the Authority for August and September 2020 until March 2021, convertible to a waiver upon timely payment of MAGs through March 2021, and (ii) the waiver by the Authority of 50% of the MAG due to the Authority for October 2020 through March 2021. In March 2021 the Board adopted a resolution approving additional supplemental relief. This resolution provided for (i) a 75% deferral of the MAG due to the Authority for April and May 2021 until October and November 2021, convertible to a waiver upon timely payment of MAGs through September 2021, (ii) the waiver by the Authority of 75% of the MAG due to the Authority for June 2021 through September 2021, and (iii) a concession which submits a declaration, that more than 75% of its pre-pandemic traffic was international, will pay 12.5% of monthly MAG, instead of the 25% due to be paid by other concessions. In October 2021 the Board adopted a resolution to extend the March 2021 resolution, a waiver of 75% of the MAG to certain concessions who continue to be impacted by the restriction of international passengers. With respect to concessionaires, the adoption of these resolutions amounted to a deferral in Fiscal Year 2020 of \$2.3 million, a waiver of collection in Fiscal Year 2020 of \$16.5

million, a waiver of collection in Fiscal Year 2021 of \$31.7 million, and a waiver of collection in Fiscal Year 2022 of \$1.2 million.

Impact of the COVID-19 Pandemic on Rental Cars and Ground Transportation at the Airport

Statistical Information on Operations of Rental Car Companies. Rental car companies located in terminal facilities at the Airport reported in early 2020 declines in sales commensurate with passenger traffic declines. However, sales increased with passenger traffic increases in late 2020 through 2021 and rental car company rates increased with demand. Challenges facing the rental car companies include shortage of staffing and supply chain issues causing reduced fleets of vehicles.

Actions Taken by the Authority to Provide Relief to Rental Car Companies. The Relief Resolution provided for deferrals and waivers to the rental car companies for certain MAG fees. With respect to the rental car companies, the adoption of the Relief Resolution amounted to a waiver of collection of a portion of the MAG fees in Fiscal Year 2020 equal to \$17.9 million, and waiver of collection in Fiscal Year 2021 of \$11.3 million.

Impacts on TNCs. Prior to the pandemic, TNCs appeared to have affected all modes of transportation to and from the Airport, but had the most significant impact on taxis and permitted ground transportation companies and a modest impact on parking and rental car transactions. However, overall there had been a positive impact on ground transportation revenues pre-pandemic because TNCs are charged the same rate as pre-arranged transportation services. During the pandemic, TNC trips declined more than parking and rental car transactions reflecting hygiene concerns and the desire to minimize the prospect of close contact with others. Since the pandemic, the reduction in rental car trips per enplaned passenger reflects the shortage of cars to rent at the Airport and the corresponding increase in pricing to rent a car. The pre-pandemic patterns appear to be returning except for rental cars, which continue to experience a shortage in vehicles due to a semiconductor microchip manufacturing shortage, which has impacted the rental car companies' ability to obtain a sufficient supply of new vehicles.

Impact of the COVID-19 Pandemic on Revenues of the Airport

Historical Revenue Collections. Revenue collections by the Airport were drastically disrupted by the emergence of the COVID-19 pandemic and the Airport witnessed a sharp contraction in revenues beginning in March 2020. See "AUTHORITY FINANCIAL INFORMATION – Historical Debt Service Coverage" and "-Historical Statement of Revenues and Expenses" for historical revenue collections, expenses, changes in net position and debt service coverage.

Sources of Liquidity. As of September 30, 2021, the Authority had 877 days cash on hand (calculated based upon an unaudited unrestricted cash and investment balance of \$617.6 million and unaudited operating expenses of \$257.0 million). By comparison, as of September 30, 2020 and 2019, the Authority had 728 and 681 days cash on hand, respectively.

Impact of the COVID-19 Pandemic on Capital Improvement Program

During August 2020, due to the effects of the COVID-19 pandemic, the Authority approved a reduction of its then capital improvement program for 2018-2025 (the "2018-2025 Capital Improvement Program") to \$3.756 billion, a \$360.6 million decrease from the 2018-2025 Capital Improvement Program previously updated in August 2020. The 2021-2027 Capital Improvement Program, approved in December

2021, was further reduced to \$3.58 billion, a decrease of \$178.9 million from the 2018-2025 Capital Improvement Program last updated in August 2020.

Federal Aid Related to COVID-19

The United States government has taken legislative and regulatory actions and implementing measures to mitigate the broad disruptive effects of the COVID-19 pandemic through the enactment of legislation to provide financial relief. Below is a summary of certain of such legislation, which was intended to address the impact of the COVID-19 pandemic on airports in the United States.

CARES Act. The CARES Act includes direct aid in the form of grants for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines. Under the CARES approximately \$10 billion in grant assistance was provided to airports.

CRRSA. The CRRSA includes direct aid to prevent, prepare for and respond to the COVID-19 pandemic, including the provision of relief from rent and maximum annual guarantees (MAGs) for eligible airport concessions at primary airports. Under the CRRSA approximately \$2 billion in grant assistance was provided to airports.

ARPA. The ARPA provides additional economic assistance to airport operators to respond to the COVID-19 pandemic, including relief from rent and MAGs for eligible airport concessions at primary airports. Under the ARPA approximately \$8 billion in grant assistance was provided to airports.

IIJA. On November 15, 2021, the Infrastructure Investment and Jobs Act (“IIJA”) was enacted, which provides:

- (i) \$25 billion in new general fund revenue over the next five federal fiscal years for airports and air traffic control facilities. Of this amount: \$2.48 billion per year will be allocated to primary airports in two parts: first based on AIP apportionment formulas, and any remaining amounts based on enplanements. According to the FAA, the Airport will be eligible for \$44.1 million per year for Fiscal Year 2022 and Fiscal Year 2023 under these formula grants (with FY 2024 – FY 2026 to be based on future year enplanements). These grants can be used for PFC-eligible capital project costs and the federal/local share for large and medium-hub airports will be 75%/25%.
- (ii) \$1 billion per year for a new airport terminal program administered by the FAA for terminal development projects (less a 3% allowance for FAA administration) of which 55% (or \$533.5 million) will be set aside for large hub airports like the Airport. These competitive terminal grants will be prioritized for projects that increase capacity and passenger access, replace aging infrastructure; achieve compliance with the Americans with Disabilities Act and expand accessibility for persons with disabilities, improve airport access for historically disadvantaged populations, improve energy efficiency, improve airfield safety through terminal relocation, and encourage actual and potential competition; and projects for relocating, reconstructing, repairing, or improving airport-owned air traffic control towers. These grants can be used for PFC-eligible capital project costs and the federal/local share will be 80%/20%.

The FAA does not expect to distribute specific guidance on the new IIJA grant programs for several months. Therefore, at this time, the 2021 -2027 Capital Improvement Program does not contemplate IIJA funding. However, the Authority intends to update the 2021-2027 Capital Improvement Program at a later date when better guidance is available.

Utilization by the Authority of CARES, CRRSA and ARPA Grants. The Authority was awarded/allocated approximately \$350 million in combined CARES, CRRSA and ARPA grants for the Airport (the “COVID-19 Relief Grants”). The following table presents a summary of the allocation and utilization of the COVID-19 Relief Grants. As of December 31, 2021, the Authority has fully drawn all CRRSA grants and has approximately \$87.1 million in CARES and \$21 million in ARPA concession relief grants remaining.

COVID- 19 Relief Grant Funding and Uses

Federal Relief Bill⁽¹⁾	Total	OEA Available⁽²⁾	Airport Available	Less Concession Relief	Net Available MCO
CARES	\$170,771,779	\$4,000,000	\$166,771,779	\$--	\$166,771,779
CRRSA	41,691,083	23,000	41,668,083	(5,260,599)	36,407,484
ARPA	<u>171,368,787</u>	<u>59,000</u>	<u>171,309,787</u>	<u>(21,042,395)</u>	<u>150,267,392</u>
Total	\$383,831,649	\$4,082,000	\$379,749,649	(\$26,302,994)	\$353,446,655

Actual and Estimated Uses of Grants	FY 2021	FY 2022⁽³⁾	FY 2023⁽³⁾	FY 2024⁽³⁾	Total
Operating Expenses	\$--	\$15,257,371	\$15,000,000	\$17,071,504	\$47,328,875
Debt Service (Series 2017A Subordinated Bonds)	43,375,152	39,742,629	--	--	83,117,781
Defeasances ⁽⁴⁾					
2010A Bonds	15,160,000	--	--	--	15,160,000
2011B, 2015A and 2016A Bonds	86,307,488	--	--	--	86,307,488
2013A Bonds	--	27,497,976	--	--	27,497,976
2017A Subordinated Bonds	<u>--</u>	<u>94,034,535</u>	<u>--</u>	<u>--</u>	<u>94,034,535</u>
Total	\$144,842,640	\$176,532,511	\$15,000,000	\$17,071,504	\$353,446,655

- (1) Although the Authority may apply for ARPA concession relief grants during the Fiscal Year 2022 and retain amounts equal to the amount of MAG relief provided since the enactment of ARPA in March 2021 subject to stipulations under ARPA, such amounts have not been included in the financial projections pending the application and award of the grant.
- (2) The OEA CARES allocation totaled \$69,000, but the Authority applied for blended grant and at this time expects to apply roughly \$4 million of its total obligation to OEA.
- (3) Preliminary, subject to change and based upon final budget for each Fiscal Year.
- (4) See “IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT –Strategies to Achieve Savings – Defeasance of Debt” herein.

Source: Greater Orlando Aviation Authority.

Impact of COVID-19 on Passenger Facility Charges and Customer Facility Charges

PFCs collected were \$76.7 million, \$52.3 million and \$98.4 million, respectively, in Fiscal Years 2021 (unaudited), 2020 and 2019. The decrease in collections of PFCs in Fiscal Years 2020 and 2021 from 2019 was a direct effect of the decrease in passenger traffic at the Airport due to COVID-19. The Authority held a PFC fund balance of \$184.8 million as of September 30, 2021 (unaudited). See “IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT - Impact of the COVID-19 Pandemic on Revenues of the Airport -- Sources of Liquidity” above.

CFCs collected were \$26.8 million, \$25.1 million and \$43.8 million, respectively, in Fiscal Years 2021 (unaudited), 2020 and 2019. The decrease in collections of CFCs in Fiscal Years 2020 and 2021 from 2019 was a direct effect of the decrease in passenger traffic at the Airport due to COVID-19.

Strategies to Achieve Savings

Defeasance of Debt. In 2021, the Authority defeased and/or redeemed portions of the Series 2010A Bonds, Series 2011B Bonds, Series 2015A Bonds, Series 2016A Bonds, Airport Facilities Revenue Bonds (AMT), Series 2013A, and the Series 2017A Subordinated Bonds, totaling \$202.5 million in principal amount of debt defeased. The defeasance of this debt reduced debt service through Fiscal Year 2032 by \$33 million in aggregate. The Authority utilized its Existing Lines of Credit as liquidity for the defeasance escrows and has received reimbursements from the ARPA funds for amounts drawn on the Existing Lines of Credit plus costs to accomplish such defeasances. The Authority realized \$33 million in debt service savings from the defeasance of such debt.

FDOT Debt Deferral. In December 2020, the FDOT and the Authority entered into an amendment of the JPA providing for the deferral of the principal payments due on the FDOT Loan in Fiscal Years 2021 and 2022 and extended the final due date from January 30, 2037 to January 30, 2039. As a result, \$2.5 million and \$2.6 million that would have been due in Fiscal Years 2020 and 2021, respectively, have been deferred to Fiscal Years 2022 and 2023 and each payment thereafter has been deferred two years, with the final due date of January 30, 2039.

Future Strategies. The Authority may implement additional strategies to achieve savings in the future which could potentially include further reductions in operations and maintenance expenses, deferring or resizing the scope of projects in the 2021-2027 Capital Improvement Program, delaying or reducing the size of planned issuances of debt, refunding additional Bonds, other debt restructurings to realize near term savings, or other cost cutting measures with respect to existing service contracts and personnel expenses.

REPORT OF THE AIRPORT CONSULTANT AND RATE COVENANT PROJECTION

General

The Report of the Airport Consultant, dated January 25, 2022, is included as APPENDIX A attached hereto. References made herein to the Report of the Airport Consultant are made to the entire report which should be read in its entirety, and which contains material information, projections, findings, assumptions, and conclusions concerning the Airport System. The Report of the Airport Consultant contains certain “forward-looking statements” concerning the Authority’s operations, performance and financial condition, including the Authority’s future economic performance, plans and objectives and the likelihood of success in developing and expanding the Airport. These statements are based upon a number of assumptions and estimates which are subject to uncertainties, many of which are beyond the control of the Authority.

The Report of the Airport Consultant presents certain Airline traffic and financial projections for the Projection Period and sets forth the assumptions upon which the projections are based.

The financial projections in the Report of the Airport Consultant are based on certain assumptions that were provided by or reviewed and agreed to by Authority management. The Airport Consultant is of the opinion that such assumptions provide a reasonable basis for the projections.

In developing its analysis, the Airport Consultant has formulated projections, based on the assumptions set forth in the Report of the Airport Consultant, which have been reviewed and agreed to by the Authority. The Report of the Airport Consultant presents financial projections assuming “base case”

and “slow” scenarios for the recovery of passenger traffic to 2019 levels of activity in light of COVID-19. A recovery in passenger traffic to 2019 levels is assumed to occur in Fiscal Year 2023 in the base case scenario and in Fiscal Year 2025 in the slow recovery scenario. The adopted range of projections is generally consistent with the range of estimates made recently by various airline industry and bond credit analysts. See APPENDIX A attached hereto for more information about the financial projections and detailed assumptions used in the Report of the Airport Consultant.

Projected Net Revenues and Debt Service Coverage

The following table, which has been extracted from the Report of the Airport Consultant, shows projected Net Revenues available for debt service, the net debt service requirements on all Outstanding Senior Bonds, and Outstanding Subordinated Indebtedness and estimated debt service on the Series 2022 Additional Bonds (excluding any potential savings on the Series 2022 Refunding Bonds) and the Proposed 2023 Bonds (which for purposes of the projections are assumed to be issued as Senior Bonds) as well as projected debt service coverage on all Bonds and total indebtedness during the Projection Period. The projections in the Report of the Airport Consultant indicate compliance with the rate covenant under the Bond Resolution and Master Subordinated Indenture for each Fiscal Year of the Projection Period.

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Projected Rate Covenant Compliance
for Fiscal Years 2021 - 2025
(in thousands, except Coverage and Cost Per Enplanement)

<u>Base Traffic Recovery Case</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net Revenues ⁽¹⁾	\$330,156	\$334,547	\$220,232	\$226,508	\$211,257
Transfer (at 25% of Aggregate Debt Service (Senior Bonds))	<u>14,425</u>	<u>14,165</u>	<u>14,603</u>	<u>13,624</u>	<u>13,581</u>
Available Net Revenues for Debt Service	\$344,581	\$348,712	\$234,835	\$240,132	\$224,839
Accrued Aggregate Debt Service (Senior Bonds) ⁽²⁾	\$128,560	\$132,385	\$140,016	\$136,088	\$135,967
Less: PFC-Supported Debt Service ⁽³⁾	<u>(70,862)</u>	<u>(75,725)</u>	<u>(81,605)</u>	<u>(81,594)</u>	<u>(81,642)</u>
Aggregate Debt Service (Senior Bonds)	\$57,699	\$56,660	\$58,411	\$54,494	\$54,326
Debt Service Coverage (Senior Bonds)	5.97	6.15	4.02	4.41	4.14
Available Net Revenues for Subordinate Indebtedness ⁽⁴⁾	\$272,458	\$277,887	\$161,821	\$172,014	\$156,931
Transfer (at Outstanding Priority Subordinated Indebtedness)	<u>5,093</u>	<u>4,897</u>	<u>5,348</u>	<u>5,306</u>	<u>5,262</u>
Available Net Revenues and Transfer	\$277,551	\$282,784	\$167,169	\$177,320	\$162,194
Total Aggregate Annual Subordinated Debt Service	\$50,931	\$48,974	\$53,480	\$53,061	\$52,623
Debt Service Coverage (Subordinated Bonds)	5.45	5.77	3.13	3.34	3.08
Total Gross Indebtedness Coverage (with PFCs in Numerator, Excluding Transfers)	1.43	1.34	1.48	1.55	1.47
Passenger Airline Payments Net of Revenue Sharing	131,012	197,723	274,777	279,757	299,075
Enplaned Passengers	16,984	22,362	24,847	25,344	25,851
Cost Per Enplanement	\$7.71	\$8.84	\$11.06	\$11.04	\$11.57
<u>Slow Growth Traffic Recovery Case</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net Revenues ⁽¹⁾	\$330,156	\$323,592	\$201,761	\$212,575	\$203,801
Transfer (at 25% of Aggregate Debt Service (Senior Bonds))	<u>14,425</u>	<u>14,165</u>	<u>14,603</u>	<u>13,624</u>	<u>13,581</u>
Available Net Revenues for Debt Service	\$344,581	\$337,757	\$216,364	\$226,199	\$217,382
Accrued Aggregate Debt Service (Senior Bonds) ⁽²⁾	\$128,560	\$132,385	\$140,016	\$136,088	\$135,967
Less: PFC-Supported Debt Service ⁽³⁾	<u>(70,862)</u>	<u>(75,725)</u>	<u>(81,605)</u>	<u>(81,594)</u>	<u>(81,642)</u>
Aggregate Debt Service (Senior Bonds)	\$57,699	\$56,660	\$58,411	\$54,494	\$54,326
Debt Service Coverage (Senior Bonds)	5.97	5.96	3.70	4.15	4.00
Available Net Revenues for Subordinate Indebtedness ⁽⁴⁾	\$272,458	\$266,932	\$143,350	\$158,081	\$149,475
Transfer (at Outstanding Priority Subordinated Indebtedness)	<u>5,093</u>	<u>4,897</u>	<u>5,348</u>	<u>5,306</u>	<u>5,262</u>
Available Net Revenues and Transfer	\$277,551	\$271,829	\$148,698	\$163,387	\$154,738
Total Aggregate Annual Subordinated Debt Service	\$50,931	\$48,974	\$53,480	\$53,061	\$52,623
Debt Service Coverage (Subordinated Bonds)	5.45	5.55	2.78	3.08	2.94
Total Gross Indebtedness Coverage (with PFCs in Numerator, Excluding Transfers)	1.43	1.30	1.39	1.48	1.44
Passenger Airline Payments Net of Revenue Sharing	131,012	198,861	280,066	285,206	302,035
Enplaned Passengers	16,984	20,374	22,362	23,604	24,847
Cost Per Enplanement	\$7.71	\$9.76	\$12.52	\$12.08	\$12.16

(1) For purposes of this presentation, Net Revenues include Federal COVID-19 Grants available for use for Operation and Maintenance Expense reimbursement and debt service reimbursement for Fiscal Year 2021 through Fiscal Year 2024, but none for Fiscal Year 2025. Fiscal Year 2021 (unaudited) and Fiscal Year 2022 Revenues include Federal COVID-19 Grants of \$43.3 million and \$39.8 million, respectively, to pay Subordinated Indebtedness debt service and \$101.5 million and \$121.5 million, respectively, to reimburse Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness debt service used to pay or defease certain Outstanding Bonds.

(2) Includes actual debt service on all Outstanding Senior Bonds, and estimated debt service on the Series 2022 Bonds and the Proposed 2023 Bonds (which for purposes of the projection are assumed to be issued as Senior Bonds) as provided by the Co-Municipal Advisors, net of capitalized interest. Does not reflect any potential savings from a refunding of the Refunded Bonds.

(3) Debt service expected to be paid from Available PFC Revenues.

(4) Includes actual debt service on all Outstanding Priority Subordinated Indebtedness. PFC Revenues are not currently pledged to pay principal and interest on Subordinated Indebtedness.

Source: Debt service: Greater Orlando Aviation Authority and the Co-Municipal Advisors. Net Revenues, Available Net Revenues, and coverage: LeighFisher

AUTHORITY SUSTAINABILITY MANAGEMENT PLAN AND OTHER ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS

Authority Sustainability Management Plan. In 2013 the Board unanimously approved a Sustainability Management Plan ("SMP"), as subsequently updated, as a roadmap to reduce dependency on fossil fuels; lower the demand for potable water; preserve natural lands; divert landfill waste to better uses, and support alternative transportation. The Authority defines sustainability as the responsibility to construct and operate the airport facilities in a manner that ensures future generations will enjoy the same environment that we experience today. Sustainability efforts are achieved through a balance between the environment and community outreach, and the economics of managing the Airport.

The objective of the SMP is continuous improvement in operations, maintenance, purchasing, engineering, and construction at the Airport. This SMP was developed to adopt established sustainability rating systems and certifications, including the United States Green Building Council ("USGBC"), Leadership in Energy and Environmental Design ("LEED") standards, and ISO 14001 and a number of these objectives were achieved such as the South Terminal C ("LEEDv4") that has a 91% waste diversion rate. The Authority has identified four main areas of focus in the field of sustainability: energy, water, environment and waste. Within these four areas, there are nine main goals with action steps within each goal, including:

- Reduce Solid Waste to Landfills
- Reduce Energy Use Intensities
- Reduce Water Consumption
- Improve Operations and Maintenance Plans
- Improve Sustainable Construction, Engineering and Design Practices
- Develop Sustainable Concessionaire Practices
- Improve Environmental Practices
- Reduce Single Occupancy Commuting and increase Alternative Transportation
- Improve Alternative Energy Strategies

Although the SMP was presented to the Board in December 2013, various initiatives included in the plan have been part of the culture at the Airport and OEA for a considerable time, and several achievements have already been reported:

- Active Recycling Program
- Enterprise Content Management (ECM) System
- Energy and Water Conservation
- Energy Star Building Certification
- Occupancy Sensors to Control Lighting and Temperature
- High Efficiency HVAC Systems
- High Efficiency Lighting in Airfield, Garages and Terminal
- LCD & LED Monitors
- Low Flow Bathroom Fixtures
- Construction using LEED Standards
- Oil/Water Separators Throughout Airport
- Consolidated Rental Car Operations into Terminal Garages
- Biofuel Used in Buses
- Compressed Natural Gas Station Under Construction

OUC Global Agreement. Pursuant to the Global Agreement, sustainability services to be provided include floating solar facilities to support building LEED certification. See “AUTHORITY INDEBTEDNESS – OUC Global Agreement” herein for more information regarding the terms of the Global Agreement.

Diversity, Equity and Inclusion. The Authority’s Small Business Development Department has established MWBE, Local Developing Business and/or Veteran Business Enterprise participation requirements for most vendor solicitations.

There are requirements in place for most vendor solicitations, targeting increased participation from Minority and Woman Business Enterprises, Local Developing Businesses, and/or Veteran Business Enterprises. Additionally, the Authority’s staff features multiple women in senior and executive leadership roles in areas such as technology, airport operations, emergency management and information systems.

CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS

The information in this section describes certain factors affecting the air transportation industry and other investment considerations which may impact the payment of or security for the Outstanding Senior Bonds and the Outstanding Subordinated Indebtedness. This section provides a general overview of certain investment considerations that should be taken into account, in addition to the other matters set forth in this Official Statement, in evaluating an investment in the Series 2022 Bonds and the sufficiency of the Pledged Funds expected to be generated by the Airport. The following discussion is not meant to be an exhaustive list of the factors affecting the air transportation industry and other investment considerations which may impact the payment of or security for the Series 2022 Bonds and does not necessarily reflect the relative importance of the various factors. Investors are advised to consider the following factors along with all other information described in this Official Statement or incorporated by reference herein when evaluating the Series 2022 Bonds. Any one or more of the investment considerations discussed below, among others, could lead to a decrease in the market value and/or the marketability of the Series 2022 Bonds. There can be no assurance that other investment considerations not discussed herein will not become material in the future.

COVID-19 Pandemic and Other Public Health Concerns

For a discussion of the impact of the COVID-19 pandemic on the operations of the Airport and the financial results of the Authority, see “IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT” herein.

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.

Concerns about hostilities, terrorist attacks, other perceived security and public health risks, including pandemics, and associated travel restrictions also affect travel demand to and from particular international destinations, as evidenced by the effects of the current COVID-19 pandemic.

Once the impact of the current COVID-19 pandemic subsides, future increases in international passenger traffic at the Airport will still be dependent on global economic growth, a stable and secure travel environment, and government policies that do not unreasonably restrict or deter travel.

Financial Health of the Airline Industry

The ability of the Authority to generate revenues depends, in part, upon the financial health of the aviation industry. The economic condition of the industry has historically been volatile, and the aviation industry has undergone significant changes, including mergers, acquisitions, bankruptcies and closures in recent years. Further, the aviation industry is sensitive to a variety of factors, including the cost and availability of labor, fuel, aircraft, supplies and insurance; general economic conditions; international trade; currency values; competitive considerations, including the effects of airline ticket pricing; traffic and airport capacity constraints; governmental regulation, including security regulations and taxes imposed on airlines and passengers, and maintenance and environmental requirements; passenger demand for air travel; strikes and other union activities; availability of financing; and disruptions caused by airline accidents, criminal incidents and acts of war or terrorism.

Due to the discretionary nature of business and personal travel spending, airline passenger traffic and revenues are influenced by the state of the national economy (see the factors discussed in “ - General Economic and Political Conditions” above), other regional and world economies, business profitability, security concerns and other factors. Significant structural changes to the airline industry have occurred in recent years, including reducing or eliminating service on unprofitable routes and hubs, grounding less fuel-efficient aircraft, achieving high load factors, reducing airline work forces, implementing pay cuts, streamlining operations and merging with other airlines. Airfares have become easier to compare, which has made pricing and marketing among airlines more competitive. The price of fuel has been a significant cost factor for the airline industry and affects airline earnings. Fuel prices are particularly sensitive to worldwide political instability, economic uncertainties and increased demand from developing economies, production disruption, regulations and weather. Material and prolonged changes in the costs of aviation fuel may have an adverse impact on air transportation industry profitability.

The aviation industry is cyclical and subject to intense competition and variable demand. The airlines are vulnerable to fuel price spikes, labor activity, recession and external shocks (such as terrorism, pandemics, military conflicts and natural disasters). As a result, airline financial performance can fluctuate dramatically from one reporting period to the next. The Authority makes no representation with respect to the continued viability of any of the carriers serving the Airport, airline service patterns, or the impact of any airline failures on Authority revenues.

The COVID-19 pandemic is severely and negatively affecting domestic and international air travel. In response to the COVID-19 pandemic-induced losses, airlines took various actions to reduce costs and maintain liquidity. Most airlines offered their employees various voluntary separation programs whereby employees were provided with severance payments and could keep health care and other benefits. Many

airlines also accelerated the retirement of older aircraft and deferred the acquisition of new aircraft. Additionally, all airlines (except Delta) have implemented COVID-19 vaccine mandates for all employees. Recovering from the effects of the COVID-19 pandemic and regaining industry profitability will depend on, among other factors, economic growth to support airline travel demand, continued capacity control to enable increased airfares, and stable fuel prices and labor costs. See “IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT” herein. In addition, the economic condition of the airline industry is volatile, and in recent years the industry has undergone significant changes, including mergers, acquisitions, major restructuring, bankruptcies and closures. Airlines operating at the Airport have filed for bankruptcy protection in the past and may do so in the future.

Availability and Price of Aviation Fuel

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Fuel prices are particularly sensitive to worldwide political instability and economic uncertainty. 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.

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.

Beyond the current impact of COVID-19, the price of aviation fuel is a critical and uncertain factor affecting airline operating economics. The price of oil and the associated cost of jet fuel is the largest single cost affecting the airline industry. Since 2016, jet fuel prices generally increased until the COVID-19 pandemic when jet fuel consumption decreased. Recently, jet fuel prices have increased beyond pre-COVID-19 levels. Fuel costs are expected to remain volatile and may affect future increases in passenger traffic, which depend on stable international conditions as well as national and global economic growth. Any resumption of financial losses could force airlines to further retrench, merge, consolidate, seek bankruptcy protection, discontinue marginal operations, or liquidate. The restructuring, merging, or liquidation of one or more of the large network airlines could drastically affect air service at many connecting hub airports, offer business opportunities for the remaining airlines, and change air travel patterns throughout the U.S. and the world aviation system.

Although fuel cost is of major importance to the airline industry, future prices and availability are uncertain and fluctuate based on numerous factors. These can include supply-and-demand expectations, geopolitical events, fuel inventory levels, monetary policies, regulatory efforts to reduce aircraft emissions and economic growth estimates. Historically, certain airlines have also employed fuel hedging as a practice to provide some protection against future fuel price increases. While fuel hedging has generally not been used by airlines in recent years, it remains as a potential option to mitigate fuel cost risk.

Airline Industry Consolidation, Competition and Airfares

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 Air Lines and Northwest (2009), the merger of United Airlines and Continental (2009), the acquisition of AirTran by 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 Airlines, Delta Air Lines, Southwest Airlines, and United Airlines) 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.

Airline fares including ancillary fees have an important effect on passenger demand, particularly for relatively short trips for which the automobile and other travel modes are potential alternatives, and for price-sensitive “discretionary” travel. The price elasticity of demand for airline travel increases in weak economic conditions when the disposable income of potential airline travelers is reduced. Airfares are influenced by airline capacity and yield management; passenger demand; airline market presence; labor, fuel, and other airline operating costs; taxes, fees, and other charges assessed by governmental and airport agencies; and competitive factors. Future passenger numbers, both nationwide and at the Airport, will depend, in part, on the level of airfares.

On Tuesday, September 21, 2021, the Antitrust Division of the U.S. Department of Justice and the state attorneys general of Arizona, California, the District of Columbia, Florida, Massachusetts, Pennsylvania, and Virginia filed a lawsuit in the U.S. District Court for the District of Massachusetts seeking to block a series of agreements (“Northeast Alliance”) between American Airlines Group Inc. and JetBlue to combine the airlines’ operations in Boston and New York City. On July 15, 2020, American and JetBlue entered into the Northeast Alliance, relating to the airlines’ operations out of Boston Logan, JFK, LaGuardia, and Newark Liberty airports:

- American and JetBlue agreed to pool revenues and coordinate “on all aspects” of network planning at the four airports, including decisions on which routes to fly, when to fly them, who will fly them, and size of plane to use.

- The airlines agreed to pool and apportion revenues earned on flights to and from the four airports such that each earns the same revenues regardless of whether a passenger flies an American or a JetBlue plane.
- The airlines would market each other's flights to and from the four airports. The parties have also agreed to pool their "slots" for takeoff and landing authorizations issued by the Federal Aviation Administration at JFK and LaGuardia.

The government's complaint alleges that the Northeast Alliance violates of Section 1 of the Sherman Act as an unreasonable restraint of trade, alleging that the combination of agreements effectively constituted a merger between American and JetBlue with regard to domestic markets that have either Boston or JFK/LaGuardia as an endpoint. According to the complaint, the alliance will harm competition by eliminating competition between American and JetBlue in the domestic markets to and from Boston and JFK/LaGuardia. At this time, it is uncertain what the outcome of this litigation will be.

Effect of Bankruptcy on Agreements with Concessionaires

On May 22, 2020, Hertz Corporation (which includes Thrifty Car Rental and Dollar Rent-A-Car, collectively, "Hertz"), filed for Chapter 11 bankruptcy protection and has entered into a court-approved exit plan. Hertz represented approximately 27.67% of the rental car gross revenue market share for Fiscal Year ending September 30, 2021. On June 16, 2021, the Authority settled with Hertz and DTG for a combined settlement of \$2.5 million to cover approximately \$4.8 million of outstanding balances. After audit adjustments and interest, the write off for the Authority was approximately \$2.0 million. Hertz continues to operate at the Airport and through December 15, 2021, Hertz was current on payments owed for operations at the Airport. Additionally, in May 2020 Advantage OCPO, parent company to Advantage Rent a Car, filed for bankruptcy and in July 2020 their interests at the Airport were acquired by Sixt Rent A Car, Inc. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT" herein for more information about COVID-19 and its effects on the Authority and the Airport.

As with airline bankruptcies, under the U.S. Bankruptcy Code, concessionaires are granted the protection of the automatic stay upon filing for bankruptcy protection but must pay expenses incurred in the ordinary course if they continue to operate at the Airport. Executory contracts and leases of non-residential real estate must be assumed or rejected within the time period set forth under the U.S. Bankruptcy Code and, if assumed, all defaults, including payment of unpaid pre-petition amounts, must be cured. If an executory contract or lease is rejected, then the Authority will have an unsecured claim for rejection damages substantially the same as described above. In the event of a significant reduction in passengers using the Airport and patronizing the concessions operated at the Airport, other concessions operating at the Airport may file for bankruptcy protection. Whether or not a concessions agreement is assumed or rejected by a debtor in a bankruptcy proceeding, it is not possible to predict the subsequent level of utilization of the space occupied under such agreement.

It is not possible to predict the impact on the Authority of any future bankruptcies, liquidations or major restructurings of concessionaires operating at the Airport.

Growth of Low Cost Carriers and Ultra Low Cost Carriers

LCCs, which include JetBlue Airways and Southwest Airlines, and ULCCs, which include, but are not limited to, Frontier Airlines, Spirit Airlines, Sun Country Airlines and Allegiant Airways, 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 LCCs into more and larger markets. One result of the consolidation of carriers and their capacity discipline and the associated 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, which services Sanford International Airport and Spirit Airlines.

Aviation Safety and Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of international hostilities, terrorist attacks, increased threat levels and world health concerns, may influence passenger travel behavior and airline travel demand. Anxieties about the safety of flying and the inconveniences and delays associated with security screening procedures lead to both the avoidance of travel and the switching from air to surface modes of transportation for short trips.

On March 13, 2019, following two deadly aircraft crashes involving the Boeing 737 MAX airplane, the FAA's Acting Administrator issued an Emergency Order of Prohibition (the "FAA Order"). The FAA Order grounded all U.S. registered Boeing 737 MAX aircraft, including the 8 and 9 variants, until the FAA Order is rescinded or modified. The FAA Order concludes that similarities between the two crashes warrant further investigation of the possibility of a shared cause for the two incidents. On November 18, 2020 the FAA Administrator issued a Rescission of Emergency Order of Prohibition (the "Rescission Order"). The Rescission Order, together with certain related directives issued by the FAA, required owners and operators of covered Boeing 737 MAX aircraft to complete certain corrective actions necessary to address the unsafe condition before further flight operations. The Rescission Order also provided that prior to returning Boeing 737 MAX aircraft to service, operators meet all other applicable requirements, including new training for pilots and conducting specified maintenance activity. In December 2020, the Boeing 737 MAX returned to providing passenger service in the U.S.

In April 2021, Boeing warned airlines of a possible electrical insulation fault in the recent production of some Boeing 737 MAX aircraft. The top three U.S. 737 MAX operators (Southwest, American and United) removed a total of 63 Boeing 737 MAX aircraft from service following the notice received from Boeing. However, in May 2021, the FAA approved Boeing's modifications and service bulletins were issued for the affected fleet.

Historically, airline travel demand has recovered after temporary decreases stemming from terrorist attacks or threats, hijackings, aircraft crashes, and other safety concerns. Provided that precautions by government agencies, airlines, and airport operators serve to maintain confidence in the safety of commercial aviation without imposing unacceptable inconveniences for airline travelers, including

precautions against the spread of contagious diseases, such as COVID-19, future demand for airline travel at the Airport will depend primarily on economic, not safety or security, factors.

Airline Service and Routes

Most large airports serve as gateways to their communities and as connecting points. The number of origin and destination passengers at an airport depends on the intrinsic attractiveness of the region as a business and leisure destination, the propensity of its residents to travel, and the airline fares and service provided. The number of connecting passengers, on the other hand, depends entirely on the airline service provided. The network airlines have developed hub-and-spoke systems that allow them to offer high-frequency service in many city-pair markets. Because most connecting passengers have a choice of airlines and intermediate airports, connecting traffic at an airport depends on the route networks and flight schedules of the airlines serving that airport and competing hub airports. However, most passengers at the Airport are originating or completing their journeys rather than connecting between flights.

The United States has pursued a policy of open skies civil aviation relationships with international partners since 1992. The U.S. has signed more than 100 open skies agreements (“Open Skies Agreements”) with various countries and the European Union since that time. Open Skies Agreements eliminate certain government interference in the commercial decisions of air carriers about routes, capacity, and pricing, freeing carriers to provide more affordable, convenient, and efficient air service for consumers.

Capacity of the National Air Traffic Control System

Demands on the national air traffic control system have, in the past, caused delays and operational restrictions affecting airline schedules and passenger traffic. The FAA is gradually implementing its Next Generation Air Transport System air traffic management programs to modernize and automate the guidance and communications equipment of the air traffic control system and enhance the use of airspace and runways through improved air navigation aids and procedures. In recent years, airline traffic delays have decreased as a result of reduced numbers of aircraft operations, but, as airline travel increases in the future, flight delays and restrictions may be expected.

Capacity of the Airport; Cost and Schedule of 2021 - 2027 Capital Improvement Program

In addition to any future constraints that may be imposed by the capacity of the national air traffic control system, future growth in airline traffic at the Airport will depend on the capacity at the Airport itself. The estimated costs of and the projected schedule for the 2021 - 2027 Capital Improvement Program and any other projects planned by the Authority are subject to a number of uncertainties. The ability of the Authority to complete such projects may be adversely affected by various factors including, without limitation: (a) estimating errors, (b) design and engineering errors, (c) changes to the scope of the capital improvements, (d) delays in contract awards, (e) material and/or labor shortages, (f) unforeseen site conditions, (g) adverse weather conditions, (h) contractor defaults, (i) labor disputes, (j) unanticipated levels of inflation, (k) litigation, (l) delays in permitting and (m) environmental issues. No assurance can be given that any portion of the 2021 - 2027 Capital Improvement Program will not cost more than 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. 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. The successful implementation of the Authority's 2021 - 2027 Capital Improvement Program requires the issuance of additional indebtedness

and the receipt of future revenues. No assurance can be given that these sources of funding will be available in the amounts or on the assumed schedule. See “CAPITAL IMPROVEMENT PROGRAM” herein.

Supply Chain

The Authority has encountered adverse effects resulting from the current supply chain crises, specifically related to the delivery of goods. Deliveries have been delayed, which impacts the completion of projects and the provisions of supplies (such as toilet paper, hand soap, etc.). Steps taken by the Authority to mitigate the supply chain crises include, but are not limited to, monitoring the market and impacts on deliveries of items purchased for the operations and management of the Airport and OEA. For example, the award of the janitorial supplies vendor by the Authority was augmented to request that the 2nd and 3rd low bidders could be contacted for deliveries should there be an issue with deliveries by the primary vendor, without requiring additional Authority approval as long as the total not-to-exceed values of each item was not exceeded.

The Authority has also encountered adverse effects resulting from the current supply chain issues with regard to construction purchases. The construction managers and the subcontractors have had several impacts related to supply of column covers, resin required for terrazzo flooring, millwork components, and general shipping related durations have increased significantly. Fortunately, orders for the steel, low voltage computer components and furniture, fixtures and equipment items for the South Terminal Complex project were placed early with terms that allowed for delayed deliveries and/or storage and deliveries based on the time when those items were needed. This has prevented delays and incorporated any costs that might be incurred as a result of supply chain issues. Therefore, the Authority is still maintaining the schedule and budget for South Terminal Complex. It is projected that there will be additional effects in the future, specifically on supply of structural steel components and low voltage related components such as fiber and cable connectors. Therefore, for new projects that have not yet started, the Authority is taking these factors into account in the revised budgets and schedules.

Workforce Shortage

While a national labor shortage has affected the entire country as a result of COVID-19, including airports and concessionaires at airports, the Authority outsources major service contracts which allows the Authority more flexibility with pay and adjustments, as well as with instituting cuts when needed. In addition, the Authority has re-negotiated its contracts within the operations, maintenance and security departments at the Airport to increase the pay rates to a minimum of \$15 an hour, to align more with the current economic demand in the region.

Due to staffing challenges resulting from surges in the number of staff members contracting COVID-19, including variants thereof, airlines have reduced flight schedules nationally. The Authority cannot predict the effect the Omicron variant, or future variants, could have on available workforce or how a labor shortage could affect the Airlines or the concessionaires operating at the Airport, including food service providers and other concessionaires.

Regulations and Restrictions Affecting the Airport

The operations of the Airport are affected by a variety of contractual, statutory and regulatory restrictions and limitations including extensive federal legislation and regulations, including, without limitation, the provisions of the Transfer Agreement, the Rate Resolution, Revenue Sharing Agreement, the

federal acts authorizing the imposition, collection and use of PFC Revenues and extensive federal legislation and regulations applicable to all airports in the United States.

It is not possible to predict whether future restrictions or limitations on operations at or affecting the Airport will be imposed, whether future legislation or regulations will affect anticipated federal funding or passenger facility charge collections for capital projects for the Airport or whether such restrictions or legislation or regulations would adversely affect Authority revenues.

Passenger Facility Charges

Termination of PFCs. The Authority's legal authority to impose and use PFCs is subject to certain terms and conditions provided in the PFC Act, the PFC Regulations and each PFC application. If the Authority fails to comply with these requirements, the FAA may take action to terminate or to reduce the Authority's legal authority to impose or to use PFCs. Some of the events that could cause the Authority to violate these provisions are not within the Authority's control. In addition, failure to comply with the provisions of certain federal aviation noise acts may lead to termination of the Authority's authority to impose PFCs. Further, the FAA may terminate the Authority's ability to collect PFCs to support payment of debt service on any Bonds attributable to PFC Projects on the fifth anniversary of the completion of formal termination proceedings.

Amendments to PFC Act or PFC Regulations. There is no assurance that the PFC Act will not be repealed or amended or that the PFC Regulations will not be amended in a manner that would adversely affect the Authority's ability to collect and use PFC Revenues in an amount sufficient to deposit Available PFC Revenues for payment of principal and interest on the Bonds issued to finance PFC Projects.

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

If the numbers of enplaned passengers at the Airport is significantly below the numbers projected by the Airport Consultant in projecting annual PFC Revenues, if the collection fees retained by the Collecting Carriers are increased or if the PFC Act is amended, the amount of PFC Revenues actually collected by the Authority each year will be less than the amount projected and accordingly, Available PFC Revenues may be less than the amount sufficient to enable the Authority to pay debt service on that portion of the Bonds issued to finance PFC Projects. In such event other Authority revenues would be required to pay debt service on that portion of the Bonds issued to finance PFC Projects. Such debt service can be included in the applicable airline rate base. On the other hand, if the number of annual enplanements is higher than initially projected or if the rate of PFCs is increased above the level described in "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES - Passenger Facility Charges" herein, the Authority will collect PFC Revenues faster than initially projected. The Authority will manage its PFC program carefully in such event and balance its expenditures with its collecting rates to ensure that sufficient Available PFC Revenues will be available in later years to pay debt service attributable to the Bonds issued to finance PFC Projects.

The Authority's ability to pay the principal of, premium, if any, and interest on the Bonds issued to finance PFC Projects depends, in part, upon the timely receipt by the Authority of PFC Revenues, and the amount of PFC Revenues received annually by the Authority depends largely upon the Authority's ability to implement and complete PFC Projects and upon the number of enplanements at the Airport each year. The level of enplanements, in turn, depends upon a number of economic and other factors that are not within the Authority's control. See "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES - Passenger Facility Charges" and " - Customer Facility Charges" herein for a description of the authority to impose and use PFCs.

No assurance can be given that PFC Revenues will actually be received in the amounts and at the times necessary to provide sufficient Available PFC Revenues in each relevant period, or to fund elements of the Authority's capital improvement program anticipated to be funded with PFC Revenues. The actual amount of PFC Revenues collected, and the rate of collection, will vary depending on the PFC level at the Airport and the actual number of eligible enplaned passengers at the Airport.

Possible Bankruptcy Effects. Applicable federal legislation and regulations provide that PFCs collected and held by an airline constitute a trust fund for the benefit of the applicable airport and create additional protections intended to ensure the regular transfer of PFCs to airports in the event of an airline bankruptcy. There can be no assurance, however, that during the bankruptcy of any airline, payment to the Airport of PFCs will not be delayed or reduced.

FAA Reauthorization and Federal Funding

In October 2018, the most recent authorization and funding for the FAA was approved under the FAA Reauthorization Act of 2018 (the "FAA Reauthorization Act"), which reauthorized the FAA for five years through 2023, at a cost of \$97 billion and represents the longest funding authorization period for FAA programs since 1982.

The AIP, which provides grants to airports for airport safety, capacity, security and environmental projects is funded at \$3.35 billion in mandatory funding for all five years, which continues AIP funding at the same level since 2012, when Congress last passed a FAA reauthorization. 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 on the basis of specific set asides and the national priority ranking system). The Authority is unable to predict the level of AIP funding at this time. If there is a reduction in the amount of AIP grants awarded to the Authority for the Airport, it could: (a) increase by a corresponding amount the capital expenditures that the Authority would need to fund from other sources (including operating revenues, and proceeds of Senior Bonds, Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness), (b) extend the timing to complete certain projects, or (c) reduce the scope of individual proposed projects or the overall program, or a combination of the foregoing. See "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES - Federal Grants-In-Aid" herein for more information regarding federal grant funding received by the Authority.

Over the years, the authorization and funding for the FAA and various components of its operations have not been consistently approved on a long-term basis. In the past, Congress has enacted continuing resolutions which provided temporary funding for the FAA and its programs and the FAA endured a brief shutdown when a lapse in continuing authority terminated funding for non-essential operations. Failure of Congress to approve legislation reauthorizing the operating authority of the FAA,

or adverse changes in the conditions placed on such authority, may have an adverse impact on Airport operations. There can be no assurance that Congress will enact and the President will sign a new comprehensive, long-term FAA reauthorization act when the FAA Reauthorization Act expires. Failure to adopt such legislation could have a material, adverse impact on U.S. aeronautical operations and the Airport, generally, as well as on the AIP grant program and other sources of federal funds.

State Legislation Regarding Fees Assessed on TNCs

Senate Bill 0696 ("SB 0696") has been proposed by the Florida Legislature that would limit the trip fee assessed on TNCs to a maximum of \$2.00 per trip for pickup only. TNCs are currently charged at the same rate as scheduled service providers or \$5.80 per pickup. TNC revenues for Fiscal Year 2022 are projected to be approximately \$5.4 million at the current rate of \$5.80 per pickup. SB 0696 also provides that public agencies cannot impede access, degrade, or intentionally remove access to any service, benefit, or infrastructure made available to TNCs before January 1, 2021. At this time, it is uncertain whether such legislation will be approved by the Florida Legislature, and if approved, in what form, and what affect it will have on the Authority's finances, if any. The Authority does not expect SB 0696, if it becomes law, to have an adverse impact on its ability to pay debt service on the Series 2022 Bonds. See "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES - Information Regarding Sources of Revenue" herein.

State Legislation Regarding Compliance with Procurement

In 2020 the Florida Legislature passed Chapter 2020-167, commonly referred to as "House Bill 915." This law modified existing statutes and created new statutes regarding public disclosures, levels of spending authority, and periodic auditing for the State's major airports. Each year, the Authority is required to certify that it has met the requirements of this law. In 2021, the first year the State required the certification, the Authority's certification was accepted by the State. If the Authority fails to certify compliance with the law, then the State could delay or withhold certain funding available through FDOT. The Authority intends to continue certification and to otherwise comply with this law.

Availability of Airline Financial and Operating Data

Certain of the Airlines or their parent corporations, are subject to the information reporting requirements of the Securities Exchange Act of 1934 (the "Exchange Act"), and as such are required to file periodic reports, including financial and operational data, with the SEC. The SEC maintains a website at <http://www.sec.gov> containing reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the U.S. DOT. These reports are typically available at the websites of the individual airlines.

Neither the Authority nor the Underwriters undertake any responsibility for and make no representations as to the accuracy or completeness of the content of information available from the SEC or the U.S. DOT as discussed in the preceding paragraph, including updates of such information or links to other Internet sites accessed through the SEC's website.

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. Capacity reductions by the Airlines which improve airline profitability have reduced seat availability resulting in higher fares. In addition, 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.

Effect of Airline and Concessionaire Bankruptcies. A number of airlines and concessionaires (i.e., rental car companies) that served or are currently serving the Airport have filed for bankruptcy protection in the past and may do so in the future. Historically, bankruptcies of airlines operating at the Airport have resulted in transitory reductions of service levels, even in cases where such airlines continued to operate in bankruptcy. Future bankruptcies, liquidations or major restructurings of other airlines and/or concessionaires may occur. While it is not possible to predict the impact on the Airport of future bankruptcies, liquidations or major restructurings of airlines and concessionaires, if an airline or concessionaire has significant operations at the Airport, its bankruptcy, liquidation or a major restructuring, could have a material adverse effect on revenues of the Authority, operations at the Airport, the costs to other airlines or concessionaires to operate at the Airport (as certain costs allocated to any such airline or concessionaire may be passed on to the remaining airlines or concessionaires there can be no assurance that such other airlines or concessionaires would be financially able to absorb the additional costs) and may result in delays or reductions in payments on the Authority's indebtedness (including the Series 2022 Bonds).

Other possible effects of a bankruptcy of an airline or concessionaire include, but may not be limited to, delays or reductions in revenues received by the Authority and potentially in delays or reductions in payments on the Series 2022 Bonds. Regardless of any specific adverse determinations in an airline or concessionaire bankruptcy proceeding, the fact of an airline bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2022 Bonds. The Authority has not incurred any material losses from recent airline bankruptcies.

The Authority makes no representation with respect to the continued viability of any of the carriers or concessionaire serving the Airport, airline service patterns, or the impact of any airline failures on Airport revenues. The Authority cannot predict how any such bankruptcy filing or court action could impact the Authority's operations or financial condition.

Worldwide Health Concerns. Travel restrictions and alerts, as well as other public health measures, may be imposed to limit the spread of communicable diseases which may arise. The World Health Organization and the U.S. Department of Health and Human Services (through the Secretary of the Department of Homeland Security) have 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, any communicable disease could negatively impact passenger activity at the Airport and travel to Orlando.

The CDC has also issued travel alerts relating to health issues, including disease outbreaks, including COVID-19. Future or continued travel alerts issued by the CDC may lead to a decrease in air traffic, which in turn could cause a decrease in passenger activity at the Airport and a corresponding decline in Authority revenues. The Authority has plans and procedures in place that are intended to mitigate the potential impacts on the Airport of any such travel alerts. The Authority is unable to predict how serious existing or future disease outbreaks may become, what effect it may have on air travel to and from the Airport, and whether any such effects will be material.

Climate Change Issues and Possible New Regulation

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts. The occurrence of such extreme weather events could damage the local infrastructure that provides essential services to the Airport. The economic impacts resulting from such extreme weather events could include a loss of property values, a decline in revenue base, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially impair the financial condition of the Authority. 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. While the U.S. Environmental Protection Agency (the “EPA”) does not currently regulate greenhouse gas emissions from aircrafts, 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. The Authority can provide no assurance as to the likelihood or potential impact of any such future proposed or enacted regulations.

Peer-to-Peer Car Sharing Rental Activities

The Authority is aware that certain companies are making vehicles available to Airport travelers under a so-called peer-to-peer car sharing scheme without a permit or agreement with the Authority. The Authority considers these arrangements and any other unauthorized commercial activity at the Airport to be in violation of the Authority's Ground Transportation Rules and Regulations and in violation of applicable City ordinances. The Authority is currently in negotiations with these entities and anticipates entering into appropriate agreements for fees.

Cybersecurity

Computer networks and systems used for data transmission and collection are vital to the efficient operations of the Authority. Authority systems provide support to departmental operations and constituent services by collecting and storing sensitive data, including intellectual property, security information, proprietary business process information, information applying to suppliers and business partners, and personally identifiable information of customers, constituents and employees. The secure processing, maintenance and transmission of this information is critical to departmental operations and the provision of citizen services. Increasingly, entities in every sector are being targeted by cyberattacks seeking to obtain confidential data or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities that attackers/hackers can exploit in attempts to effect breaches or service disruptions. Employee error and/or malfeasance may also contribute to data loss or other system

disruptions. Any such breach could compromise networks and the confidentiality, integrity and availability of systems and the information stored there.

Similar to other large organizations, the Authority 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, operational, 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. The Authority 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 the Authority's security measures will prevent cyber-attacks, and 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 the Authority.

Assumptions in the Report of the Airport Consultant; Actual Results May Differ from Projections and Assumptions

The Report of the Airport Consultant included in APPENDIX A incorporates numerous assumptions and states that the projections in the Report of the Airport Consultant are subject to uncertainties. See "REPORT OF THE AIRPORT CONSULTANT AND RATE COVENANT PROJECTION" above and APPENDIX A attached hereto for more information regarding the assumptions of the Airport Consultant.

The Report of the Airport Consultant is an integral part of this Official Statement and should be read in its entirety for an understanding of all of the assumptions used to prepare the projections made therein. No assurances can be given that the projections discussed in the Report of the Airport Consultant will be achieved or that the assumptions upon which the projections are based will be realized. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances will occur. Therefore, actual results achieved during the Projection Period may vary from those set forth in APPENDIX A and the variations may be material and adverse. Additionally, the debt service projections in the Report of the Airport Consultant are not expected to be updated to reflect the sale, issuance or final terms of the Series 2022 Bonds.

IRS Audit

The Series 2010A Bonds recently became subject to an audit by the Internal Revenue Service ("IRS"). While the Authority cannot predict the ultimate outcome of the examination, the Authority does not anticipate that there will be any material adverse determination as a result of the audit. The Authority has provided to the IRS all information requested.

Forward-Looking Statements

This Official Statement contains certain "forward-looking statements" concerning the Authority's operations, performance and financial condition, including the Authority's future economic performance, plans and objectives and the likelihood of success in developing and expanding the Airport. These statements are based upon a number of assumptions and estimates which are subject to uncertainties, many of which are beyond the control of the Authority. The words "may," "would," "could," "will," "expect,"

“anticipate,” “believe,” “intend,” “plan,” “estimate” and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

LITIGATION

There is no litigation now pending or, to the knowledge of the Authority, threatened against the Authority which restrains or enjoins the issuance or delivery of the Series 2022 Bonds or the use of the proceeds of the Series 2022 Bonds or which questions or contests the validity of the Series 2022 Bonds or the proceedings and authority under which they are to be issued, executed and delivered. Neither the creation, organization, nor existence of the Authority, nor the title of the present members or other officials of the Authority to their respective offices, is being currently contested or questioned to the knowledge of the Authority.

The Authority, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The Authority, after reviewing the current status of all pending and threatened litigation, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or, to the knowledge of the Authority, threatened against the Authority or its officials in such capacity are adequately covered by insurance or sovereign immunity or will not have a material adverse effect upon the financial position or results of operations of the Airport.

TAX MATTERS

General

The following discussion is a summary of the opinion of Co-Bond Counsel to the Authority that is to be rendered on the tax status of interest on the Series 2022 Bonds and of certain federal income tax considerations that may be relevant to prospective purchasers of the Series 2022 Bonds. This summary is based on existing law, including current provisions of the Internal Revenue Code of 1986, as amended (the “Code”), existing and proposed regulations under the Code, and current administrative rulings and court decisions, all of which are subject to change.

Subject to the condition that the Authority will comply with the pertinent requirements of the Code, in the opinion of Co-Bond Counsel, under present law, (a) interest on the Series 2022A Bonds, the Series 2022C Bonds and the Series 2022D Bonds (collectively, the “Tax-Exempt Series 2022 Bonds”) is excluded from the gross income of the holders thereof for federal income tax purposes, except that such exclusion shall not apply, in the case of the Series 2022A Bonds and the Series 2022C Bonds, during any period while such Bond is held by a “substantial user” of the facilities financed or refinanced by such Bonds or a “related person” within the meaning of Section 147(a) of the Code; (b) interest on the Series 2022A Bonds and the Series 2022C Bonds is an item of tax preference for purposes of the federal alternative minimum tax; (c) interest on the Series 2022D Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; and (d) interest on the Series 2022B Bonds and the Series 2022E Bonds is not excluded from gross income for federal income tax purposes.

As to questions of fact material to the opinion of Co-Bond Counsel, Co-Bond Counsel will rely upon representations and covenants made on behalf of the Authority in the Bond Resolution, other finance

documents, certificates of appropriate officers of the Authority and certificates of public officials (including certifications as to the use of Series 2022 Bond proceeds and of the property refinanced thereby), without undertaking to verify the same by independent investigation.

The Code contains numerous provisions which could affect the economic value of the Series 2022 Bonds to certain Series 2022 Bondholders. Prospective Series 2022 Bondholders, however, should consult their own tax advisors with respect to the impact of such provisions on their own tax situations.

Tax-Exempt Series 2022 Bonds

Internal Revenue Code of 1986

The Code contains a number of requirements and restrictions which apply to the Tax-Exempt Series 2022 Bonds including investment restrictions, a requirement of periodic payments of arbitrage profits to the Treasury of the United States of America, requirements regarding the timely and proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Authority has covenanted to comply with all requirements of the Code that must be satisfied in order for the interest on the Tax-Exempt Series 2022 Bonds to be excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Tax-Exempt Series 2022 Bonds to be included in gross income retroactive to the date of issuance of the Tax-Exempt Series 2022 Bonds.

Collateral Tax Consequences

Except as described below, Co-Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Tax-Exempt Series 2022 Bonds. Prospective purchasers of Series 2022 Bonds should be aware that the ownership of Tax-Exempt Series 2022 Bonds may result in other collateral federal tax consequences. For example, ownership of the Tax-Exempt Series 2022 Bonds may result in collateral tax consequences to various types of corporations relating to (a) denial of interest deduction to purchase or carry such Tax-Exempt Series 2022 Bonds, (b) the branch profits tax, and (c) the inclusion of interest on the Tax-Exempt Series 2022 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Tax-Exempt Series 2022 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE TAX-EXEMPT SERIES 2022 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES REFERRED TO ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR INFORMATION IN THAT REGARD.

Other Tax Matters

Interest on the Tax-Exempt Series 2022 Bonds may be subject to state or local income taxation under applicable state or local laws in some jurisdictions. Purchasers of the Tax-Exempt Series 2022 Bonds should consult their own tax advisors as to the income tax status of interest on the Tax-Exempt Series 2022 Bonds in their particular state or local jurisdiction.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to Tax-Exempt Series 2022 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Tax-Exempt Series 2022 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Tax-Exempt Series 2022 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Tax-Exempt Series 2022 Bonds. For example, proposals have been discussed in connection with deficit spending reduction, job creation and other tax reform efforts that could significantly reduce the benefit of, or otherwise affect the exclusion from gross income of, interest on obligations such as the Tax-Exempt Series 2022 Bonds. The further introduction or enactment of one or more of such proposals could affect the market price or marketability of the Tax-Exempt Series 2022 Bonds.

Tax Treatment of Bond Premium

The Tax-Exempt Series 2022 Bonds (the “Premium Bonds”) may be offered and sold to the public at a price in excess of the principal amount of such Premium Bond, which excess constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of the Premium Bonds which term ends on the earlier of the maturity or call date for each Premium Bond which minimizes the yield on said Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Premium Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Taxable Series 2022 Bonds

General

The following discussion is a summary of certain expected material federal income tax consequences of the purchase, ownership and disposition of the Series 2022B Bonds and the Series 2022E Bonds (together, the “Taxable Series 2022 Bonds”) and is based on the Code, the regulations promulgated thereunder, published rulings and pronouncements of the Internal Revenue Service (the “IRS”) and court decisions currently in effect. There can be no assurance that the IRS will not take a contrary view, and no ruling from the IRS, has been, or is expected to be, sought on the issues discussed herein. Any subsequent changes or interpretations may apply retroactively and could affect the opinion and summary of federal income tax consequences discussed herein.

The following discussion is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein

will have on, particular holders of the Taxable Series 2022 Bonds and does not address U.S. federal gift or estate tax or (as otherwise stated herein) the alternative minimum tax, state, local or other tax consequences. This summary does not address special classes of taxpayers (such as partnerships, or other pass-thru entities treated as a partnerships for U.S. federal income tax purposes, S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the U.S., broker-dealers, traders in securities and tax-exempt organizations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be subject to branch profits tax or personal holding company provisions of the Code or taxpayers qualifying for the health insurance premium assistance credit) that are subject to special treatment under U.S. federal income tax laws, or persons that hold Taxable Series 2022 Bonds as a hedge against, or that are hedged against, currency risk or that are part of hedge, straddle, conversion or other integrated transaction, or persons whose functional currency is not the "U.S. dollar". This summary is further limited to investors who will hold the Taxable Series 2022 Bonds as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Code. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

As used herein, the term "U.S. Holder" means a beneficial owner of a Taxable Series 2022 Bonds who or which is: (i) an individual citizen or resident of the United States; (ii) a corporation, partnership or other entity treated as a corporation for U.S. federal income tax purposes created or organized under the laws of the United States or any political subdivision thereof or therein; (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or (iv) a trust, if (a) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust validly elects to be treated as a U.S. person for U.S. federal income tax purposes. Partnerships holding Taxable Series 2022 Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Taxable Series 2022 Bonds, including their status as a U.S. Holder. As used herein, the term "Non-U.S. Holder" means a beneficial owner of a Taxable Series 2022 Bonds that is not a U.S. Holder.

THIS SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF THE U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF TAXABLE SERIES 2022 BONDS IN LIGHT OF THE HOLDER'S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE HOLDERS OF THE TAXABLE SERIES 2022 BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE TAXABLE SERIES 2022 BONDS BEFORE DETERMINING WHETHER TO PURCHASE TAXABLE SERIES 2022 BONDS. THE FOLLOWING DISCUSSION IS NOT INTENDED OR WRITTEN TO BE USED TO AVOID PENALTIES THAT MIGHT BE IMPOSED ON THE TAXPAYER IN CONNECTION WITH THE MATTERS DISCUSSED THEREIN. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF RECENTLY ENACTED LEGISLATION OR THE PURCHASE, OWNERSHIP OR DISPOSITION OF THE TAXABLE SERIES 2022 BONDS UNDER APPLICABLE STATE OR LOCAL LAWS, OR ANY OTHER TAX CONSEQUENCE.

NON-U.S. HOLDERS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO NON-U.S. HOLDERS.

Certain U.S. Federal Income Tax Consequences to U.S. Holders

Periodic Interest Payments and Original Issue Discount. The Taxable Series 2022 Bonds are not obligations described in Section 103(a) of the Code. Accordingly, the stated interest paid on the Taxable Series 2022 Bonds or original issue discount, if any, accruing on the Taxable Series 2022 Bonds will be includable in “gross income” within the meaning of Section 61 of the Code of each owner thereof and be subject to federal income taxation when received or accrued, depending upon the tax accounting method applicable to such owner.

Disposition of Taxable Series 2022 Bonds. An owner will recognize capital gain or loss on the redemption, sale, exchange or other taxable disposition of a Taxable Series 2022 Bond equal to the difference, if any, between the amount realized upon the disposition of Taxable Series 2022 Bond (exclusive of any amount paid for accrued interest) and the owner's adjusted tax basis in the Taxable Series 2022 Bonds. Generally, a U.S. Holder's tax basis in the Taxable Series 2022 Bonds will be the owner's initial cost, increased by income reported by such U.S. Holder, including original issue discount and market discount income, and reduced, but not below zero, by any amortized premium. Any gain or loss generally will be a capital gain or loss and either will be long-term or short-term depending on whether the Taxable Series 2022 Bonds has been held for more than one year. The deductibility of capital losses is subject to certain limitations.

Defeasance of the Taxable Series 2022 Bonds. Defeasance of any Taxable Series 2022 Bond may result in a reissuance thereof, for U.S. federal income tax purposes, in which event a U.S. Holder will recognize taxable gain or loss as described above.

State, Local and Other Tax Consequences. Investors should consult their own tax advisors concerning the tax implications of holding and disposing of the Taxable Series 2022 Bonds under applicable state or local laws, or any other tax consequence, including the application of gift and estate taxes. PROSPECTIVE PURCHASERS OF THE TAXABLE SERIES 2022 BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE FOREGOING MATTERS.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Taxable Series 2022 Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to withholding under sections 1471 through 1474 or backup.

LEGAL MATTERS

Certain legal matters incident to the validity of the Series 2022 Bonds and the issuance thereof by the Authority are subject to the approval of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, and D. Seaton and Associates, P.A., Orlando, Florida, as Co-Bond Counsel. The proposed form of the opinion of Co-Bond Counsel is attached hereto as APPENDIX E. 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 thereof by recirculation of the Official Statement or otherwise shall create no implication that Co-Bond Counsel has reviewed or expresses any opinions concerning any of the matters referenced in the opinions subsequent to their date.

Co-Bond Counsel has not been engaged to, nor have they undertaken to review (a) the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the Series 2022 Bonds, or (b) the compliance with any federal or state law with regard to the sale or distribution of the Series 2022 Bonds, except that Co-Bond Counsel will state to the Underwriters and the Authority at closing, that they have reviewed the information in the sections hereof entitled “DESCRIPTION OF THE SERIES 2022 BONDS,” “APPLICATION OF REVENUES,” and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS,” and in “APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION” attached hereto, and to the extent such statements purport to summarize certain provisions of the Amended and Restated Bond Resolution or the Subordinated Indenture, such statements are fair and accurate summaries of the provisions purported to be summarized. Co-Bond Counsel will also state they have reviewed the information under the caption “TAX MATTERS” and that the statements contained therein are accurate.

Certain legal matters will be passed on for the Authority by Nelson Mullins Riley & Scarborough LLP, Counsel to the Authority and, Bryant Miller Olive P.A., Orlando, Florida, and Virtus LLP, Windermere, Florida, Co-Disclosure Counsel to the Authority. Certain legal matters in connection with the Series 2022 Bonds will be passed on for the Underwriters by their Counsel, Greenberg Traurig, P.A., Orlando, Florida, upon which only the Underwriters may rely.

CONTINUING DISCLOSURE

The Authority has covenanted in the Continuing Disclosure Agreement for the benefit of the Series 2022 Bondholders to provide certain financial information and operating data relating to the Airport System and the Series 2022 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. The Authority has agreed to file annual financial information and operating data and the audited financial statements with each entity authorized and approved by the SEC to act as a repository (each a “Repository”) for purposes of complying with Rule 15c2-12 adopted by the SEC (the “Rule”). Effective July 1, 2009, the sole Repository is the Municipal Securities Rulemaking Board. The Authority has agreed to file notices of certain enumerated events, when and if they occur, with the Repository.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in “APPENDIX F - FORM OF CONTINUING DISCLOSURE AGREEMENT” attached hereto. The Continuing Disclosure Agreement shall be executed by the Authority upon the issuance of the Series 2022 Bonds. These covenants have been made in order to assist the Underwriters in complying with the continuing disclosure requirements of the Rule.

With respect to the Series 2022 Bonds, no party other than the Authority is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the aforementioned Rule. The Authority has entered into a contract with Digital Assurance Certification, L.L.C. to provide continuing disclosure dissemination agent services for all of its outstanding bond issues.

RATINGS

Fitch Inc. (“Fitch”), Kroll Bond Rating Agency, Inc. (“Kroll”), Moody’s Investors Service, Inc. (“Moody’s”) and S&P Global Ratings (“S&P,” and collectively with, Fitch, Kroll and Moody’s, the “Rating

Agencies”) have assigned ratings of “AA-,” “AA,” “Aa3” and “AA-,” respectively, to the Series 2022 Bonds. Such ratings reflect only the views of said Rating Agencies at the time such ratings were issued and an explanation of the significance of such ratings may be obtained only from said Rating Agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such Rating Agencies, or any one of them, if in their judgment circumstances so warrant. Any such downward revision or withdrawal of such rating can be expected to have an adverse effect on the market price of the Series 2022 Bonds. The Authority has not undertaken any obligation to oppose any proposed downward revision, or withdrawal of such ratings.

UNDERWRITING

Wells Fargo Bank, National Association (“WFBNA”), together with the other underwriters named on the cover of this Official Statement (collectively the “Underwriters”) have agreed pursuant to that certain Bond Purchase Agreement by and between the Authority and the Underwriters that the aggregate purchase price of the Series 2022A Bonds payable to the Authority is \$210,570,001.38 (which represents the aggregate par amount of \$183,100,000.00, less an Underwriters' discount of \$561,400.57, plus original issue premium of \$28,031,401.95), the aggregate purchase price of the Series 2022B Bonds payable to the Authority is \$63,852,486.82 (which represents the aggregate par amount of \$64,050,000.00, less an Underwriters' discount of \$197,513.18), the aggregate purchase price of the Series 2022C Bonds payable to the Authority is \$9,852,089.71 (which represents the aggregate par amount of \$8,665,000.00, less an Underwriters' discount of \$26,567.64, plus original issue premium of \$1,213,657.35), the aggregate purchase price of the Series 2022D Bonds payable to the Authority is \$23,778,304.02 (which represents the aggregate par amount of \$19,735,000.00, less an Underwriters' discount of \$60,509.23, plus original issue premium of \$4,103,813.25) and the aggregate purchase price of the Series 2022E Bonds payable to the Authority is \$11,454,567.91 (which represents the aggregate par amount of \$11,490,000.00, less an Underwriters' discount of \$35,432.09). The Underwriters are committed to purchase all the Series 2022 Bonds, if any are purchased. The Series 2022 Bonds are offered for sale to the public at the prices derived from the yields set forth on the inside cover pages of this Official Statement. The Series 2022 Bonds may be offered and sold to certain dealers (including dealers depositing Series 2022 Bonds into investment trusts) at prices lower than such offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority for which it 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) and financial instruments (which may include bank loans and/or credit default swaps) for its own account and for the accounts of its 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 Authority.

The following information has been provided by certain of the Underwriters for inclusion in this Official Statement:

Wells Fargo Corporate & Investment Banking (which may be referred to elsewhere as “CIB,” “Wells Fargo Securities” or “WFS”) is the trade name used for the corporate banking, capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association (“WFBNA”), a member of the National Futures Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, N.A. Municipal Finance Group, a separately identifiable department of WFBNA, registered with the U.S. Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA, acting through its Municipal Finance Group has entered into an agreement (the “WFA Distribution Agreement”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“WFA”), for the distribution of certain municipal securities offerings, including the Series 2022 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2022 Bonds with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the Series 2022 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

A portion of the proceeds of the Series 2022 Additional Bonds will be used to make a payment in connection with an extension of credit made to the Authority by Wells Fargo Bank, N.A.

BofA Securities, Inc. (“BofA Securities”), an Underwriter of the Series 2022 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill”). As part of this arrangement, BofA Securities may distribute securities to Merrill, which may in turn distribute such securities to investors through the financial advisor network of Merrill. As part of this arrangement, BofA Securities may compensate Merrill as a dealer for their selling efforts with respect to the Series 2022 Bonds.

BofA Securities and Bank of America, N.A., which is the provider of two Existing Lines of Credit, are both wholly-owned, indirect subsidiaries of Bank of America Corporation.

Citigroup Global Markets Inc., an underwriter of the Series 2022 Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, “Fidelity”). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

Jefferies, one of the underwriters of the Series 2022 Bonds, has entered into a distribution agreement with InspereX LLC (“InspereX”) for the retail distribution of municipal securities. Pursuant to the agreement, if Jefferies sells the Series 2022 Bonds to InspereX, it will share a portion of its selling concession compensation with InspereX.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the Series 2022 Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLP (“LPL”) for the retail distribution of Series 2022 Bonds at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2022 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2022 Bonds that such firm sells.

Morgan Stanley & Co. LLC, an underwriter of the Series 2022 Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2022 Bonds.

Drexel Hamilton, LLC has entered into a distribution agreement with Essex Securities LLC. Under this distribution agreement, such firm may purchase the Series 2022 Bonds from Drexel Hamilton at the original issue price less a negotiated portion of the selling concession applicable to any Series 2022 Bonds that such firm sells.

UBS (“UBS”) has entered into a distribution and service agreement with its affiliate UBS Securities LLC (“UBS Securities”) for the distribution of certain municipal securities offerings, including the Series 2022 Bonds. Pursuant to such agreement, UBS will share a portion of its underwriting compensation with respect to the Series 2022 Bonds with UBS Securities. UBS and UBS Securities are each subsidiaries of UBS Group AG.

VERIFICATION OF ARITHMETICAL COMPUTATIONS

Precision Analytics Inc., the verification agent (the “Verification Agent”) will deliver to the Authority, on or before the issuance of the Series 2022 Bonds, its verification report indicating that it has verified, in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants (“AICPA”), the mathematical accuracy of (i) the mathematical computations of the adequacy of the cash and investments to be deposited in the Escrow Deposit Trust Fund to be held by the Escrow Agent under the Escrow Deposit Agreement to pay when due the maturing principal of, interest on and related call premium, if any, of the Series 2012A Bonds, through their dates of maturity or redemption, as provided in the Escrow Deposit Agreement, and (ii) the mathematical computations of certain yield.

The Verification Agent will rely on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the Authority. In addition, the Verification Agent will rely on any information provided to it by the Authority’s retained advisors, consultants or legal counsel. The Verification Agent was not engaged to perform audit or attest services under the AICPA’s auditing or attestation standards or to provide any form of attest report or opinion under such standards in conjunction with the engagement.

FINANCIAL STATEMENTS

The Authority's financial statements for the Fiscal Years ended September 30, 2020 and 2019, included in APPENDIX D attached hereto, have been audited by Moore Stephens Lovelace, P.A., as stated in their report also included in APPENDIX D attached hereto. Moore Stephens Lovelace, P.A., the Authority's independent auditor, has not been engaged to perform and has not performed, since the date of its report included in APPENDIX D any procedures on the financial statements addressed in that report. Moore Stephens Lovelace, P.A., also has not been engaged to perform and has not performed any procedures relating to this Official Statement.

The Authority anticipates that its audited financial statements as of and for the Fiscal Years ended September 30, 2021 and September 30, 2020 will be available for filing on EMMA by no later than April 2022.

CO-MUNICIPAL ADVISORS

Frasca & Associates, LLC, Orlando, Florida, National Minority Consultants, Inc., Orlando, Florida and Raymond James & Associates, Inc., Winter Park, Florida, serve as co-municipal advisors to the Authority (collectively, the "Co-Municipal Advisors"). Although the Co-Municipal Advisors assisted the Authority in the preparation of this Official Statement, and in other matters relating to the planning, structuring and issuance of the Series 2022 Bonds and provided other advice, the Co-Municipal Advisors are not obligated to undertake and have not undertaken to make an independent verification of the accuracy, completeness or fairness of the information or statements contained in this Official Statement or the appendices hereto. The Co-Municipal Advisors did not engage in any underwriting activities with regards to the sale of the Series 2022 Bonds.

DISCLOSURE OF MULTIPLE ROLES

The Authority intends to use a portion of the proceeds from the issuance of the Series 2022 Bonds to repay certain of the Existing Lines of Credit along with associated accrued interest.

Wells Fargo Securities and BofA Securities are each acting as an underwriter in connection with the offering of the Series 2022 Bonds, and their respective parent companies or affiliates, as appropriate (collectively, the "Affiliates") also serve as line of credit providers for each of the Authority's four Existing Lines of Credit. Each of the Affiliates, as applicable, may receive a portion of the proceeds from the issuance of the Series 2022 Bonds in connection with the repayment by the Authority of the outstanding amounts under the related Existing Lines of Credit.

Conflicts of interest could arise by reason of the different capacities in which the Wells Fargo Bank, N.A. entities and BofA Securities act in connection with the Series 2022 Bonds and repayment of the Existing Lines of Credit.

CONTINGENT FEES

The Authority has retained Co-Bond Counsel, Co-Disclosure Counsel, Co-Municipal Advisors, the Underwriters (who in turn retained Underwriters' Counsel) and the Paying Agent with respect to the

authorization, sale, execution and delivery of the Series 2022 Bonds. Payment of each fee of such professionals is each contingent upon the issuance of the Series 2022 Bonds.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes and the regulations promulgated thereunder require that the Authority make full and fair disclosure of any bonds or other debt obligations of such entity that have been in default as to payment of principal or interest at any time after December 31, 1975. The Authority has not, since December 31, 1975, been in default as to payment of principal or interest on any bonds or other debt obligations it has issued, whether as the principal obligor or as a conduit.

MISCELLANEOUS

There are appended to this Official Statement the Report of the Airport Consultant (APPENDIX A), the Amended and Restated Bond Resolution (APPENDIX B), the Rate Resolution and form of Revenue Sharing Agreement (APPENDIX C), the Audited Financial Statements and Report of the Independent Auditors thereon for the Fiscal Years ended September 30, 2020 and 2019 (APPENDIX D), the proposed form of Co-Bond Counsel Opinions (APPENDIX E), and the proposed form of Continuing Disclosure Agreement (APPENDIX F). Such Appendices are integral parts of this Official Statement and should be read together with all other parts of this Official Statement.

Any statements made in this Official Statement involving matters of opinion or of estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2022 Bonds.

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**AUTHORIZATION OF AND CERTIFICATION
CONCERNING OFFICIAL STATEMENT**

This Official Statement has been authorized and approved by the Authority. Upon the delivery of the Series 2022 Bonds, each of the undersigned will furnish a certificate on behalf of the Authority to the effect that, to the best of their knowledge, this Official Statement did not, as of its date, and does not as of the date of delivery of the Series 2022 Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included herein for the purpose for which this Official Statement is to be used, or which is necessary in order to make the statements contained herein, in light of the circumstances under which they were made, not misleading.

**GREATER ORLANDO AVIATION
AUTHORITY**

By: /s/ M. Carson Good
M. Carson Good, Chairman

By: /s/ Thomas W. Draper
Thomas W. Draper, Acting Chief Executive Officer

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APPENDIX A

REPORT OF THE AIRPORT CONSULTANT

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Appendix A

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

ORLANDO INTERNATIONAL AIRPORT

Airport Facilities Revenue Bonds, Series 2022A (AMT)
Airport Facilities Revenue Bonds, Series 2022B (Taxable)
[Airport Facilities Refunding Revenue Bonds, Series 2022C (AMT)]
[Airport Facilities Refunding Revenue Bonds, Series 2022D (Non-AMT)]
[Airport Facilities Refunding Revenue Bonds, Series 2022E (Taxable)]

Prepared for

Greater Orlando Aviation Authority
City of Orlando, Florida

Prepared by
LeighFisher
San Francisco, California

January 25, 2022

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January 25, 2022

Mr. M. Carson Good
Chairman
Greater Orlando Aviation Authority
Orlando International Airport
One Jeff Fuqua Boulevard
Orlando, FL 32827-4399

Re: Report of the Airport Consultant, Greater Orlando Aviation Authority, Airport Facilities Revenue Bonds, Series 2022A (AMT), Series 2022B (Taxable), Refunding Series 2022C (AMT), Refunding Series 2022D (Non-AMT), and Refunding Series 2022E (Taxable), of the City of Orlando, Florida

Dear Chairman Good:

We are pleased to submit this Report of the Airport Consultant in connection with the proposed issuance of the Airport Facilities Revenue Bonds, Series 2022A (AMT) and Series 2022B (Taxable), collectively the 2022 Bonds, and potentially the Refunding Series 2022C (AMT), Refunding Series 2022D (Non-AMT), and Refunding Series 2022E (Taxable) and Series 2022B (Taxable) (the 2022 Refunding Bonds), by the Greater Orlando Aviation Authority (the Authority), an agency of the City of Orlando, Florida (the City), to fund a portion of the costs of the South Terminal Complex (STC) and other capital improvements at Orlando International Airport (the Airport or MCO) and refund certain Authority Bonds. This letter and the accompanying attachment and exhibits constitute our report.

The 2022 Bonds are being issued under the Amended and Restated Airport Facilities Revenue Bond Resolution (the Senior Bond Resolution), as amended and restated on September 16, 2015, and effective on May 1, 2017, as amended and supplemented from time to time. Bonds issued by the Authority under the Senior Bond Resolution (Senior Bonds) are secured by a pledge of and first lien on Pledged Funds, which include Revenues of the Airport System plus Available Passenger Facility Charge (PFC) Revenues.

Capitalized terms used in this report and not otherwise defined have the meanings given to such terms in the Senior Bond Resolution or the preliminary official statement related to the 2022 Bonds.

The net proceeds of the Series 2022A and Series 2022B Bonds, and certain investment earnings thereon, will be used to (1) finance improvements to the Airport System, including a portion of the costs of Phase 1 and Phase 1 Expansion (STC-P1X) of the STC (as described below), (2) make a deposit to the Composite Reserve Subaccount of the Debt Service Reserve Account to bring the balance therein to equal the Composite Reserve Requirement, (3) refinance certain draws on the Authority's lines of credit (the Lines of Credit), along with associated accrued interest related to the capital improvements being financed by such Bonds, and (4) pay associated certain costs of issuance.

The Authority is also considering refunding certain Outstanding Bonds with the 2022 Refunding Bonds simultaneously with the issuance of the 2022 Bonds. The Authority's refunding practice requires a minimum present value savings of 3% of the refunded par amount for current refundings and 5% of the refunded par amount for advance refundings. Any potential debt service savings from such a refunding have not been incorporated into the financial projections accompanying this report.

The report presents our projection of passengers enplaning at the Airport and evaluates the ability of the Authority to generate Net Revenues sufficient to satisfy the requirements of the Rate Covenant (defined below) and Available Net Revenues to satisfy the Subordinate Rate Covenant (also defined below) for the projection period FY 2022 through FY 2025* taking into account all outstanding Senior Bonds and Subordinated Indebtedness, the 2022 Bonds, and the 2023 Bonds (as described below) estimated to be required to allow completion of the Authority's 2021 – 2027 Capital Improvement Program (the 2021 – 2027 CIP). The projection period for the Additional Bonds Test in the Senior Bond Resolution is the later of (1) the third full Fiscal Year following the issuance of the proposed Senior Bonds or (2) the second full Fiscal Year during which no interest on the proposed Senior Bonds is expected to be paid from the proceeds. The Authority does not intend to capitalize interest on the 2022 Bonds; therefore, the projection period for the Additional Bonds Test extends through FY 2025.

The Authority and the Airport System

The Airport is owned by the City and is operated by the Authority as an agency of the City under the Amended and Restated Operation and Use Agreement dated August 31, 2015, and effective as of October 1, 2015, by and between the City and the Authority. Under this agreement, the City transferred to the Authority custody, control, and management of the Airport for a term that will expire on September 30, 2065, subject to early termination under certain conditions, unless extended by the City and the Authority.

The Airport is defined as a part of the Airport System under the Senior Bond Resolution. The Authority also operates the Orlando Executive Airport (OEA) as a general aviation airport. OEA does not constitute a part of the Airport System and revenues derived from the operation of the Orlando Executive Airport are not pledged to payment of the debt issued under the Senior Bond Resolution or the Subordinated Indenture.

The Airport ranked 10th among U.S. airports in terms of total enplaned passengers in calendar year 2019 and 9th in calendar year 2020. The Airport also ranked 4th among U.S. airports in terms of the number of domestic origin-destination (O&D) passengers in both FY 2019 and FY 2020 (after Denver, Los Angeles and Las Vegas in FY 2020) and 2nd largest for the 12 months ending June 30, 2021 based on U.S. Department of Transportation (USDOT) data. According to Airports Council International, the Airport ranked 31st in the world in calendar year 2019 based on the number of passengers and 27th in calendar year 2020. In FY 2021, the Airport was also the top-ranked airport in Florida in terms of both domestic and international passengers.

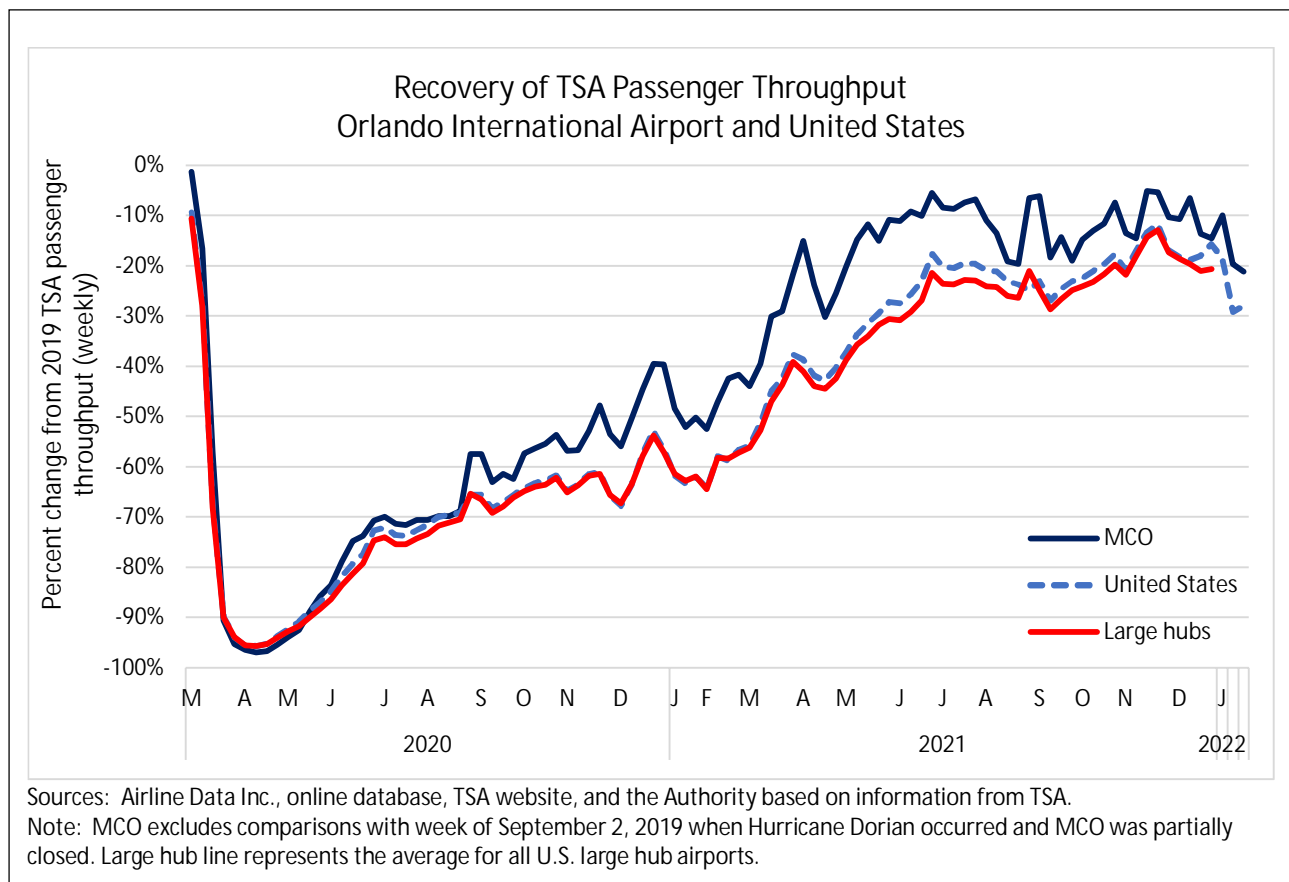
COVID-19 Implications for the Airport

Historical patterns of passenger and cargo traffic at MCO and other airports around the world were drastically disrupted by the COVID-19 pandemic beginning in early 2020. Since then, work-at-home requirements, mandated closures of offices and businesses, and other restrictions imposed to contain the pandemic have caused serious economic contraction, unemployment, and financial hardship globally. This economic dislocation, combined with travel restrictions, public health concerns about the contagion, and social distancing requirements, have resulted in drastic and unprecedented reductions in airline travel and associated passenger-related revenues at MCO and nearly all other U.S. airports

*The Authority's Fiscal Year (FY) ends September 30.

beginning in March 2020. International travel restrictions, and inconsistencies in such restrictions by country, also created uncertainty and resulted in significantly slower recovery in international travel.

The chart below shows the magnitude of the decline in TSA passenger throughput as a surrogate for enplaned passengers from March 2020 through January 16, 2022 relative to the same months in 2019 for MCO and the U.S. As shown, passengers recovered faster at MCO than the trend for the U.S. as a whole and for large-hub airports, reflecting several factors including the favorable climate in Florida, fewer COVID-19 restrictions on businesses in Florida than other states, and the shift by airlines toward greater service to tourist destinations. The decrease in September 2021 reflects the traditional slump when children go back to school compounded by the Delta variant peaking. Since September 2021, the traffic recovery has fluctuated with increases in infection rates associated with new variants, including the new Omicron variant that was first reported in November 2021. Although the Omicron variant and airline flight cancellations attributable to severe weather and staff shortages have recently caused a decline in overall TSA passenger counts, MCO has nonetheless continued to outperform the broader US market.



In calendar year 2021, MCO was the 2nd busiest airport in the nation ranked by TSA screenings. MCO was also the 4th least impacted airport in the nation ranked by TSA screenings compared to 2019 in 2021.

The table below shows the trend in monthly enplaned passengers at MCO since January 2019 and the impact on passenger traffic during the pandemic.

Orlando International Airport Monthly Enplaned Passengers (Calendar Years)

	CY 2019	CY 2020	2020 as % of 2019	CY 2021	2021 as % of 2019
January	2,084,238	2,200,391	105.6%	1,005,364	48%
February	1,946,961	2,151,015	110.5%	975,947	50%
March	2,384,019	1,368,452	57.4%	1,503,614	63%
April	2,179,366	82,335	3.8%	1,658,706	76%
May	2,218,675	183,966	8.3%	1,878,627	85%
June	2,128,331	433,523	20.4%	1,906,837	90%
July	2,210,681	597,557	27.0%	2,061,525	93%
August	2,123,800	569,069	26.8%	1,794,414	84%
September*	1,558,101	583,307	37.4%	1,509,929	97%
October	2,000,975	778,779	38.9%	1,801,982	90%
November	2,095,613	899,464	42.9%	1,935,408	92%
December**	2,271,923	1,011,036	44.5%	2,035,738	90%
	25,202,683	10,858,894	43.1%	20,068,091	79.6%

* During the week of September 2, 2019 when Hurricane Dorian occurred, MCO was partially closed.

* December 2021 enplanements are preliminary and subject to change.

Source: Greater Orlando Aviation Authority.

In response to the pandemic, airlines serving MCO and other airports adjusted their networks to largely focus on leisure travel given the industrywide shift in the profile of air travelers based on the recovery of leisure travel in lieu of business travel, which continues to lag. MCO has benefitted from the shift to tourist destinations with increases in new non-stop domestic service. Business and international traffic have been slower to return due to "duty of care" concerns and travel restrictions.

Although the recovery had been relatively steady through July 2021, the more contagious Delta variant became the leading variant in the U.S. in July resulting in a resurgence in cases, cancellations in travel, weaker bookings, and delayed plans by businesses to open offices, resulting in a stall in the upward trend in August. In addition, some domestic airlines began experiencing flight crew shortages after Labor Day due to previous retirements, furloughs, and re-training requirements, resulting in extensive flight delays and cancellations, and responded with reductions in capacity. In October 2021, President Biden issued an executive order requiring vaccine mandates for all government contractors, including airlines, which further exacerbated the crew shortage situation. President Biden also eased travel restrictions for international travel on November 8, 2021, but on December 6, 2021 mandated that all international air passengers, regardless of vaccination status, must show a negative COVID-19 test taken no more than one day before travel to the U. S. as a result of the appearance of the new, even more contagious, Omicron variant, which the World Health Organization said on December 15 is "spreading at a rate we have not seen with any previous variant." As of January 22, 2022, the CDC estimated that the Omicron variant accounts for nearly 100% of new cases in the United States. Due to the evolving nature of the pandemic, including mutations and variants, the acceptance and effectiveness of vaccinations, and the various responses by governments, businesses, and individuals, the full impact of the pandemic cannot

be predicted or quantified at this time. Therefore, it is not known to what degree, if any, it will bring about further traffic impacts, restrictions, or economic dislocation.

In reaction to the pandemic, the U.S. Congress enacted three separate acts that included measures to provide economic relief to U.S. airports – (1) the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in March 2020, (2) the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSA) in December 2020, and (3) the American Rescue Plan Act (ARPA) in March 2021. In total, the Authority was awarded grants totaling \$383.8 million for MCO and OEA of which \$26.3 million is for relief for concessionaires operating at the Airport. These grants may be used for reimbursement of operating expenses, debt service, and/or capital expenditures for each respective airport as allocated and must be used within four years. Federal grants provided under the CARES Act, CRRSA, and ARPA are collectively referred to in this report as Federal COVID-19 Grants.

Under the Senior Bond Resolution, any grant proceeds legally available to pay debt service and Operation and Maintenance Expenses (O&M Expenses), including Federal COVID-19 Grants, are included in Revenues. The Authority currently expects to apply \$4 million of its CARES Act grants allocated to MCO to pay costs related to Orlando Executive Airport as permitted under the CARES Act. The Authority has developed the preliminary plan shown on the table on the following page for utilizing these Federal COVID-19 Grants to pay O&M Expenses (tentatively for FY 2022 through 2024) as well as reimburse a portion of the outstanding principal on Lines of Credit used to defease and/or redeem \$202.5 million in outstanding Bonds. As of December 31, 2021, the Authority has fully drawn all CRRSA grants and has approximately \$87.1 million in CARES Act and \$21 million in ARPA concession relief grants remaining.

Summary of Federal COVID-19 Grant Funding and Projected Uses
Greater Orlando Aviation Authority

Federal Relief Bill	Total	OEA Available*	MCO Available	Less Concession Relief	Net Available MCO
CARES*	\$ 170,771,779	\$ 4,000,000	\$ 166,771,779	\$ -	\$ 166,771,779
CRRSA	41,691,083	23,000	41,668,083	(5,260,599)	36,407,484
ARPA	171,368,787	59,000	171,309,787	(21,042,395)	150,267,392
Total	\$ 383,831,649	\$ 4,082,000	\$ 379,749,649	\$ (26,302,994)	\$ 353,446,655

Actual and Estimated Uses of Grants	FY 2021	FY 2022	FY 2023	FY 2024	Total
O&M	\$ -	\$ 15,257,371	\$ 15,000,000	\$ 17,071,504	\$ 47,328,875
Debt Service (2017A Subordinated Bonds)	43,375,152	39,742,629	-	-	83,117,781
Defeasance					
2010A Bonds (8/27/21)	15,160,000	-	-	-	15,160,000
2011B, 2015A, and 2016A Bonds (9/15/21)	86,307,488	-	-	-	86,307,488
2013A Bonds (10/07/21)	-	27,497,976	-	-	27,497,976
2017A Subordinated Bonds (10/07/21)	-	94,034,535	-	-	94,034,535
Total	\$ 144,842,640	\$ 176,532,511	\$ 15,000,000	\$ 17,071,504	\$ 353,446,655

Sources: Federal Aviation Administration and the Authority.

* The OEA CARES allocation totaled \$69,000, but the Authority applied for a blended grant and at this time expects to apply roughly \$4 million of its total allocation to OEA.

During the pandemic, the Authority implemented a series of measures to control and reduce operating costs, defer capital costs, provide financial relief to tenants, and increase terminal hygiene in an attempt to instill customer confidence in traveling to/from the Airport, including:

1. Freezing all hiring effective March 13, 2020 through June 2021
2. Reducing O&M Expenses, including reducing the FY 2020 budget by 10% for the last 6 months of the fiscal year, reducing vendor labor hours and escalators, consolidating rental car operations to the A side of the terminal and consolidating FIS operations, and offering a Voluntary Separation Incentive Program to employees
3. Temporarily closing the employee parking lot and portions of the economy lots and reducing associated parking shuttles
4. Deferring approximately \$28.6 million of Renewal and Replacement (R&R) expenditures by stopping work on all nonessential consultant and contractor projects
5. Reducing the Authority's approved CIP at that time from \$4.116 billion to \$3.577 billion consisting of:
 - A \$227 million reduction to the STC, including reducing the scope of the airside to 15 gates from 19 gates, reducing the aircraft apron, deferring the ground transportation facility, deferring the Rental Car (RAC) Quick-Turn-Around (QTA) facility, and miscellaneous other support facilities

- A net reduction to North Terminal Complex (NTC) projects of \$50 million, which includes deferring the repurposing of the NTC Airside 1 FIS and certain other NTC projects totaling \$65 million offset by an addition of \$15 million for health & safety renovations
- A net reduction of airfield project budgets by \$14 million
- A net \$47 million reduction of ground transportation projects, including a \$45 million deferral of future RAC improvements as well as \$7 million of roadway improvements
- A net reduction of other projects, including deferral of the \$35 million east fuel farm and a budget reduction of \$7 million related to the wildlife attractant removal
- The deferral of planning for Phase 2 of the STC

The deferred projects could be added back when demand warrants the added capacity consistent with the Authority's approach to construct demand-driven facilities or when supplemental grant funding is received.

6. Refining the Authority's approved CIP funding plan to account for the reduction in project scope and costs accordingly
7. Implementing programs to ensure the health, safety, and security for the traveling public, tenants, and staff
8. Implementing a COVID-19 testing clinic available to staff and passengers in the terminal
9. Increasing the cleaning of all touched public spaces, equipment, public restrooms, holdroom seating in terminals
10. Implementing touchless technology throughout the terminal complex
11. Requiring anyone entering an airport facility to wear a mask per Federal mandates
12. Adding physical distancing reminder signs throughout all facilities
13. Formulating plans to apply Federal COVID-19 Grants, including the use of grants to pay subordinated debt service, O&M Expenses, and debt defeasance as shown above
14. Applying for and remitting Federal COVID-19 concession relief grants to concessionaires under CRRSA
15. Implementing a series of successive MCO tenant financial relief measures, including a combination of deferrals and waivers based on the evolving impacts from the pandemic and facts available at the time, provided to support air service as well as a successful concessions program while balancing Authority financial considerations with concessionaire relief. The table on the following page shows the value of the deferrals and waivers by tenant group and the related CRRSA Federal COVID-19 relief grants:

Summary of Tenant Relief Provided Greater Orlando Aviation Authority						
Tenant Group	May-20	Aug-20	Mar-21	Oct-21	CRRSA	Total
Passenger/Cargo Airline (deferral)	\$13,852,009	\$ -	\$ -	\$ -	\$ -	\$13,852,009
In-Terminal Concessions / ITCs (MAG waiver and deferral)	10,381,327	20,958,384	19,097,968	1,160,300	2,015,297	53,613,276
Rental Automobile Company / RACs (MAG waiver)	10,365,766	18,836,831	-	-	3,245,302	32,447,899
Total	\$34,599,102	\$39,795,215	\$19,097,968	\$ 1,160,300	\$5,260,599	\$99,913,184
Note: May 2020 relief applied to months of May, June, and July 2020; August 2020 relief applied to August and September MAGs for ITCs and RACs; and March 2021 relief applied to MAGs for ITCs for April through September 2021. CRRSA grants were a pass through to ITC and RAC tenants.						

Although the Authority may apply for ARPA concession relief grants during FY 2022 and retain amounts equal to the amount of MAG relief provided since the enactment of ARPA in March 2021 subject to the stipulations under ARPA, such amounts have not been included in the financial projections.

Also, in November 2020, the Orlando International Airport and the Hyatt Regency both received the Global Biorisk Advisory Council (GBAC) STAR accreditation. The GBAC STAR accreditation is the gold standard of prepared facilities. The accreditation means that a facility has (1) established and maintained a cleaning, disinfection, and infectious disease prevention program to minimize risks associated with infectious agents like COVID-19, (2) the proper cleaning protocols, disinfection techniques, and work practices in place to combat biohazards and infectious disease, and (3) highly informed cleaning professionals who are trained for outbreak and infectious disease preparation and response.

2021-2027 Capital Improvement Program

On December 15, 2021, the Authority Board (the Board) adopted the 2021 – 2027 CIP with an estimated cost of \$3.58 billion (including allowances for inflation), which is designed to accommodate existing and projected passenger demand at the Airport from FY 2021 – FY 2027. The 2021 – 2027 CIP is a multi-year plan of major capital projects, linked to the Authority's strategic goals, that provides a roadmap to implement projects, including targeted completion dates, budgets, and a funding plan. The projects are consistent with the Authority's Master Plan process and developed to address passenger safety, security, and passenger experience, as well as the demand for air service to Central Florida. As noted earlier, the Authority reassessed its previously approved CIP in May 2020 based upon the impacts from the pandemic. The Authority will continue to monitor the traffic recovery situation, assess its associated capital needs at least annually, and modify the 2021-2027 CIP as necessary to accommodate demand-driven traffic activity, security needs, any needed receipt of required environmental and other regulatory approvals, and other factors, which could result in increases or decreases to the 2021 -2027 CIP, or extend or accelerate the timing to complete certain projects.

The 2021 – 2027 CIP consists of:

- The STC Phase 1 and STC-P1X (as recently truncated due to the pandemic)
- Capacity enhancements, renovations, and expansion for the North Terminal Complex (or NTC)
- Other projects to maintain and enhance the Airport, including airfield and ground transportation

The South APM Complex and the Intermodal Terminal Facility (ITF), which are adjacent to the STC, opened in November 2017. These facilities will support future multi-modal travel connections in the vicinity of the STC to provide greater connectivity to the region and the State of Florida (State), relieve congestion in the existing NTC, and provide access from the NTC to the new STC when the STC opens.

The 2021 - 2027 CIP is comprised of the following major elements:

South Terminal Complex. In response to the pre-COVID-19 growth in passengers and international service (as described in the report), the Authority commenced construction of the 16-gate flex STC Phase 1 in the first quarter of 2017 with an expected opening in October 2021. In May 2018, after passenger traffic levels reached 45.8 million annual passengers (MAP), the Authority authorized staff to proceed with procurement of professional services for design and early construction activities of STC-P1X to add three additional gates for a total of 19 gates with each gate able to accommodate both international and domestic air traffic. However, in May 2020, in reaction to the reduction in passenger demand declines due to the pandemic the Authority deferred construction of 4 gates and plans to open with 15 gates.* Phases 1 and 1X of the STC are currently estimated to cost \$2.8 billion and are expected to open in the summer of 2022. For financial modeling purposes it was assumed the STC would open in July 2022.

North Terminal Complex Improvements. The NTC currently accommodates all passenger traffic at the Airport. Improvements to the NTC included in the 2021 - 2027 CIP are designed to (1) increase the capacity limits of various functional elements (e.g., gates, curbs, security checkpoint, baggage, etc.), (2) expedite international processing, and (3) improve the overall travel experience. The existing NTC provides 93 gates on four airsides. The 2021 – 2027 CIP also includes \$50.4 million for an Airline Terminal Improvement Account that will fund certain costs to relocate airlines and modify space to rebalance terminal utilization. A few projects such as the changing regulatory requirements and the health & safety renovations also provide benefit to the STC. The NTC improvements have an estimated cost of \$495.6 million with the majority of the projects expected to be completed prior to the end of FY 2024.

Other CIP Projects. The Authority has identified a series of additional improvements included in the 2021-2027 CIP to maintain the airfield, which have been programmed to maximize Federal Aviation Administration (FAA) Airport Improvement Program (AIP) and Florida Department of Transportation (FDOT) grant participation from FY 2021 – 2027 totaling \$138.2 million. Ground transportation improvements include the rental car-related improvements, ongoing roadway and signage improvements, an employee

*The STC is designed for 8 narrow body aircraft gates and 7 Multiple Aircraft Ramp System (MARS) gates that are wide body compatible (two of these MARS gates are Group VI aircraft gates - Boeing 747-8 and Airbus 380). The MARS gates have two jetways and can accommodate two narrow body aircraft at a time. The 15 gates could accommodate 20 narrow body equivalent aircraft.

parking lot, the ground transportation facility pedestrian bridge, and other roadway improvements totaling \$113 million. Other miscellaneous improvements to the Airport include wildlife attractant removal, and fiber infrastructure, office trailers and warehouse renovation projects totaling \$34.2 million.

Funding sources for the 2021 - 2027 CIP. The Authority plans to fund the 2021 - 2027 CIP from a number of sources, including FAA AIP grants-in-aid, FDOT grants-in-aid, Transportation Security Administration (TSA) grants, PFC pay-as-you-go revenues, proceeds of previously issued Senior Bonds, proceeds of the 2017 Subordinated Bonds, rental car Customer Facility Charges (CFCs), Authority funds, a payment from the Orlando Utilities Commission (OUC) for the central energy plant or CEP (as described below), third party sources, proceeds of the proposed 2022 Bonds and the anticipated Proposed 2023 Bonds as described below. The Authority has received FAA approval to fund portions of Phases 1 and 1X of the STC with PFC revenues.

On November 15, 2021, the Infrastructure Investment and Jobs Act (IIJA) was enacted, which provides \$25 billion in new general fund revenue over the next five Federal Fiscal Years for airports and air traffic control facilities. Of this amount:

1. \$2.48 billion per year will be allocated to primary airports in two parts: first based on AIP apportionment formulas, and any remaining amounts based on enplanements. According to the FAA, MCO will be eligible for \$44.1 million per year for FY 2022 and FY 2023 under these formula grants (with FY 2024 – FY 2026 to be based on future year enplanements). These grants can be used for PFC-eligible capital project costs and the Federal/local share for large and medium-hub airports will be 75%/25%.
2. \$1 billion per year for a new airport terminal program administered by the FAA for terminal development projects (less a 3% allowance for FAA administration) of which 55% (or \$533.5 million) will be set aside for large hub airports like MCO. These competitive terminal grants will be prioritized for projects that increase capacity and passenger access, replace aging infrastructure; achieve compliance with the Americans with Disabilities Act and expand accessibility for persons with disabilities, improve airport access for historically disadvantaged populations, improve energy efficiency, improve airfield safety through terminal relocation, and encourage actual and potential competition; and projects for relocating, reconstructing, repairing, or improving airport-owned air traffic control towers. These grants can be used for PFC-eligible capital project costs and the Federal/local share will be 80%/20%.

The FAA does not expect to distribute specific guidance on the new IIJA grant programs until February 2022 at the earliest. Therefore, at this time, the 2021 - 2027 CIP does not contemplate IIJA funding. However, the Authority intends to update the 2021 – 2027 CIP at a later date when better guidance is available.

In addition, the Authority has contracted with OUC to purchase, own, and operate the CEP and emergency power generation (EPG) back-up facility for the STC for 20 years. The Authority will pay OUC a monthly consumption and capacity charge for the system.

The Authority has initiated discussions with FDOT to provide funding for the completion of STC-P1X scope that was deferred in May 2020. Certain airlines are projecting additional operations that, if they occur, could make it difficult to accommodate such growth, particularly during seasonal peak

operations, without adding gates and/or remote parking on the STC to avoid the need for split operations between the NTC and STC. Completion of the STC-P1X gates would add 8 additional NBE aircraft positions or 4 jumbo positions providing space to move smaller operators from congested airside and allowing major carriers to grow within the NTC. In addition, it would add an apron large enough for 9 narrow body aircraft parking positions, which would allow for more efficient use of STC gates as flights with extended ground times could be pushed off the gate during servicing allowing the gate to be used. The additional parking positions would provide the ability for remote hard stand operations to react to delays or scheduling conflicts, and would accommodate such potential growth until additional gates could be constructed. Completion of the STC-P1X gates would increase annual passenger capacity by 3 to 4 MAP at the STC. At this time, no portion of the deferred scope of STC-P1X has been added to the CIP pending confirmation of a significant contribution from FDOT or other government sources. However, the Authority is currently in discussions with FDOT to seek funding for all or a portion of the deferred STC-P1X scope. Current discussions are focused on the apron described above which the Authority could use previously approved PFC 21 funds as a match to the FDOT contribution.

The projects in the 2021 - 2027 CIP, their estimated project costs, and the funding plan are described in more detail in the attachment and summarized in Table 22. Cost estimates were provided by the Authority and its consultants and include construction, design development, project and construction management, contingencies, and escalation. The 2021 – 2027 CIP is a working plan that will evolve as economic conditions, aviation activity, and regulatory conditions change.

Renewal and Replacement Program

In addition to the 2021 - 2027 CIP discussed above, the Authority approves a budget for renewal and replacement (R&R) and capital expenditures on an annual basis for the routine and periodic refurbishment and rehabilitation of existing Airport facilities. The Authority funds such capital expenditures with funds from the Discretionary Fund under the Senior Bond Resolution. The amounts appropriated averaged approximately \$46.4 million per year between FY 2019 and FY 2022. It was assumed that \$40 million per year would be spent on renewal and replacement capital expenditures from FY 2022 through FY 2025.

The South Terminal Complex

As shown on Exhibit A, Phases 1 and 1X of the STC consist of:

1. *Site Development* – clearing and grading of the 1,000 + acre site, construction of roadways and bridges, and installation of utilities to accommodate the proposed terminals, parking facilities, aircraft taxiways, and aprons.
2. *Terminal Building* – a landside building and airside building comprising approximately 1.7 million square feet that is designed to accommodate 15 international and domestic gates.
3. *Parking Facility* – Approximately 700 additional public parking spaces to supplement the 6-story Garage C that opened in November 2017 as part of the South APM Complex. Levels 3-6 of Garage C currently provide 1,684 spaces for public parking and levels 1-2 are reserved for rental car operations. Upon the opening of the STC, there will be approximately 2,400 spaces for public parking and over 1,200 spaces for rental car operations on levels 1-2.

4. *Central Energy Plant* – A central energy plant to provide chilled water for the STC and a high power 12kv emergency power distribution system, as well as a solar energy facility and electrical vehicle charging stations.
5. *Apron and Airfield with Fueling* – Apron and taxiway paving and lighting as well as an aircraft fuel hydrant system to serve the STC gates.
6. *Ground Transportation Center* – a 48,600 square foot building to provide a bridge between the parking and ground transportation facilities to the STC.

The Authority entered into Construction Manager at Risk (CMAR) contracts with two firms to construct portions of the STC Phases 1 and 1X – the Turner-Kiewit Joint Venture (for the Landside Terminal and the work associated with the apron and airfield) and Hensel Phelps Construction (for the Airside Terminal). Under this approach, each CMAR commits to deliver its portion of the STC within a series of Guaranteed Maximum Price (GMP) addendums to their base contract. A series of GMP contracts with the CMARs have been negotiated and awarded and construction is 99% bought-out.

In addition, the Authority has a team of authorized representatives that provide program and project management and a variety of other consultants providing review for contract and funding compliance. The estimated cost of the STC includes the cost of all construction work, general conditions, construction manager fees, design and construction contingency, escalation, all soft costs, and owner contingency.

The Authority also successfully used the CMAR approach on two projects in the past, including the South APM Complex and ITF where Hensel Phelps Construction Co. and Turner-Kiewit Joint Venture were the CMARs, respectively.

Plan of Finance for the 2021 – 2027 CIP

Table 22 provides the estimated project costs and the funding plan for the projects in the 2021 - 2027 CIP. The cost estimates, which were provided by the Authority's consultants and adopted by the Authority, include all soft costs and pricing allowances.

Exhibit A shows the estimated sources and uses of funds for projects being funded in whole or in part from Bonds. The Authority's independent registered municipal advisors - Frasca & Associates LLC, Raymond James & Associates, Inc., and National Minority Consultants, Inc. (the Municipal Advisors) - provided the estimated sources and uses of funds and estimated debt service requirements for the 2022 Bonds and Proposed 2023 Bonds used to finance a portion of the 2021 – 2027 CIP based on information provided by the Authority. Exhibit A also shows the associated sources of funding, including funding from the 2022 Bonds and the Proposed 2023 Bonds as described below.

As shown in Exhibit A, the 2022 Bonds are expected to provide proceeds to fund approximately \$260.5 million costs of the STC and the Proposed 2023 Bonds are expected to fund \$124.5 million in other CIP project costs as well as to repay draws on the Lines of Credit and their associated interest expense.* The 2022 Bonds will be the last tranche of debt for the STC to fund approximately \$260.5

*The Authority has and expects to finance portions of the costs of the STC on an interim basis using its Lines of Credit and intends to repay them with Bond proceeds.

million of project costs and refund associated draws on the Lines of Credit. Other funding sources for the STC include:

1. In September 2017, the Authority issued the 2017 Subordinated Bonds, which were the first series of bonds to finance \$871.7 million of the costs of the STC. The 2017 Subordinated Bonds have a 35-year term with interest capitalized through October 1, 2020 (FY 2021), interest only payments through FY 2022, principal amortized over FY 2023 through FY 2052, and achieved an estimated all-in true interest cost of 3.89%. Due to the addition of STC-P1X and associated design and construction sequencing, the opening for Phase 1 had to be deferred until the summer of 2022. Therefore, the Authority used CARES grants to pay the FY 2021 debt service due on the 2017 Subordinated Bonds and plans to pay the FY 2022 debt service. The 2017 Subordinated Bonds are not supported by PFC revenues.
2. In September 2019, the Authority issued the 2019 Senior Bonds to fund an additional \$1.07 billion of the costs of the STC of which \$725 million was PFC-supported and \$342 million was revenue backed. The PFC-supported portion has a 30-year term, level annual principal and interest, and no Capitalized Interest. The revenue backed portion of the 2019 Senior Bonds has a 35-year term with interest capitalized through September 30, 2021. The all-in true interest cost of the 2019 Bonds was 3.28%.
3. The Authority has contracted with OUC to purchase and operate the CEP and the EPG for the STC for the benefit of the Authority. Under this Global Agreement, OUC will pay the Authority \$55 million for the cost to construct the CEP and the EPG and the Authority will pay OUC a monthly charge for the capital cost of the system plus a consumption fee.
4. In February 2018, the Authority entered into a bank loan secured by rental car CFCs to fund \$160 million in project costs, a portion of which funded certain STC ground transportation facilities.

The specific form, amount, and timing of debt to finance the remaining costs to be financed for the 2021 – 2027 CIP have not been determined at this time. Although the Authority would consider various financing options regarding the anticipated financings, for purposes of this report the Municipal Advisors made the assumptions on the following page regarding the issuance of Senior Bonds to fund portions of the STC and other projects in the 2021 – 2027 CIP timed for cash flow needs, all of which would have a cash funded Debt Service Reserve.

Debt Financing Assumptions for 2021 – 2027 CIP
Greater Orlando Aviation Authority

Bond Series	Revenue-Backed	PFC-Supported
2022 Bonds (STC)		
Project Costs	\$66.45 million	\$194 million
Term	30 years	30 years
Spread to Market Rates*	50 basis points	50 basis points
Capitalized Interest Period	None	None
Debt Structure	Structured Debt Service**	Level Debt Service
Proposed 2023 Bonds (Other CIP)		
Project Costs	\$124.48 million	n.a.
Term	20 years	n.a.
Spread to Market Rates*	150 basis points	n.a.
Capitalized Interest Period	Through 10/1/2025	n.a.
Debt Structure	Level Debt Service	n.a.

* As of January 14, 2022. Preliminary and subject to change.

** To achieve generally level Senior Bond debt service through FY 2045.

Estimated Debt Service requirements presented in Exhibit C for the proposed 2022 Bonds and Proposed 2023 Bonds were provided by the Municipal Advisors.

As noted earlier, the Authority is also considering refunding all or a portion of the Authority's (1) Airport Facilities Revenue Bonds Series 2011C (Non-AMT), (2) Series 2011B and Series 2012A (AMT), and Series 2011D (Taxable) (collectively, the Refunded Bonds) with a portion of the proceeds of Bonds issued in conjunction with the 2022 Bonds depending on market conditions at the time of pricing. Any potential debt service savings from the refunding of the Refunded Bonds have not been incorporated into the financial projections accompanying this report.

Airport Facilities Revenue Bond Resolution

The Authority issues Senior Bonds pursuant to the Senior Bond Resolution under which The Bank of New York Mellon Trust Company, N.A, serves as Trustee. Under the Senior Bond Resolution, the Authority has the right to issue Subordinated Indebtedness that is subordinate to the Senior Bonds issued under the Senior Bond Resolution as to the pledge of, lien on, and payment from Pledged Funds.

Revenues are generally defined as all income and revenues received by the Authority from the operation of the Airport and pledged Special Purpose Facilities Revenues. Revenues also include Federal COVID-19 Grants lawfully available and used to pay debt service and O&M Expenses. Revenues do not include, among other things, grants-in-aid for capital projects, PFC revenues, or CFC revenues.

However, principal and interest payable from Available Revenues (including Available PFC Revenues and Available CFC Revenues*) that have been irrevocably committed pursuant to a Supplemental Resolution for the purpose of paying such principal or interest on Senior Bonds may be disregarded and not included in calculating Debt Service for purposes of the coverage calculation under the Rate Covenant and Additional Bonds Test. Available PFC Revenues are the portion of PFC Revenues received by the Authority for PFC-eligible project costs financed with Bonds equal to the debt service accruing during an applicable period for Bonds issued to finance PFC projects. Such treatment applies to all prior PFC-supported Bonds as well as future PFC-supported Bonds.

O&M Expenses consist of the Authority's expenses for operation, maintenance, repairs, ordinary replacement, and ordinary reconstruction of the Airport, but do not include any capital cost or any allowance for depreciation or any operation or maintenance costs for non-Authority-owned Special Purpose Facilities.

In Section 711 of the Senior Bond Resolution (the Rate Covenant), the Authority covenants that it will fix, prescribe, and collect fees and other charges for the use of the Airport so as to produce Net Revenues, plus any Transfers,** in an amount at least equal to (a) 1.25 times the Aggregate Debt Service on Outstanding Bonds for each Fiscal Year and (b) together with Subordinated Pledged Revenues, 100% of the amounts required to be deposited pursuant to Section 405(2)-(10) of the Senior Bond Resolution, which essentially covers all debt and debt reserve payments for all liens, plus deposits to the Operation and Maintenance Reserve Account, Renewal and Replacement Fund, and Capital Expenditures Fund.

For purposes of demonstrating compliance with the Rate Covenant and the Additional Bonds Test, Debt Service is defined in the Senior Bond Resolution to exclude the payment of principal of and interest on indebtedness for which funds are, or are reasonably expected to be, available for and which are irrevocably committed to make such payments, including any such funds in an escrow account or any such funds constituting Capitalized Interest as well as Available PFC Revenues and Available CFC Revenues. Aggregate Debt Service is the amount of interest and principal on all Senior Bonds (other than Capital Appreciation Bonds) which will accrue in the applicable period, excluding the amounts designated to be paid by Available Revenues and capitalized interest.

Under Section 204 of the Senior Bond Resolution, certain conditions must be met before Additional Bonds may be issued to pay the Cost of Construction of any Additional Project. These conditions require, among other things, that estimates of Net Revenues shall equal at least 1.25 times Aggregate Debt Service on (1) Outstanding Bonds, (2) the Additional Bonds, and (3) any future bonds that may be required to finance the cost of the Additional Project or any uncompleted Project. The estimates of Net Revenues must satisfy these obligations for the later of (1) the third full Fiscal Year following the issuance of the proposed Senior Bonds or (2) the second full Fiscal Year during which no interest on the

*CFCs are paid by rental car customers. The Authority currently has no plans to designate CFC Revenues as Available CFC Revenues.

** "Transfer" in the Senior Bond Resolution means the lesser of (a) the sum of (i) amounts on deposit in the Discretionary Fund on the last day of the Fiscal Year, to the extent such amounts are not restricted to other uses, plus (ii) amounts paid from the Discretionary Fund during such Fiscal Year toward Operating and Maintenance Expenses and Debt Service, minus (iii) amounts deposited into the Discretionary Fund in such Fiscal Year, or (b) 25% of Debt Service payable in such Fiscal Year.

proposed Senior Bonds is expected to be paid from the proceeds.* This provision of the Senior Bond Resolution is referred to as the Additional Bonds Test.

Master Subordinated Indenture of Trust

The Authority issues Subordinated Indebtedness pursuant to the Amended and Restated Master Subordinated Indenture of Trust dated as of July 1, 2016, under which U.S. Bank National Association serves as Trustee (Subordinated Indenture). The Subordinated Indenture provides for the issuance of both Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness, as contemplated by the Senior Bond Resolution. Priority Subordinated Indebtedness is payable solely from, and secured by a pledge of and lien on, Pledged Subordinated Revenues, which is subordinate to the lien on and pledge of Pledged Funds to Senior Bonds. In addition, the Subordinated Indenture authorizes the Authority to enter into and have outstanding Other Parity Indebtedness, consisting of FDOT Indebtedness (FDOT Loan) in an aggregate principal amount not to exceed \$55 million, which together with the 2016 Subordinated Bonds and 2017 Subordinated Bonds constitute Priority Subordinate Indebtedness.

The FDOT Loan totals \$52.7 million pursuant to a Joint Participation Agreement (JPA), payable without interest, over an 18-year term commencing January 30, 2020. Due to the COVID -19 pandemic the JPA was amended to defer the payments due on January 30, 2021, and January 30, 2022 and to extend the end date to January 30, 2039.

The Authority has entered into four Line of Credit agreements with two banks: Bank of America, N.A. (two agreements), and Wells Fargo Bank, N.A. (two agreements) totaling \$550 million. The Line of Credit agreements are Secondary Subordinated Indebtedness under the Subordinated Indenture.

PFC Program

The Authority has received approval from the FAA to collect and use PFCs for a total of \$5.03 billion in collection authority. PFC Application 19, approved on June 22, 2018, blended previous PFC applications 11 through 18 to maintain a uniform collection rate of \$4.50. On May 8, 2019, the FAA approved PFC Application 20 to fund a portion of STC-P1X. The Authority's current collection authority extends to January 1, 2046. Additional information can be found on Table 18 of this report.

Ten series of Bonds are outstanding under the Senior Bond Resolution for which the Authority designated portions of projects to constitute a PFC-eligible project thereby permitting PFC revenues to be included in the calculation of Available PFC Revenues to pay principal and interest under the Senior Bond Resolution.

Existing PFC-use approval is reflected in the financial projections presented in this report, including the authorization to use PFC revenues to pay a portion of the debt service attributable to the Outstanding Bonds (Series 2009C Bonds, Series 2010A/B Bonds, Series 2011B/C/D Bonds, Series 2012A Bonds, Series 2015A Bonds, Series 2016B/C Bonds, 2019A Bonds), and the 2022 Bonds as well as for approved pay-as-you-go PFC expenditures.

* The proposed 2022 Bonds do not include capitalized interest.

Airline Rate Resolution and Rate and Revenue Sharing Agreement

On October 16, 2013, the Authority adopted a resolution (the Rate Resolution) that (1) established the terms and conditions for airlines operating at the Airport, (2) established the methodology for setting certain airline rates and charges for the Airport, and (3) authorized the Authority's Chief Executive Officer (CEO) to enter into Letters of Authorization (LOA) with airlines for the use and occupancy of terminal space at the Airport. The Rate Resolution and the Rate and Revenue Sharing Agreement were amended in 2016 and 2019. The amended Rate and Revenue Sharing agreement is currently scheduled to expire September 30, 2024. Airlines accounting for 93.3% of total enplaning passengers in FY 2019 signed the Rate and Revenue Sharing Agreement and other relevant documents as outlined below (Participating Airlines). The Participating Airlines also accounted for 97.7% of the passenger market share at the Airport in FY 2021. For purposes of the financial projections in this report it was assumed that the existing airline business relationship would remain in effect through the projection period (FY 2025).

The documents underlying the airline ratemaking system in the Rate Resolution include:

1. Rate Resolution
2. Rate Methodology
3. Operating Permit
4. Letter of Authorization
5. Rate and Revenue Sharing Agreement
6. Authority Policies and Procedures

The Rate Resolution applies to all airlines operating at the Airport and/or making use of the Airfield or Terminal, whether or not such airline specifically agrees in writing to its terms. All airlines operating at the Airport must sign and deliver to the Authority either a Letter of Authorization or an Operating Permit prior to commencement of operations at the Airport. In any event, use of the Airfield or Terminal by an airline in connection with its operations shall constitute the agreement by such airline with the terms and conditions of the Rate Resolution, including in particular the Rate Methodology and the Rates and Charges described or authorized in the Rate Resolution.

Each airline is offered the opportunity to execute an LOA to commit to certain exclusive or preferential use space and airlines commit to pay for a specified number of annual access gates to obtain the benefit of rates that are calculated on a square footage basis (i.e., fixed monthly charge for assigned space) (Committed Premises). LOAs are also available to airlines wishing to rent space other than holdrooms, ticket counters, bag make-up, and apron areas. Space (other than Committed Premises) not subject to an LOA may be used by the airline on a common use basis, but is charged on a per-turn fee or other activity basis. Subject to the Authority Policies and Procedures relating to Gate assignment and usage, an Airline that includes a Gate as part of its Committed Premises will receive occupancy and use of a Gate and corresponding Terminal Apron, as assigned from time to time by the Authority, but will not receive preferential occupancy and use of any particular Gate. Airlines may qualify for certain enhanced occupancy rights for Gates that qualify as a Priority Access Gate.

The Rate Resolution, Rate Methodology, Operating Permits, LOAs, and Authority Policies and Procedures set forth the (1) the methodology for calculating the applicable rates and charges for airline use of airfield and terminal facilities at the Airport, (2) the space, if any, assigned to each airline on an exclusive use, preferential use, or annual access use basis, (3) the timing and manner of required payments of rates and charges, and (4) other applicable operating conditions and requirements at the Airport. Prior to the start of each Fiscal Year, the Authority establishes rates to be in effect for the subsequent Fiscal Year.

The calculation of Landing Fees is based on a cost center residual method that credits to the Airfield Cost Center non-airline Revenues derived from Airfield use. The calculation of the Terminal Premises Rate is based upon a commercial compensatory method that allocates to the Airlines the cost of the space they use plus their proportionate share of the costs of non-rentable Terminal space. The Authority's compensatory rate methodology is designed to recover from the air carriers using the Airport their fairly allocated share of Airport costs in accordance with USDOT policy and applicable law.

Among other conditions, the existing Rate Methodology provides that:

1. Once the STC opens, the combined total costs of both terminals will be used to calculate a single Terminal Rental Rate, Airline Equipment Charge, and Remain Over Night (RON) charge.
2. Upon the opening of the STC, the Terminal Rental Rate per square foot will equal the combined terminal cost of both the North and South Terminals divided by the total rentable square feet of both terminals.
3. The Terminal Rental Rate Per Gate for both the NTC and STC will equal the total amount of holdroom space for all operational terminals times the Terminal Rental Rate divided by the number of operational gates that can accommodate Narrow Body Equivalent (NBE) aircraft. When the STC opens, the total number of narrow body aircraft that can be accommodated simultaneously at both terminals will be 113 (equal to 93 in the north and 20 in the south).
4. The Terminal Rental Rate Per Gate charged to an airline is based on the type of aircraft using the gate as follows:
 - a. Narrow Body (FAA Design Group I-IV) = 1.0x Narrow Body Equivalent (NBE) rate
 - b. Jumbo (FAA Design Group V) = 1.5x NBE rate
 - c. Super Jumbo (FAA Design Group VI, B-747/800, A-380) = 2.0x NBE rate
5. Due to the common use configuration and environment of the STC landside, airlines will pay for the use of space for ticketing, queue areas, and bag make-up in a manner different from the preferentially assigned committed space in the NTC under LOAs. Airlines with committed gates

*An airline committing to pay the annual gate access fee for Jumbo or Super Jumbo gates may fly aircraft of smaller sizes into a gate without additional fees. In such case, the airline may choose to pay the annual cost for the largest aircraft flown into such gate, in which case all non-overlapping flights will be covered by the gate cost. If an airline is assigned a gate by the Authority that can accommodate aircraft larger than the one flown by such airline, the airline will pay the cost associated with the size of the aircraft, not the size of the gate.

using the STC will pay a pro rata share of the cost of the common use ticketing and bag makeup areas on a monthly basis in accordance with a common use formula based on terminal usage. Airlines operating at non-committed gates will pay their portion of the common use fee as part of the Facility Fee.

6. Baggage system fees are calculated separately for the NTC and STC, resulting in different baggage fees for airlines operating out of the NTC and STC. The factor used to weight outbound baggage space recovery costs for the North Terminal based upon its terminal capacity will revert from 45 MAP to 40 MAP when Phase 1 of the STC opens. The STC will have a baggage MAP factor of 11.
7. The rate formulas for inbound and outbound baggage system fees are allocated based upon passengers. However, the Authority may adjust the divisor for baggage fees from enplaning or deplaning passengers to number of bags at the beginning of the Fiscal Year following the year in which the Authority has the ability with a reasonable degree of reliability to count total bags by airline processed through both the Inbound Baggage System and Outbound Baggage System.
8. Facility fees will be calculated using the single Terminal Rental Rate for the NTC and STC.
9. Airline revenue sharing is allocated among the Participating Airlines based on Participating Operating Payments,** which will include the common use fees payable by Participating Airlines using the STC common use ticketing and bag make-up facilities, since these charges are in lieu of the per square foot method used in the North Terminal facility.
10. Amortization charges will include 5% imputed interest upon the opening of the STC.
11. In the event the all-in debt service coverage* is projected to be or turns out to be less than 1.30x, the airline rate base will include allocable debt service coverage (25% for Senior Bonds and 10% for Subordinated Indebtedness) for purposes of determining annual rates; however, in the event the actual all-in coverage exceeds 1.30x, the Authority will return such excess to the airlines in the annual true up.
12. Because the Authority is contracting with OUC to operate the CEP and EPG for the STC, it will pay OUC a charge for owning and operating the system. This Central Energy Plant Charge and EPG charge will be an obligation by the Authority to OUC who will own and operate the STC chilled water and emergency power distribution system. The payment obligations to OUC are subordinate to all obligations of the Authority. Therefore, this amount is treated in the calculations similar to operating expenses and debt service as applicable to arrive at Remaining

** Participating Operating Payments include landing fees, terminal rentals, common use rentals in the STC, airline equipment fees, baggage fees, and FIS fees.

* All-in debt service coverage is calculated to equal total Net Revenues plus Available PFC Revenues divided by total annual debt service (for senior and subordinate lien bonds) plus the Authority's payment obligations under the Global Agreement (described in the report).

Revenues. The Authority's obligations to make payments to the OUC relative to the Central Energy Plan are subordinate to both Senior Bonds and Subordinated Indebtedness.

13. Upon the opening of the STC, 50% of the allocable O&M Expense, Debt Service, and Amortization of the South APM System will be included in the Terminal rate base.

Under the Rate and Revenue Sharing Agreement, airlines that (a) commit to an annual gate access assignment of at least one gate and associated space through the term of the Rate and Revenue Sharing Agreement, and (b) agree not to challenge the rate methodology set forth in the Rate Resolution and not to finance or otherwise participate in any challenge of the rate methodology through the term of the Rate and Revenue Sharing Agreement, are entitled to obtain the benefits of revenue-sharing. In addition, the Authority has committed to not change the ratemaking methodology through the term of the agreement subject to any changes that might be required by the USDOT, FAA, or court order.

Under the amended Rate and Revenue Sharing Agreement that extends through September 30, 2024, (1) the Authority retains all Revenues generated from Airport Exclusive Revenue Sources and the first \$55 million by which all other Revenues exceed all Debt Service and Operating Expenditures (including Operating Reserve Requirements and payment obligations under the Global Agreement), (2) the next \$10 million is credited to the Participating Airlines, (3) and the remaining balance, if any, is split 50/50 between the Authority and Participating Airlines.

Under the Rate and Revenue Sharing Agreements, Participating Airlines have waived their right to challenge the Rate Methodology set forth in the Rate Resolution. The Authority expects that it will, at all times, continue to be able to impose rates and charges that would allow the Authority to generate revenues sufficient to cover the debt service payments in respect of all Outstanding Senior Bonds, including the Series 2022 Bonds and the Outstanding Subordinated Indebtedness.

In developing the financial projections, it was assumed that the ratemaking procedures under the current Rate Methodology, Rate Resolution, and Rate and Revenue Sharing Agreement will remain in effect through the projection period (FY 2025).

Scope of Report

The report was prepared to address the ability of the Authority to meet the requirements of the Rate Covenant and Additional Bonds Test under the Senior Bond Resolution for the projection period, FY 2021 through FY 2025, taking into account outstanding Senior Bonds and Subordinated Indebtedness, the proposed 2022 Bonds, and the Proposed 2023 Bonds.

The report was prepared during the economic disruption, public health restrictions, and reductions in airline travel that resulted, beginning in early 2020, from the COVID-19 pandemic. The widespread availability of effective vaccines offers hope that the pandemic will soon be brought under control in the United States. However, uncertainties remain about the acceptance and effectiveness of vaccines; mutations of the virus; containment of the pandemic worldwide; quarantine and other travel restrictions; the pace of economic recovery and resumed growth; and future airline industry capacity. While airline travel is recovering, it is not known how much of pre-pandemic travel demand will be regained and how quickly the recovery will progress.

Given the unprecedented nature of, and continuing uncertainty regarding, the COVID-19 pandemic and its impact on the aviation industry and worldwide economies, this report does not include a forecast of aviation activity, revenues, expenses, airline cost per enplaned passenger, or debt service coverage. Rather, the report presents a hypothetical scenario of enplaned passengers that incorporates available information about the impacts of the pandemic on economic and passenger traffic and anticipates a recovery to FY 2019 activity levels at the Airport by FY 2023 (the “base case”) and an alternative scenario showing recovery by FY 2025. These are indicative of possible paths for traffic recovery. Revenues were extrapolated from the indicative traffic recovery scenarios and are calculated as a range of projections. The adopted range of projections is generally consistent with the range of estimates made recently by various airline industry and bond credit analysts.

The level of uncertainty regarding the recovery of traffic to its pre-pandemic levels remains extremely high and dependent upon numerous variables, including among other things, when and if the United States can achieve control of the virus, the effectiveness of vaccines and potential for breakthroughs in COVID-19 treatments, the continued deployment of vaccines on a large scale basis and the willingness of people to get vaccinated, the near-term and long-term damage to the economy brought about from the pandemic, the resilience of the U.S. airline industry, the duration of lockdowns and travel restrictions, and the potential for a structural shift in industry and consumer behaviors. The COVID-19 pandemic has had and will continue to have material adverse effects on passenger traffic and Airport operations and financial performance for the foreseeable future.

In preparing the report, we analyzed:

- Future airline traffic demand at the Airport for the base and downside passenger traffic recovery scenarios.
- The status of, estimated costs, and proposed funding plan for the 2021 - 2027 CIP, including the STC and the other capital improvements expected to be completed by FY 2027.
- Debt service requirements and cost center allocations on the currently outstanding Senior Bonds and Subordinated Indebtedness.
- Estimated sources and uses of funds and associated annual debt service requirements of the 2022 Bonds, and the Proposed 2023 Bonds expected to complete the financing of the projects comprising the 2021 - 2027 CIP as provided by the Municipal Advisors. Debt service for Lines of Credit (Short Term Subordinated Obligations other than Unissued Subordinated Program Obligations), are based on projections of such amounts at the end of the expected Capitalized Interest period assuming the Lines of Credit are refunded with the proceeds of fixed-rate Senior Bonds. As noted earlier, we have not incorporated into our analysis any potential debt service savings from a refunding as part of the 2022 Bonds financing program.
- Historical and estimated future PFC Revenues for pay-as-you-go expenditures and for the payment of debt service, including associated current and expected future allocations by an Authorized Officer of the Authority of Available PFC Revenues to the financing of PFC Projects.
- The Authority’s intended use of PFC Revenues during the projection period, including the payment of debt service and pay-as-you-go project expenditures as set forth in approved PFC applications.

- The Authority's declaration of Federal COVID-19 Grants received to reimburse O&M Expenses and debt service as Revenues and uses to reimburse amounts on the Lines of Credit to defease and/or redeem outstanding debt.
- Historical relationships among revenues, expenses, and airline traffic for the Airport and other factors that may affect future Revenues and O&M Expenses.
- The facilities expected to be provided, as included in the 2021 - 2027 CIP, and other operational considerations affecting Airport revenues and expenses, including estimates of future O&M Expenses as provided by the Authority and its finance engineer.
- Audited financial results for the Airport for FY 2019, FY 2020, and unaudited results for FY 2021.
- The FY 2022 budget for the Authority and associated airline rates and charges.
- The ratemaking procedures under the current Rate Resolution, Rate Methodology, Operating Permits, LOAs, Rate and Revenue Sharing Agreement, and Policies and Procedures.
- The Authority's ground transportation policy and fee structure.
- Other contractual agreements relating to the use and lease of the Airport such as the operation of public automobile parking and other concession and service privileges (including rental car operations), and the leasing of buildings and grounds, including the concession extension agreements.

While not included in the 2021 – 2027 CIP, the IIJA will provide more federal grants than in the approved plan, which should have a beneficial financial and infrastructure impact for the Authority. We have relied upon the Authority and its engineering and construction consultants for estimates of project costs and construction schedules for the STC and other projects in the 2021 - 2027 CIP, and upon the Municipal Advisors for the plan of debt finance and estimated debt service requirements for the proposed 2022 Bonds and Proposed 2023 Bonds for financial modeling purposes.

We also identified key factors upon which the future financial results of the Airport may depend and, with Authority management, formulated assumptions about those factors. On the basis of those assumptions, we assembled the financial projections presented in the accompanying exhibits provided at the end of this report.

Projected Airline Payments per Enplaned Passenger

Exhibits E-1 through E-3 present the projections of terminal rentals, landing fees, and other fees and charges payable by the Participating Airlines and non-Participating Airlines under the Rate Resolution for the base case passenger traffic recovery scenario. The exhibits also present projected airline payments expressed per enplaned passenger with and without revenue sharing payments as set forth in the Rate and Revenue Sharing Agreement.

Projected Debt Service Coverage and Rate Covenant Compliance

The table on the following page presents a summary of actual FY 2021 and projected Net Revenues, Available PFC Revenues, Aggregate Annual Debt Service, Debt Service Coverage under Section 711 of the Bond Resolution under each of the base case and slower traffic recovery scenarios for FY 2022 through FY 2025 as well as total airline payments, enplaned passengers, and airline CPE for information purposes. FY 2021 and FY 2022 include one-time Revenues and subordinate debt service for the defeasance of bonds funded with Federal COVID-19 Grants as described earlier. As shown in the table, Net Revenues are projected to be at least 1.25 times the Aggregate Debt Service (net of offsetting Available PFC Revenues to pay principal and interest) on outstanding Senior Bonds, the 2022 Bonds, and the Proposed 2023 Bonds during the projection period. In addition, Available Net Revenues are projected to be at least 1.10 times the Annual Aggregate Debt Service on the Priority Subordinated Indebtedness and 100% of debt service on all Subordinated Indebtedness. These projected results indicate compliance with the rate covenants of both the Senior Bond Resolution and Subordinated Indenture during the projection period. The Authority is also expected to meet the requirements of Section 204 (Additional Bonds) of the Senior Bond Resolution. The table also shows the projection of Net Revenues divided by total debt service for Senior Bonds and Subordinated Indebtedness.

SUMMARY OF PROJECTED DEBT SERVICE COVERAGE AND AIRLINE PAYMENTS
Orlando International Airport
(in thousands, except coverage)
(for the 12 months ending September 30)

Base Traffic Recovery Case		2021	2022	2023	2024	2025
Net Revenues ¹	[A]	\$ 330,156	\$ 334,547	\$ 220,232	\$ 226,508	\$ 211,257
Transfer (25% of Aggregate Debt Service (Senior Bonds))	[B]	14,425	14,165	14,603	13,624	13,581
Available Net Revenues for Debt Service	[A+B=C]	\$ 344,581	\$ 348,712	\$ 234,835	\$ 240,132	\$ 224,839
Accrued Aggregate Debt Service (Senior Bonds) ²	[D]	\$ 128,560	\$ 132,385	\$ 140,016	\$ 136,088	\$ 135,967
Less: PFC-Supported Debt Service ³	[E]	(70,862)	(75,725)	(81,605)	(81,594)	(81,642)
Aggregate Debt Service (Senior Bonds)	[D+E=F]	\$ 57,699	\$ 56,660	\$ 58,411	\$ 54,494	\$ 54,326
Debt Service Coverage (Senior Bonds)	[C/F]	5.97	6.15	4.02	4.41	4.14
Available Net Revenues for Priority Subordinated Indebtedness ⁴	[A-F=G]	\$ 272,458	\$ 277,887	\$ 161,821	\$ 172,014	\$ 156,931
Transfer (10% of Outstanding Priority Subordinated Indebtedness)	[H]	5,093	4,897	5,348	5,306	5,262
Available Net Revenues and Transfer	[G+H=I]	\$ 277,551	\$ 282,784	\$ 167,169	\$ 177,320	\$ 162,194
Priority Subordinated Indebtedness Debt Service	[J]	\$ 50,931	\$ 48,974	\$ 53,480	\$ 53,061	\$ 52,623
Debt Service Coverage (Priority Subordinated Indebtedness)	[I/J]	5.45	5.77	3.13	3.34	3.08
Total Gross Indebtedness Coverage (with PFCs in Numerator, Excluding Transfers)		1.43	1.34	1.48	1.55	1.47
Passenger Airline Payments Net of Revenue Sharing	[G]	131,012	197,723	274,777	279,757	299,075
Enplaned Passengers	[H]	16,984	22,362	24,847	25,344	25,851
Cost Per Enplanement (CPE)	[H/G]	\$7.71	\$8.84	\$11.06	\$11.04	\$11.57
Slow Growth Traffic Recovery Case		2021	2022	2023	2024	2025
Net Revenues ¹	[A]	\$ 330,156	\$ 323,592	\$ 201,761	\$ 212,575	\$ 203,801
Transfer (25% of Aggregate Debt Service (Senior Bonds))	[B]	14,425	14,165	14,603	13,624	13,581
Available Net Revenues for Debt Service	[A+B=C]	\$ 344,581	\$ 337,757	\$ 216,364	\$ 226,199	\$ 217,382
Accrued Aggregate Debt Service (Senior Bonds) ²	[D]	\$ 128,560	\$ 132,385	\$ 140,016	\$ 136,088	\$ 135,967
Less: PFC-Supported Debt Service ³	[E]	(70,862)	(75,725)	(81,605)	(81,594)	(81,642)
Aggregate Debt Service (Senior Bonds)	[D+E=F]	\$ 57,699	\$ 56,660	\$ 58,411	\$ 54,494	\$ 54,326
Debt Service Coverage (Senior Bonds)	[C/F]	5.97	5.96	3.70	4.15	4.00
Available Net Revenues for Priority Subordinated Indebtedness ⁴	[A-F=G]	\$ 272,458	\$ 266,932	\$ 143,350	\$ 158,081	\$ 149,475
Transfer (10% of Outstanding Priority Subordinated Indebtedness)	[H]	5,093	4,897	5,348	5,306	5,262
Available Net Revenues and Transfer	[G+H=I]	\$ 277,551	\$ 271,829	\$ 148,698	\$ 163,387	\$ 154,738
Priority Subordinated Indebtedness Debt Service	[J]	\$ 50,931	\$ 48,974	\$ 53,480	\$ 53,061	\$ 52,623
Debt Service Coverage (Priority Subordinated Indebtedness)	[I/J]	5.45	5.55	2.78	3.08	2.94
Total Gross Indebtedness Coverage (with PFCs in Numerator, Excluding Transfers)		1.43	1.30	1.39	1.48	1.44
Passenger Airline Payments Net of Revenue Sharing	[G]	131,012	198,861	280,066	285,206	302,035
Enplaned Passengers	[H]	16,984	20,374	22,362	23,604	24,847
Cost Per Enplanement (CPE)	[H/G]	\$7.71	\$9.76	\$12.52	\$12.08	\$12.16

Source: Debt service: Greater Orlando Aviation Authority and the Municipal Advisors.

Net Revenues, Available Net Revenues, and coverage: LeighFisher.

- Notes:
1. Includes Federal COVID-19 Grants for O&M Expense and debt service reimbursement for FY 2021 (unaudited) through FY 2024, but none for FY 2025. FY 2021 and FY 2022 Revenues include Federal COVID-19 Grants of \$43.3 million and \$39.8 million, respectively to pay Priority Subordinated Indebtedness debt service and \$101.5 million and \$121.5 million, respectively to reimburse Secondary Subordinated Indebtedness debt service used to defease certain Outstanding Bonds.
 2. Includes actual debt service on all Outstanding Senior Bonds, and estimated debt service on the 2022 Bonds and the Proposed 2023 Bonds (which for purposes of the projection are assumed to be issued as Senior Bonds) as provided by the Municipal Advisors, net of Capitalized Interest. Does not reflect any potential debt service savings from a refunding of the Refunded Bonds.
 3. Debt service expected to be paid from Available PFC Revenues.
 4. Includes actual debt service on all Outstanding Priority Subordinated Indebtedness. PFC revenues are not currently pledged to pay principal and interest on Subordinated Indebtedness.

The Senior Bond Resolution also permits the addition of Transfers to Net Revenues in computing the debt service coverage requirement. With respect to the Rate Covenant under the Senior Bond Resolution, Transfers are limited to no more than 25% of Debt Service payable in the Fiscal Year from amounts on

deposit in the Discretionary Fund, and under the Subordinated Indenture Transfers are limited to no more than 10% of the Aggregate Annual Debt Service on Priority Subordinated Indebtedness. Transfers are excluded from the calculation of Net Revenues in the table above and in Exhibit G.

Assumptions Underlying the Financial Projections

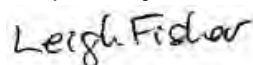
The projections in this report are based on information and assumptions that were provided by or reviewed with and agreed to by Authority management. The projections reflect Authority management's expected course of action during the projection period through FY 2025 and, in Authority management's judgment, present fairly the expected financial results of the Airport. Those key factors and assumptions that are significant to the projections are set forth in the attachment, "Background, Assumptions, and Rationale for the Financial Projections." The attachment should be read in its entirety for an understanding of the projections and the underlying assumptions.

In our opinion, the underlying assumptions provide a reasonable basis for the projections. However, any projection is subject to uncertainties. Inevitably, some assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the projection and actual results, and those differences may be material. Neither LeighFisher nor any person acting on our behalf makes any warranty, express or implied, with respect to the information, assumptions, projections, opinions, or conclusions disclosed in the report. We have no responsibility to update this report to reflect events and circumstances occurring after the date of the report.

* * * * *

We appreciate the opportunity to serve as the Authority's Airport Consultant in connection with this proposed financing.

Respectfully Submitted,



LEIGHFISHER

Attachment

BACKGROUND, ASSUMPTIONS, AND RATIONALE
FOR THE FINANCIAL PROJECTIONS

Greater Orlando Aviation Authority

Orlando International Airport

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AIRLINE TRAFFIC ANALYSIS

This section provides a summary of existing Airport facilities, a description of the region served by the Airport, a description of the role of the Airport, the economic basis for airline traffic at the Airport, key factors affecting future airline traffic, and projections of enplaned passengers and aircraft landed weight.

AIRPORT FACILITIES

Orlando International Airport (the Airport or MCO) occupies 11,605 acres of land on a site nine miles southeast of downtown Orlando in Orange County, Florida. The Airport has four north-south commercial aircraft runways and a passenger terminal complex located between the two sets of parallel runways.

Airfield

Runway 17R/35L is 10,000 feet long, Runway 17L/35R is 9,001 feet long, Runways 18L/36R is 12,005 feet long, and 18R/36L is 12,004 feet long. All four runways have full instrumentation and lighting to permit all weather operations and are capable of handling all commercial aircraft currently in use, with Runway 18R/36L capable of accommodating Group VI aircraft (e.g., the Airbus A380 and Boeing 747-8). The spacing between sets of parallel runways is adequate to allow triple simultaneous approaches under FAA instrument flight rules. The runways are supported by a network of taxiways, aprons, and hold areas. Three crossover taxiways connect the runways on either side of the terminal complexes.

North Terminal Complex

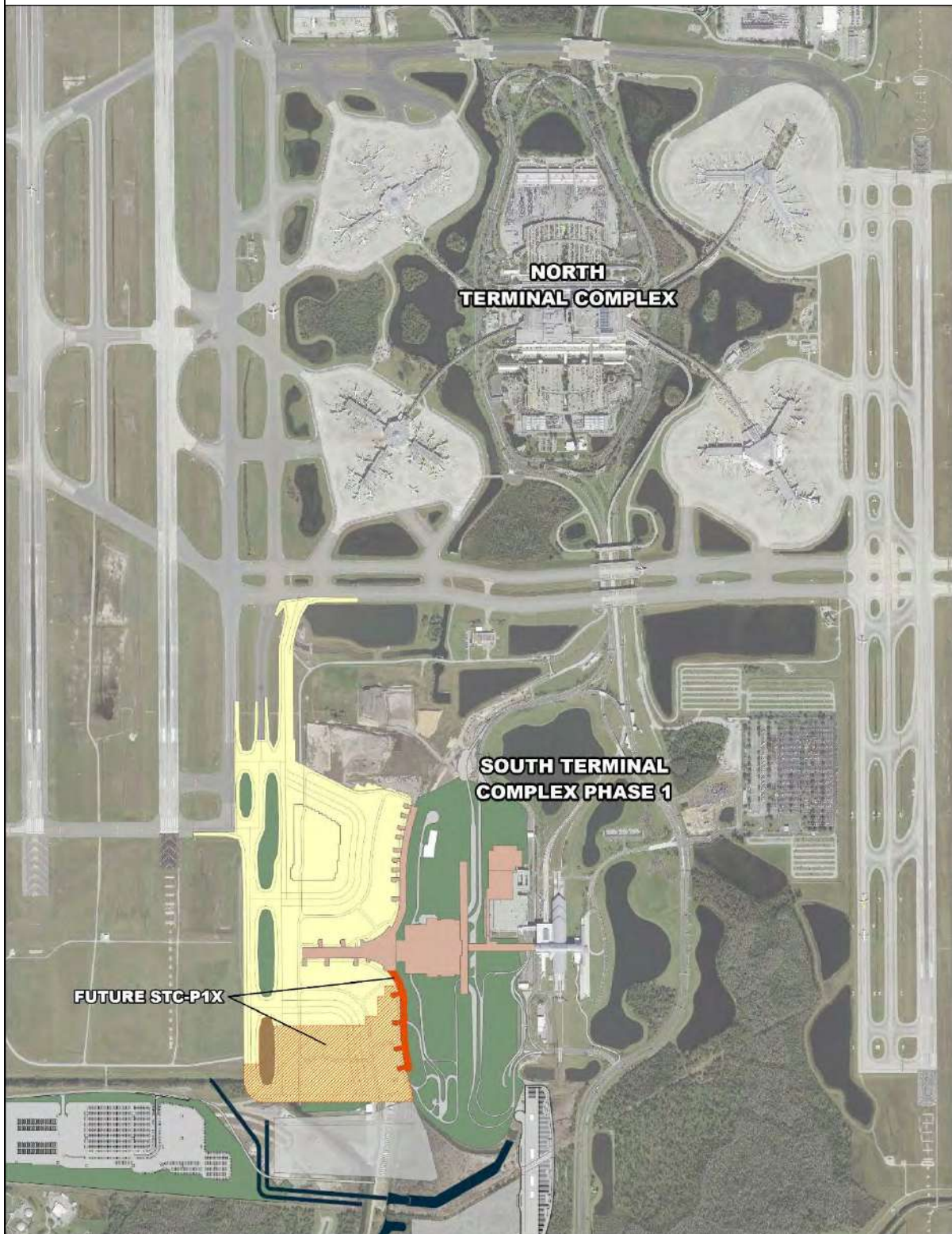
The North Terminal Complex (NTC) consists of the landside terminal, four airside buildings with associated aircraft parking aprons and connecting taxiways, automated people movers connecting the landside terminal to the airside buildings, an in-terminal hotel, a terminal roadway system with associated signage, ground level and structured parking for automobiles, rental car facilities, landscaping, a hydrant fueling storage and distribution system, a flood control bypass canal, and utilities and drainage.

The landside terminal and airside buildings provide approximately 3.5 million square feet of enclosed space, excluding the hotel, which comprises an additional 807,000 square feet. On a gross square footage basis, the NTC, including the hotel, the unenclosed roadways under the landside terminal, and the terminal rooftop parking, comprises approximately 6 million square feet. The north and south sides of the landside terminal are known as Terminals A and B, respectively. The airside buildings are known as Airsides 1, 2, 3, and 4.

The landside terminal has 10 levels. Level 1 accommodates ground transportation functions, including staging and parking areas for buses, limousines, and taxis as well as a tunnel under the terminal roadway system to connect passengers to parking facilities. Level 2 accommodates arrival and baggage claim functions, including space for rental car and bus check-in counters. Level 3 accommodates airline ticketing and departure functions and most of the landside terminal space allocated to food/beverage and retail merchandise concessions.

Figure 1 shows the layout of the landside terminal, airside buildings, automated people movers, and garages in the existing North Terminal Complex and the South Terminal Complex (STC) consisting of the South Automated People Mover (South APM), Intermodal Terminal Facility (ITF), and the South Terminal Phase 1 (currently under construction, as described later).

Figure 1
NORTH AND SOUTH TERMINAL COMPLEX LAYOUT



Source: Orlando Aviation Authority.

A 445-room Hyatt Regency hotel with restaurants and conference facilities is an integral part of the landside terminal and is directly accessible from Level 3, the departure level. The hotel occupies Levels 4 through 10 on the eastern-most portion of the landside terminal. Except for the hotel areas, Levels 4 through 10 accommodate parking. The Hyatt remained open throughout the pandemic although they accommodated far less customers than prior.

The landside terminal is connected by automated people movers to the four airside buildings. The airside buildings and aprons provide 93 contact aircraft gates for jet aircraft and associated passenger waiting areas, concessions, and airline operations space. Of the 93 jet aircraft gates, 79 (80 narrow-body equivalent) gates are assigned on a preferential use basis to airlines signing Letters of Authorization (LOA) and the 14 remaining gates are available for use on a per-turn basis. Federal Inspection Services (FIS) facilities are provided in airside buildings 1 and 4 and can accommodate international arrivals at 20 gates. Combined FIS throughput capacity can accommodate approximately 3,000 arriving international passengers per hour. The Airside 1 FIS (1,000 passengers per hour) will close when the STC opens. In addition to the 93 contact aircraft gates, the terminal apron provides aircraft parking for 22 remain-over-night (RON) spaces.

South Terminal Complex

South APM and Intermodal Terminal Facility. The South APM Complex consists of the South APM System, South APM Station, Parking Facility (Parking Garage C), and Roadway Systems. The South APM Complex includes an APM System from the existing North Terminal to the South APM Station, which connects passengers to the North Terminal in less than 4 minutes. Parking Garage C is located on the South Entrance Road adjacent to the South APM Station and currently provides approximately 2,400 public parking spaces on levels 3-6 with remote check-in facilities for Alaska, American, Delta, JetBlue, Southwest and United. Levels 1-2 are designated for rental car operations that will occupy the garage at a later date. The roadway systems include the South APM Complex entrance and departure roads, including roadway lighting and overhead signage.

An Intermodal Terminal Facility (ITF), which is adjacent to the South APM Complex, will support future multi-modal travel connections in the vicinity of the STC to provide greater connectivity to the region and the State and relieve congestion in the existing NTC. It includes infrastructure improvements that could accommodate at least three rail systems: (1) the South APM station that connects to the NTC, (2) the passenger train service between Miami and Orlando being developed by Brightline and (3) SunRail, Central Florida's commuter rail line. Brightline, is a privately owned express intercity passenger rail service that will connect Miami, Fort Lauderdale, West Palm Beach, and Orlando (via the station at the Airport). The Miami to West Palm Beach service is in operation. Construction of the last 35 miles of track for the 170-mile extension from West Palm Beach to MCO started in June 2019 with planned service to begin in late 2022. Brightline has also signed an agreement for an additional extension beyond MCO with a stop at Disney Springs. Negotiations are underway for stops at SunRail's Meadow Wood station and ultimately Tampa, subject to numerous actions that are required. Brightline's agreement with the Authority has been amended to allow for such southern connection, subject to certain conditions.

Figure 1 presents a site plan for the Airport showing the locations of the NTC, STC, South APM Complex, and ITF. Both the South APM Complex and the ITF opened in November 2017.

South Terminal Phase 1 (STC-P1). The STC-P1 and associated connected apron/taxiway encompasses approximately 300 acres within the airport's footprint. The STC-P1 consists of the

Landside Terminal with five levels including a Customs and Border Patrol (CBP) facility that can process 2,000 passengers per hour; Baggage Handling System (BHS) that includes an Early Bag Storage (EBS) area housing approximately 1,758 individual pieces of luggage; Airside Concourse that has the ability to serve both international and domestic flights to accommodate 15 gates and 20 aircraft positions with Virtual Ramp Control that can safely and effectively track aircraft on the entire airport campus from a control room located in the terminal and works in concert with an Advanced Visual Docking Guidance System to track aircraft on the STC apron area and allows for automated control of the aircraft to park at the gate during inclement weather; a Ground Transportation Facility; Central Energy Plant (CEP) which is the chilled water plant for the STC and includes seven chillers with a combined installed capacity of 10,395 tons under an agreement between the Authority and Orlando Utilities Commission (OUC) for its operation; and an Emergency Power Generation Plant (EPG) that has seven stand-by 4000kW generator sets and electrical gear available under an agreement between the Authority and OUC for its operation.

Roadway System and Public Parking Facilities

The North Terminal Complex is served by a three-level roadway system that provides access to separate enplaning, deplaning, and commercial vehicle curbsides on the north (Terminal A) and south (Terminal B) sides of the landside terminal at Levels 1, 2 and 3. Public parking spaces are located on levels 4 through 10 of the garages adjacent to the landside terminal. In addition, there are two cell lots and a travel plaza.

There are 22,458 public parking spaces located on the Airport, including 8,878 NTC garage spaces, 2,418 South Terminal Parking Garage C spaces, and 11,162 satellite (economy) parking spaces located at remote lots to the north and south of the North Terminal Complex.

The North Cell Lot is located north of the terminal/existing Taxiway J and to the south of Cargo Road. This lot contains a Return-to-Terminal A roadway, access lanes, roadway signage, and restrooms with the capacity for approximately 227 passenger vehicles. The South Airport Cell Lot was constructed by reconfiguring the entrance to the existing Red Lot/Taxi Staging area and sits at the northeast corner of Jeff Fuqua Boulevard and South Park Place, adjacent to the South Travel Plaza. The lot consists of 200 passenger vehicle spaces.

The South Travel Plaza consists of a 9,000 square foot convenience store with 12 fuel pumps and restaurant including customer restrooms and outdoor seating on 2.6 acres. Improvements included subsurface fuel storage tanks, parking spaces, water, sanitary sewer, electric, natural gas, drainage utilities, landscaping, lighting, and associated project earthwork.

Rental Car Facilities

At the North Terminal, rental car ready/return stalls are located on levels 1 and 2 of the garages adjacent to the landside terminal. Adjacent to the garages at grade level (level 1) there are Quick Turnaround Areas (QTA) for stacking, cleaning, fueling, washing, and staging cars prior to moving them into the ready car spaces in the garage.

Four "companies" representing 10 brands of rental car companies, which collectively comprise approximately 92% of the Airport rental car market in FY 2021, operate on-Airport – (1) Avis Budget Group, LLC (Avis, Budget, and Payless brands), (2) Enterprise Holdings (Enterprise, Alamo, and National brands), (3) The Hertz Corporation (Hertz brand) and DTG Operating Inc. (Dollar and Thrifty brands merged into one company as a result of a merger), and (4) Sixt. Off-Airport operators currently include Payless and some smaller specialty and local operators.

In addition to these facilities, both Avis/Budget and Enterprise maintain support facilities on Airport property on Hangar Boulevard and Cargo Road.

In August 2019, the Heintzelman Storage Lot #1 was completed just south of Runway 17R/35L off of Heintzelman Boulevard near the intersection of Jeff Fuqua Boulevard. The lot is approximately 92 acres with paving of approximately 53 acres. There is a perimeter fence that splits into five spaces for each rental car family under contract with the Authority.

Ground Access

The Airport is served by a combination of state roads and interstates that allow for convenient access to Orlando and the major attractions. It can be accessed directly from the north or south using Jeff Fuqua Boulevard, which forms a loop around the Airport. On the north side of the Airport, SR 528 (Beachline Expressway) connects to Interstate-4 (I-4) in the west, the Central Florida GreeneWay (SR 417 or GreeneWay) on the east, and Interstate-95 (I-95) on the East Coast. I-4 is approximately 11 miles from the Airport. I-4 starts in Tampa, runs northeast and passes just west of downtown Orlando before ending near Daytona Beach. The GreeneWay forms a half loop around the City of Orlando and connects with I-4 southwest of the Airport, passes directly south of the Airport before turning north and passes just east of downtown Orlando. The Florida Turnpike intersects the GreeneWay southwest of the Airport and connects to SR 417. The Turnpike then continues northwest connecting with I-4 and I-75 continuing to the north to locations such as The Villages, Ocala and Gainesville. North of the Airport is Semoran Boulevard (SR 436) which heads directly north, passing through the eastern side of downtown Orlando. SR 436 to SR 408 is the most direct route to downtown Orlando, which is approximately nine miles northwest of the Airport.

Commercial Property Development and Other Facilities

The Authority has pursued aviation and commercial development of the Tradeport Drive corridor on the west side of the Airport, and the Heintzelman Boulevard corridor on the east side of the Airport. The Tradeport area comprises approximately 1,000 acres and the Heintzelman Boulevard corridor comprises approximately 440 acres. The Authority sold portions of its 1,854-acre Poitras property in FY 2018 and sold the remaining portions in FY 2020 and FY 2021. The Authority's commercial development property will allow it to participate in the continued economic growth of the region as described in the next section.

Facilities at the Tradeport include a long-term public parking lot, air cargo aircraft parking and cargo handling facilities, two fixed base operator facilities (Signature Flight Support and Atlantic Aviation), an aircraft fuel farm, aircraft maintenance hangars and shops, a U.S. Department of Agriculture inspection station, a regional U.S. Postal center, a United Airlines major maintenance facility, Federal Express sorting facility, Cessna Aircraft Company Citation Service Center, FlightSafety International pilot training simulation center, and a Foreign Trade Zone.

In the Heintzelman corridor, JetBlue Airways operates (1) a flight support campus for initial and recurring training for specialties including flight operations, flight attendant, technical operations and customer service crewmembers, (2) a three aircraft bay hangar for installation of airline in-seat digital entertainment systems and FAA-mandated maintenance and inspections on their aircraft and (3) a lodge and training facility for crewmembers visiting the JetBlue Orlando Support Center situated in its University campus at the Airport. Silver Airways operates a maintenance headquarters at the Airport in a 38,000 square-foot maintenance, repair and overhaul facility that includes two large aircraft hangars each capable of housing 3-4 aircraft plus office space.

AIRPORT SERVICE REGION

MCO is a large-hub airport* and the domestic and international gateway to the Orlando Primary Area. For the purposes of this study, the region served by the Airport includes a primary and secondary area. The primary area of the Airport service region is defined as the four-county Orlando-Kissimmee-Sanford Metropolitan Statistical Area (the Orlando Primary Area or Orlando MSA), as shown in Table 1 and on Figure 2. The Orlando Primary Area includes the counties of Lake, Orange, Osceola, and Seminole. According to the U.S. Department of Commerce, Bureau of the Census, the population of the Orlando MSA was over 2.67 million in 2020 (based on 2020 Census data), accounting for about 12% of the State total population of 21.5 million. Orange County includes the City of Orlando and accounts for about 54% of the population of the Orlando MSA. Because economic growth and activity within the Orlando Primary Area stimulate a significant portion of passenger demand at the Airport, statistics for the Orlando MSA were used to evaluate certain long-term and future airline traffic trends at the Airport.

The Orlando MSA encompasses one of the largest leisure and hospitality centers in the world. Seven of the top 10 U.S. theme parks, and six of the top 12 worldwide theme parks, based on attendance in 2019, are located in the Orlando MSA. More than 76 million people visited Orlando in 2019, reflecting its long standing ranking as one of the best places to visit in the United States, according to travel industry analysts.** In 2020, Orlando visitors accounted for 47% of 2019 levels (35 million), notwithstanding the restrictions related to COVID-19 and the limited operating days of the major theme parks and attractions in the Orlando MSA.

The number of visitors to the State as a whole increased 3.4% in 2019 (from 127.1 million in 2018 to 131.4 million in 2019), according to VISIT FLORIDA.*** In 2020, the number of Florida visitors accounted for 60% of 2019 visitor levels (79 million) and increased to 86% during the first 6 months of 2021 (59 million). The Orlando MSA is approximately 55-60 miles by car to the Port Canaveral cruise port and Atlantic Ocean beaches to the east and 84-110 miles to the Tampa Bay area and Gulf Coast beaches to the southwest.

*A large-hub airport is defined by the Federal Aviation Administration (FAA) as one that enplanes 1% or more of annual nationwide passenger boardings; a medium-hub airport enplanes between 0.5% and 1% of nationwide passenger boardings; and a small-hub airport enplanes between 0.25% and 0.5% of nationwide passenger boardings.

** Forbes, "U.S. Travel: 25 Best Places to Visit in 2020," December 19, 2019, www.forbes.com. Travel and Leisure, "The 50 Best Places to Travel in 2021," December 18, 2020, www.travelandleisure.com.

*** Visit Florida, Florida Visitor Estimates, www.visitflorida.org, accessed October 2021.

Figure 2
AIRPORT SERVICE REGION

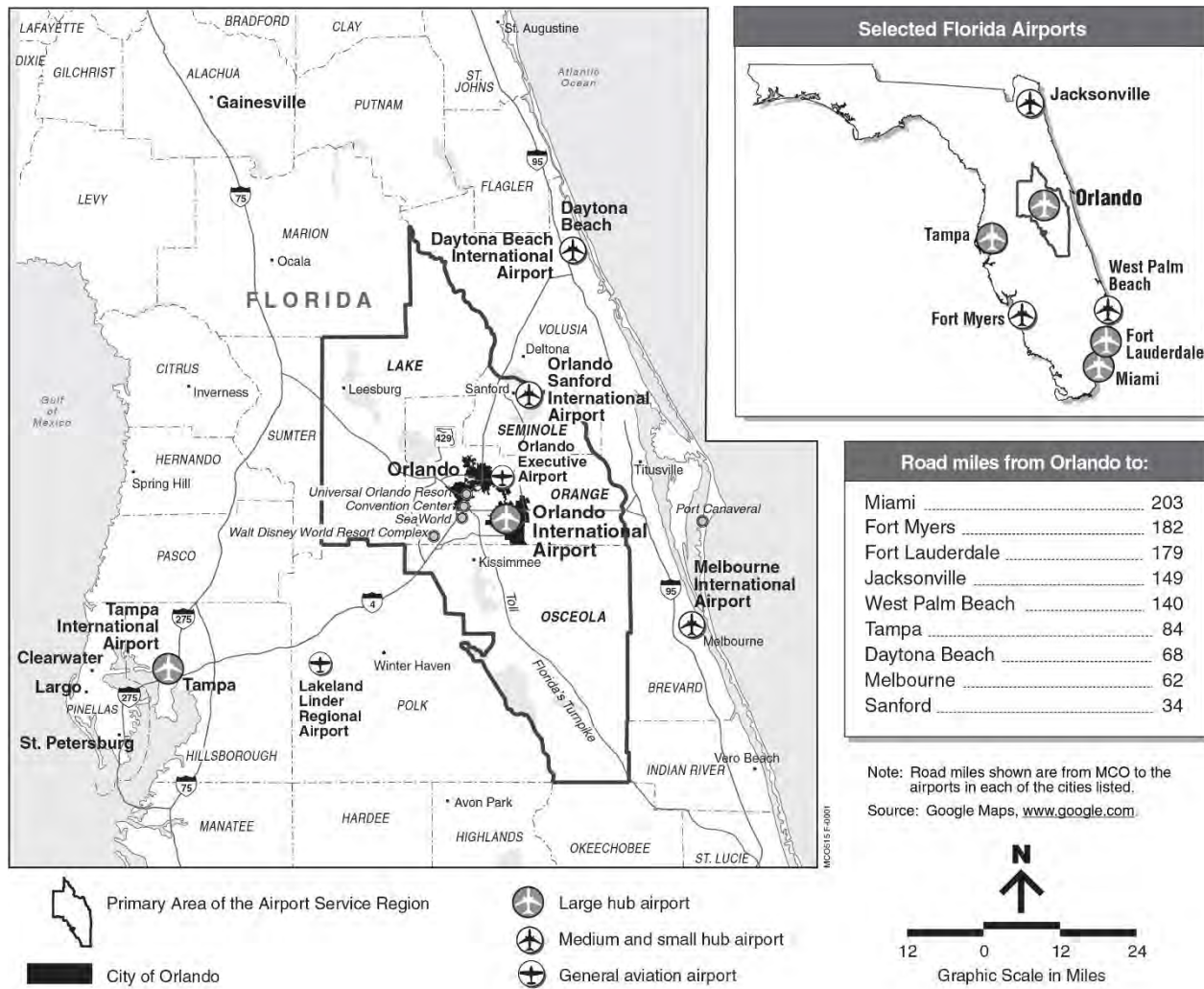


Table 1
POPULATION DISTRIBUTION IN THE ORLANDO MSA
2020

County	Population	Percent of total
Orange	1,429,908	53.5%
Seminole	470,856	17.6
Osceola	388,656	14.5
Lake	<u>383,956</u>	<u>14.4</u>
Total	2,673,376	100.0%

Source: U.S. Department of Commerce, Bureau of the Census, accessed August 2021, www.census.gov.

The secondary area served by the Airport, which includes many of the counties surrounding the four-county Orlando Primary Area, is defined by the location of and driving distance to other air carrier airports, as well as by the availability, price, and quality of airline service at those other airports. Four airports with commercial passenger airline service are within 100 miles of MCO, and with the exception of Tampa, provide limited scheduled airline service (as of July 2021):

- Sanford International Airport, a small-hub airport located 34 road miles northeast of MCO with an average of 38 daily departures and 1.6 million revenue enplaned passengers in FY 2019 and 1.0 million in FY 2020
- Melbourne International Airport, a non-hub airport located 62 road miles southeast of MCO with an average of 7 daily departures and 246,000 revenue enplaned passengers in FY 2019 and 142,000 in FY 2020
- Daytona Beach International Airport, a non-hub airport located 68 road miles northeast of MCO with an average of 10 daily departures and 350,000 revenue enplaned passengers in FY 2019 and 198,000 in FY 2020
- Tampa International Airport, a large-hub airport located 84 road miles southwest of MCO with an average of 205 daily departures and 10.8 million revenue enplaned passengers in FY 2019 and 6.5 million in FY 2020

Orlando Executive Airport and Lakeland Linder Regional Airport are general aviation airports with no scheduled passenger airline service. Sanford, Melbourne, and Daytona Beach are not considered a significant competitive threat to MCO given their limited airline service and the extensive service options at MCO (an average of 435 daily domestic and international departures at MCO in July 2021). The considerable presence of U.S. low cost carriers (LCCs) and ultra-low cost carriers (ULCCs)* at MCO, in terms of the number of average daily departures (279 at MCO compared with 205 at Tampa in July 2021), and the number of international destinations served at MCO (20 compared with 5 at Tampa in July 2021) suggest that the competitive threat from Tampa is limited in part due to the extensive service options at MCO.

*Low cost carriers (LCCs) include JetBlue and Southwest; Ultra-low cost carriers (ULCCs) include Frontier, Spirit, and Sun Country.

AIRPORT ROLE

In FY 2021, Orlando International Airport was the busiest airport in Florida, with 16.3 million revenue enplaned passengers (25% of revenue enplaned passengers at all Florida airports) according to the U.S. Department of Transportation (DOT),* as shown in Table 2. The seven busiest airports in Florida—Orlando, Miami, Fort Lauderdale, Tampa, Fort Myers, Jacksonville, and Palm Beach, together with Sanford, Daytona Beach, and Melbourne —accounted for 90% of revenue enplaned passengers at all Florida airports in FY 2021. In FY 2021, MCO enplaned passengers accounted for 67.3% of its FY 2019 passenger traffic due to the pandemic, somewhat lower than for all Florida airports (68.5%) but higher than that for all U.S. airports (57.6%).

Table 2
REVENUE ENPLANED PASSENGERS AT FLORIDA AIRPORTS

Airport	Enplaned passengers (thousands)				CAGR 2000 - 2019	Percent change FY 2020 – FY 2021	2021 Percent of 2019 passengers
	FY 2010	FY 2019	FY 2020	FY 2021 (a)			
Orlando	16,675	24,243	14,078	16,315	4.2%	15.9%	67.3%
Miami	16,740	21,329	12,056	12,658	2.7	5.0	59.3
Fort Lauderdale	10,568	17,847	10,369	11,688	6.0	12.7	65.5
Tampa	8,101	10,787	6,468	7,478	3.2	15.6	69.3
Fort Myers	3,644	4,920	3,459	4,451	3.4	28.7	90.5
Jacksonville	2,727	3,425	1,909	2,000	2.6	4.8	58.4
Palm Beach	2,940	3,372	2,076	2,085	1.5	0.4	61.8
Sanford	589	1,573	955	1,043	11.5	9.3	66.3
Daytona Beach	233	350	198	245	4.6	23.6	70.1
Melbourne	158	246	142	149	5.1	5.3	60.6
Subtotal	62,376	88,092	51,709	58,113	3.9	12.4	66.0
Other Florida airports	3,141	6,494	4,588	6,652	8.4	45.0	102.4
All Florida airports	65,516	94,586	56,297	64,764	4.2	15.0	68.5

Note: For Fiscal Years ended September 30; CAGR = Compound annual growth rate; Totals may not add due to rounding

(a) International passengers for July through September 2021 were estimated based on actual data for October 2020 through June 2021.

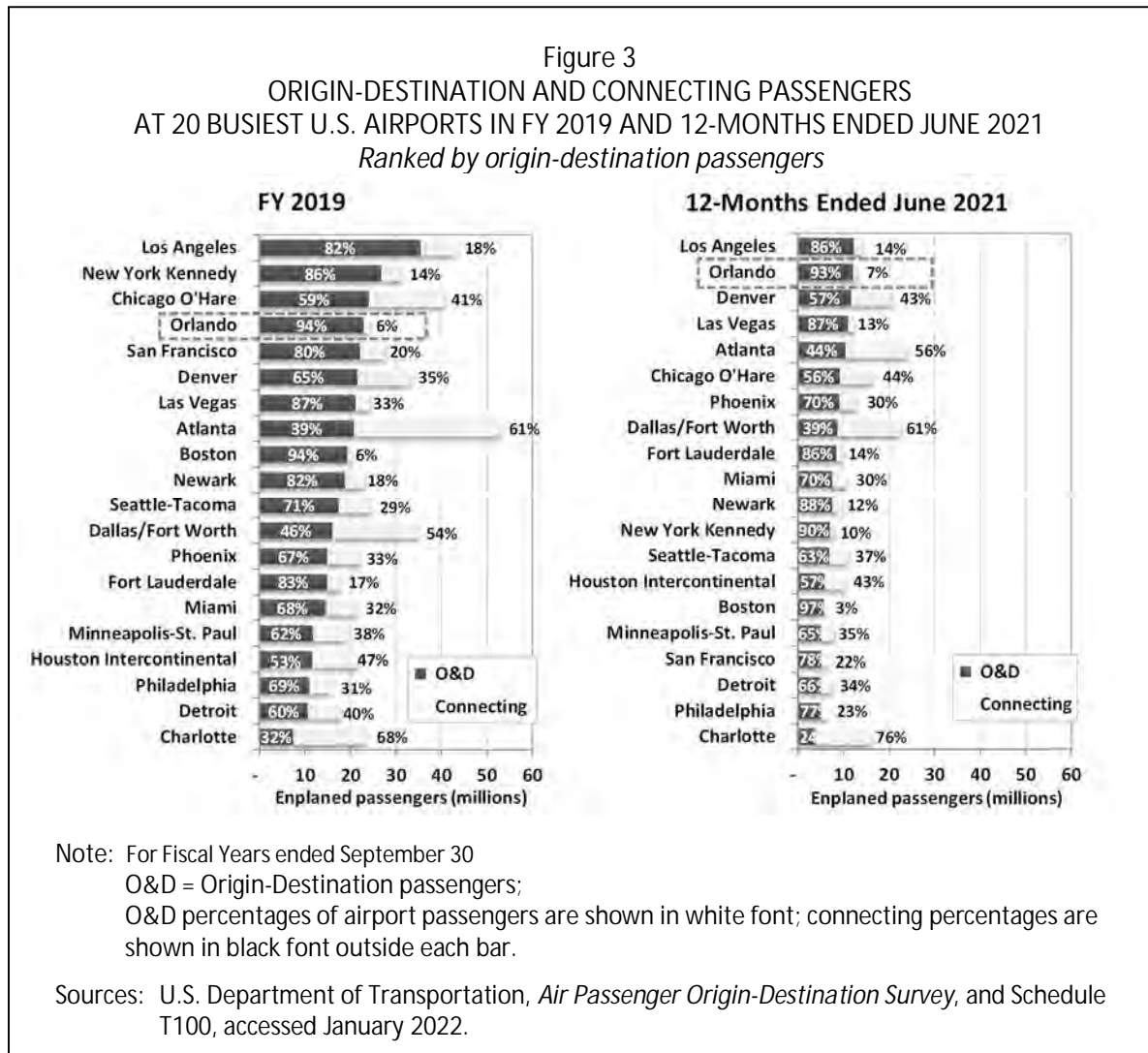
Source: U.S. Department of Transportation, Schedule T100, accessed December 2021.

In FY 2019, approximately 94% of passengers at MCO were origin-destination (O&D) passengers (i.e., these O&D passengers did not connect with another flight at the Airport); Miami, the second busiest airport in Florida, had a lower percentage of O&D passengers (68%) reflecting its role as a connecting hub for American Airlines. While certain hub airports such as Atlanta, Denver, and Dallas-Ft. Worth report substantially more total passengers than the Airport, Orlando ranks higher in terms of O&D passengers. In FY 2019, Orlando was the fourth busiest U.S. airport in terms of O&D passengers; only Los Angeles, New York-Kennedy, and Chicago O'Hare reported more O&D passengers, as shown on Figure 3.

For the 12-months ended June 2021 (the most recent period available), MCO was the second busiest U.S. airport in terms of O&D passengers, notwithstanding the pandemic and the related travel

*Data reported to the U.S. DOT excludes nonrevenue passengers and may differ from data reported by the airlines to the Airport.

restrictions and limited operating days of the major theme parks and attractions in the Orlando MSA, as shown on Figure 3. Miami had a similar percentage of O&D passengers (70%) during the 12-months ended June 2021 as in FY 2019 (68%) and increased in rank from 15th to 10th.



In recent years, MCO has expanded its role as an international gateway to Florida and the nation. Since FY 2010, international enplaned passengers at MCO have doubled, increasing an average of 9.4% per year between FY 2010 and FY 2019, reflecting Orlando's position as one of the largest leisure and hospitality centers in the world and a Florida business center. In July 2019, before the pandemic, a total of 30 airlines (6 U.S. and 24 foreign-flag airlines) provided an average of 64 daily international departures to Canada, Central and South America, the Caribbean, Europe, and the Middle East. Despite international travel restrictions and testing requirements related to COVID-19, international service was gradually restored at MCO as COVID-19 vaccines became available and countries eased travel restrictions, particularly countries in Latin America. In July 2021, a total of 12 airlines (4 U.S. and 8 foreign-flag airlines) provided an average of 27 daily international departures. In November 2021, international travel restrictions for fully vaccinated international travelers were reduced, which were expected to contribute to increases in passenger traffic and airline service, but tighter travel rules were put into place again on December 6, 2021 because of concern over the

more contagious Omicron variant. In FY 2019, international enplaned passengers accounted for 14% of total passengers at the Airport, compared with 9% in FY 2010, as presented in Table 10 in “Enplaned Passenger Trends”.

ECONOMIC BASIS FOR AIRLINE TRAFFIC

The economy of the Orlando MSA is an important determinant of long-term passenger demand at the Airport. The development and diversity of the economic base of an airport service region are both important to passenger traffic growth at the airport serving that region. This is particularly true where the industries in the region rely on the airport for passenger and cargo service. The Orlando MSA is a national and international travel destination and a center of business and trade in Florida.

The following sections present a discussion of the economic basis for airline traffic at the Airport—historical and projected population, employment, and per capita personal income of the Orlando MSA; industry clusters, and the visitor industry—and a summary of the economic outlook for the United States, the State, and the Orlando MSA.

Population, Nonagricultural Employment, and Per Capita Personal Income

Table 3 presents comparative historical and projected trends in population, nonagricultural employment, and per capita personal income in the Orlando MSA, the State, and the United States in 1990, 2000, and from 2010 through 2020. Also presented are projected growth rates between 2020 and 2025.

Population. As shown in Table 3, from 1990 through 2019, the population of the Orlando MSA increased an average of 2.6% per year, faster than growth rates for the State and the nation. In 2020, the Orlando MSA’s population increased 2.5%, consistent with the long-term historical growth trends but faster than the State (0.2%) and the nation (1.0%). The University of Central Florida, Institute for Economic Competitiveness (UCF) projects population in the Orlando MSA to increase an average of 1.4% per year between 2020 and 2025, faster than rates for the State (1.0%) and the nation (0.7%).

Nonagricultural Employment. Following the trends in population, nonagricultural employment in the Orlando MSA increased an average of 2.9% per year between 1990 and 2019, faster than growth rates for the State and the nation, as shown in Table 3. Between 2000 and 2010, nonagricultural employment growth in the Orlando MSA slowed (an average increase of 0.9%), reflecting the effects of the national economic recessions in 2001 and 2008 through 2009. In 2020, nonagricultural employment in the Orlando MSA decreased 9.7%, greater than the decreases for the State (5.2%) and the nation (5.8%), reflecting the impact of the COVID-19 pandemic and measures put in place to try to slow the spread of the disease, which contributed to a major contraction of the U.S. economy and substantial job losses.

UCF projects nonagricultural employment in the Orlando MSA to increase an average of 4.1% per year between 2020 through 2025, faster than growth rates for the State (2.5%) and the nation (2.0%).

Table 3
HISTORICAL AND PROJECTED SOCIOECONOMIC TRENDS
Orlando MSA, State of Florida, and United States

	Population (thousands)			Nonagricultural employment (thousands)			Per capita personal income in 2020 dollars		
	Orlando MSA	State of Florida	United States (a)	Orlando MSA	State of Florida	United States	Orlando MSA	State of Florida	United States
Historical									
1990	1,225	12,938	248,791	580	5,363	109,527	36,762	39,135	38,853
2000	1,645	15,983	281,425	905	7,054	132,011	41,632	44,286	46,099
2010	2,134	18,801	308,746	993	7,175	130,345	39,971	46,129	48,295
2015	2,388	20,224	320,743	1,158	8,111	141,825	43,166	49,676	53,387
2016	2,453	20,630	323,071	1,209	8,388	144,336	43,394	49,877	53,715
2017	2,513	20,977	325,147	1,250	8,572	146,608	44,609	51,498	54,705
2018	2,573	21,299	327,167	1,293	8,783	148,908	45,319	52,719	55,758
2019	2,608	21,492	328,330	1,327	8,966	150,905	46,282	53,688	56,738
2020	2,673	21,538	331,449	1,199	8,499	142,185	48,223	55,675	59,510
2021	n.a.	21,781	331,894	1,202	8,636	145,318	n.a.	n.a.	n.a.
Projected									
2025	2,871	22,598	343,486	1,465	9,623	156,666	53,713	59,100	63,320
Percent increase (decrease)									
2015-2016	2.7%	2.0%	0.7%	4.4%	3.4%	1.8%	0.5%	0.4%	0.6%
2016-2017	2.4	1.7	0.6	3.4	2.2	1.6	2.8	3.3	1.8
2017-2018	2.4	1.5	0.6	3.5	2.5	1.6	1.6	2.4	1.9
2018-2019	1.4	0.9	0.4	2.6	2.1	1.3	2.1	1.8	1.8
2019-2020	2.5	0.2	1.0	(9.7)	(5.2)	(5.8)	4.2	3.7	4.9
2020-2021	n.a.	1.1	0.1	0.2	1.6	2.2	n.a.	n.a.	n.a.
Average annual percent increase (decrease)									
1990-2000	3.0%	2.1%	1.2%	4.6%	2.8%	1.9%	1.2%	1.2%	1.7%
2000-2010	2.6	1.6	0.9	0.9	0.2	(0.1)	(0.4)	0.4	0.5
2010-2019	2.3	1.5	0.7	3.3	2.5	1.6	1.6	1.7	1.8
1990-2019	2.6	1.8	1.0	2.9	1.8	1.1	0.8	1.1	1.3
2019-2020	2.5	0.2	1.0	(9.7)	(5.2)	(5.8)	4.2	3.7	4.9
2020-2025	1.4	1.0	0.7	4.1	2.5	2.0	2.2	1.2	1.2

MSA = Metropolitan Statistical Area, consisting of Lake, Orange, Osceola, and Seminole counties, n.a. = not available.

(a) U.S. Census Bureau, Population Division, Table 1. Projected Population Size and Births, Deaths, and Migration for the United States: 2017 to 2060, September 2018, International Population Estimates and Projections, December 15, 2020, www.census.gov.

Sources: Historical population: U.S. Department of Commerce, Bureau of the Census, www.census.gov, accessed January 2022.

Historical employment: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, accessed September 2021.

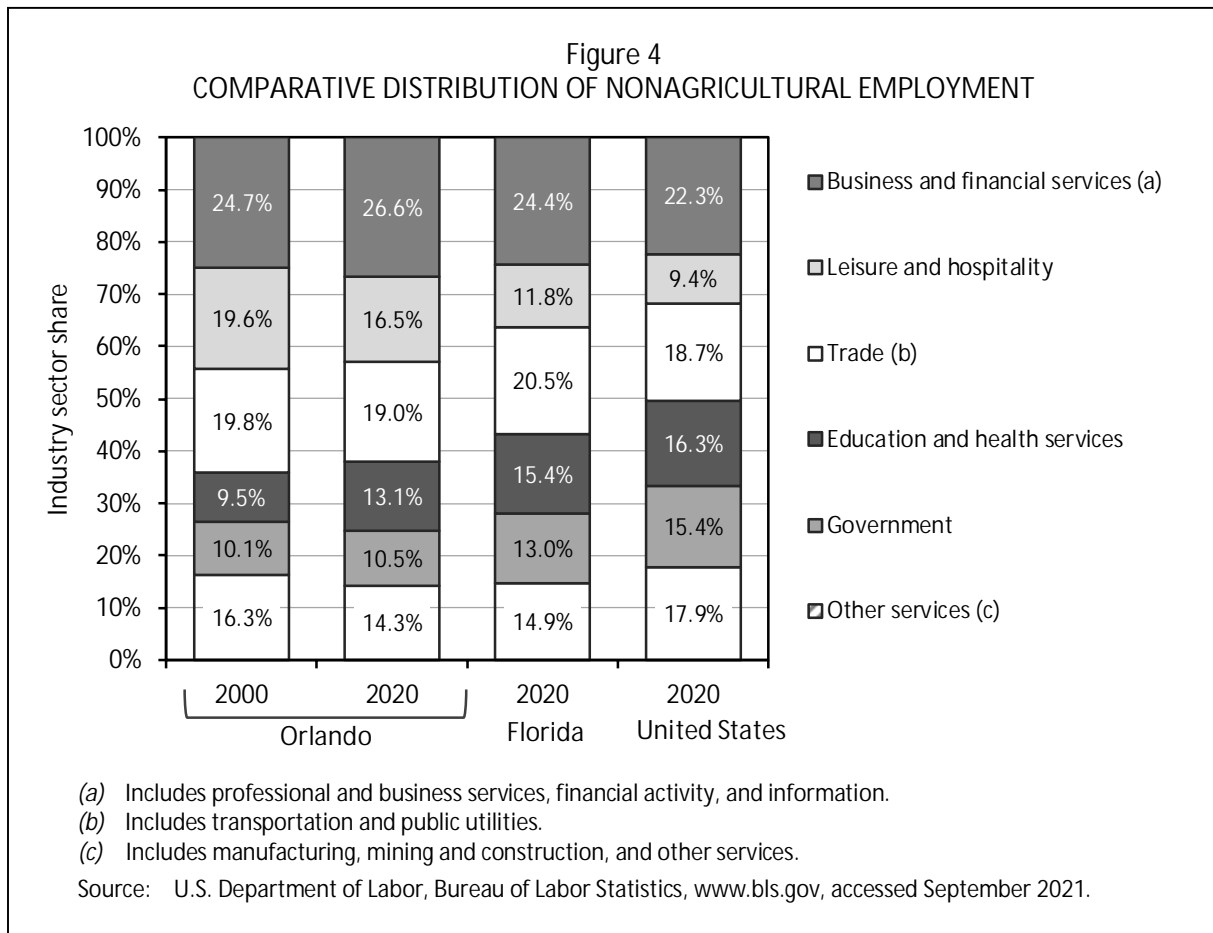
Historical income: U.S. Department of Commerce, Bureau of Economic Analysis, www.bea.gov, accessed September 2021. Adjusted to constant 2020 dollars using the U.S.

Department of Labor, Consumer Price Index for Urban Consumers (1982-84 = 100), www.bls.gov.

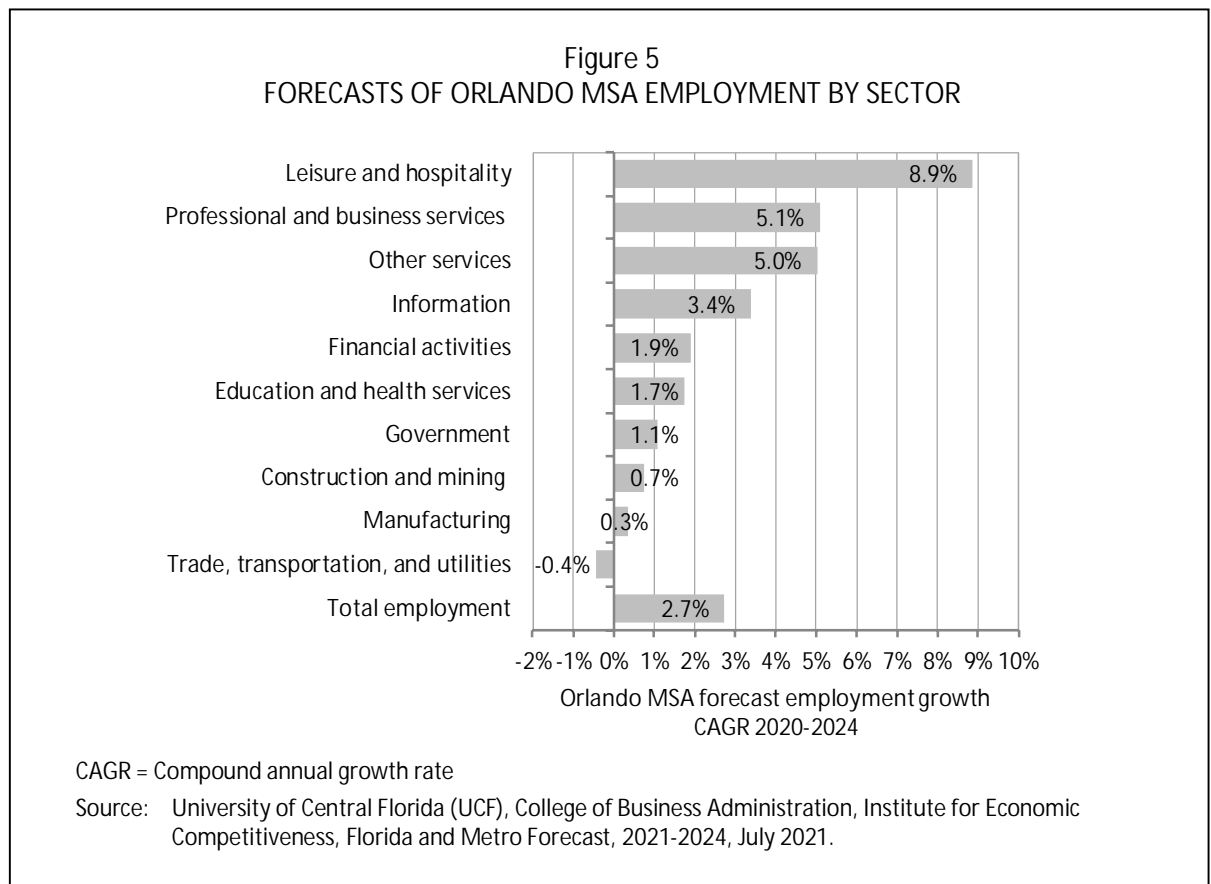
Projected growth rates, except as noted: University of Central Florida, College of Business Administration, Institute for Economic Competitiveness, *Florida and Metro Forecast, 2021-2024*, July 2021 and U.S. Forecast, June 2021, www.iec.ucf.edu. Projections for 2025 were extrapolated by LeighFisher based on projected growth rates between 2021 and 2024.

Per Capita Personal Income. As shown in Table 3, per capita personal income (in 2020 constant dollars) in the Orlando MSA increased an average of 0.8% per year between 1990 and 2019, with decreases between 2000 and 2010 (an average decrease of 0.4% per year), reflecting the effects of two national economic recessions, the housing and real estate decline, and construction slowdown. Growth in the MSA's per capita personal income returned between 2010 through 2019, increasing an average of 1.6% per year. UCF projects per capita personal income (in 2020 constant dollars) in the Orlando MSA to increase an average of 2.2% per year between 2020 through 2025, faster than the State (1.2%) and the nation (1.2%).

Nonagricultural Employment by Industry Sector. Figure 4 shows a comparative distribution of nonagricultural employment by industry sector for the Orlando MSA in 2000 and in 2020, and for the State and the nation in 2020. The Orlando MSA's business and financial services sector accounted for the largest share of employment in 2020, with 26.6%. The leisure and hospitality sector, which incorporates hotels, restaurants, theme parks, and other attractions, is a mainstay of the local economy, accounting for 16.5% of the MSA's 2020 nonagricultural employment, less than its 2000 share due to the disproportionate impact of the pandemic on this sector. The importance of leisure and hospitality to Orlando is evident by comparison to the shares of employees working in this sector in Florida (11.8%) and nationwide (9.4%) in 2020.



As shown on Figure 5, UCF forecasts the strongest employment growth in the Orlando MSA's leisure and hospitality—an average increase of 8.9% per year between 2020 and 2024. Between 2019 and 2020, employment in Orlando's leisure and hospitality sector decreased by more than 78,000 people as a result of the restrictions and limited operating schedules of Orlando's hospitality sector related to the COVID-19 pandemic. The professional and business services sector is forecast to be the second fastest growing sector, with forecast growth of 5.1% per year, followed by other services employment with forecast growth of 5.0% per year.



Unemployment Rates. In addition to the employment trends cited above, the unemployment rate is also indicative of the general economic climate. Table 4 shows comparative annual unemployment rates in the Orlando MSA, the State, and the nation as a whole for 2000 through 2021 (January through August). The unemployment rates in the Orlando MSA and the State have generally followed the trends in the nation, including increases related to national economic recessions in 2008-2009 and in 2020 as a result of the pandemic. In 2021, Orlando MSA unemployment rates averaged 5.3% based on data for January through October.

Monthly unemployment rates in the Orlando MSA, the State, and the United States have decreased since reaching historical highs in May 2020, as shown on Figure 6. In October 2021, the Orlando MSA unemployment rate was 4.4%, higher than the State (4.0%) and the nation (4.3%).

Table 4
COMPARATIVE UNEMPLOYMENT RATES

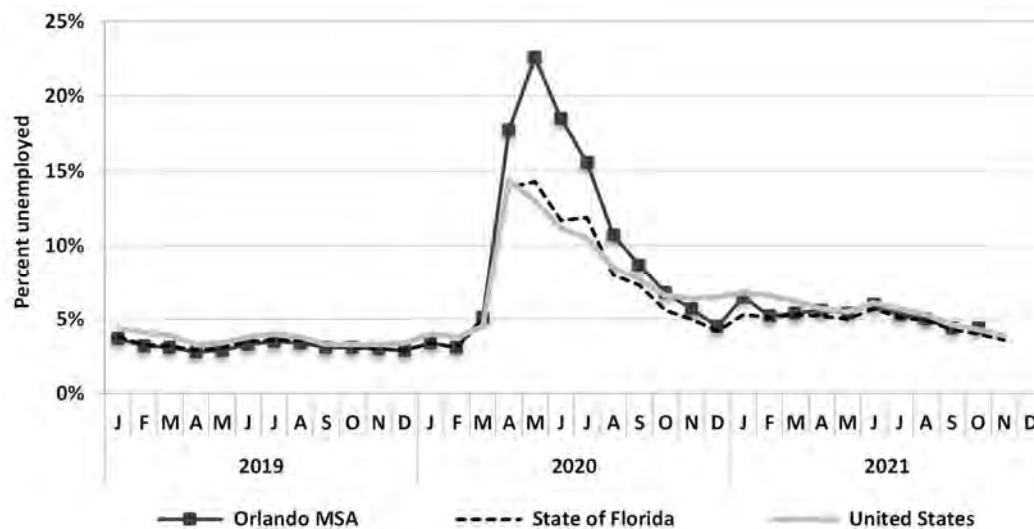
	Orlando MSA	State of Florida	United States
2000	3.1%	3.7%	4.0%
2001	4.4	4.6	4.7
2002	5.8	5.6	5.8
2003	5.3	5.2	6.0
2004	4.6	4.6	5.5
2005	3.6	3.7	5.1
2006	3.2	3.2	4.6
2007	3.9	4.0	4.6
2008	6.1	6.3	5.8
2009	10.5	10.4	9.3
2010	11.1	11.0	9.6
2011	10.0	10.0	9.0
2012	8.4	8.5	8.1
2013	7.0	7.2	7.4
2014	6.0	6.3	6.2
2015	5.2	5.5	5.3
2016	4.5	4.8	4.9
2017	3.9	4.2	4.4
2018	3.4	3.6	3.9
2019	3.2	3.3	3.7
2020	10.2	7.7	8.1
2021 (a)	5.3	5.0	5.7

Note: Unemployment rates are not seasonally adjusted and represent annual averages.

(a) Represents an average of data for January through October 2021.

Source: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, accessed December 2021.

Figure 6
MONTHLY UNEMPLOYMENT RATES



Note: Unemployment rates are not seasonally adjusted.

Source: U.S. Department of Labor, Bureau of the Labor Statistics, www.bls.gov, accessed December 2021.

Orlando MSA Top 20 Employers. The Orlando MSA's major employers include an increasingly diverse list of companies in leisure and hospitality, healthcare, aerospace and defense, finance, and advanced manufacturing, as shown in Table 5. The Walt Disney World Parks and Resorts is, by a wide margin, the largest private employer in the Orlando MSA, with 58,478 employees at its four theme parks (Magic Kingdom, EPCOT, Animal Kingdom, and Hollywood Studios), hotels, water parks, and golf courses. The hospitality and leisure industry is well-represented among the MSA's other top employers: Universal Orlando (21,143 employees), Westgate Resorts (4,975), SeaWorld Parks and Entertainment (4,472), Marriott Vacations Worldwide (4,210), The Ritz Carlton Orlando (3,838), Rosen Hotels and Resorts (2,658), and Travel and Leisure (2,500).

Table 5
ORLANDO MSA TOP 20 PRIVATE EMPLOYERS

Employer	Product or service	Employees
Walt Disney World Resort (a)	Leisure and Hospitality	58,478
AdventHealth (b)	Healthcare	37,000
Universal Orlando (Comcast) (a)	Leisure and Hospitality	21,143
Orlando Health (b)	Healthcare	19,657
Publix Super Markets (a)	Grocer	15,511
Lockheed Martin (a)	Aerospace/Defense	10,000
Siemens (a,c)	Advanced Manufacturing	5,541
Westgate Resorts (a,b)	Leisure and Hospitality	4,975
SeaWorld Parks and Entertainment (b)	Leisure and Hospitality	4,472
Marriott Vacations Worldwide	Leisure and Hospitality	4,210
The Ritz-Carlton Orlando, Grande Lakes	Leisure and Hospitality	3,838
Southwest Airlines (a)	Transportation	3,000
JetBlue Airways	Transportation	2,661
Rosen Hotels and Resorts (b)	Leisure and Hospitality	2,658
Truist Bank (a)	Finance and Insurance	2,610
Travel and Leisure Co. (Previously Wyndham Destinations)	Leisure and Hospitality	2,500
Deloitte Consulting (a)	Information Technology	2,100
Nemours	Healthcare	2,087
CAE Orlando	Aviation Training Center	2,000
JP Morgan Chase (a)	Finance and Insurance	1,900

Note: Data exclude government and retail operations.

(a) Fortune 500 company in 2021 based on Fortune Magazine's ranking, www.fortune.com.

(b) Corporate headquarters are located in the Orlando MSA.

(c) Regional or division offices are located in the Orlando MSA.

Source: Direct Company Contact, Orlando Business Journal, Dun and Bradstreet, "Seminole County Top Employers", updated July 2021, as reported by the Orlando Economic Partnership, www.orlandoedc.com.

Corporate headquarters are important drivers of business travel demand. According to the Orlando Economic Partnership, 6 of the top 20 employers shown in Table 5 have headquarters in the Orlando MSA. In addition, 10 of the top 20 employers are listed on Fortune magazine's list of the top 500 U.S. corporations, ranked by 2021 revenues.

Corporate Headquarters and Regional Offices. The Orlando MSA is home to several corporate headquarters and regional offices of companies, including financial services, customer support and back office, healthcare, leisure and hospitality, professional services and specialty firms. Industry leaders such as American Automobile Association (AAA), Chase Credit Card Services, Darden Restaurants, Deloitte Consulting, Electronic Arts, Lockheed Martin, Northrop Grumman, Tupperware Brands Corporation, Verizon Communications and the Walt Disney Company are either headquartered or have a significant presence in the Orlando MSA. The Orlando MSA is also home to more than 150 international companies representing 20 countries, including the major U.S. operations of international companies such as Germany's Siemens Energy, Japan's Mitsubishi Hitachi Power Systems, Israel's Mazor Robotics, and Australia's Adacel.

Industry Clusters

The Orlando MSA's major industries, in addition to leisure and hospitality, are life sciences and healthcare, innovative technologies, aviation, aerospace, and defense, and advanced manufacturing, according to the Orlando Economic Partnership. These industry clusters, or groups of companies that buy or sell to each other in the manufacture of goods for export from the area, are positioned to grow within the Orlando MSA.

Life Sciences and Healthcare. The Orlando MSA's life sciences and healthcare industry cluster is led by 5,200 companies that employ 112,000 people, including biotech/bio informatics, clinical trials, diagnostic testing, healthcare, medical devices, medical simulation, specialty pharma and pharmaceuticals, sports innovation and performance firms. Leading life sciences and healthcare companies in the Orlando MSA include Adventist Health System/Florida Hospital, Orlando Health, Central Florida Health Alliance, HCA Central Florida Regional Hospital, Consulate Health Care, and Osceola Regional Medical Center.

Since 2008, Tavistock Group, a privately-held investment company, has been developing a 7,000-acre planned community southeast of, and immediately adjacent to, the Airport called Lake Nona. Lake Nona Medical City, a complex of new medical and bioscience facilities, is the centerpiece of the Lake Nona community and is home to the University of Central Florida's College of Medicine, the Sanford-Burnham Medical Research Institute, Nemours Children's Hospital, Guidewell Innovation Center, University of Florida Research and Academic Center, the Orlando Veterans Affairs Medical Center, and the Veterans Health Administration Simulation Learning, Education, and Research Network. In March 2021, the UCF Medical School and the Hospital Corporation of America officially opened the UCF Lake Nona Medical Center, a teaching hospital adjacent to UCF.

Lake Nona is also home to the United States Tennis Association's new 63-acre campus (opened in January 2017), KPMG's national training center (opened in January 2020), and BEEP, a Lake Nona based company operating the first autonomous shuttles in central Florida. The Lake Nona Wave Hotel, a technologically advanced facility supported by a gigabit fiber network, opened on December 20, 2021.

Innovative Technologies. The Orlando MSA is part of Florida's high-tech corridor that stretches from Sarasota on the Gulf coast and runs along I-4, across the center of the State, to Daytona Beach on the Atlantic coast. The Orlando MSA's innovative technology industry cluster is led by 2,800 companies that employ 33,400 people, including modeling, simulation and training, optics and photonics, smart sensors, cleantech and energy solutions, advanced materials, and emerging technology firms. Leading innovative technology companies in the Orlando MSA include Deloitte Consulting, Oracle Corporation, FIS, Electronic Arts—Tiburon, Veritas, Fiserv, and Golf Channel.

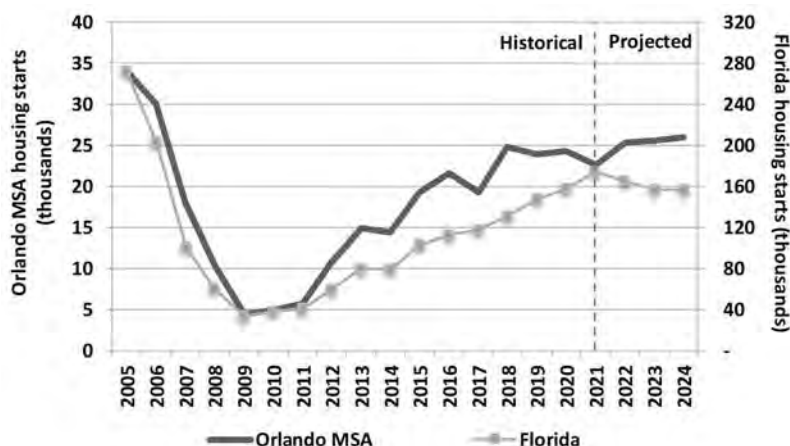
Aviation, Aerospace, and Defense. The Orlando MSA's aviation, aerospace, and defense industry cluster is led by 220 companies that employ 24,000 people, including defense, modeling, simulation and training, maintenance, repair and overhaul, optics and photonics, serious games (i.e., simulations of real-world events), and air service development. Leading aviation, aerospace, and defense companies in the Orlando MSA include Aerojet Rocketdyne, Boeing, Blue Origin, Kaman, Lockheed Martin, Northrop Grumman, L3 Harris Technologies, Leidos, and Thales. Florida and Orlando MSA have taken a leading role in the development of commercial space travel in recent years. In late 2019, Boeing moved its Space and Launch headquarters from Arlington, Virginia to Titusville in Brevard County and is working with NASA on a new Space Launch System and the Starliner crew capsule. In September 2021, SpaceX launched the first civilian orbital trip from the Kennedy Space Center.

Advanced Manufacturing. The Orlando MSA's advanced manufacturing industry cluster is led by 670 companies that employ 21,000 people, including aerospace defense systems, clean energy and power technology, and enabling components for communications equipment, the marine industry, and tool systems and technology. Leading advanced manufacturing companies in the Orlando MSA include Amcor, AMD, Faro Technologies, Mitsubishi Power Systems, Nautique, Regal Boats, Siemens, and Voxx International Corporation.

Housing Market

Trends in the housing market in a region generally follow economic cycles and are an indicator of overall economic activity that will, in turn, help to spur air travel demand. Housing starts are one indicator of housing market trends and represent the number of new residential construction projects begun during a particular period. In its July 2021 report, UCF forecasts a continued gradual growth in the Orlando MSA housing market (an average increase of 1.7% per year between 2020 and 2024), while Florida housing starts are expected to decrease, as shown on Figure 7.

Figure 7
HISTORICAL AND PROJECTED HOUSING STARTS
Orlando MSA and State of Florida



Note: Data for housing starts are the number of new residential construction projects begun during a particular period, including single- and multi-family units.

Source: University of Central Florida, Institute for Economic Competitiveness, *Florida and Metro Forecast: 2021-2024*, July 2021.

Between 2011 and 2021, the Orlando MSA's median housing price increased an average of 10.8% per year, according to the Orlando Realtor Association.* Large increases in the median housing price were reported in 2020 and 2021, increases of 10.0% and 15.4%, respectively. (Note: S&P Case-Shiller Home Price Index data are not available for the Orlando MSA.)

Visitor Industry

The visitor industry is an important driver of the Orlando MSA economy and passenger traffic at the Airport. Between 2010 and 2019, the total number of visitors to the Orlando MSA increased an average of 4.4% per year, from 51.5 million in 2010 to 75.8 million in 2019. In 2020, Orlando visitors accounted for 47% of 2019 levels (35.3 million), notwithstanding the restrictions related to COVID-19 and the limited operating days of the major theme parks and attractions in the Orlando MSA. During the third quarter of 2021 (July through September), Visit Florida estimates that the number of visitors exceeded pre-pandemic levels in 2019 (an estimated increase of 0.3%).**

Visitors to the Orlando MSA, including leisure and business travelers, originate from both domestic and international locations. The following sections present a discussion of the visitor industry—leisure and business visitors, domestic and international visitors, cruise ship visitors, and hotel infrastructure in the Orlando MSA.

Leisure Visitors. In 2019, approximately 58.1 million leisure travelers visited the Orlando MSA, accounting for 84% of domestic visitors; business travelers accounted for the remaining 16%.*** Between 2010 and 2019, the number of leisure visitors to the Orlando MSA increased an average of 4.8% per year, from 38.3 million in 2010 to 58.1 million in 2019. In 2020, Orlando leisure visitors accounted for 49% of 2019 levels (28.7 million).

The growth in the number of leisure visitors reflects the concentration and continued expansion of and investment in entertainment-based theme parks in the Orlando MSA that attract both domestic and international travelers. As shown on Figure 8, Orlando's seven theme parks accommodated 84.7 million attendees in 2019 and were among the 10 busiest in the United States in terms of total attendance, according to the 2019 ranking prepared by the Themed Entertainment Association.**** The remaining three busiest U.S. theme parks are located in southern California—Disneyland, Disney California Adventure, and Universal Studios Hollywood—and had a combined attendance of 37.7 million in 2019.

Between 2000 and 2019, total attendance at the seven Orlando MSA theme parks increased an average of 3.2% per year, with the strongest growth reported by Universal Studios Florida (an average increase of 7.0% per year—reflecting the opening of several new attractions, including the new Despicable Me Minions ride (2012), the new 3-D Transformers ride (2013), and an expansion to the Wizarding World of Harry Potter (2014). Universal's Island of Adventure also reported strong growth in attendance during this period (an average increase of 6.4% per year), reflecting the opening of the Wizarding World of

*Orlando Regional Realtor Association, Ten Year History 2011 - 2021, September 2021, www.orlandorealtors.org. Data are for all sales types and home types combined and are for August of each year.

** Spectrum News, Visit Florida data shows Q3 visitors higher than same time in 2019, November 17, 2021, www.spectrumlocalnews.com.

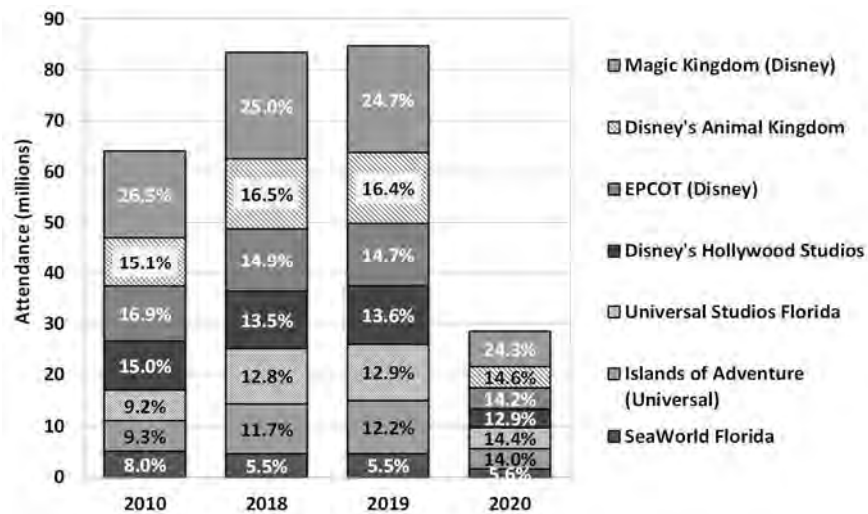
*** Includes visitors traveling by all modes of transport.

**** The Themed Entertainment Association (TEA) is an international non-profit association that represents creators, developers, designers and producers of themed entertainment.

Harry Potter (2010), a themed area that now extends into Universal Studios Florida, and the refurbishment and reopening of the Spider-Man ride (2012).

In 2020, Orlando's seven theme parks accommodated 28.5 million attendees (a decrease of 66.3% between 2019 and 2020), reflecting closure of the theme parks in mid-March 2020 through June or July 2020 due to the COVID-19 pandemic. Walt Disney World reopened in July 2020 at 25% of capacity, increased to 35% in November 2020, and has continued to add capacity. According to Walt Disney World CEO Bob Chapek, in 2021, "capacity increased over the course of the third quarter and Walt Disney World is now seeing park attendance that's at or near daily capacity levels."* Similarly, NBC Universal's CEO, Jeff Shell, noted that "the demand side of Orlando — we have virtually no international visitation yet, which normally depending on the time of year is between 20-30% of our attendance, and yet without any of that attendance we're already hitting our capacity and doing better in some cases than 2019, which is remarkable given how soon coming out of this we are."**

Figure 8
ATTENDANCE AT ORLANDO MSA THEME PARKS
Ranked by 2019 attendees



Source: AECOM/Themed Entertainment Association, Global Attractions Attendance Report, 2010, 2018, 2019, and 2020, www.aecom.com/theme-index.

In 2014 through 2025, more than 40 new attractions opened or are planned to open at Orlando's theme parks and others are planned and/or underway, as detailed in Table 6. Six new attractions opened in 2019, including the Sesame Street Land at SeaWorld Orlando (March 2019), Lego Movie World at LEGOLAND Florida (March 2019), and Star Wars: Galaxy Edge, a new themed land, at Disney Hollywood Studios (August 2019).***

* Forbes, "Disney Theme Parks will Continue to Reopen and Increase Capacity Despite Delta Variant Surge," August 13, 2021.

** Universal Orlando No Longer Limiting Capacity, www.insidethemagic.net, June 14, 2021.

*** LEGOLAND Florida is located in Winter Haven in Polk County in the secondary area of the Airport Service Region, 48 road miles from Orlando.

Table 6
OPENED AND PLANNED ATTRACTIONS
AT THEME PARKS IN THE AIRPORT SERVICE REGION: 2014-2025

Year of opening	Theme park	Attraction
2014	Universal Studios Florida	Diagon Alley, Wizarding World of Harry Potter
2014	Disney Magic Kingdom	Seven Dwarfs Mine Train in the New Fantasyland
2015	New I-Drive entertainment complex	The Orlando Eye (425-foot observation wheel)
2015	New I-Drive entertainment complex	Madame Tussauds wax museum
2015	New I-Drive entertainment complex	Sea Life Aquarium
2015	LEGOLAND Florida	Heartlake City expansion
2016	Disney Animal Kingdom	Rivers of Light
2016	WonderSea Island	New water park
2016	Disney Springs (Downtown Disney)	Planet Hollywood Observatory
2016	Universal Studios Florida	Skull Island, Reign of Kong
2016	Disney Magic Kingdom	Frozen Ever After
2016	Disney Magic Kingdom	Soarin' Around the World
2016	Disney Animal Kingdom	Sunset Kilimanjaro Safaris
2016	SeaWorld Orlando	Mako (200-foot roller coaster)
2016	LEGOLAND Florida	The LEGO Movie 4D A New Adventure
2016	Kennedy Space Center	Heroes and Legends
2017	Universal Studios Florida	Race Through New York Starring Jimmy Fallon
2017	Disney Animal Kingdom	Pandora - The World of AVATAR
2017	Universal Studios Florida	Volcano Bay water park
2017	Disney's Typhoon Lagoon Water Park	Miss Fortune Falls raft ride
2017	SeaWorld Orlando	Kraken Unleashed roller coaster (a)
2017	SeaWorld Orlando	Electric Ocean
2017	LEGOLAND Florida	LEGO NINJAGO World
2018	Disney Hollywood Studios	Toy Story Land
2018	Universal Studios Florida	The Fast and the Furious: Supercharged
2018	SeaWorld Orlando	Infinity Falls
2018	SeaWorld Orlando	Ray Rush
2018	LEGOLAND Florida	The Great Lego Race
2018	LEGOLAND Florida	Lego Ninjago - Master of the 4th Dimension
2019	Disney Hollywood Studios	Star Wars: Galaxy's Edge
2019	Disney Hollywood Studios	Lightning McQueen's Racing Academy
2019	Universal Islands of Adventure	Hagrid's Magical Creatures Motorbike Adventure
2019	SeaWorld Orlando	Sesame Street Land
2019	SeaWorld Orlando	KareKare Curl
2019	LEGOLAND Florida	Lego Movie World
2020	Disney Hollywood Studios	Mickey and Minnie's Runaway Railway
2021-2023	Disney Magic Kingdom	Disney's 50 th Anniversary Celebration
2021	Disney EPCOT	Remy's Ratatouille Adventure
2022	Disney Magic Kingdom	Tron's Lightcycle Run
2022	Disney EPCOT	Guardians of the Galaxy: Cosmic Rewind (roller coaster)
2022	Disney EPCOT	Moana Journey of Water
2022	LEGOLAND Florida	Peppa Pig Theme Park
2022	SeaWorld Orlando	Icebreaker
2025	Universal Orlando Resort	Epic Universe

Note: LEGOLAND Florida is located in Winter Haven in Polk County in the secondary area of the Airport Service Region, 48 road miles from Orlando.

The Kennedy Space Center is located on Merritt Island in Brevard County in the secondary area of the Airport Service Region, 50 road miles from Orlando.

(a) Kraken Unleashed is a refurbishment of the original Kraken roller coaster which opened in 2000.

Sources: Visit Orlando; Greater Orlando Aviation Authority; Orlando Sentinel.

On August 1, 2019, Universal Orlando announced plans to open a new theme park called Universal's Epic Universe, which is expected to nearly double the entertainment company's acreage in Central Florida and be Universal's fourth Florida theme park. Originally planned to open in 2023 but delayed by the COVID-19 pandemic, Universal's Epic Universe is expected to open in 2025 and will house attractions by DreamWorks Animation, Illumination, and Nintendo.

The growth in the number of leisure visitors also reflects the continued development of sports venues in the Orlando MSA that attract both domestic and international travelers. The Orlando MSA is home to three professional sports teams—the Orlando Magic in the National Basketball Association (NBA), Orlando City Soccer Club in Major League Soccer, and the Orlando Pride National Women's Soccer League team—as well as the University of Central Florida's sports teams, spring training for the Atlanta Braves in Major League Baseball, and many minor league and semi-professional teams for several sports.

Since 2010, considerable investment in sports venues has taken place in the Orlando MSA, including:

- The \$500 million Amway Center opened in 2010 and is home to the NBA's Orlando Magic, ECHL's Orlando Solar Bears (one of the NHL's minor hockey leagues), and the Orlando Predators (a professional indoor football team) and has hosted the 2012 NBA All-Star Game, HBO Main Event Boxing, WWE Monday Night Raw, and college basketball games. The Amway Center hosted first and second round games of the 2017 NCAA Division I Men's Basketball Championship Tournament.
- The Camping World Stadium (formerly the Orlando Citrus Bowl), has hosted college football, including the Citrus and Camping World Bowl games, World Cup and Olympic soccer, WrestleMania, and Monster Jam, completed a \$207.7 million reconstruction project in 2014. In 2015, the Stadium hosted a game between the 2015 FIFA Women's World Cup championship team from the United States and the team from Brazil. The Camping World Stadium hosted the annual NFL Pro Bowl game in 2016 through 2019. In June 2019, the Orlando City Council approved \$60 million in tourist development tax funding for additional upgrades to Camping World Stadium.*
- The \$27 million Boombah Sports Complex at Seminole County opened in May 2016 with 15 fields for baseball, softball, soccer, football, and lacrosse, facilities, and concessions.
- The \$155 million 25,500-seat Orlando City soccer stadium, Exploria Stadium, opened in March 2017. The state-of-the-art, privately financed multi-purpose facility has hosted men's and women's collegiate, national, and major-league soccer and is home to Major League Soccer's Orlando City Soccer Club and the Orlando Pride National Women's Soccer League team. The MLS Combine, an annual showcase, has been held at the stadium since 2018.
- The United States Tennis Association's (USTA) National Campus, a \$60 million 63-acre facility in Lake Nona, and the world's largest tennis facility, opened in January 2017. The National Campus hosts the USTA's Community Tennis and Player Development divisions including more than 100 tennis courts, player dormitories, and a USTA office building.

The opening of the \$383 million Dr. Phillips Performing Arts Center (the Center) in 2014 also contributes to the numbers of visitors to the Orlando MSA. The 369,000-square-foot Center in downtown

* Hearst Television, Inc., WESH 2 News, "Orlando City Council approves \$60 million for improvements to Camping World Stadium", June 18, 2019, www.wesh.com.

Orlando comprises three theaters – a 1,700-seat opera house/symphony hall (under construction), a 2,700-seat Broadway theater, and a 300-seat community theater. Construction of the second phase of the Center began in March 2017 and is expected to open in 2022. The second phase, costing an additional \$185 million, includes the third theater, Steinmetz Hall, a 1,700-seat, three-tier acoustical hall which is expected to house Orlando's philharmonic and ballet performances, and the Green Room, a gathering place for performers and guests for musical exploration, creative programming, recording, and other events.

Business Visitors. Between 2010 and 2019, the number of business visitors to the Orlando MSA increased an average of 1.8% per year, from 9.5 million in 2010 to 11.2 million in 2019. In 2020, Orlando business visitors accounted for 44% of 2019 levels (4.9 million). Strong increases in the MSA's population and employment, the strength of Orlando's world-class tourism industry, and the continued development of the defense, high-tech, and digital media industry sectors have contributed to the growth of business travel. According to the Orlando Economic Partnership, a competitive cost environment has also favored the Orlando economy in attracting new businesses which, in turn, generate additional travel demand. Business travel can be expected to increase generally in line with growth in the MSA economy in the future.

Business visitors to the Orlando MSA also include convention and trade show attendees. The Orange County Convention Center (OCCC) is the primary convention facility in the Orlando MSA and the second largest in the United States, with a total space of 7.0 million square feet, 2.1 million of which is exhibit space. (Chicago's McCormick Place is the largest U.S. convention facility, with 2.6 million square feet of exhibit space.)

In FY 2019, the OCCC hosted 170 events and 1.5 million convention attendees. In FY 2020, OCCC convention attendees accounted for 46% of FY 2019 levels (667,000). The opening of two major projects is expected in FY 2023: the new enclosed Convention Way Grand Concourse, built to connect the North and South concourses and a Multipurpose Venue which will provide 200,000-square-feet of flexible, divisible, and column-free space.

Cruise Ship Visitors. Port Canaveral, one of the world's busiest cruise ship ports, is located less than 50 miles east of Orlando and is adjacent to the John F. Kennedy Space Center and NASA visitor center at Cape Canaveral. Many out-of-state cruise ship passengers bound for Port Canaveral arrive and depart via the Airport. Port Canaveral is currently served by Carnival Cruise Line, Disney Cruise Line, Norwegian Cruise Line, and Royal Caribbean; all have signed multi-year agreements for future operations. Victory Casino Cruises also serves Port Canaveral with twice daily 5-hour gaming cruises.

In FY 2019, Port Canaveral handled 4.6 million multi-day cruise passengers and was the second busiest passenger cruise port in the world after Port of Miami, with 6.8 million multi-day cruise passengers, as shown in Table 7. In North America, Port Everglades ranked third with 3.8 million cruise passengers in FY 2019, followed by the Port of Galveston (1.97 million), the Port of New York and New Jersey (an estimated 1.95 million, including the cruise ports in Brooklyn, Manhattan, and Cape Liberty) and the Port of New Orleans (1.18 million).*

*Port of Galveston, Port Statistics by Fiscal Year, www.portofgalveston.com; "New Orleans Saw a Record Number of Cruise Passengers in 2018", February 8, 2019, www.nola.com; Port Authority of New York & New Jersey, Press Release Article, Region's Airports and Transit Network Handled Record Volumes and Significant Growth in 2018", January 31, 2019, www.panynj.com; PORTNYC 2018 Brochure, www.nyedc.com.

Table 7
TRENDS AT NORTH AMERICA'S BUSIEST CRUISE PORTS

Fiscal Year	Multi-day cruise ship passengers		
	Port Miami	Port Everglades	Port Canaveral
2010	4,100,000	3,314,208	2,722,751
2011	4,018,161	3,664,103	3,100,199
2012	3,774,452	3,689,022	3,761,056
2013	4,030,356	3,509,727	3,717,586
2014	4,770,000	3,880,033	3,863,606
2015	4,915,576	3,622,229	3,620,000
2016	4,980,490	3,680,549	3,951,127
2017	5,340,000	3,738,252	4,240,942
2018	5,592,000	3,741,408	4,568,431
2019	6,824,000	3,773,062	4,634,154
2020	3,478,000	2,482,447	2,261,431
Percent increase (decrease)			
2010-2011	(2.0%)	10.6%	13.9%
2011-2012	(6.1)	0.7	21.3
2012-2013	6.8	(4.9)	(1.2)
2013-2014	18.4	10.6	3.9
2014-2015	3.2	(6.6)	(6.3)
2015-2016	1.3	1.6	2.4
2016-2017	7.2	1.6	7.3
2017-2018	4.7	0.1	7.7
2018-2019	22.0	0.8	1.4
2019-2020	(49.0)	(34.2)	(51.2)
Compound annual percent increase			
2010-2019	5.8%	1.5%	6.1%

Note: For Fiscal Years ended September 30.

Sources: Florida Department of Transportation, Florida Transportation Trends and Conditions, June 2013, www.dot.state.fl. Miami Dade County, Port of Miami, press releases, www.miamidade.gov/portmiami. Port Canaveral, annual reports, www.portcanaveral.com. Port Everglades, Port Everglades Waterborne Commerce Chart for the Ten Fiscal Years 2020 through 2009, www.porteverglades.net.

In FY 2020, the number of multi-day cruise passengers at Port Canaveral decreased 51.2% due to the COVID-19 pandemic and governmental actions to slow the spread of the virus. The CDC issued a no-sail order on March 14, 2020 which shut down the cruise industry, followed by a Framework for Conditional Sailing Order on April 2, 2020 which required crew and port personnel to practice new COVID-19 operational procedures on volunteers before sailing with passengers. The first revenue cruise from Port Canaveral since the March 2020 shutdown departed on July 31, 2021 with 4,000 passengers (two-thirds of ship capacity). Norwegian Cruise Lines resumed sailings from Port Canaveral on November 13, 2021 and MSC Cruises announced plans to use Port Canaveral as a homeport. Caribbean International's *Wonder of the Seas*, the largest cruise ship in the world and powered by LNG, will homeport at Port Canaveral beginning November 2022. The Port Canaveral Authority has budgeted for 4.1 million multi-day cruise passengers in FY 2022 (88% of FY 2019 levels).

Port Canaveral's cruise business accounts for approximately 8% of total revenue, with continued growth supporting water-side engineering design and permitting work for a new terminal, according to Port Canaveral management.* The Port's future growth for cruise business is based on the Port's deep water channel necessary for mega-cruise ships, convenient access to drive-in and fly-in markets, and having the only established cruise port in Florida with space for significant expansion. In a 2019 reader survey conducted by Global Traveler, a monthly magazine for business and leisure luxury travelers, Port Canaveral was voted world's best cruise port.**

Hotel Infrastructure. In 2019, an estimated 125,167 hotel rooms were available in the Orlando MSA with an average occupancy rate of 76.2%, as shown in Table 8. In 2020, the number of Orlando MSA hotel rooms decreased to 112,000 with an average occupancy rate of 41.5%, reflecting the temporary closure of a significant number of hotels due to the COVID-19 pandemic. By the end of 2020, all Orlando MSA hotels had not yet re-opened. As of November 2021, an estimated 130,715 hotel rooms were available in the Orlando MSA with an average occupancy rate of 56.7%, compared with 42.6% and 76.2%, respectively, during the same period in 2020 and 2019. In addition to its hotel rooms, Central Florida has the largest collection of vacation home rentals in the world, with more than 31,000 active listings for vacation home rentals in Osceola County alone as of January 2022, which have an average of 4.9 rooms per home. Average daily occupancy rates for the homes exceeded 2019 levels from April 2021 through December 2021.***

Economic Impact of Covid 19

The 2020–2021 coronavirus pandemic caused severe economic disruptions as households, governments, and businesses adopted a variety of mandatory and voluntary measures to limit in-person interactions that could spread the virus. The impact was focused on particular sectors of the economy, such as travel and hospitality, and job losses were concentrated among lower-wage workers.

Nonagricultural employment in Florida and the Orlando MSA decreased by 13% and 15%, respectively, between March and April 2020, as consumer demand in the leisure and hospitality sectors decreased and businesses laid off workers. Central Florida theme parks including Disney World in the Orlando MSA closed in mid-March 2020 due to the coronavirus and reopened four months later in mid-July under capacity restrictions.

As Covid-19 vaccines became available in early 2021 and an increasing share of the population was vaccinated, domestic demand for leisure travel increased, particularly to outdoor destinations such as Orlando. Since then, economic activity and employment in the Orlando MSA and Florida increased and approached 2019 levels in the summer of 2021. However, in August and early September, the number of new Covid cases related to the Delta variant increased and economic activity slowed.

* Port Canaveral, www.portcanaveral.com, accessed June 2019. "More Cruisers, Cargo Push Port Canaveral to Record Revenue Year", October 31, 2018, www.orlandosentinel.com.

** Florida Today, "We're No. 1: Travel Magazine says Port Canaveral Voted World's Best Cruise Port", June 14, 2019, www.floridatoday.com

*** <https://www.experiencekissimmee.com>, January 18, 2022.

Table 8
HISTORICAL HOTEL ROOMS AND OCCUPANCY
Orlando MSA

Fiscal Year	Number of rooms	Room nights (millions)		Occupancy rate	Average daily rate
		Available	Occupied		
Historical					
2000	102,838	36.9	26.7	72.4%	\$89.83
2005	111,564	41.0	29.0	70.8	92.00
2010	115,199	43.0	26.7	63.8	90.76
2011	115,413	42.0	28.4	67.6	93.94
2012	116,368	42.4	29.1	68.7	97.21
2013	116,499	42.4	30.0	70.7	101.78
2014	118,212	41.9	30.9	73.7	107.91
2015	117,371	40.5	31.1	76.7	114.20
2016	119,904	45.0	34.0	75.5	116.00
2017	121,005	43.8	34.7	79.3	121.53
2018	122,569	44.5	34.5	77.7	127.32
2019	125,167	45.3	34.5	76.2	126.72
2020	112,000	40.5	16.8	41.5	109.74
2021 (a)	130,715	43.5	24.8	56.7	116.28
Percent increase (decrease)					
2010-2011	0.2%	(2.3%)	6.4%	6.0%	3.5%
2011-2012	0.8	0.8	2.5	1.6	3.5
2012-2013	0.1	0.2	3.1	2.9	4.7
2013-2014	1.5	(1.2)	3.0	4.2	6.0
2014-2015	(0.7)	(3.3)	0.6	4.1	5.8
2015-2016	2.2	11.0	9.3	(1.6)	1.6
2016-2017	0.9	(2.6)	2.2	5.0	4.8
2017-2018	1.3	1.6	(0.7)	(2.0)	4.8
2018-2019	2.1	1.8	(0.0)	(1.9)	(0.5)
2019-2020	(10.5)	(10.6)	(51.3)	(45.5)	(13.4)
2020-2021	16.7	7.4	47.6	36.6	6.0
Compound annual percent increase (decrease)					
2000-2010	2.1%	2.4%	1.4%	(0.8%)	1.6%
2010-2019	0.9	0.6	2.9	2.0	3.8
2000-2019	1.0	1.1	1.4	0.3	1.8

Note: For Fiscal Years ended September 30.

Hotel room count excludes more than 30,000 vacation home rentals.

(a) Reflects data for January through November 2021.

Source: Visit Orlando, www.visitorlando.com, as of November 2021.

The number of enplaned passengers has been steadily recovering at MCO faster than the trend for the nation as a whole. On November 9, 2021, the World Health Organization announced the discovery of the Omicron variant, which it classified as “a variant of concern” and international border restrictions were reinstituted in several countries. At this time, it is unknown how quickly the new variant spreads, how severe it might be, or its ability to evade vaccines. As of January 22, the CDC estimated that the Omicron variant accounts for nearly 100% of new cases in the United States. International passenger traffic accounted for 14% of MCO total enplaned passengers in FY 2019, 11% in FY 2020, and 4% in FY 2021, relatively small shares compared with other large-hub airports. As a result, the passenger traffic risk related to international travel restrictions is limited at MCO.

The global economic disruption caused directly and indirectly by the COVID-19 pandemic dwarfs the effects of earlier public health scares and will have far-reaching implications for the global economy, perhaps extending for several years. Until governments and public health authorities are able to contain the spread and occurrence of the disease through the widespread availability of effective vaccines and other preventative treatments such as an antiviral pill, COVID-19 is likely to continue to impact overall economic activity.

Economic Outlook

The economic outlook for the United States, the State of Florida, and the Orlando MSA forms a basis for anticipated growth in airline traffic at the Airport. Economic activity in the Orlando MSA and the State is directly linked to the production of goods and services in the United States and the world. Both airline travel and the movement of cargo through the Airport depend on the economic linkages between and among the regional, State, national, and global economies. The economic and other assumptions underlying the forecasts of enplaned passengers are based on a review of global, national, State, and regional economic outlooks as well as an analysis of historical socioeconomic trends and airline traffic trends.

Global Economy. Globalization of the world economy has linked national economies, with positive impacts on travel as well as trade. The Orlando MSA and the State are strongly connected to the global economy through a number of industry sectors and the four world regions (North America, Europe, Latin America/Caribbean, and the Middle East) that are currently served at the Airport. The economic growth of these world regions, in terms of Gross Domestic Product (GDP), is directly related to the growth in air travel. According to IHS Markit, world GDP, in 2015 dollars, is forecast to increase an average of 3.6% per year between 2020 and 2025.* Continued growth in the economies of the world regions most closely aligned with the Orlando MSA economy and airline service at the Airport are expected to contribute to continued growth in passenger traffic at the Airport.

U.S. Economy. The U.S. economy has grown at a slow to moderate pace since the 2008-2009 economic recession, with U.S. GDP growth averaging 2.2% per year between 2009 and 2019. In its July 2021 report, the Congressional Budget Office (CBO) projects U.S. GDP, in 2012 dollars, to increase an average of 3.1% between 2020 and 2025.** Since the 2008-2009 economic recession, U.S. unemployment rates (seasonally adjusted) have decreased from 9.5% in July 2009 to 4.6% in September 2021. UCF projects the national unemployment rate to decrease to 3.5% by 2025, while the CBO projects the unemployment rate to decrease to an average of 4.2% by 2025.

*Federal Aviation Administration, *FAA Aerospace Forecasts, Fiscal Years 2021-2045*, www.faa.gov, March 2021.

**Congressional Budget Office, *The Budget and Economic Outlook: 2020-2030*, July 2021, www.cbo.gov.

Florida Economy. Florida has exceeded the nation in terms of economic and employment growth since 2011, after enduring a prolonged economic recession that began in early 2007. In its July 2021 forecast update, UCF continues to expect a recovery stronger in the State than the nation as a whole. Based on UCF's forecasts:

- Economic growth in Florida, in terms of gross State product adjusted for inflation, is forecast to increase an average of 4.2% per year in 2020 through 2024, exceeding forecast growth for the nation.
- Florida's employment growth is forecast to exceed national growth between 2020 and 2024 (an average increase of 2.2% per year), with stronger than average growth expected in leisure and hospitality, professional and business services, and other services.
- Unemployment rates in Florida are forecast to decrease to 3.5% by 2024, lower than forecasts of national unemployment rates.
- Florida's average per capita personal income, adjusted for inflation, is forecast to increase an average of 1.2% per year between 2020 and 2024.
- Florida's housing starts are forecast to decrease slightly between 2020 and 2024, following strong growth between 2016 and 2020 (an average increase of 8.9% per year). Increases in home prices will slow as new housing becomes available.

Orlando MSA Economy. The Orlando MSA is expected to show continued economic growth in all sectors, according to UCF's July 2021 forecasts.*

- Employment growth in the Orlando MSA is forecast to exceed State and national growth between 2020 and 2024 (an average increase of 1.4% per year), with stronger than average growth expected in leisure and hospitality and professional and business services.
- Unemployment rates in the Orlando MSA are forecast to decrease to 3.6% by 2024, comparable to forecasts for the State but lower than the nation.
- Average per capita personal income in the Orlando MSA, adjusted for inflation, is forecast to increase an average of 2.2% per year between 2020 and 2024, faster than forecast growth for the State (1.2%) and the nation (1.2%).
- The housing market in the Orlando MSA is forecast to continue to improve, with housing starts forecast to increase an average of 1.7% between 2020 and 2024.

Economic Basis for Airline Traffic Projections. Factors expected to contribute to economic growth in the Orlando MSA and associated increases in airline travel include (1) its popularity as a domestic and international tourist destination and its substantial tourism and hospitality infrastructure, (2) the continued efforts by the Orlando MSA's theme parks to refresh their entertainment offerings, (3) the continued diversity in the economic base and growth in the existing and emerging Orlando MSA industry clusters described earlier, which lessens its vulnerability to

*University of Central Florida, College of Business Administration, Institute for Economic Competitiveness, *Florida and Metro Forecast, 2021-2024*, July 2021.

weaknesses in particular industry sectors, and (4) continued reinvestment to support the development of tourism, conventions, and other businesses. This outlook is reflected in the airline traffic projections presented in the “Passenger Traffic Recovery Scenarios” section of this report.

HISTORICAL AIRLINE SERVICE AND TRAFFIC

Airlines serving the Airport; enplaned passenger trends; airline shares of passengers; origin-destination markets; airline service at the Airport; and airline fares and yields are discussed in this section.

Airlines Serving the Airport

As of January 2022, a total of 34 passenger airlines served the Airport, including five U.S. network passenger airlines, one regional airline, two low cost carriers, four ultra low cost carriers, 19 foreign-flag airlines, and three charter airlines. One additional foreign-flag airlines (GOL Airlines) is expected to resume service in the second quarter of 2022 for a total of 35 passenger airlines as shown in Table 9. Regarding the foreign-flag airlines, Lufthansa resumed service at MCO in June 2021, followed by Emirates, Icelandair and LATAM Peru in July 2021, Caribbean Airlines in August 2021 and Aer Lingus, Azul, British Airways, LATAM Brasil, and Virgin Atlantic after the easing of international travel restrictions in November 2021. In addition, eleven airlines provided all-cargo service.

Table 9
AIRLINES SERVING ORLANDO INTERNATIONAL AIRPORT
As of January 2022, except as noted

Network airlines	Foreign-flag airlines
Alaska Airlines <i>(a)</i>	Aer Lingus <i>(d)</i>
American Airlines	Aeromexico
Delta Air Lines	Air Canada
Hawaiian Airlines	Air Transat <i>(e)</i>
United Airlines	Avianca
Regional airlines	Azul Airlines <i>(e)</i>
Silver Airways -	Bahamasair
Low cost carriers	British Airways <i>(d)</i>
JetBlue Airways	Caribbean Airlines <i>(f)</i>
Southwest Airlines	COPA Airlines
Ultra Low cost carriers <i>(c)</i>	Emirates
Avelo <i>(c,d)</i>	GOL Airlines <i>(g)</i>
Frontier Airlines	Icelandair
Spirit Airlines	LATAM Brasil <i>(e)</i>
Sun Country Airlines	LATAM Peru <i>(b)</i>
Charter airlines	Lufthansa
National Airlines	Virgin Atlantic Airways <i>(d)</i>
Omni Air international	Viva Air (formerly Fast Colombia SAS)
Swift Air	Volaris
	Westjet
All-cargo airlines	
ABX Air	Kalitta Air
Amerijet International	Mountain Air Cargo
Atlas Air	National Air Cargo Group
DHL Air	Suburban Air Freight
DHL Aero Expreso	United Parcel Service
FedEx	

Note: Airline service by regional affiliates of network airlines is not shown separately.

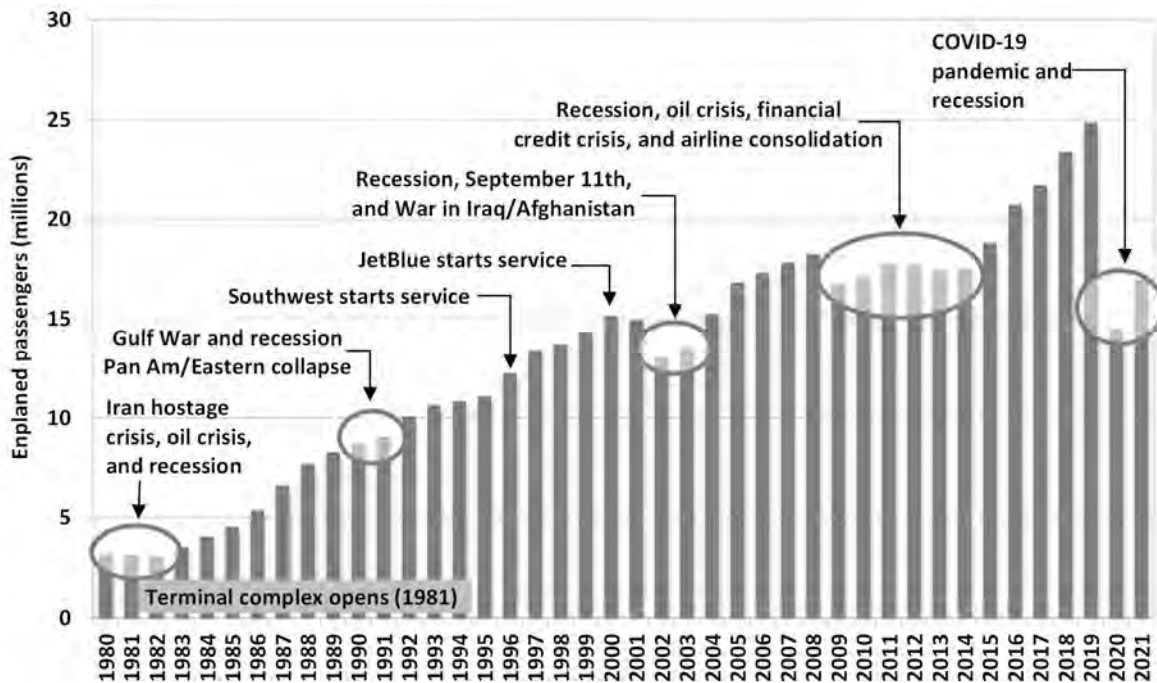
- (a)* Alaska and Virgin America merged in December 2016.
- (b)* Ultra low cost carriers have significantly lower unit costs than low cost carriers and derive a significantly higher proportion of revenue from ancillary revenue than LCCs by unbundling their fare products.
- (c)* Commenced operations at MCO in November 2021; formerly operated as Xtra Airlines.
- (d)* Resumed service in November 2021.
- (e)* Resumed service in December 2021.
- (f)* Resumed service at MCO in August 2021.
- (g)* Expected to resume service during the second quarter of 2022.

Sources: OAG Aviation Worldwide Ltd., online database, accessed October 2021 and Greater Orlando Aviation Authority records.

Enplaned Passenger Trends

Figure 9 presents trends in enplaned passengers at the Airport between FY 1980 (a year before the NTC opened) and FY 2021 and illustrates continued long-term growth notwithstanding economic cycles and external events. Table 10 presents enplaned passengers by type of carrier between FY 2000 and FY 2021. The number of enplaned passengers increased an average of 5.4% between FY 1980 and FY 2019. Growth slowed between FY 2000 and FY 2014 (averaging 1.2% per year), reflecting the 2000-2001 economic recession, terrorist events of September 2001, a slow recovery from the 2008-2009 economic recession and the U.S. financial crisis, and airline industry consolidation and associated capacity reductions between FY 2008 and FY 2013. Passenger traffic decreased 41.5% in FY 2020 due to the COVID-19 pandemic and the governmental actions to slow the spread of the virus contributed to a recession in the global economy and widespread job losses.

Figure 9
LONG-TERM TRENDS IN ENPLANED PASSENGERS
Orlando International Airport



Note: For Fiscal Years ended September 30.

Opening of Orlando theme parks: Universal Studios Florida (1990). Not shown on graph—
Disney World (1971) and SeaWorld Orlando (1973)

Source: Greater Orlando Aviation Authority records.

Table 10
HISTORICAL ENPLANED PASSENGERS
Orlando International Airport
In thousands

Fiscal Year	Domestic				International			Total enplaned passengers
	Network airlines (a)	Low cost carriers (b)	Ultra low cost carriers (b)	Domestic total	U.S. flag airlines	Foreign-flag airlines (a)	International total	
2000	11,219	2,302	400	13,922	137	1,098	1,236	15,157
2010	7,053	7,752	730	15,535	231	1,365	1,596	17,131
2011	7,260	8,180	640	16,080	263	1,429	1,692	17,772
2012	7,243	7,957	671	15,870	288	1,572	1,860	17,730
2013	7,343	7,324	804	15,471	277	1,680	1,957	17,427
2014	7,527	7,093	857	15,478	293	1,765	2,057	17,535
2015	7,740	7,349	1,337	16,426	341	2,059	2,399	18,826
2016	7,947	7,787	2,244	17,978	438	2,321	2,759	20,737
2017	7,860	7,929	3,094	18,883	481	2,355	2,836	21,719
2018	8,201	8,047	3,976	20,224	574	2,584	3,158	23,382
2019	8,382	7,910	4,970	21,262	754	2,831	3,585	24,847
2020	4,835	4,622	3,514	12,971	305	1,262	1,567	14,538
2021	5,850	5,607	4,911	16,368	321	295	616	16,984
Percent increase (decrease)								
2015-2016	2.7%	6.0%	67.8%	9.4%	28.6%	12.7%	15.0%	10.2%
2016-2017	(1.1)	1.8	37.9	5.0	9.8	1.5	2.8	4.7
2017-2018	4.3	1.5	28.5	7.1	19.3	9.7	11.4	7.7
2018-2019	2.2	(1.7)	25.0	5.1	31.4	9.5	13.5	6.3
2019-2020	(42.3)	(41.6)	(29.3)	(39.0)	(59.6)	(55.4)	(56.3)	(41.5)
2020-2021	21.0	21.3	39.8	26.2	5.3	(76.7)	(60.7)	16.8
Compound annual percent increase (decrease)								
2000-2010	(4.5%)	12.9%	6.2%	1.1%	5.3%	2.2%	2.6%	1.2%
2010-2014	1.6	(2.2)	4.1	(0.1)	6.1	6.6	6.6	0.6
2014-2019	2.2	2.2	42.1	6.6	20.8	9.9	11.7	7.2
2000-2019	(1.5)	6.7	14.2	2.3	9.4	5.1	5.8	2.6

Notes: For Fiscal Years ended September 30. Totals may not add due to rounding.

(a) Includes passengers enplaned on regional and charter airlines.

(b) Low cost carriers include JetBlue, Southwest/AirTran, and Virgin America (before its merger with Alaska); Ultra low cost carriers include Allegiant, Frontier, Spirit, and Sun Country.

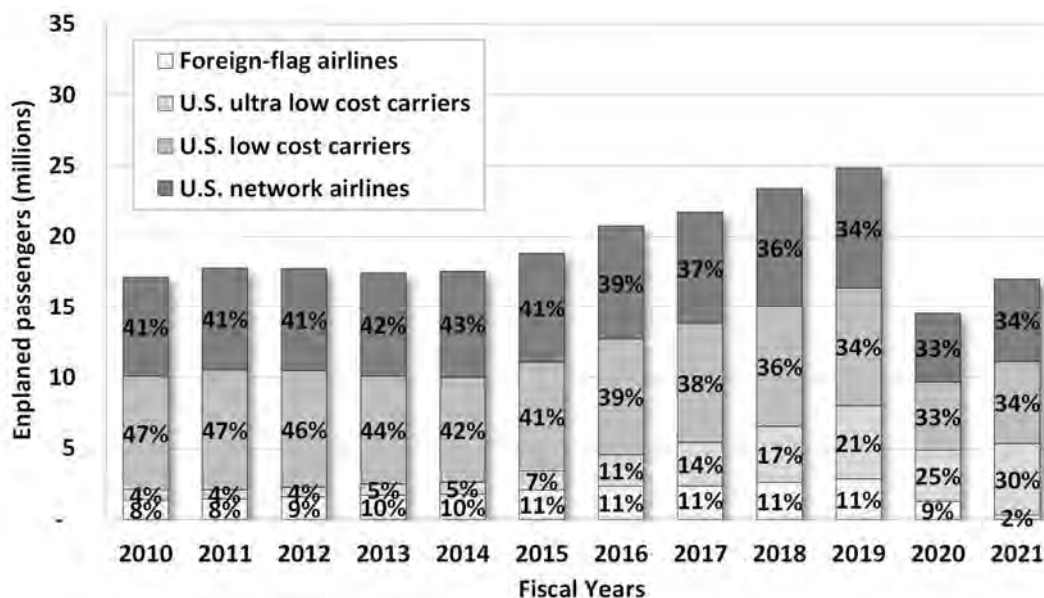
(c) Represents the year over year increase for the first two months (October and November).

Source: Greater Orlando Aviation Authority records.

Between FY 2014 and FY 2019, strong passenger traffic growth resumed, averaging 7.2% per year, reflecting strong growth by ultra low cost carriers (an average increase of 42.1% per year) and airlines providing international service (an average increase of 11.7% per year), as shown in Table 10 and on Figure 10. Passenger growth exceeded 6% in each of these years with the exception of FY 2017 that was affected by the occurrence of three hurricanes—Hurricane Matthew which impacted MCO operations on October 6 through 8, 2016, Hurricane Irma which caused the closure of MCO on September 9 through 11, 2017 with limited flight operations on September 12, and Hurricane Maria which impacted MCO's flights to Puerto Rico and the Caribbean from September 16 through October 2, 2017.

International passenger traffic increased an average of 5.8% per year between FY 2000 and FY 2019, compared with an average increase of 2.3% in domestic passenger traffic.

Figure 10
HISTORICAL ENPLANED PASSENGERS
Orlando International Airport



Note: For Fiscal Years ended September 30.

Low cost carriers include JetBlue, Southwest, and Virgin America (before its merger with Alaska); Ultra low cost carriers include Allegiant, Frontier, Spirit, and Sun Country

Source: Greater Orlando Aviation Authority records.

Low cost and ultra-low cost carriers accounted for all of the growth in domestic passengers between FY 2000 and FY 2019, increasing an average of 6.7% and 14.2% per year, respectively, and offset decreases by network airlines during this period (an average decrease of 1.5% per year). The number of international passengers on foreign-flag airlines increased an average of 5.1% per year between FY 2000 and FY 2019 and accounted for 79% of international passengers at the Airport in FY 2019. U.S. airline international passengers at the Airport increased an average of 9.4% per year between FY 2000 and FY 2019—faster growth than foreign-flag airlines—but accounted for a smaller share of international passengers (21%).

In FY 2020, low cost and ultra-low cost carriers experienced the smallest decreases in passenger traffic at the Airport, with decreases of 41.6% and 29.3%, respectively. In FY 2021, ultra-low cost carriers increased their market share at MCO to 30%, up from 25% in FY 2020.

Enplaned Passenger Trends by Visitors and Residents

Between FY 2000 and FY 2019, the number of visitors (non-residents) at the Airport increased an average of 2.6% per year and accounted for 66.1% of outbound O&D passengers at the Airport in FY 2019, as shown in Table 11. Passenger traffic by residents increased an average of 5.0% per year between FY 2000 and FY 2018 –faster growth than visitors—but accounted for a smaller share of outbound O&D passengers (33.9%) in FY 2019. The strong growth in resident travel reflects strong economic growth in the Orlando MSA and the continued diversification of the local economy. In FY 2020 during the pandemic, the number of residents decreased 41.6%, similar to that for visitors (41.1%).

International Enplaned Passengers by Region

Between FY 2010 and FY 2019, the number of revenue enplaned passengers on international flights increased an average of 9.4% per year, as shown in Table 12.

- Europe accounted for the largest share of international revenue passengers in FY 2019 with 31.2% but experienced slower than average growth (an average increase of 5.1% per year between FY 2010 and FY 2019), reflecting, in part, Europe's slow economic recovery and financial crisis.
- Canada accounted for the second largest share of international revenue passengers in FY 2019 with 18.9% and also increased at slower than average rates between FY 2010 and FY 2019 (an average increase of 7.0% per year).
- South America accounted for the strongest growth between FY 2010 and FY 2019, increasing an average of 19.4% per year, reflecting its recovery from the 2015-2016 economic recession led by Argentina and Brazil. South America increased its share of international revenue passengers at the Airport from 7.4% in FY 2010 to 16.1% in FY 2019.
- Central America accounted for 20.7% of international revenue passengers in FY 2019 and strong growth (an average increase of 13.3% per year between FY 2010 and FY 2019), driven by growth in passengers from Mexico.
- The Caribbean accounted for 11.1% of international revenue passengers in FY 2019 and slightly slower than average growth between FY 2010 and FY 2019 (an average increase of 11.4% per year).

Table 11
PASSENGER TRAFFIC TRENDS BY RESIDENTS AND VISITORS
Orlando International Airport

Fiscal Year	Enplaned passengers (thousands)					Percent of total	
	Outbound O&D (a)			Connecting and other (a)	Total (b)		
	Orlando MSA residents	Visitors	Total			Orlando MSA residents	Visitors
2000	3,152	11,116	14,268	890	15,157	22.1%	77.9%
2001	3,141	11,024	14,166	768	14,934	22.2	77.8
2002	2,854	9,496	12,350	675	13,025	23.1	76.9
2003	3,036	9,792	12,829	703	13,532	23.7	76.3
2004	3,467	10,973	14,440	794	15,234	24.0	76.0
2005	4,091	12,022	16,113	721	16,833	25.4	74.6
2006	4,357	12,084	16,440	876	17,317	26.5	73.5
2007	4,441	12,451	16,892	940	17,832	26.3	73.7
2008	4,436	12,840	17,277	962	18,238	25.7	74.3
2009	4,138	11,876	16,014	784	16,799	25.8	74.2
2010	4,211	11,960	16,171	960	17,131	26.0	74.0
2011	4,244	12,425	16,669	1,101	17,770	25.5	74.5
2012	4,256	12,418	16,673	1,057	17,730	25.5	74.5
2013	4,180	12,473	16,653	774	17,427	25.1	74.9
2014	4,200	12,532	16,732	803	17,535	25.1	74.9
2015	4,567	13,350	17,916	911	18,827	25.5	74.5
2016	5,436	14,367	19,802	935	20,737	27.4	72.6
2017	6,021	14,735	20,756	963	21,719	29.0	71.0
2018	6,522	15,806	22,327	1,055	23,382	29.2	70.8
2019	7,962	15,525	23,488	1,359	24,847	33.9	66.1
2020	4,647	9,139	13,786	752	14,538	33.7	66.3
Compound annual percent increase (decrease)							
2000-2010	2.9%	0.7%	1.3%	0.8%	1.2%		
2010-2019	7.3	2.9	4.2	3.9	4.2		
2000-2019	5.0	1.8	2.7	2.3	2.6		
2019-2020	(41.6)	(41.1)	(41.3)	(44.7)	(41.5)		

Note: For Fiscal Years ended September 30.

(a) Based on data from U.S. Department of Transportation, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100; U.S. Department of Transportation, Schedules T100 and 298C; and estimates prepared by LeighFisher.

(b) Greater Orlando Aviation Authority records.

Table 12
REVENUE ENPLANED PASSENGERS BY INTERNATIONAL REGION
Orlando International Airport

International region	FIS required			Precleared			Total		
	FY 2010	FY 2019	FY 2020	FY 2010	FY 2019	FY 2020	FY 2010	FY 2019	FY 2020
Europe									
United Kingdom	529,584	770,347	252,374	--	--	--	530,526	770,347	252,374
Other	<u>123,545</u>	<u>267,854</u>	<u>102,848</u>	<u>39,894</u>	<u>48,878</u>	<u>22,245</u>	<u>163,439</u>	<u>316,732</u>	<u>125,093</u>
Subtotal--Europe	653,129	1,038,201	355,222	39,894	48,878	22,245	693,965	1,087,079	377,467
Canada	9,108	24,335	18,332	349,957	634,058	346,362	359,065	658,393	364,694
Central America									
Mexico	89,226	321,533	132,905	--	--	--	89,226	321,533	132,905
Other	<u>145,392</u>	<u>402,102</u>	<u>177,059</u>	--	--	--	<u>145,392</u>	<u>402,102</u>	<u>177,059</u>
Subtotal--Central America	234,618	723,635	309,964	--	--	--	234,618	723,635	309,964
Caribbean	77,931	310,274	151,734	69,386	77,635	25,418	147,317	387,909	177,152
South America	114,402	562,969	253,915	--	--	--	114,402	562,969	253,915
Middle East	--	64,887	30,949	--	--	--	--	64,887	30,949
Asia/Africa	<u>3,950</u>	<u>3,090</u>	<u>165</u>	--	--	--	<u>3,008</u>	<u>3,090</u>	<u>165</u>
Total passengers	1,093,138	2,727,391	1,120,281	459,237	760,571	394,025	1,552,375	3,487,962	1,514,306
	FIS required		Percent change 2019-2020	Precleared		Percent change 2019-2020	Total		Percent change 2019-2020
	CAGR 2010-2019			CAGR 2010-2019			CAGR 2010-2019		
Europe									
United Kingdom	4.3%		-67.2%	--%		--%	4.3%		-67.2%
Other	9.0		-61.6	2.3		-54.5	7.6		-60.5
Subtotal--Europe	5.3		-65.8	2.3		-54.5	5.1		-65.3
Canada	11.5		-24.7	6.8		-45.4	7.0		-44.6
Central America	--		--	--		--	--		--
Mexico	15.3		-58.7	--		--	15.3		-58.7
Other	12.0		-56.0	--		--	12.0		-56.0
Subtotal--Central America	13.3		-57.2	--		--	13.3		-57.2
Caribbean	16.6		-51.1	1.3		-67.3	11.4		-54.3
South America	19.4		-54.9	--		--	19.4		-54.9
Middle East	--		-52.3	--		--	--		-52.3
Asia/Africa	-2.7		-94.7	--		--	-2.7		-94.7
Total passengers	10.7		-58.9	5.8		-48.2	9.4		-56.6

Note: Preclearance locations include: Europe: Dublin and Shannon, Ireland; Canada: Calgary, Edmonton, Halifax, Montreal, Ottawa, Toronto, Vancouver, Victoria, and Winnipeg; Caribbean: Aruba, Bahamas-Freeport, Bahamas-Nassau, and Bermuda; Middle East: Abu Dhabi, United Arab Emirates.

Source: U.S. Department of Transportation, Schedule T100, DOT Analyser, accessed October 2021.

In recent years, the Airport's facility needs for the processing of international passengers have increased. Between FY 2010 and FY 2019, with the continued development of international airline service at the Airport, the number of international arriving passengers requiring FIS facilities increased an average of 10.7% per year, compared with an average increase of 5.8% per year in the number of "precleared" passengers who do not require U.S. Customs processing at MCO, as shown in Table 12.*

International airline service in the Orlando MSA is also provided at Sanford International Airport (Sanford). Sanford, classified by the FAA as a small hub airport, is located within the Orlando MSA, approximately 34 miles north of the Airport. International service at Sanford has been focused on charter flights, most of which originated in the United Kingdom and elsewhere in Europe. Since 2007, international charter service to and from the Orlando area declined substantially while scheduled international airline service increased. In FY 2019, the Airport's share of international passengers increased to 96% of the combined total (the Airport and Sanford) while Sanford's share had fallen to 4%—its lowest historical share since FY 1996 when international service started at Sanford.

Enplaned Passenger Market Shares

In FY 2019, Southwest accounted for 21.6% of all passengers enplaned at the Airport, less than its FY 2010 share (34.8%, including AirTran), as shown in Table 13 and on Figure 11. Delta accounted for the second largest share with 13.3%, followed by JetBlue (11.9%), American (11.3%), Spirit (11.3%), United (8.3%), and Frontier (9.0%). In FY 2020, airline shares were fairly consistent with those in FY 2019, with the ULCC's share increasing to 24.8% (up from 20.8% in FY 2019). Compared with many other large U.S. hub airports, the Airport exhibits a relatively low degree of airline concentration.

Over the past decade, U.S. LCCs and ULCCs** providing primarily domestic service were the primary drivers of increased passenger volumes at the Airport, increasing their collective market share of total enplaned passengers from 18% in FY 2000 to 51% in FY 2010 to 54% in FY 2019 to 58% in FY 2020, and to 64% in FY 2021.

In recent years, ULCCs have accounted for an increasing share of total enplaned passengers, with 4.0% in FY 2010***, 20.7% in FY 2019, 24.8% in FY 2020, and 29.8% in FY 2021. This gain came largely at the expense of the legacy airlines (Delta, United, and American) which, as a group, declined from 75% in FY 2000 to 43% in FY 2010, and to 34% in FY 2019, FY 2020, FY 2021. Foreign-flag carriers increased their share from 7% in FY 2000 to 8% in FY 2010, 11% in FY 2019, 9% in FY 2020, and 2% in FY 2021 as a result of the restrictions on international travel. In addition to domestic service provided by LCCs and ULCCs, international service is also provided by (1) two U.S. LCCs (JetBlue and Southwest), (2) two U.S. ULCCs (Frontier and Spirit), and (3) five foreign-flag airlines (Gol, Interjet, Swoop, Volaris, and Westjet).

*U.S. Customs and Border Protection (CBP) inspects and clears passengers arriving in the United States on all international flights, except for those traveling from locations which provide for the preclearance of inbound passengers by U.S. CBP officials at their point of departure (e.g., at designated airports in Canada, the Bahamas, Bermuda).

** U.S. Low cost carriers include JetBlue and Southwest/AirTran; U.S. ultra-low-cost carriers include Allegiant Air, Frontier, Spirit, and Sun Country. Prior to its merger with Alaska Airlines and rebranding, Virgin America was considered an LCC.

*** Includes enplaned passengers for Allegiant, Frontier, and Spirit airlines.

Table 13
ENPLANED PASSENGERS BY AIRLINE
Orlando International Airport
Ranked by FY 2019 Total Passengers

Airline	Enplaned passengers (thousands)				Percent of total			
	FY 2010	FY 2019	FY 2020	FY 2021	FY 2010	FY 2019	FY 2020	FY 2021
Domestic								
Southwest (a)	5,956	5,355	3,212	3,977	38.3%	25.2%	24.8%	24.3%
Delta	2,386	3,200	1,718	2,158	15.4	15.0	13.2	13.2
American (b)	2,406	2,800	1,752	2,006	15.5	13.2	13.5	12.3
Spirit	397	2,612	1,861	2,743	2.6	12.3	14.4	16.8
JetBlue	1,796	2,555	1,410	1,630	11.6	12.0	10.9	10.0
Frontier	86	2,234	1,559	2,047	0.6	10.5	12.0	12.5
United (c)	1,839	2,057	1,161	1,429	11.8	9.7	9.0	8.7
All others	<u>669</u>	<u>450</u>	<u>297</u>	<u>377</u>	<u>4.3</u>	<u>2.1</u>	<u>2.3</u>	<u>2.3</u>
Subtotal--domestic	15,535	21,262	12,971	16,368	100.0%	100.0%	100.0%	100.0%
International								
Virgin Atlantic	447	444	157	0	28.0%	12.4%	10.0%	0.0%
JetBlue	201	405	152	124	12.6	11.3	9.7	20.1
Air Canada	172	372	206	17	10.8	10.4	13.2	2.8
Copa	86	240	115	118	5.4	6.7	7.3	19.1
WestJet	137	227	113	6	8.6	6.3	7.2	1.0
Azul	--	159	87	-	--	4.4	5.6	0.0
British Airways	99	150	59	-	6.2	4.2	3.8	0.0
Norwegian	--	137	43	-	--	3.8	2.8	0.0
TAM	74	130	60	-	4.6	3.6	3.9	0.0
Thomas Cook	--	129	--	-	--	3.6	0.0	0.0
Lufthansa	82	118	53	10	5.1	3.3	3.4	1.6
Delta	3	108	35	-	0.2	3.0	2.2	0.0
Aeromexico	44	84	43	63	2.8	2.3	2.8	10.2
All others	<u>251</u>	<u>883</u>	<u>441</u>	<u>278</u>	<u>15.7</u>	<u>24.6</u>	<u>28.2</u>	<u>45.2</u>
Subtotal--international	1,596	3,585	1,567	616	100.0%	100.0%	100.0%	100.0%
Total								
Southwest (a)	5,956	5,355	3,212	4,018	34.8%	21.6%	22.1%	23.7%
Delta	2,386	3,329	1,718	2,158	13.9	13.3	12.1	12.7
JetBlue	599	3,017	2,014	1,754	3.5	11.9	10.7	10.3
American (b)	2,406	2,800	1,752	2,006	14.0	11.3	12.0	11.8
Spirit	397	2,555	1,410	2,862	2.3	11.3	13.5	16.9
United (c)	1,839	2,234	1,559	1,429	10.7	8.3	8.0	8.4
Frontier	1,839	2,057	1,161	2,084	10.7	9.0	10.7	12.3
All others	<u>1,709</u>	<u>3,500</u>	<u>1,712</u>	<u>672</u>	<u>10.0</u>	<u>13.4</u>	<u>10.9</u>	<u>4.0</u>
Total	17,131	24,847	14,538	16,984	100.0%	100.0%	100.0%	100.0%

Note: For Fiscal Years ended September 30.

Totals may not add due to rounding.

(a) Merged with AirTran Airways in 2011.

(b) Merged with US Airways in 2013.

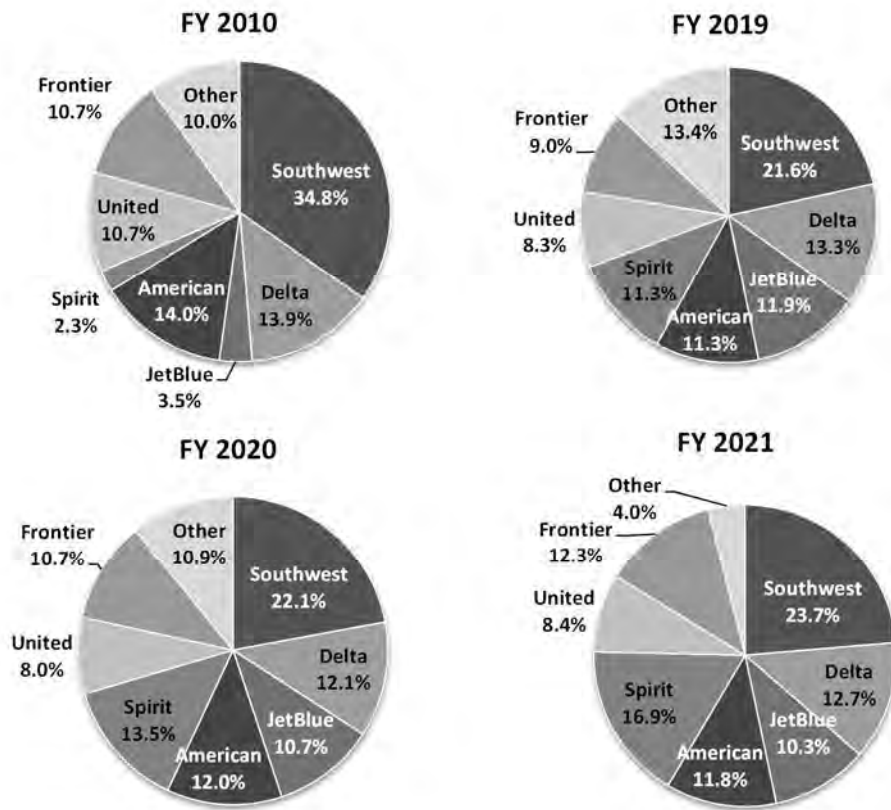
(c) Merged with Continental Airlines in 2010.

(d) Includes Norwegian Air and Norwegian Air Shuttle.

(e) In FY 2018, all others include Emirates, Southwest, Lan Peru, Avianca, Aer Lingus, Bahamasair, Air Transat, Sunwing, Icelandair, Volaris, Caribbean, Interjet, Silver, Edelweiss, Trans American, TACA, Frontier, Eurowings, LACSA, Sun Country, and various charter airlines.

Source: Greater Orlando Aviation Authority records.

Figure 11
AIRLINE MARKET SHARES OF ENPLANED PASSENGERS



Notes: For Fiscal Years ended September 30. FY 2010 data reflects current mergers.
Source: Greater Orlando Aviation Authority records.

Origin-Destination Markets

Table 14 shows the top 20 domestic destination markets for passengers originating their journeys at the Airport for FY 2019 and the first nine months of FY 2021 (October 2020 through June 2021). These 20 markets accounted for 63.4% and 60.0%, respectively, of the total scheduled airline domestic O&D passengers at the Airport in FY 2019 and during the first nine months of FY 2021.

New York and Washington, D.C. were the top two destination markets for O&D passengers at the Airport in FY 2019 and during the first nine months of FY 2021, together accounting for 17.1% and 14.4%, respectively, of the total O&D passengers at the Airport. Other major destinations include Chicago, Philadelphia, Boston, Los Angeles, Detroit, and Atlanta.

Table 14 also presents the average daily number of nonstop departures to the domestic destination markets listed in July 2021. Each of the top 20 destinations is served nonstop from the Airport in July 2021, as shown in Table 14, with service provided by two or more airlines to all of the top 20 destinations, and by four or more airlines to 15 of the top 20 destinations. Low cost carriers provide nonstop service to each of the top 20 destinations and account for 65% of all nonstop domestic departures at the Airport in July 2021.

Table 14
DOMESTIC PASSENGER DESTINATION PATTERN AND AIRLINE SERVICE
Orlando International Airport
Ranked by FY 2019 O&D Passengers

FY 2019 Rank	Origin-destination market	Air miles from Orlando	Percent of domestic O&D passengers		Average scheduled daily nonstop domestic departures in July 2021			Number of airlines providing service
			FY 2019	FY 2021	Network	Low cost carriers (a)	Total	
1	New York (b)	944	11.1%	10.0%	18	21	39	7
2	Washington, D.C. (c)	760	6.0	4.4	7	18	24	6
3	Chicago (d)	1,008	4.8	5.0	10	13	23	5
4	Philadelphia	864	4.3	4.3	5	10	15	5
5	San Juan	1,190	3.0	4.5	--	18	18	4
6	Boston	1,124	3.4	3.2	3	7	10	5
7	Atlanta	405	3.0	2.7	13	7	20	4
8	Detroit	960	3.1	3.4	6	5	11	4
9	Dallas/Ft. Worth (e)	984	2.8	3.2	9	10	18	4
10	Los Angeles (f)	2,216	3.2	2.7	8	2	10	5
11	Denver	1,547	2.4	2.8	5	7	12	3
12	Minneapolis-St. Paul	1,313	2.3	2.7	5	4	9	5
13	Houston (g)	854	2.2	2.4	7	10	17	4
14	Hartford	1,053	1.8	1.4	--	5	5	4
15	Indianapolis	830	1.5	1.6	(i)	7	7	4
16	Pittsburgh	837	1.5	1.2	(i)	6	6	4
17	Providence	1,075	1.5	1.1	--	4	4	3
18	San Francisco (h)	2,441	1.6	0.9	2	(i)	2	2
19	St. Louis	881	1.3	1.3	--	7	7	3
20	Buffalo	1,014	1.3	0.8	--	3	3	3
Total—top 20 markets			63.4	60.0%	97	163	260	
All other markets			36.6	40.0	45	103	148	
Total—all markets			100.0	100.0%	142	266	408	

Note: For Fiscal Years ended September 30.
Totals may not add due to rounding.

- (a) Includes low cost carriers (LCCs) JetBlue and Southwest and ultra-low cost carriers (ULCCs) Frontier, Spirit, and Sun Country.
- (b) Newark Liberty International, LaGuardia, and John F. Kennedy International airports.
- (c) Reagan Washington National, Baltimore/Washington International Thurgood Marshall, and Washington Dulles International airports.
- (d) Chicago O'Hare and Midway International airports.
- (e) Dallas-Fort Worth International Airport and Love Field.
- (f) Los Angeles International, Hollywood Burbank, Ontario International, John Wayne (Orange County), and Long Beach airports.
- (g) Bush Intercontinental Airport/Houston and William P. Hobby airports.
- (h) San Francisco, Oakland, and Mineta San Jose International airports.
- (i) Less than one daily flight on average.

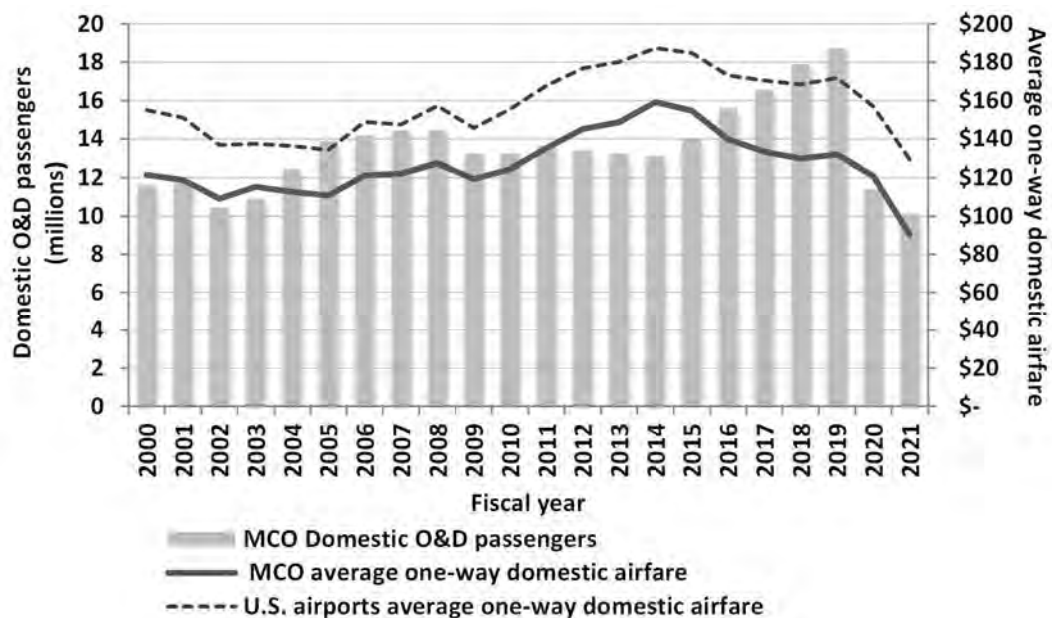
Sources Originating percentage: U.S. Department of Transportation, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100, accessed December 2021.
 Departures: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed October 2021.

Airline Airfares

Figure 12 provides a comparison of domestic O&D passengers and average domestic one-way airfares paid at the Airport and domestic airfares for all U.S. airports in FY 2000 through FY 2021. Between FY 2000 and FY 2008, the number of domestic O&D passengers at the Airport increased an average of 2.8% per year, while domestic airfares at MCO and all U.S. airports remained relatively unchanged. Between FY 2008 and FY 2014, O&D passenger traffic decreased, reflecting the effect of the oil price spike in June 2008, the financial crisis, and the 2008-2009 national economic recession. Domestic

airfares at MCO and all U.S. airports increased between FY 2008 and FY 2014 an average of 3.8% and 3.0% per year, respectively, reflecting airline reductions in domestic seating capacity that put upward pressure on airfares and contributed to dampened passenger demand. Between FY 2014 and FY 2019, domestic O&D passengers at the Airport increased an average of 7.4% per year, reflecting, in part, a 3.7% average annual decrease in domestic airfares. In comparison, domestic O&D passengers and airfares at all U.S. airports followed similar trends, with an average annual increase of 5.7% in U.S. domestic O&D passengers and a 1.7% average annual decrease in U.S. domestic airfares, over the same period. As shown previously in Table 14, all of the top 20 domestic destinations are served by two or more airlines, ensuring competitive airline service and airfares. In FY 2020 and FY 2021, domestic O&D passengers and airfares at the Airport and at all U.S. airports decreased significantly due to the COVID-19 pandemic.

Figure 12
TRENDS IN DOMESTIC O&D PASSENGERS AND AIRFARES
Orlando International Airport



Note: Fiscal Years ended September 30. Data for FY 2021 are for the first 3 months (October through December 2020).
Average one-way fares shown are net of all taxes, fees, and PFCs, and exclude ancillary fees charged by airlines.

Source: U.S. Department of Transportation, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1, accessed October 2021.

The average airfares shown in Figure 12, as reported by the airlines to the U.S. DOT, exclude ancillary charges, such as those for checked baggage, preferred seating, in-flight meals, entertainment, and ticket changes that have become widespread in the airline industry since 2006. As a result, the average airfares shown understate the amount actually paid by airline passengers for their travel, particularly in later years. Ancillary charges that were previously included in the ticket price are not all separately reported to the U.S. DOT. They have been estimated by industry analysts to amount to an effective average surcharge on domestic airfares of approximately 5% of ticket fare revenues, although the percentage varies widely by airline and airport.

Airline Service

Between July of 2010 and 2019, passenger airline service at the Airport, in terms of scheduled seats and departures, increased to domestic and international destinations, as shown in Table 15. The increase in domestic service at the Airport reflects strong growth by ultra-low-cost carriers in recent years, particularly Frontier and Spirit. Latin America led the growth in international seats at the Airport between 2010 and 2019, followed by Europe and Canada. Service was initiated from the Airport to the Middle East in 2015.

In July 2020, total scheduled departing seats at the Airport decreased and accounted for 52.1% of July 2019 seats due to the COVID-19 pandemic and the economic recession, as shown in Table 15. Domestic departing seats in July 2020 accounted for 60.9% of July 2019 seats, while international departing seats accounted for 5.2% of July 2019 seats due to international travel restrictions related to the pandemic.

In July 2021, domestic scheduled departing seats at the Airport increased and accounted for 104.3% of July 2019 levels. In contrast, international departing seats increased significantly in July 2021 but accounted for only 33.2% of 2019 levels due to continued international travel restrictions. On November 8, 2021, international travel restrictions for fully vaccinated adult foreign national travelers were reduced which is expected to contribute to increases in passenger traffic and airline service. In addition to the change in international travel restrictions, other upcoming changes are expected to contribute to future passenger traffic growth at MCO, including:

- Mandates to get vaccinated by the federal government by January 4, 2022 and an increasing number of companies including most U.S. airlines which will likely increase the share of the U.S. population that is fully vaccinated and contribute to increased consumer confidence about air travel similar to what occurred in the spring and summer of 2021
- The reopening of an increasing number of corporate offices and other businesses following the decrease in Delta variant cases
- An increasing number of corporate and international bookings following the spike in new cases caused by the Delta variant according to recent airline earnings reports, although it is uncertain to what extent, if any, the emergence of the Omicron variant will have on future bookings
- The availability of COVID-19 vaccine booster shots and the availability of effective preventative treatments such as antiviral pills that will provide additional protection against new variants of the virus

At MCO, domestic and international scheduled service is expected to increase with the resumption of previous service and the addition of new service starting in November, as shown in Table 16. A total of 70 routes are expected to be added in November 2021 through June 2022, including 30 domestic and 40 international routes.

- Of the 30 domestic routes expected to be added, 13 routes are to destinations previously served and 17 are new routes. Frontier accounts for 20 of the 30 domestic routes expected to be added through June 2022. Avelo Airlines, an ultra low cost carrier (formerly Xtra Airlines), provides Boeing B737 service and is the only new airline expected to add a domestic route through June 2022.
- Of the 40 international routes expected to be added, 24 routes are to destinations previously served and 16 are new routes. Frontier accounts for 9 and WestJet accounts for 6 of the 40 international routes expected to be added through June 2022.

Table 15
PASSENGER AIRLINE SCHEDULED SERVICE
Orlando International Airport

	Scheduled activity in July of each year							
	Average daily departing seats				Average daily departures			
	2010	2019	2020	2021	2010	2019	2020	2021
Domestic	54,447	68,136	41,497	71,052	381	406	247	408
International								
Europe	2,044	4,430	--	125	7	12	--	1
Latin America								
Caribbean	704	1,638	452	1,021	6	14	3	7
Central America	928	2,613	140	2,071	7	17	1	13
Lower South America	334	1,325	--	--	2	5	--	--
Upper South America	<u>150</u>	<u>756</u>	<u>6</u>	<u>652</u>	<u>1</u>	<u>5</u>	<u>(a)</u>	<u>4</u>
Subtotal--Latin America	2,116	6,332	598	3,744	16	41	4	24
Middle East	--	251	--	154	--	1	--	1
North America								
Canada	<u>689</u>	<u>1,809</u>	<u>71</u>	<u>229</u>	<u>4</u>	<u>10</u>	<u>(a)</u>	<u>1</u>
Subtotal--International	4,848	12,822	669	4,252	27	64	5	27
Total scheduled service	59,295	80,958	42,166	75,304	408	470	251	435
	Percent of 2019 seats				Percent of 2019 departures			
	2020		2021		2020		2021	
	60.9%		104.3%		60.9%		100.5%	
Domestic								
International								
Europe			2.8				8.1	
Latin America								
Caribbean	27.6		62.3		22.1		51.5	
Central America	5.4		79.2		5.9		76.8	
Lower South America	--		--		--		--	
Upper South America	0.8		86.2		--		78.0	
Subtotal--Latin America	9.4		59.1		9.8		59.0	
Middle East	--		61.3		--		140.9	
North America	--		--		--		--	
Canada	3.9		12.7		--		10.0	
Subtotal--International	5.2		33.2		7.8		42.3	
Total scheduled service	52.1		93.0		53.4		92.6	

Note: Upper South America includes Bolivia, Colombia, Ecuador, French Guiana, Guyana, Peru, Suriname, and Venezuela. Lower South America includes Argentina, Brazil, Chile, Paraguay, and Uruguay. Totals may not add due to rounding. Service to international markets may not operate each day of the week.

(a) Less than one average daily departure.

Source: OAG Aviation Worldwide Ltd., online database, accessed October 2021.

Table 16
EXPECTED RESUMED AND NEW AIRLINE SERVICE
Orlando International Airport

Airline/sector	Number of routes added from MCO					Percent of total
	2021		2022		Total	
	November	December	January-March	April-June	November-June 2022	
Domestic						
Resumed routes						
Daily service						
Alaska	1	--	--	--	1	1.4%
Frontier	1	--	--	--	1	1.4
Seasonal service						
Frontier	9	--	--	--	9	12.9
Southwest	--	--	1	--	1	1.4
Sun Country	<u>1</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1</u>	<u>1.4</u>
Subtotal-resumed routes	12	--	1	1	14	18.6%
New routes						
Daily service						
Avelo	1	--	--	--	1	1.4%
Frontier	4	--	2	--	6	8.6
Southwest	1	--	--	--	1	1.4
Spirit	1	--	--	1	2	2.9
Seasonal service						
Frontier	4	--	--	--	4	5.7
Spirit	1	--	1	--	2	2.9
United	<u>--</u>	<u>1</u>	<u>--</u>	<u>--</u>	<u>1</u>	<u>1.4</u>
Subtotal-new routes	<u>12</u>	<u>1</u>	<u>3</u>	<u>1</u>	<u>17</u>	<u>24.3%</u>
Domestic total	24	1	4	1	30	42.9%
International						
Resumed routes						
Daily service						
Aer Lingus	1	--	--	--	1	1.4%
Azul	--	1	--	--	1	1.4
British Airways	1	--	--	--	1	1.4
Frontier	1	--	--	--	1	1.4
GOL	--	--	--	2	2	2.9
LATAM	--	1	--	--	1	1.4
Spirit	2	--	--	--	2	2.9
Virgin Atlantic	1	--	--	--	1	1.4
WestJet	--	--	1	2	3	4.3
Seasonal service						
Air Canada	--	2	--	--	2	2.9
Air Transat	--	1	2	--	3	4.3
Avianca	--	1	--	--	1	1.4
JetBlue	--	1	--	--	1	1.4
Virgin Atlantic	--	--	--	1	1	1.4
WestJet	<u>1</u>	<u>1</u>	<u>1</u>	<u>--</u>	<u>3</u>	<u>4.3</u>
Subtotal-resumed routes	7	8	4	5	24	34.3%
New routes						
Daily service						
Aer Lingus	--	1	--	--	1	1.4%
British Airways	1	--	--	--	1	1.4
Delta	--	1	--	--	1	1.4
Frontier	4	3	--	--	7	10.0
Spirit	--	--	--	1	1	1.4
Virgin Atlantic	1	--	--	--	1	1.4
Seasonal service						
Air Canada	--	1	--	--	1	1.4
Frontier	1	--	--	--	1	1.4
Southwest	--	--	--	1	1	1.4
Virgin Atlantic	<u>--</u>	<u>--</u>	<u>1</u>	<u>--</u>	<u>1</u>	<u>1.4</u>
Subtotal-new routes	<u>7</u>	<u>6</u>	<u>1</u>	<u>2</u>	<u>16</u>	<u>22.9%</u>
International total	14	14	5	7	40	57.1%
Total	38	15	9	8	70	100.0%

Note: Includes resumed and new routes.

Source: Greater Orlando Aviation Authority Marketing and Air Service Development.

KEY FACTORS AFFECTING FUTURE AIRLINE TRAFFIC

In the near-term to medium-term, the impact of the COVID-19 pandemic and the speed of recovery of both the economy and public confidence in the aviation system will significantly affect aviation activity levels at the Airport and, as of the date of this Report, there is great uncertainty regarding the length of time it will take for aviation activity levels to recover to 2019 levels. As the Airport predominantly serves origin and destination activity (O&D passengers account for approximately 93% of MCO's passengers), future long-term growth in aviation activity at the Airport (subsequent to recovery from the COVID-19 pandemic) will occur largely as a function of the growth in the population and economy of the Orlando MSA, as well as regional, national, and international economic performance.

Several factors will play a role in the long-term growth in aviation activity at the Airport, including:

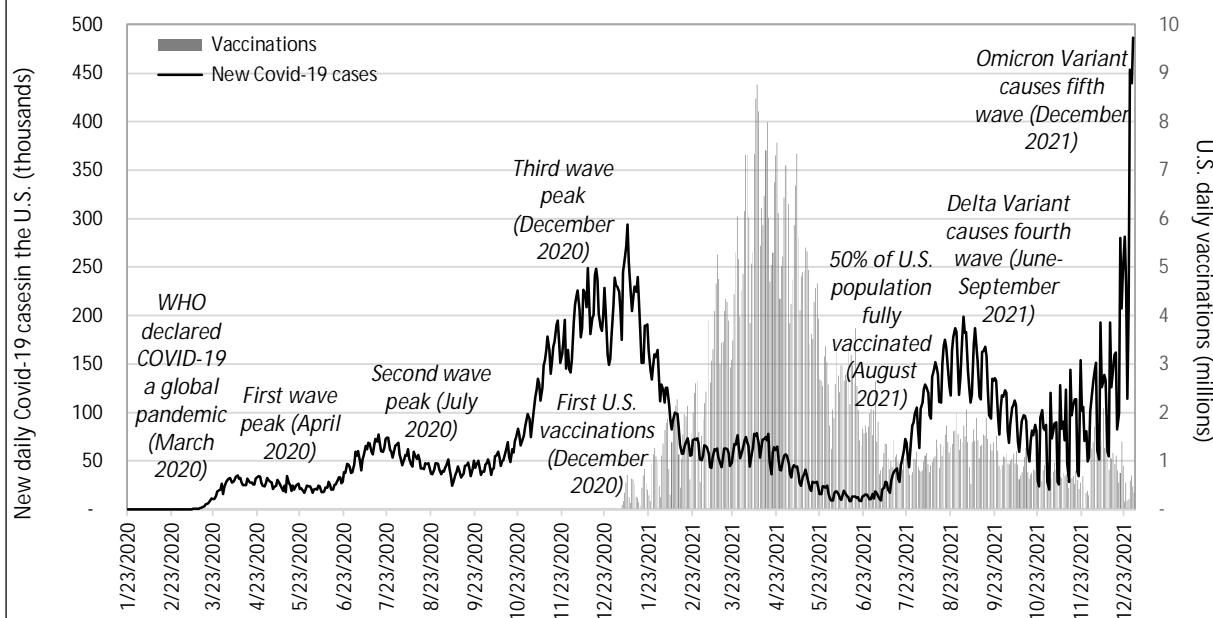
- The COVID-19 pandemic and public health concerns
- Climate change concerns
- National economic conditions
- International economic and political conditions
- Structural changes in the travel market
- Financial health of the airline industry
- Airline industry provisions under the CARES Act
- Airline service and routes
- Airline competition and airfares
- Airline consolidation and alliances
- Availability and price of aviation fuel
- Aviation safety and security concerns
- Capacity of the national air traffic control system
- Capacity of the Airport

COVID-19 Pandemic and Public Health Concerns

Since 2002, public health concerns and associated restrictions on travel have reduced airline travel demand to and from various parts of the world. Examples are Severe Acute Respiratory Syndrome (SARS) in 2002-2003, the H1N1 influenza virus in 2009, Middle East Respiratory Syndrome (MERS) in 2013, Ebola Virus Disease (EVD) in 2014-2016, and the Zika virus in 2016-2017. In all these historical examples, reductions in airline travel were geographically localized and fairly short-lived, with travel soon recovering to pre-health-scare trends.

The COVID-19 pandemic has had far more serious and far-reaching effects on airline travel worldwide. At the end of 2019, the highly contagious novel coronavirus that causes the COVID-19 respiratory illness emerged in Asia, soon spreading to most parts of the world. As shown on Figure 13, COVID-19 was declared a global pandemic by the WHO in March 2020 and has yet to be contained.

Figure 13
TIMELINE OF THE COVID-19 PANDEMIC



Source: Centers for Disease Control and Protection, COVID-19 Vaccination Trends in the United States, accessed December 2021; www.covid.cdc.gov.

During the first few months of the pandemic, governmental actions to slow the spread of the disease, including the mandated closure of businesses and offices, work-at-home requirements, prohibitions of public gatherings, quarantines, and travel restrictions contributed to a recession in the global economy and widespread job losses. The economic recession, combined with continuing fears about contagion, resulted in a severe reduction in the demand for air travel, the grounding of much of the world's airline fleets, and cuts in airline service.

In December 2020, the first doses of COVID-19 vaccines were administered in the United States. By June 2021, the number of new COVID-19 cases in the United States had decreased significantly as an increasing share of the population was vaccinated, and by August 2021, 50% of the total U.S. population had been fully vaccinated. The success of COVID-19 vaccines in preventing the transmission and lessening the effects of the virus resulted in a resurgence in domestic air travel during the summer of 2021.

Notwithstanding the success of the vaccines, new variants of the COVID-19 virus emerged throughout the world, including the highly contagious Delta and Omicron variants which accounted for an increasing number of new cases in the United States particularly among the unvaccinated population. By mid-August 2021, the increase in new Delta variant cases contributed to cancelled travel bookings and reduced airline schedules, as well as delays in office openings, corporate travel, and the lifting of international travel restrictions. In December 2021, the emergence of and increases in new cases of the Omicron variant contributed to airline flight cancellations as an increasing number of airline personnel tested positive for the virus. By the January 22, 2022, the CDC reported that the Omicron variant accounted for virtually 100% of new coronavirus cases in the United States.

The fourth wave of the coronavirus contributed to an increase in the share of the total U.S. population vaccinated, increasing from 50% in August 2021 to 63% in January 2022 according to the CDC. In September 2021, federal, state, and local governments and an increasing number of corporations announced mandates to require employees to be vaccinated or tested weekly in order to maintain their employment. In addition, certain restaurants, sports venues, health care facilities, and other public spaces now require proof of vaccination to permit entry.

Researchers estimate that approximately 70% to 85% of the U.S. population needs to be immune to COVID-19 in order to stop the spread of the virus. According to the Centers for Disease Control and Prevention (CDC), approximately 70% of the U.S. population is expected to be fully vaccinated in March 2022 and 85% in October 2022.* However, further research indicates that the potential to reach “herd immunity” when most of the population is immune to the virus has been complicated by the emergence of new variants and the reluctance to be vaccinated. “We should therefore expect to see some level of ongoing coronavirus transmission in our population for many years (if not forever). But as we build immunity to SARS-CoV-2, the risk of severe illness will decrease, and future waves of infection won’t be as disruptive... even if we can’t eliminate transmission of the coronavirus soon—we can get to a level of population immunity where COVID’s effects can be manageable.”**

Since April 2020, airline service in the United States has gradually been restored. Similarly, TSA data indicate that the number of passengers enplaned at U.S. airports increased from 40% in January 2021 to 78% in September 2021 of the number of passengers enplaned in during the same months in 2019 although this recovery ratio continues to fluctuate. Upcoming changes in federal government travel policies are expected to contribute to increases in passenger traffic and airline service, including the easing of international travel restrictions for fully vaccinated international travelers and the expiration of the waivers on domestic slots at certain U.S. airports, both to become effective in November 2021.

The global economic disruption and reduction in airline travel caused directly and indirectly by the COVID-19 pandemic dwarfs the effects of earlier public health scares and will have far-reaching implications for the global airline and airport industry, perhaps extending for several years. Until governments and public health authorities are able to contain the spread and occurrence of the disease through the widespread availability of effective vaccines, and reverse the associated economic impacts, COVID-19 is likely to overshadow all other factors affecting future airline travel.

Questions also remain about how some determinants of travel demand may change even once control of the pandemic and economic recovery eventually allow a “new normal” travel environment to be restored. Some observers anticipate there may be permanent reductions in some business travel for in-person meetings as a result of the widespread adoption of videoconferencing by workers who have become accustomed to working from home during the pandemic coupled with companies realizing savings from cutting travel budgets and increasing concerns to lower carbon emissions.

Climate Change Concerns

There is now widespread acknowledgement of the urgent need for the nations of the world to transition from fossil fuels to cleaner energy sources that will allow the worst effects of global

* “How is the COVID-19 vaccination campaign going in your state?” October 8, 2021, www.npr.org.

** “Rethinking Herd Immunity and the Covid-19 Response End Game,” September 13, 2021, www.publichealth.jhu.edu.

warming and climate change to be avoided. The U.S. Aviation Climate Action Plan announced by the FAA in November 2021 sets a goal to achieve net-zero greenhouse gas (GHG) emissions from the U.S. aviation sector by 2050. The plan includes several key initiatives, including the increased production of sustainable aviation fuels (SAF), the development of new aircraft technologies, increased operations efficiency, and efforts to reduce airport emissions. In addition, the Federal Reserve is studying the risks that climate change poses to the financial system and national economic stability. The Federal Reserve's research is focused, in part, on evaluating how climate change is linked to physical changes such as increased frequency and severity of storms that disrupt economic activity and potentially devalue physical assets.

Much like the way that the pandemic appears to have changed some airline travel behavior and demand patterns, concerns about the contribution of airline travel to the emission of carbon dioxide and other greenhouse gases into the atmosphere may influence future airline travel demand.

For example, there may be increased societal pressures to avoid or reduce travel perceived as "wasteful," particularly long-haul international travel; to favor or require the use of lower-emission travel modes, e.g., train over airplane, for short trips; and for corporations to limit employee travel to "reduce their carbon footprint" and achieve environmental, social, and governance objectives.

Pre-pandemic, the aviation industry accounted for approximately 10% of anthropogenic greenhouse gas emissions from the U.S. transportation sector and 3% of total U.S. emissions. However, alternatives to petroleum-derived jet fuel are unlikely to be economically available at large scale for the foreseeable future, so aviation's share of emissions will likely increase and attract more scrutiny. Consequently, it will be imperative for the industry to achieve efficiencies if growth in airline travel is to be sustained.

Achieving those efficiencies and mitigating emissions will require financial investments and changes to the operating economics of the aviation industry. Changes will likely include the early retirement and replacement of inefficient aircraft; implementation of operational changes to airline networks and systems to fly more optimal trajectories for reduced fuel use and contrail impacts; investments in emission reduction projects at airports, including electrification of ground support equipment; the payment of carbon taxes and other regulatory charges designed to penalize or offset emissions; and the development of technologies and incentives to increase the supply and reduce the cost of sustainable aviation fuels derived from biomass and other renewable sources.

Increased direct governmental regulation of greenhouse gas emissions from aircraft is also possible. In 2020, the U.S. Environmental Protection Agency adopted emission standards that apply to new commercial aircraft and align with standards adopted by the International Civil Aviation Organization. More stringent emission standards may apply in the future.

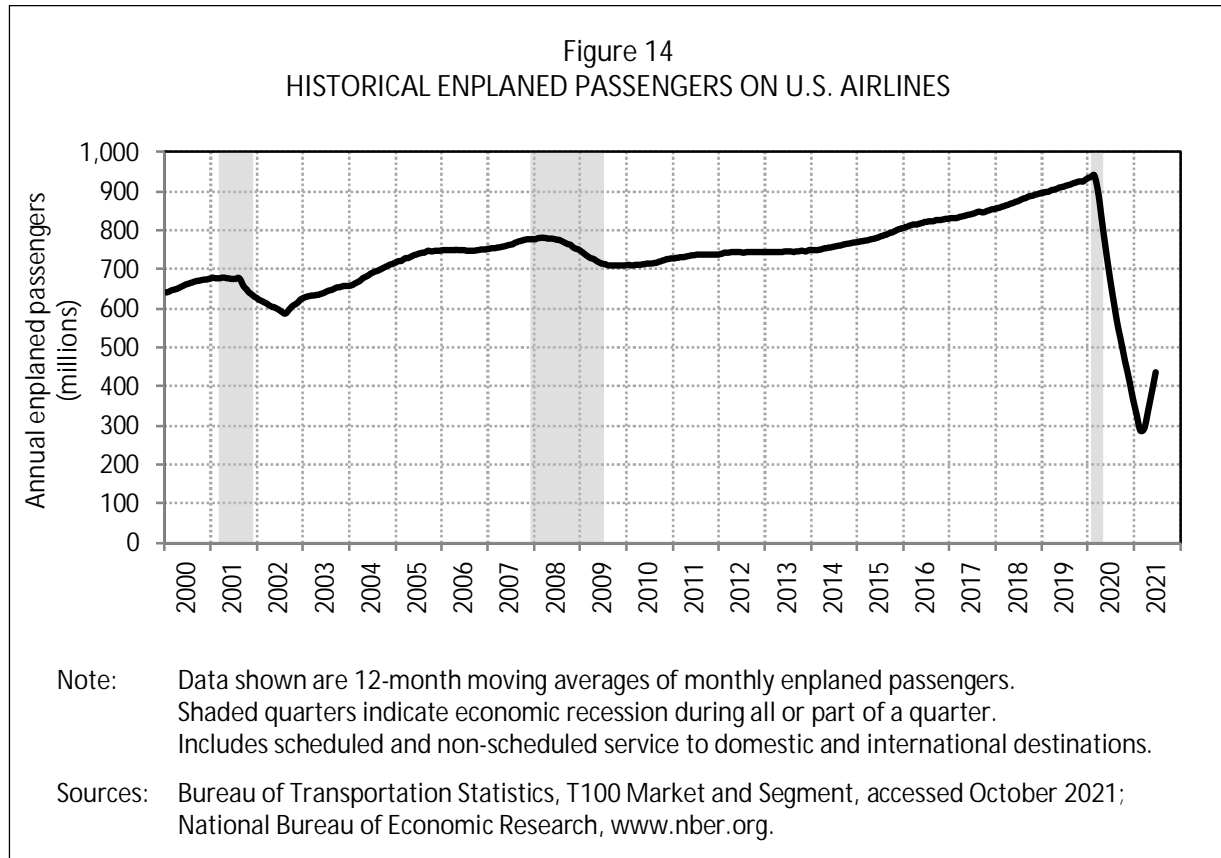
In the longer term, investments will be required to develop new aircraft propulsion technologies using fuels such as hydrogen or electric power generated from renewable sources.

Inevitably, some of the costs required to reduce greenhouse gas emissions and combat climate change will be passed on to passengers in the form of higher fares or surcharges, and thereby influence airline travel demand.

National Economic Conditions

Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of real disposable income. As illustrated in Figure 14, recessions in the U.S.

economy in 2001 and 2008-2009 and associated high unemployment reduced discretionary income and airline travel demand. The 2020 economic recession brought about by the COVID-19 pandemic and the related government actions to slow the spread of the disease discussed earlier was relatively short-lived (February to April 2020) but was measured by the largest decreases in U.S. GDP in recorded history—a decrease of 31.4% in the second quarter of 2020 followed by an increase rebound of 33.4% in the third quarter of 2020. In contrast, U.S. passenger traffic continued to decrease through March 2021—a decrease of 68% from March 2019—before beginning to recover which coincided with an increase in U.S. vaccinations discussed earlier.* Future increases in passenger traffic at the Airport will depend on national economic growth.



International Economic, Political, Health, and Security Conditions

Passenger traffic at U.S. airports is also influenced by the globalization of business and increased importance of international trade and tourism, international economics, trade balances, currency exchange rates, government policies, and geopolitical relationships. Concerns about hostilities, terrorist attacks, and other perceived security and public health risks, and associated travel restrictions also affect travel demand to particular international destinations.

Future increases in international passenger traffic will depend partly on global economic growth, a stable and secure international travel environment, and government policies that do not unreasonably restrict or deter travel.

* Note that these percentage are derived from a database of revenue enplaned passengers reported by USDOT which differs from the TSA data reported earlier.

Structural Changes in the Travel Market

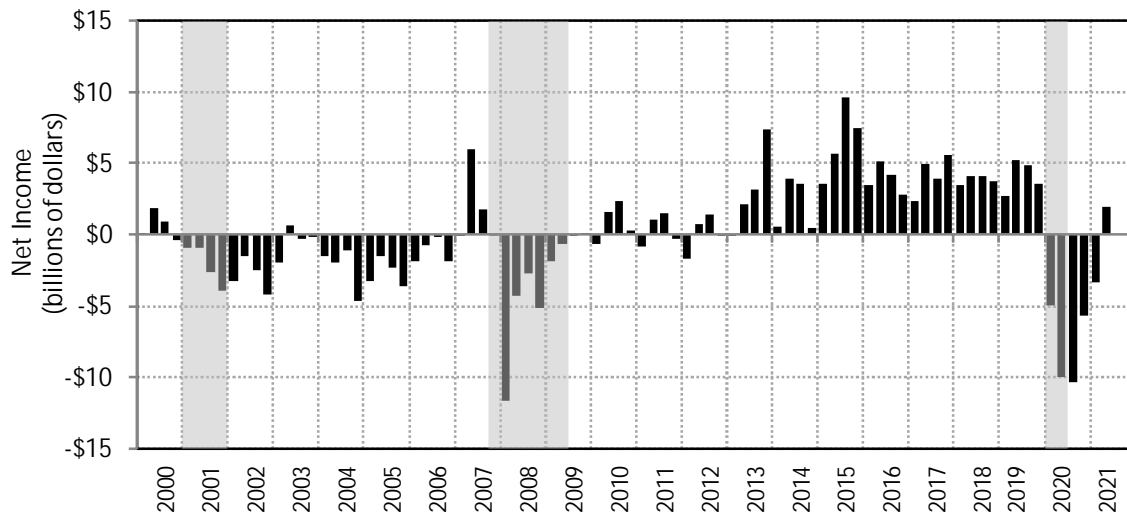
With the globalization of business and the increased importance of international trade and tourism (prior to the onset of COVID-19), international economics, trade balances, currency exchange rates, government policies, and political relationships all influence passenger traffic at major U.S. airports. Concerns about hostilities and other perceived security and public health risks and associated travel restrictions also affect travel demand to and from particular international destinations. Once the economy and the aviation system recover from the effects of the COVID-19 pandemic, it is expected that sustained future increases in passenger traffic at the Airport will once again depend on factors such as global economic growth, stable and secure international conditions, and government policies that do not materially restrict international travel.

Financial Health of the Airline Industry

The number of passengers using the Airport will depend partly on the profitability of the U.S. airline industry and the associated ability of the industry and individual airlines to make the necessary investments to provide service. Figure 15 shows historical net income for U.S. airlines.

As a result of the 2001 economic recession, the disruption of the airline industry that followed the September 2001 attacks, increased fuel and other operating costs, and price competition, the industry experienced huge financial losses. In 2001 through 2006, the major U.S. passenger airlines collectively recorded net losses of approximately \$46 billion. To mitigate those losses, all of the major network airlines restructured their route networks and flight schedules and reached agreements with their employees, lessors, vendors, and creditors to cut costs. Between 2002 and 2005, Delta Air Lines, Northwest Airlines, United Airlines, and US Airways all filed for bankruptcy protection and restructured their operations.

Figure 15
QUARTERLY NET INCOME FOR U.S. AIRLINES



Note: Includes scheduled service on U.S. carriers only.
Shaded areas indicate quarters of economic recession.
Data for the fourth quarter of 2005 and the first quarter of 2006 were adjusted to account for United bankruptcy claims which were settled for substantially less than had been originally reported.

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Net Income, F41 Schedule P12, www.transtats.gov, accessed October 2021.

In 2006 and 2007, the U.S. passenger airline industry was profitable, recording net income of approximately \$23 billion, but in 2008, as oil and aviation fuel prices increased to unprecedented levels and the U.S. economy contracted, the U.S. passenger industry recorded net losses of approximately \$26 billion. The industry responded by grounding less fuel-efficient aircraft, eliminating unprofitable routes and hubs, reducing seat capacity, and increasing airfares. Between 2007 and 2009, U.S. passenger airlines collectively reduced domestic available seat-mile capacity by approximately 10%.

From 2010 to 2013, the U.S. passenger airline industry recorded net income of approximately \$18 billion, notwithstanding sustained high fuel prices, by controlling capacity and nonfuel expenses, increasing airfares, achieving high load factors, and increasing ancillary revenues. Between 2009 and 2013, the airlines collectively increased domestic seat-mile capacity by an average of just 1.0% per year. American filed for bankruptcy protection in 2011.

In 2014, the U.S. passenger airline industry reported net income of \$9 billion, assisted by reduced fuel prices. In 2015, the industry then achieved record net income of \$26 billion as fuel prices decreased further, demand remained strong, and capacity control allowed average fares and ancillary charges to remain high. Strong industry profitability continued in 2016 through 2018.

Recent agreements between the major airlines and their unionized employees have resulted in increased labor costs. According to Airlines for America, U.S. airlines increased wages and benefits per full-time employee by 28% between 2013 and 2018. Contributing to the increased costs, a

shortage of qualified airline pilots, resulting from retirements and changed FAA qualification standards and duty and rest rules, has required the airlines to increase salaries and improve benefits to attract and retain pilots.

Sustained industry profitability will depend on, among other factors, economic growth to support airline travel demand, continued capacity control to enable increased airfares, and stable fuel prices and labor costs.

MCO is less susceptible to the potential impacts of an airline bankruptcy due to its relatively low degree of airline concentration compared with many other large U.S. hub airports and its large population and O&D passenger traffic base which would likely be served by other airlines at the Airport.

Federal COVID-19 Relief Acts

During the pandemic, Federal COVID-19 relief acts provided monetary support that allowed airlines, airports, and U.S. businesses the time and resources needed to readjust operations in the short-term and make long-term plans for health and safety measures to increase consumer confidence in air travel.

The Coronavirus Aid, Relief, and Economic Security Act, known as the CARES Act, provided for \$50 billion in aid for passenger airlines, including \$25 billion for the Payroll Support Program (PSP) and \$25 billion in loans. Under the PSP, direct grants accounted for 70% of an airline's total support payment, with the remaining 30% made in the form of a loan. PSP funding ended on September 30, 2020. Passenger airlines were also eligible to apply for \$25 billion in loans under the CARES Act.* Several U.S. airlines have received loans under the CARES Act, including Alaska, American, Frontier, Hawaiian, JetBlue, Mesa, Republic, Sky West, and United.** U.S. passenger airlines also offered voluntary separation programs and extended non-paid leave to maintain an appropriately sized workforce in response to the decreased demand for air travel related to the pandemic. Such programs provided employees with the opportunity to voluntarily end their employment in exchange for severance, healthcare coverage, and travel privileges and to voluntarily take extended emergency time off. Several airlines have taken other measures to bolster liquidity, including debt issuances and stock offerings. After the conditions of the CARES Act expired, approximately 32,000 airline employees were furloughed.

In December 2020, a second stimulus package was passed which included an additional \$15 billion in payroll support for passenger airlines. As a condition of the package, airlines had to put furloughed workers back on the payroll through March 2021. The third pandemic relief bill, the American Rescue Plan Act (ARPA) enacted in March 2021, includes \$14 billion of aid for airlines, \$8 billion for airports, and \$1 billion for aviation contractors to help them operate normally, limit the spread of the virus,

* National Law Review, "Passenger Airlines and U.S. Treasury Department Reach Agreement on CARES Act Payroll Support Program," April 17, 2020, www.natlawreview.com. "In accordance with the CARES Act, all aid recipients must use the payroll support payments exclusively to cover the cost of payroll and benefits. Each passenger airline must comply with the required terms and conditions of the CARES Act, such as (1) refraining from imposing involuntary furloughs on US-based employees or reducing employee pay or benefits through September 30; (2) maintaining certain limitations on executive compensation through March 24, 2022; (3) suspending the payment of dividends or other distributions and cease stock buybacks through September 30, 2021; and (4) continuation of service as is reasonable and practicable under Department of Transportation regulations."

** Congressional Research Service, "Treasury and Federal Reserve Financial Assistance in Title IV of the CARES Act (P.L. 116-136)", updated January 6, 2021.

and pay workers and service their debts. In exchange for the aid, airports, contractors and airlines were prohibited from large layoffs through September 2021.

A summary of the grants received by the Authority are described later.

In the long-term, additional federal support may be needed to mitigate the impact of unanticipated external shocks such as the COVID-19 pandemic. The cost of this support may be passed on to passengers in the form of higher fares or surcharges, and thereby influence airline travel demand.

Airline Service and Routes

The Airport accommodates travel demand to and from the Orlando MSA and as a connecting point. The number of origin and destination passengers at the Airport depends on the intrinsic attractiveness of the region as a business and leisure destination, the propensity of its residents to travel, and the airline fares and service provided. The number of connecting passengers, on the other hand, depends entirely on the airline service provided. As discussed in the earlier section, “Enplaned Passengers,” an estimated 93% of passengers at the Airport are originating their journeys, with the remaining 7% connecting between flights.

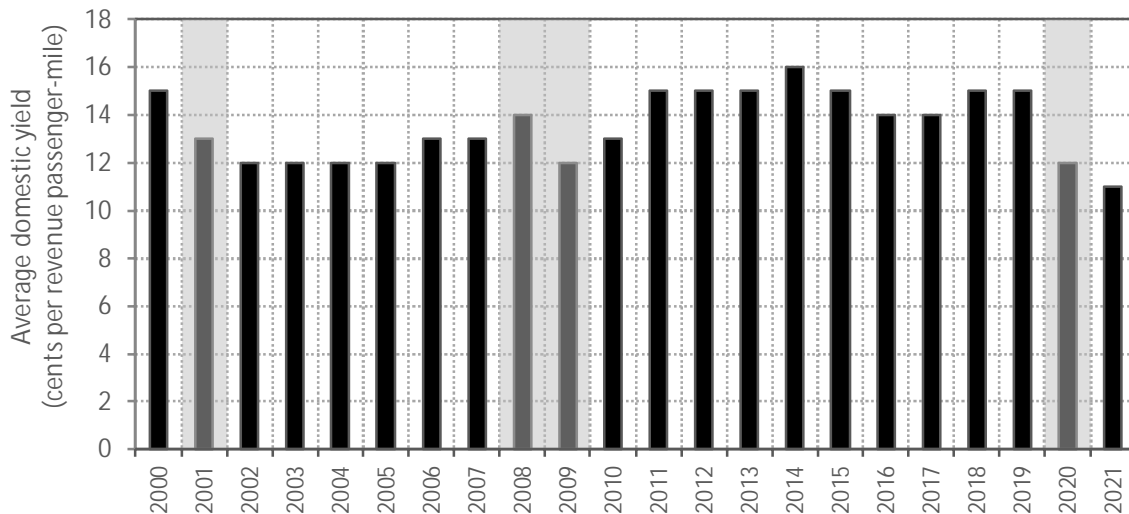
The network airlines have developed hub-and-spoke systems that allow them to offer high-frequency service to many destinations. Because most connecting passengers have a choice of airlines and intermediate airports, connecting traffic at an airport depends on the route networks and flight schedules of the airlines serving that airport and competing hub airports. Since 2003, as the U.S. airline industry has consolidated, airline service has been or is being drastically reduced at many former connecting hub airports, including those serving St. Louis (American 2003-2005), Dallas-Fort Worth (Delta 2005), Pittsburgh (US Airways 2006-2008), Las Vegas (US Airways 2007-2010), Cincinnati (Delta 2009-2011), Memphis (Delta 2011-2013), and Cleveland (United 2014).

Airline Competition and Airfares

Airline fares have an important effect on passenger demand, particularly for relatively short trips for which the automobile and other travel modes are potential alternatives, and for price-sensitive “discretionary” travel. The price elasticity of demand for airline travel increases in weak economic conditions when the disposable income of potential airline travelers is reduced. Airfares are influenced by airline capacity and yield management; passenger demand; airline market presence; labor, fuel, and other airline operating costs; taxes, fees, and other charges assessed by governmental and airport agencies; and competitive factors. Future passenger numbers, both nationwide and at the Airport, will depend, in part, on the level of airfares.

Figure 16 shows the historical average domestic yield (airfare per passenger-mile) for U.S. airlines. Overcapacity in the industry, the ability of consumers to compare airfares and book flights easily via the Internet, and the 2001 recession combined to reduce the average yield between 2000 and 2004. The average yield then increased between 2004 and 2008 before again decreasing during the 2008-2009 recession. The average yield then increased between 2009 and 2014 as airline travel demand strengthened and the airlines collectively reduced available seat capacity and were able to sustain airfare increases. Between 2014 and 2017, the average yield decreased but returned to 2015 levels in 2018 and 2019. The COVID-19 pandemic and the 2020 economic recession contributed to reduced yields in 2020 and 2021.

Figure 16
HISTORICAL DOMESTIC YIELD FOR U.S. AIRLINES



Notes: Average yields shown are net of taxes, fees, and passenger facility charges and exclude fees charged by the airlines for optional services.

Shaded areas indicate economic recession during all or part of year.

Data for 2021 are for the first 6 months (January through June).

Source: U.S. DOT, Air Passenger Origin-Destination Survey, reconciled to Schedule T100, accessed October 2021.

Beginning in 2006, ancillary charges were introduced by most airlines for optional services such as checked baggage, preferred seating, in-flight meals, and entertainment; thereby increasing the effective price of airline travel more than these yield figures indicate.

Airline Consolidation and Alliances

In response to competitive pressures, the U.S. airline industry has consolidated. Among the significant mergers and combinations were:

- In April 2001, American completed an acquisition of failing Trans World Airlines
- In September 2005, US Airways and America West Airlines merged
- In October 2009, Republic Airways Holdings completed purchases of Frontier and Midwest airlines
- In December 2009, Delta and Northwest merged
- In October 2010, United and Continental completed a merger
- In May 2011, Southwest completed its acquisition of AirTran, and integrated operations in 2014
- In December 2013, American and US Airways completed their merger and have maintained all hubs in the combined system

- In December 2016, Alaska Air Group, parent of Alaska Airlines, and Virgin America Airlines completed their merger. The merged airline received a single operating certificate from the FAA in January 2018, moved to a single reservations system and rebranded as Alaska Airlines on April 25, 2018, and retired the Virgin America brand in June 2019.

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 a primarily O&D airport, it is expected that in the unlikely event any of the large network carriers liquidated, the air service provided by such airline at MCO would be eventually replaced by another airline.

Alliances, joint ventures, and other marketing arrangements provide airlines with many of the advantages of mergers. Alliances typically involve marketing, code sharing, and scheduling arrangements to facilitate the transfer of passengers between the airlines. Joint ventures involve even closer cooperation and the sharing of costs and revenues on designated routes. Most of the largest U.S. airlines are members of such alliances with foreign-flag airlines.

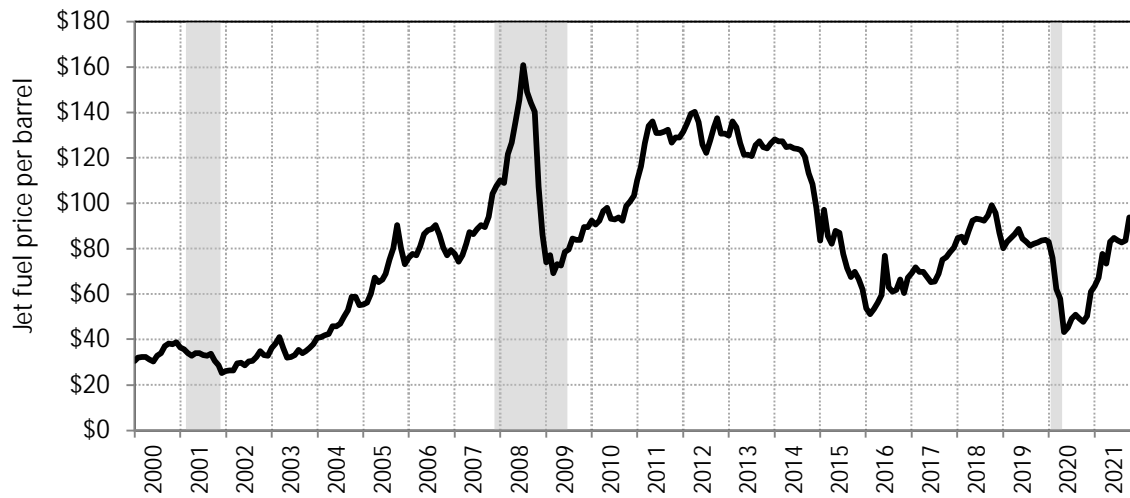
Availability and Price of Aviation Fuel

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Figure 17 shows the historical fluctuation in fuel prices caused by the many factors influencing the global demand for and supply of oil.

Between early 2011 and mid-2014, fuel prices were relatively stable, partly because of increased oil supply from U.S. domestic production made possible by the hydraulic fracturing of oil-bearing shale deposits and other advances in extraction technologies. As of mid-2014, average aviation fuel prices were approximately three times the prices those at the end of 2003 and accounted for between 30% and 40% of expenses for most airlines.

Beginning in mid-2014, an imbalance between worldwide supply and demand resulted in a precipitous decline in the price of oil and aviation fuel through the end of 2015. Fuel prices have since increased but dropped sharply in 2020 during the COVID-19 pandemic. The average price of aviation fuel in 2020 was almost 30% lower than it was in 2019 and was at the lowest point since early 2004. Between December 2020 and October 2021, aviation fuel prices increased 54%, 13% higher than prices in October 2019, according to the U.S. Bureau of Transportation Statistics. Lower fuel prices have a positive effect on airline profitability as well as far-reaching implications for the global economy.

Figure 17
HISTORICAL AVIATION FUEL PRICES



Notes: Data shown are monthly averages and were converted from gallons to barrels.
Shaded areas indicate months of economic recession.

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Airline Fuel Cost and Consumption, F41 Schedule P12A, www.transtats.gov, accessed December 2021.

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 stable. 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. Some economists predict that the development of renewable sources of energy, pressures to combat global climate change, the widespread use of electric cars, and other trends will eventually result in a decline in the demand for oil and resulting downward pressure on fuel prices in the long term.

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.

Aviation Safety and Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions influence passenger travel behavior and airline travel demand. Anxieties about the safety of flying and the inconveniences and delays associated with security screening procedures lead to both the avoidance of travel and the switching from air to surface modes of transportation for short trips.

Safety concerns in the aftermath of the September 2001 attacks were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against changing threats 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 Transportation Security Administration (TSA), more effective dissemination of information about threats, more intensive screening of passengers and baggage, and deployment of new screening technologies. The TSA has introduced “pre-check” service to expedite the screening of passengers who have submitted to background checks. At MCO, CLEAR is also available for expedited passenger screening.

Following the fatal crashes of B-737 MAX aircraft that are suspected to have been caused by the malfunction of the aircraft’s automated flight control system, all B-737 MAX aircraft were grounded by the FAA in March 2019. Among North American airlines that had B-737 MAX in service, Air Canada, American, Southwest, and United were affected. At the time of the grounding, B-737 MAX aircraft accounted for approximately 1.5% of U.S. airline seat capacity and less than 1.0% of seat capacity at the Airport. In November 2020, the FAA rescinded its order grounding the aircraft, allowing it to return to service once design changes and revisions to pilot training programs are approved and the aircraft is recertified by the FAA and other regulatory agencies. The Boeing 737 MAX aircraft returned to providing passenger service on December 29, 2020. However, on April 7, 2021, Boeing notified the FAA and operators of certain Boeing 737 MAX airplanes that it is recommending the operators temporarily remove them from service to address a manufacturing issue that could affect the operation of a backup power control unit. All U.S. airlines operating the 737 MAX (affecting 71 aircraft) took their aircraft out of service pending repairs, but subsequently returned these to service.

Historically, airline travel demand has recovered after temporary decreases stemming from terrorist attacks or threats, hijackings, aircraft crashes, and other safety concerns. Provided that precautions by government agencies, airlines, and airport operators serve to maintain confidence in the safety of commercial aviation without imposing unacceptable inconveniences for airline travelers, future demand for airline travel at the Airport will depend primarily on economic, not safety or security, factors.

Capacity of the National Air Traffic Control System

Demands on the national air traffic control system have, in the past, caused delays and operational restrictions affecting airline schedules and passenger traffic. The FAA is gradually implementing its Next Generation Air Transport System (NextGen) air traffic management programs to modernize and automate the guidance and communications equipment of the air traffic control system and enhance the use of airspace and runways through improved air navigation aids and procedures. Since 2007, airline traffic delays have decreased because of reduced numbers of aircraft operations (down approximately 15% between 2007 and 2018), but, as airline travel increases in the future, flight delays and restrictions may be expected.

Capacity of the Airport

In addition to any future constraints that may be imposed by the capacity of the national air traffic control and national airport systems, future growth in airline traffic at the Airport will depend on the provision of capacity to accommodate aircraft flights and passengers. The projections presented later in this section were based on the assumption that neither available airfield capacity nor demand management initiatives will constrain traffic growth at the Airport. Furthermore, it is assumed that the projection increases in enplaned passengers can be accommodated by existing terminal capacity in conjunction with the capital improvements planned through the end of the projection period.

PASSENGER TRAFFIC RECOVERY SCENARIOS

In the long term, airline traffic at the Airport can be expected to be largely determined by the demographics and economy of the Airport service region and the other key factors just discussed. In the near term, these factors will be overshadowed by the question of how long it will be before control of the pandemic and the resumption of economic growth allows airline traffic to recover to pre-pandemic levels.

Given the unprecedented nature of, and continuing uncertainty regarding, the COVID-19 pandemic and its impact on the aviation industry and worldwide economies, this report does not present forecasts of airline passenger traffic at the Airport. Rather, the report presents a hypothetical scenario of enplaned passengers showing recovery to FY 2019 activity levels at the Airport over approximately a two-year period (i.e., by FY 2023). Additionally, one alternative scenario was prepared showing recovery to FY 2019 levels by FY 2025. These are indicative of possible paths for traffic recovery, as shown in Table 17 and Figure 18.

The development of the base case and slow growth scenarios was informed by guidance from industry analysts, including Fitch Ratings, Moody's Investor Service, S&P Global Ratings, and Airlines for America (A4A). The base case projection approximates the mid-point of A4A's "best" and "worst" cases as published on August 30, 2021.* Assumptions specific to each scenario are described below:

- Base case scenario reflects a continued acceptance of the vaccine in the United States compared with slower global progress, a decreasing number of new COVID cases with intermittent surges related to new virus variants, the increasing potential for achieving herd immunity in 2022, increased consumer confidence in air travel, particularly by leisure travelers, and gradually decreasing unemployment rates.
- Slow scenario reflects a slower recovery and growth than the base case, including a slower than expected acceptance of the vaccine in the United States and the world, reluctance of the public to get the vaccine, and a higher than expected number of new COVID cases caused by virus variants.

For both scenarios during the COVID-19 recovery period, it was assumed that:

- COVID-19 will continue to linger and booster vaccines and/or those designed for variants will be developed and available for U.S. distribution.
- Protective measures such as social distancing, use of face masks, and travel restrictions to certain areas will remain in effect as needed to limit the further spread of COVID-19.
- Airlines and airports will continue to promote policies to maximize safety and public health, thereby increasing consumer confidence.
- Restrictions on air travel by U.S. citizens to foreign destinations will gradually be removed.
- The U.S. economy will gradually recover as outlined under the discussion in the "Economic Outlook" section.

However, the potential for more contagious variants of the coronavirus such as the Delta variant to emerge and impact future uptrends is not known at this time. Passengers have been steadily

* Emerging From The Pandemic, Airlines for America, August 30, 2021.

recovering at MCO faster than the trend for the nation as a whole. However, on November 9, 2021 the World Health Organization announced the discovery of the Omicron variant, which it classified as "a variant of concern" and border restrictions were reinstituted in several countries. At this time, it is unknown how quickly the new variant spreads, how severe it might be, or its ability to evade vaccines. As of November 13, 2021, the CDC estimates that the Delta variant accounts for more than 99% of new cases in the United States. Therefore, it is not known to what degree, if any, new variants will bring about further restrictions or economic dislocation.

Underlying Assumptions

From FY 2022 through FY 2025, passenger numbers at the Airport are projected to increase gradually based on the following assumptions:

- The economy of the Orlando MSA will increase at a rate comparable to or greater than that of the State and nation as a whole.
- The U.S. economy will experience sustained GDP growth averaging approximately 2.0% per year.
- Orlando will continue to be a major destination market for U.S. leisure and business travelers and a top global destination market for tourism, meetings, and conventions.
- Hotel infrastructure development will be sufficient to accommodate the growth in visitors to the Orlando MSA.
- Port Canaveral's cruise business will increase and support overall economic growth in the Orlando MSA.
- The Orlando MSA's economy will continue to be more diversified, including the development of business services, advanced technologies, film and digital media, life sciences and healthcare, and aviation, aerospace, and defense.
- The Airport will continue to be primarily an origin-destination airport and the small percentage of passengers connecting at the Airport will not change materially.
- The airlines serving the Airport will continue to be diverse, including low cost carriers, network airlines, and foreign-flag carriers, and will provide sufficient capacity to support passenger traffic growth at the Airport.
- A generally stable and secure international political environment and safety and security precautions will ensure airline traveler confidence in aviation without imposing unreasonable inconveniences.
- There will be no major disruption of airline service or airline travel behavior as a result of airline bankruptcies or liquidations, international hostilities, terrorist acts or threats, public health crises, or major weather events such as hurricanes.
- Any airline consolidation that may occur during the projection period will not have a material impact on the level of passenger activity at the Airport.
- Competition among the airlines serving the Airport will ensure the continued availability of competitive airfares.

- Aviation fuel prices will increase at moderate rates but remain below the record prices reached in mid-2008, reflecting reduced consumption levels, technological advances, and the availability of previously unexplored resources.
- Airlines will continue to invest in and research sustainable aviation fuel (SAF) and gradually introduce SAF into their operations to address climate change.

Enplaned Passengers

From FY 2019 through FY 2025, the number of passengers enplaned at the Airport is projected to increase an average of 0.7% per year, including the recovery to FY 2019 levels and reaching approximately 25.9 million in FY 2025, as shown on Figure 18. In its most recent *Terminal Area Forecast* for the Airport (published May 2021), the FAA forecasts an average annual increase of 2.2% in the number of enplaned passengers over the same period.*

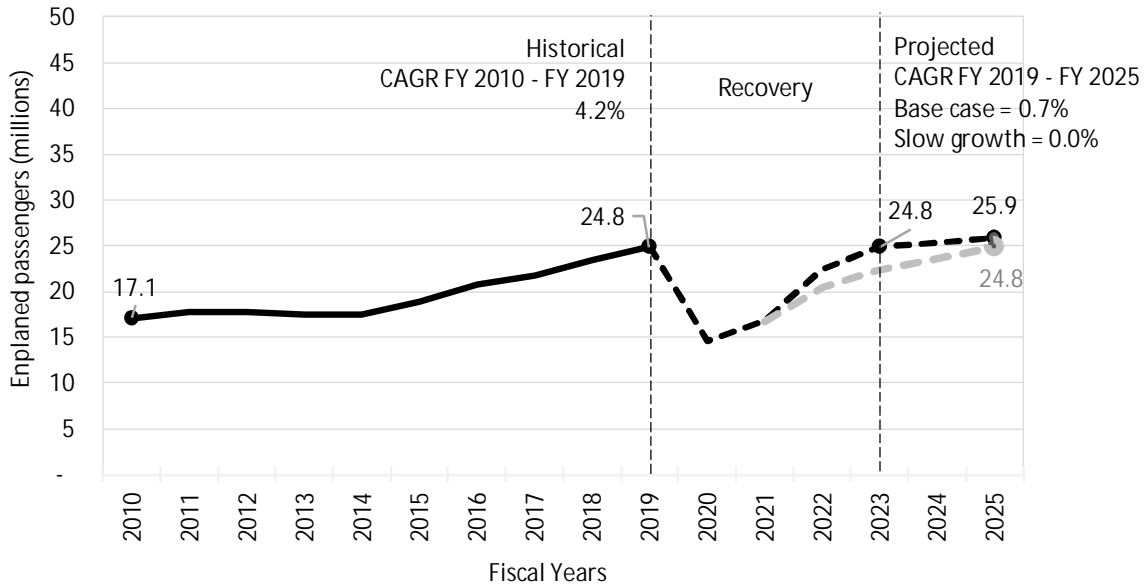
Passenger Airline Service

The projections of passenger airline aircraft seats and departures are based on the enplaned passenger projections and assumptions regarding average aircraft size and enplaned passenger load factor, as shown on Figure 18 and in Table 17. Load factors averaged 76.3% in FY 2021 for all passenger traffic at MCO, exceeding the national average of approximately 69.5% as reported by the FAA, and are projected to increase to 82.4% in FY 2025.** Seats per departure averaged 174.5 in FY 2021 for all passenger traffic at MCO, exceeding the national average of approximately 153.4 as reported by the FAA, and are projected to increase slowly to 174.6 in FY 2025. Passenger airline aircraft departures projections are calculated by dividing the enplaned passenger projections by the estimated number of passengers enplaned per departure. In FY 2021, the number of passengers enplaned per departure for the Airport averaged 133.2 and is derived by multiplying the load factor by the average seats per departure (e.g., $76.3\% \times 174.5 = 133.2$).

* Federal Aviation Administration, Terminal Area Forecast (TAF) Summary Report, Fiscal Years 2020-2045, 2021, www.faa.gov.

** U.S. Department of Transportation, Federal Aviation Administration, *FAA Aerospace Forecast, Fiscal Years 2021-2041*, March 2021, www.faa.gov. Data are for U.S. mainline and regional air carriers.

Figure 18
HISTORICAL AND PROJECTED ENPLANED PASSENGERS
Orlando International Airport



Note: For Fiscal Years ending September 30.
CAGR = Compound annual growth rate
This projection was prepared on the basis of the information and assumptions given in the text. The achievement of any projection is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the projection and the variance could be material.

Sources: Historical—Greater Orlando Aviation Authority.
Projection—LeighFisher, October 2021.

Landed Weight

In FY 2021, total landed weight at the Airport accounted for 75% of FY 2019 levels. From FY 2019 through FY 2025, aircraft landed weight at the Airport is projected to increase an average of 0.7% per year to 28.8 million 1,000-pound units in FY 2025.

Table 17
 AVIATION ACTIVITY RECOVERY SCENARIOS
 Orlando International Airport
 FY 2019 – FY 2025

	Historical			Projected				CAGR 2019 2025
	2019	2020	2021	2022	2023	2024	2025	
Enplaned passengers (thousands)								
Historical	24,847	14,538	16,984					
Base case scenario				22,362	24,847	25,344	25,851	0.7%
Slow scenario				20,374	22,362	23,604	24,847	0.0%
Percent of 2019 enplaned passengers								
Base case scenario	--	59%	68%	90%	100%	102%	104%	
Slow scenario				82%	90%	95%	100%	
Landed weight (thousands of 1,000-pound units)								
Passenger airlines								
Historical	26,376	18,184	19,472					
Base case scenario				24,734	26,696	27,035	27,380	0.6%
Slow scenario				22,535	24,026	25,180	26,317	0.0%
Cargo airlines								
Historical	1,337	1,315	1,399					
Base case scenario				1,413	1,427	1,442	1,456	1.4%
Slow scenario				1,401	1,402	1,404	1,405	0.8%
All airlines								
Historical	27,713	19,499	20,872					
Base case scenario				26,147	28,123	28,477	28,836	0.7%
Slow scenario				23,936	25,428	26,584	27,722	0.0%
Load factor (percent of seats occupied)								
Historical	88.3%	71.5%	76.3%					
Base case/slow scenario				79.4%	81.4%	81.9%	82.4%	
Average seats per departure								
Historical	172.6	174.9	174.5					
Base case/slow scenario				173.5	174.2	174.4	174.6	

Note: For Fiscal Years ending September 30. Totals may not add due to rounding. CAGR = Compound annual growth rate.

This projection was prepared on the basis of the information and assumptions given in the text. The achievement of any projection is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the projection, and the variance could be material.

Sources: Historical: Greater Orlando Aviation Authority records.

Projection: LeighFisher, October 2021.

FINANCIAL ANALYSIS

FRAMEWORK FOR FINANCIAL OPERATIONS

Under the Greater Orlando Aviation Act, the Authority is charged with operating the Airport as a financially self-sustaining enterprise and is authorized, with the approval of the City of Orlando, to issue revenue bonds, payable solely from Airport System revenues, and to pay the costs of acquiring or constructing improvements to the Airport System. The Authority is also authorized to establish and collect rentals, fees, and charges for services and facilities provided by the Airport System and to pledge such revenues to the payment of debt service on revenue bonds.

The Airport is owned by the City and operated by the Authority under an agreement that was extended to September 30, 2065, effective October 1, 2015.

The Airport is defined as the Airport System under the Senior Bond Resolution and Subordinated Indenture. The Authority also operates the Orlando Executive Airport as a general aviation airport. The Orlando Executive Airport does not constitute a part of the Airport System and revenues derived from the operation of the Orlando Executive Airport are not pledged to payment of the Bonds, including the 2022 Bonds and Proposed 2023 Bonds.

Airport Facilities Bond Resolution

The Authority issues Senior Bonds pursuant to the Amended and Restated Airport Facilities Revenue Bond Resolution (the Senior Bond Resolution), as amended and restated on September 16, 2015, and effective on May 1, 2017, as amended and supplemented from time to time, under which The Bank of New York Mellon Trust Company, N.A, serves as Trustee. Under the Senior Bond Resolution, the Authority has the right to issue Subordinated Indebtedness that is subordinate to the Senior Bonds issued under the Senior Bond Resolution as to the pledge of, lien on, and payment from Pledged Funds.

Senior Bonds are secured by a pledge of and first lien on Pledged Funds, which includes Revenues of the Airport System plus Available Revenues. As of December 31, 2021, the principal outstanding on Senior Bonds was \$1,639,068,022.

Revenues are generally defined as all income and revenues received by the Authority from the operation of the Airport and income from Special Purpose Facilities which are not pledged to the payment of obligations issued to finance such Special Purpose Facilities. Revenues also include Federal COVID-19 Grants lawfully available and used to pay debt service and O&M Expenses. Revenues do not include, among other things, grants-in-aid for capital projects, PFC revenues, or CFC revenues. Revenues do not include, among other things, grants-in-aid for capital projects, PFC revenues, or CFC revenues.

However, principal and interest payable from Available Revenues (including Available PFC Revenues and Available CFC Revenues*) that have been irrevocably committed pursuant to a Supplemental Resolution for the purpose of paying such principal or interest on Senior Bonds may be disregarded and not included in calculating Debt Service for purposes of the coverage calculation under the Rate Covenant and Additional Bonds Test. Available PFC Revenues are the portion of PFC Revenues received by the Authority and pledged for PFC-eligible project costs financed with Bonds equal to the debt service accruing during an applicable period for Bonds issued to finance PFC-eligible projects.

*CFCs are paid by rental car customers. The Authority currently has no plans to designate CFC Revenues as Available CFC Revenues.

Such treatment applies to all prior PFC-supported Bonds as well as future PFC-supported Bonds.

O&M Expenses generally consist of the Authority's expenses for operation, maintenance, repairs, ordinary replacement, and ordinary reconstruction of the Airport, but do not include any capital expense, depreciation expense, or any operation or maintenance expenses funded by Special Purpose Facility Debt or funded by any source other than Revenues.

Rate Covenant. In Section 711 of the Senior Bond Resolution (the Rate Covenant) the Authority covenants that it will:

... establish, fix, charge, prescribe 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 Transfers and Subordinated Pledged Revenues in each Fiscal Year will be at least equal to 100% of the aggregate amount required to be applied and/or deposited by the Authority pursuant to Section 405 (2) - (10) of the Senior Bond Resolution during such Fiscal Year.

...establish, fix, charge, prescribe 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 Transfers for such Fiscal Year will be equal to at least 1.25 times the Aggregate Debt Service on all Outstanding Bonds for such Fiscal Year.

"Transfer" means the lesser of (a) the sum of (i) amounts on deposit in the Discretionary Fund on the last day of the Fiscal Year plus to the extent such amounts are not restricted to other uses, (ii) amounts paid from the Discretionary Fund during the Fiscal Year toward O&M Expenses and Debt Service, minus (iii) amounts deposited into the Discretionary Fund in the Fiscal Year, or (b) 25% of Debt Service payable in such Fiscal Year.

For purposes of demonstrating compliance with the Rate Covenant and the Additional Bonds Test, Debt Service is defined in the Senior Bond Resolution to exclude the payment of principal of and interest on indebtedness for which funds are, or are reasonably expected to be, available for and which are irrevocably committed to make such payments, including any such funds in an escrow account or any such funds constituting Capitalized Interest as well as Available PFC Revenues and Available CFC Revenues. Aggregate Debt Service is the amount of interest and principal on all Senior Bonds (other than Capital Appreciation Bonds) which will accrue in the applicable period, excluding the amounts designated to be paid by Available Revenues and Capitalized Interest.

Additional Bonds Test. Under Section 204 of the Senior Bond Resolution, certain conditions must be met before Additional Bonds may be issued to pay the Cost of Construction of any Additional Project. These conditions require, among other things, that the Authority satisfy either a historical coverage test (as certified by an Authorized Officer of the Authority or an Airport Consultant) or a prospective coverage test (as certified by an Airport Consultant). Under both the historical and prospective test, Net Revenues and Subordinated Pledged Revenues must be sufficient to satisfy the rate covenant for either (1) each of the next three full Fiscal Years following issuance of the Additional Bonds or (2) each of the next two full Fiscal Years from the issuance of the Additional Bonds during which there is no Capitalized Interest funded from proceeds of such Additional Bonds, whichever is later, including the Aggregate Debt Service during such Fiscal Years on the proposed Additional Bonds. Under the Additional Bonds test, the Authority or the Airport Consultant, as applicable, are allowed to make certain adjustments to Revenues for increases in rates, fees and revenues from new facilities and capital

improvements, and to use unaudited financial statements if audited financial statements are not available. This provision of the Senior Bond Resolution is referred to as the Additional Bonds Test.

Flow of Funds. In Section 405 of the Senior Bond Resolution the Authority covenants that all Revenues will be deposited into the Revenue Fund and, from the Revenue Fund, deposited into the various funds and accounts and in order of priority as illustrated in Figure 19. At the end of each Fiscal Year, after all deposits that are required to be made into each of the Operation and Maintenance Fund, Bond Fund, Priority Subordinated Indebtedness Fund, Subordinated Indebtedness Debt Service Reserve Account, O&M Reserve Account, Secondary Subordinated Indebtedness Fund, Secondary Subordinated Indebtedness Reserve Account, Capital Expenditures Fund, and Renewal & Replacement Fund, the remaining Revenues are deposited into the Discretionary Fund. As noted above, Available PFC Revenues are applied to pay the debt service accruing during an applicable period for Bonds issued to finance PFC-eligible project costs.

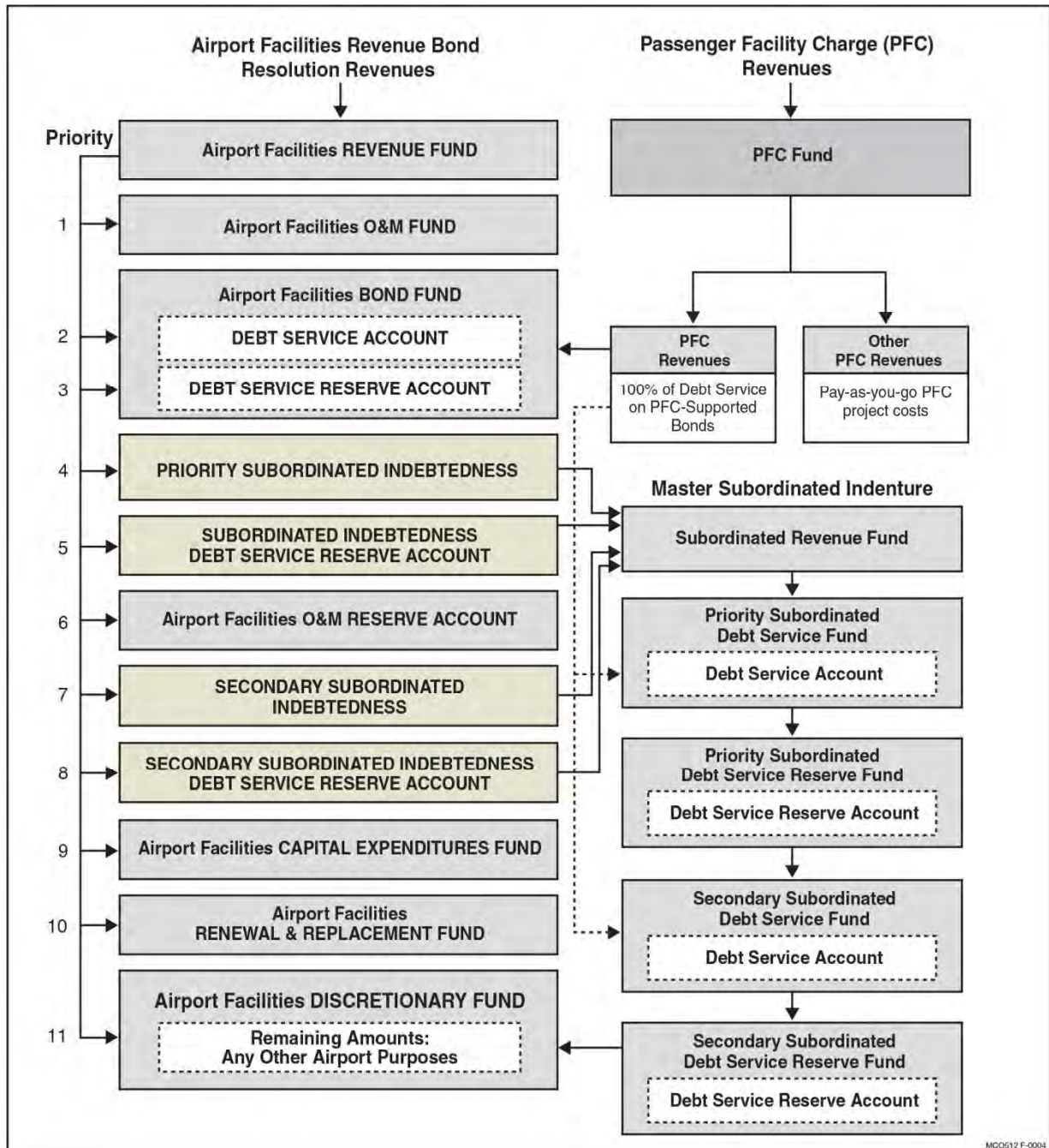
Master Subordinated Indenture of Trust

The Authority issues Subordinated Indebtedness pursuant to the Amended and Restated Master Subordinated Indenture of Trust dated as of July 1, 2016, under which U.S. Bank National Association serves as Trustee. The Subordinated Indenture provides for the issuance of both Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness, as contemplated by the Senior Bond Resolution. Priority Subordinated Indebtedness is payable solely from, and secured by a pledge of and lien on, Pledged Subordinated Revenues, which is subordinate to the lien on and pledge of Pledged Funds to Senior Bonds. As of December 31, 2021, the principal outstanding on Priority Subordinated Indebtedness totaled \$933,166,000 consisting of \$38,350,000 for Series 2016 Bonds, \$844,575,000 for Series 2017A (AMT) Bonds, and \$50,241,000 for the FDOT Loan.

The Authority has entered into four Line of Credit agreements with two banks: Bank of America, N.A. and Wells Fargo Bank, N.A. The Authority's obligations under the Line of Credit agreements are Secondary Subordinated Indebtedness under the Subordinated Indenture.

Certain terms in the Subordinated Indenture are identical to those in the Senior Bond Resolution, including the definitions of Revenues, Operation and Maintenance Expenses, Net Revenues, and Aggregate Debt Service. Under the Subordinated Indenture, Available Net Revenues are defined as all Revenues after deposits to the Operation and Maintenance Fund, the Debt Service Account, and the Debt Service Reserve Account (to the extent the Debt Service Reserve Requirement is not met). Aggregate Annual Subordinated Debt Service is defined as the aggregate amount of Annual Debt Service on all Outstanding Subordinated Obligations and Unissued Subordinated Program Obligations. Unissued Subordinated Program Obligations are short term indebtedness designated as such by the Authority and all such authorized obligations are treated as outstanding for purposes of calculating Aggregate Annual Subordinated Debt Service (whether or not then issued). Short Term Subordinated Obligations are Subordinated Obligations issued as Commercial Paper, Line of Credit Indebtedness, or Notes, or to the extent provided in the Subordinate Indenture, a Credit Facility. For Short Term Subordinated Obligations other than Unissued Subordinated Program Obligations, the principal and interest is calculated based on projections of a Consultant for the actual amount disbursed assuming that interest is capitalized for a specified period and that at the end of the Capitalized Interest period, the Short Term Subordinated Obligations are refunded with the proceeds of Subordinated Bonds bearing interest at a rate determined by the Consultant on the date of the projection to be a reasonable market rate for fixed-rate Subordinated Indebtedness of a corresponding term.

Figure 19
FLOW OF FUNDS UNDER THE SENIOR BOND RESOLUTION AND SUBORDINATED INDENTURE
Orlando International Airport



Sources: Senior Bond Resolution and the Subordinated Indenture.
Prepared by LeighFisher.

Subordinate Rate Covenant. In Section 10.01 of the Subordinated Indenture (the subordinate rate covenant), the Authority covenants that it will fix, prescribe, and collect fees and other charges for the use of the Airport so as to produce Available Net Revenues plus Available Revenues (and any Transfers) in an amount at least equal to:

- 1.10 times the Aggregate Annual Subordinated Debt Service on all Outstanding Priority Subordinated Indebtedness and
- 100% of the aggregate amount required to be applied and/or deposited during the Fiscal Year to (1) pay Priority Subordinated Debt Service, (2) make any deposits to the Priority Subordinated Debt Service Reserve Fund to equal the Reserve Requirement, (3) pay all principal, premium, and interest on all Secondary Subordinated Indebtedness, and (4) make any deposits to the Secondary Subordinated Debt Service Reserve Fund to equal the Reserve Requirement

The rate covenant for Secondary Subordinated Indebtedness is to pay 100% of all Subordinated Indebtedness from Available Net Revenues.

Subordinate Additional Bonds Test. Under Section 4.10 of the Subordinated Indenture, certain conditions must be met before Priority Subordinated Indebtedness may be issued for the purpose of financing, acquiring, constructing, improving, or completing Additional Projects, or for the purpose of refunding or paying any outstanding obligation of the Authority. The Authority can issue additional Priority Subordinated Indebtedness if either a historical or prospective test is met:

- Historical -- Available Net Revenues for 12 consecutive months out of the preceding 24 months from the date of issuance were at least equal to 110% of Aggregate Annual Subordinated Debt Service due in such 12-month period for all Outstanding Priority Subordinated Indebtedness, Unissued Priority Subordinated Program Obligations, and the proposed Series of Priority Subordinated Indebtedness (assuming they were then Outstanding).
- Prospective -- Available Net Revenues are estimated to be at least equal to 110% of Aggregate Annual Subordinated Debt Service on all Outstanding Priority Subordinated Indebtedness, Unissued Priority Subordinated Program Obligations, and the proposed Series of Priority Subordinated Indebtedness through the later of: (a) the third full Fiscal Year following the issuance of the proposed Priority Subordinated Indebtedness, or (b) the second full Fiscal Year during which no interest on the proposed Priority Subordinated Indebtedness is expected to be paid from the proceeds.

FDOT Loan

The Authority entered into a Joint Participation Agreement, as amended (the JPA), with FDOT, under which FDOT agreed to provide total funding of approximately \$211 million (FDOT Funding), of which the Authority is required to reimburse FDOT for \$52.7 million of the funds advanced by FDOT under the JPA (the FDOT Loan) with the balance of the FDOT Funding being a grant. The FDOT Loan is payable without interest over an 18 year term. Due to the COVID-19 pandemic the JPA was amended on December 30, 2020 to defer the payments initially due on January 30, 2021, and January 30, 2022, and to extend the end date to January 30, 2039.

Bank Lines of Credit

The Authority currently has four Lines of Credit, which constitute Secondary Subordinated Indebtedness. The Authority uses the Lines of Credit for interim financing of capital projects in anticipation of the issuance of long-term bonds and/or receipt of grants, PFCs, CFCs, Authority funds, and other permanent funding sources. The table below summarizes the authorized amounts, expiration dates, and outstanding principal amounts for each Line of Credit. The Authority intends to continue using the Lines of Credit for interim financing of capital improvements for certain of the 2021 – 2027 Planned Capital Projects.

The Authority had the following amounts outstanding on the Lines of Credit as of December 31, 2021:

Line of Credit Provider	Authorized Amount	Expiration Date	Principal Outstanding
Bank of America, N.A.	\$150,000,000	07/29/2022	\$96,290,091
Wells Fargo, N.A.	50,000,000	07/29/2022	35,556,141
Wells Fargo, N.A.	225,000,000	12/01/2022	55,289,660
Bank of America, N.A.	125,000,000	12/29/2022	64,101,849
Total	\$550,000,000		\$251,237,741

The Authority anticipates repaying a portion of the amounts outstanding on the Lines of Credit with the 2022 Bonds.

2018 CFC Bank Loan

The Authority also has the ability under the Senior Bond Resolution to issue Special Purpose Facility Debt that can be used for any capital improvements or facilities located within the Airport System.

On March 29, 2018, the Authority issued a \$160 million Taxable Revenue Note (CFC Ground Transportation Project), Series 2018 (the 2018 CFC Bank Loan) with an interest rate of 3.48% and term of 9 years. This debt is structured as a drawdown note, with the full amount to be drawn by October 1, 2019. The 2018 CFC Bank Loan was issued for the purpose of paying or reimbursing the Authority for a portion of the costs and expenses of financing, designing, constructing, operating, relocating, and maintaining the CFC Ground Transportation Project, funding all or a portion of the CFC Stabilization Fund Requirement, and certain costs of issuance. As of December 31, 2021, the principal outstanding on the 2018 CFC Bank Loan was \$121,295,681.

The 2018 CFC Bank Loan was issued in connection with the Resolution of the Greater Orlando Aviation Authority Authorizing the Collection of the Customer Facility Charge (the CFC Resolution) and under the CFC Trust Indenture by and between the Authority and The Bank of New York Mellon Trust Company, N.A., dated as of October 1, 2009 (the CFC Trust Indenture).

The following ground transportation projects in the 2021 – 2027 CIP are funded from either the proceeds of the 2018 CFC Bank Loan or payoff CFCs:

CFC Project	CFC Funding (in millions)
South Terminal Complex Parking and Ground Transportation Facility	\$135
Rental Car Storage Lot and QTA Facility	45
GTF Pedestrian Bridge	14
Total	\$194

The 2018 CFC Bank Loan is a limited obligation payable solely from and secured by a pledge of certain Pledged Revenues and Pledged Funds (as defined in the CFC Trust Indenture) derived by the Authority from CFCs received by the Authority pursuant to the CFC Resolution.

The rental car CFC was authorized by a resolution of the Authority adopted on August 20, 2008, as amended and restated on August 19, 2009, February 18, 2015, and June 21, 2017, to be derived from the operation of rental car activities on the Airport. The CFC is currently set at \$3.50 per rental car transaction day, not to exceed seven transaction days. CFCs may be used by the Authority to cash fund or pay debt service financing, interim financing, designing, constructing, operating, relocating, and maintaining (a) rental automobile related facilities or Customer Service Facilities, (b) facilities to be modified, improved, or relocated to accommodate rental automobile related facilities at the Airport or the Customer Service Facilities, and (c) to the extent not needed to satisfy project costs or debt service for rental automobile related facilities set forth in the Authority's CIP, any other project or facility for which general Airport revenues may be used, or, to the extent pledged as a source of repayment for debt issued under the Authority's Bond Resolution, for any project or facility financed with such debt. The Authority may pledge CFCs to repay obligations issued to finance permitted projects as debt service offsets, to repay financing or interim financing for such projects, or as revenues pledged to a particular lien of revenue bonds issued for such projects. CFCs not needed for project financing may be used for any other lawful purpose permitted by the Greater Orlando Aviation Act or Senior Bond Resolution.

As noted earlier, CFCs are not included in the definition of Revenues under the Senior Bond Resolution, but can be used to pay principal of and interest on Senior Bonds to the extent that the Authority designates all or a portion thereof in a Supplemental Resolution as Available CFC Revenues.

Passenger Facility Charge Program

PFCs are fees imposed on enplaned passengers by airport sponsors to generate revenues for eligible airport projects that increase capacity, enhance competition among and between air carriers, enhance safety or security, or mitigate noise impacts. PFCs were authorized by Title 49 U.S.C. §40117. Airport sponsors are authorized to collect PFCs in the amount up to \$4.50 per enplaning passenger.

As shown on Table 18, the Authority has received approval from the FAA to collect and use PFCs for a total of \$5.03 billion in collection authority. Through September 30, 2021, PFC Revenues received by the Authority, including investment earnings, totaled \$1.64 billion, of which \$1.42 billion had been expended on approved project costs.

PFC Application 19, approved on June 22, 2018, blended applications 11 through 18 to maintain a uniform collection rate of \$4.50. On May 8, 2019, the FAA approved PFC Application 20 to fund a portion of the Phase 1X of the STC and on December 19, 2019 the FAA approved PFC Application 21 to fund a portion of the cost to construct the STC Phase 1 aircraft apron. The Authority's current collection authority extends to January 1, 2046.

Ten series of Bonds are outstanding under the Senior Bond Resolution for which the Authority designated portions of projects to constitute a PFC project thereby permitting PFC revenues to be included in the calculation of Available PFC Revenues to pay principal and interest under the Senior Bond Resolution.

Table 18
APPROVED PASSENGER FACILITY CHARGES
Orlando International Airport
(numbers in thousands, except PFC level)

Application Number	PFC Level	Collection Authority	Collections Through 9/30/2021	Expenditures Through 9/30/2021	Cumulative Collection Authority
92-01-C-05-MCO (Closed)	\$3.00	\$ 34,100	\$ 34,100	\$ 34,100	\$ 34,100
93-02-C-01-MCO (Closed)	\$3.00	8,140	8,140	8,140	42,240
95-03-C-02-MCO (Closed)	\$3.00	18,638	18,638	18,638	60,878
96-04-C-08-MCO (Closed)	\$3.00	58,846	58,846	58,846	119,723
98-05-C-05-MCO (Closed)	\$3.00	114,472	114,472	114,472	234,195
99-06-C-03-MCO	\$3.00	115,294	115,294	88,580	349,489
00-07-C-03-MCO	\$3.00	174,236	174,236	93,922	523,725
00-08-C-02-MCO	\$4.50	54,834	54,834	37,811	578,558
02-09-C-06-MCO (Closed)	\$4.50	92,658	92,658	92,658	671,216
05-10-C-10-MCO	\$4.50	749,304	749,304	320,285	1,420,520
07-11-C-01-MCO (Combined Into PFC 19)	\$3.00	-	-	-	1,420,520
09-13-C-02-MCO (Combined Into PFC 19)	\$3.00	-	-	-	1,420,520
11-14-C-01-MCO (Combined Into PFC 19)	\$3.00	-	-	-	1,420,520
13-15-C-00-MCO (Combined Into PFC 19)	\$4.50	-	-	-	1,420,520
13-16-C-01-MCO (Combined Into PFC 19)	\$4.50	-	-	-	1,420,520
14-17-C-00-MCO (Combined Into PFC 19)	\$3.00	-	-	-	1,420,520
17-18-C-00-MCO (Combined Into PFC 19)	\$4.50	-	-	-	1,420,520
18-19-C-01-MCO	\$4.50	3,014,881	216,427	488,103	4,435,401
18-20-C-01-MCO	\$4.50	517,293	-	11,261	4,952,694
19-21-C-00-MCO	\$4.50	78,000	-	56,490	5,030,694
Total Authority		\$ 5,030,694	\$ 1,636,947	\$ 1,423,305	

Note: Totals may not add due to rounding. PFC Application 12 was submitted and withdrawn.

1. Expenditures for each application may commence upon notification of the approval of the application. For reporting purposes, PFC collections are reported as applied to each application in order of the applications until the collection authority amount has been met for each application. As a result of this reporting method, there are allowable expenditures reported for applications that may not show collections directly assigned to them.
2. PFC Application 19 combined PFC Applications 11 through 18.

Federal COVID-19 Grants

In March 2020, in response to the disruptive effects of the COVID-19 pandemic on economic activity and airline travel, the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted. Among relief provided by the CARES Act is aid to airport operators as grants to offset the loss of revenues. The CARES Act provided an aggregate of approximately \$10.0 billion of grants to airports, allocated by formula. The Authority was awarded \$170.8 million of grants under this legislation and executed agreements for these grants.

CARES Act grants may be used for any purpose for which airport revenues may lawfully be used. The Authority executed a blended CARES Act grant for MCO and OEA. The Authority also received grants

for 2020 under provisions of the CARES Act that increased the federal match to 100% for capital grants under the Airports Improvement Program (AIP). Such additional AIP grant funds will be used as a source of funding for the CIP.

In December 2020, the federal Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSA Act) was enacted to provide additional economic relief. The CRRSA Act provided for an aggregate of approximately \$2.0 billion in funds for airport operators to prevent, prepare for, and respond to the pandemic, including \$200 million of relief from rent and minimum annual guarantee (MAG) payments to eligible airport concessionaires. Approximately \$1.75 billion of CRRSA Act grant funds was allocated by formula to primary commercial service airports. The Authority was awarded \$41.7 million of grants under this legislation including \$5.3 million for concessionaire relief and executed agreements for these grants. The Authority used its CRRSA grants to reimburse a portion of the outstanding principal on Bonds Lines of Credit used to defease and/or redeem approximately \$36.4 million in outstanding Bonds and the grants are now closed. The Authority applied and closed its CRRSA concession relief amounts as part of its concession relief program.

The American Rescue Plan Act (ARPA), enacted in March 2021, provided additional economic assistance to airport operators to prevent, prepare for, and respond to the pandemic. ARPA grants are to be awarded to primary commercial service airports in the aggregate amount of approximately \$6.5 billion, allocated by formula. An additional, \$0.8 billion is to be available to provide relief from rent and MAG payments to the operators of eligible in-terminal concessions. The Authority was awarded \$171.4 million of grants including \$21.0 million for concessionaire relief under this legislation and has executed its grants for the grants. The Authority has used its ARPA grants to reimburse a portion of the outstanding balance on Bonds Lines of Credit used to defease and/or redeem approximately \$150.3 million in outstanding Bonds. Although the Authority may apply for ARPA concession relief grants during FY 2022 and retain amounts equal to the amount of MAG relief provided since the enactment of the Act in March 2021 subject to the stipulations under the Act, such amounts have not been included in the financial projections.

Table 19 presents a summary of the Authority's allocation of such grants, excluding the amounts allocated for supplemental AIP project funding, and the preliminary plan for utilizing these Federal COVID-19 Grants to pay subordinated debt service, O&M Expenses (tentatively for FY 2022 through 2024), and reimburse a portion of the outstanding principal on Lines of Credit used to defease and/or redeem \$202.5 million in outstanding Bonds and \$29.5 million in associated interest. In total, the Authority was allocated \$383.6 million by the FAA (including \$26.3 million for concession relief) for MCO and \$151,000 for OEA. The Authority currently intends to designate approximately \$4 million in CARES Act grants for OEA. As of December 31, 2021, the Authority has fully drawn all CRRSA grants and has approximately \$87.1 million in CARES Act and \$21 million in ARPA concession relief grants remaining.

The Authority also expects to receive additional AIP grants in 2021 and 2022 under provisions of ARPA that extend the 100% federal match. Such additional AIP grant funds, which amounts have not yet been determined, will be used as a source of funding for the CIP.

TABLE 19
SUMMARY OF FEDERAL COVID-19 GRANT FUNDING AND PROJECTED USES
Greater Orlando Aviation Authority

Federal Relief Bill	Total	OEA Available*	MCO Available	Less Concession Relief	Net Available MCO
CARES*	\$ 170,771,779	\$ 4,000,000	\$ 166,771,779	\$ -	\$ 166,771,779
CRRSA	41,691,083	23,000	41,668,083	(5,260,599)	36,407,484
ARPA	171,368,787	59,000	171,309,787	(21,042,395)	150,267,392
Total	\$ 383,831,649	\$ 4,082,000	\$ 379,749,649	\$ (26,302,994)	\$ 353,446,655

Actual and Estimated Uses of Grants	FY 2021	FY 2022	FY 2023	FY 2024	Total
O&M	\$ -	\$ 15,257,371	\$ 15,000,000	\$ 17,071,504	\$ 47,328,875
Debt Service (2017A Subordinated Bonds)	43,375,152	39,742,629	-	-	83,117,781
Defeasance					
2010A Bonds (8/27/21)	15,160,000	-	-	-	15,160,000
2011B, 2015A, and 2016A Bonds (9/15/21)	86,307,488	-	-	-	86,307,488
2013A Bonds (10/07/21)	-	27,497,976	-	-	27,497,976
2017A Subordinated Bonds (10/07/21)	-	94,034,535	-	-	94,034,535
Total	\$ 144,842,640	\$ 176,532,511	\$ 15,000,000	\$ 17,071,504	\$ 353,446,655

Sources: Federal Aviation Administration and the Authority.

* The OEA CARES allocation totaled \$69,000, but the Authority applied for a blended grant and at this time expects to apply roughly \$4 million of its total allocation to OEA.

The historical and projected uses of Federal COVID-19 Grants to pay debt service, defease debt, and reimburse O&M Expenses (currently projected to be applied from FY 2021 through FY 2024) are shown in Exhibit E as Revenues.

Airline Rate Resolution and Rate and Revenue Sharing Agreement

On October 16, 2013, the Authority adopted a resolution (the Rate Resolution) that (1) established the terms and conditions for airlines operating at the Airport, (2) established the methodology for setting certain airline rates and charges for the Airport, and (3) authorized the Authority's Chief Executive Officer (CEO) to enter into Letters of Authorization (LOA) with airlines for the use and occupancy of terminal space at the Airport. The Rate Resolution and the Rate and Revenue Sharing Agreement were amended in 2016 and 2019. The Rate and Revenues Sharing Agreement is currently scheduled to expire September 30, 2024. Airlines accounting for 93.3% of total enplaning passengers in FY 2019 signed the Rate and Revenue Sharing Agreement and other relevant documents as outlined below (Participating Airlines). The Participating Airlines also accounted for 97.7% of the passenger market share at the Airport in FY 2021. For purposes of the financial projections in this report it was assumed that the existing airline business relationship would remain in effect through the projection period (FY 2025).

The documents underlying the airline ratemaking regime in the Rate Resolution include:

1. Rate Resolution
2. Rate Methodology
3. Operating Permit
4. Letter of Authorization

5. Rate and Revenue Sharing Agreement
6. Authority Policies and Procedures

The Rate Resolution applies to all airlines operating at the Airport and/or making use of the Airfield or Terminal, whether or not such airline specifically agrees in writing to its terms. All airlines operating at the Airport must sign and deliver to the Authority either a Letter of Authorization or an Operating Permit prior to commencement of operations at the Airport. In any event, use of the Airfield or Terminal by an airline in connection with its operations shall constitute the agreement by such airline with the terms and conditions of the Rate Resolution, including in particular the Rate Methodology and the Rates and Charges described or authorized in the Rate Resolution.

Each airline is offered the opportunity to execute an LOA to commit to certain exclusive or preferential use space and airlines commit to pay for a specified number of annual access gates to obtain the benefit of rates that are calculated on a square footage basis (i.e., fixed monthly charge for assigned space) (Committed Premises). LOAs are also available to airlines wishing to rent space other than holdrooms, ticket counters, bag make-up, and apron areas. Space (other than Committed Premises) not subject to an LOA may be used by the airline on a common use basis, but is charged on a per-turn fee or other activity basis. Subject to the Authority Policies and Procedures relating to Gate assignment and usage, an Airline that includes a Gate as part of its Committed Premises will receive occupancy and use of a Gate and corresponding Terminal Apron, as assigned from time to time by the Authority, but will not receive preferential occupancy and use of any particular Gate. Airlines may qualify for certain enhanced occupancy rights for Gates that qualify as a Priority Access Gate.

The Rate Resolution, Rate Methodology, Operating Permits, LOAs, and Authority Policies and Procedures set forth the (1) the methodology for calculating the applicable rates and charges for airline use of airfield and terminal facilities at the Airport, (2) the space, if any, assigned to each airline on an exclusive use, preferential use, or annual access use basis, (3) the timing and manner of required payments of rates and charges, and (4) other applicable operating conditions and requirements at the Airport. Prior to the start of each Fiscal Year, the Authority establishes rates to be in effect for the subsequent Fiscal Year.

Among other conditions, the existing Rate Methodology provides that:

1. Once the STC opens, the combined total costs of both terminals will be used to calculate a single Terminal Rental Rate, Airline Equipment Charge, and Remain Over Night (RON) charge.
2. Upon the opening of the STC, the Terminal Rental Rate per square foot will equal the combined terminal cost of both the North and South Terminals divided by the total rentable square feet of both terminals.
3. The Terminal Rental Rate Per Gate for both the NTC and STC will equal the total amount of holdroom space for all operational terminals times the Terminal Rental Rate divided by the number of operational gates that can accommodate Narrow Body Equivalent (NBE) aircraft. When the STC opens, the total number of narrow body aircraft that can be accommodated simultaneously at both terminals will be 113 (equal to 93 in the north and 20 in the south).

4. The Terminal Rental Rate Per Gate charged to an airline is based on the type of aircraft using the gate as follows:^{*}
 - a. Narrow Body (FAA Design Group I-IV) = 1.0x Narrow Body Equivalent (NBE) rate
 - b. Jumbo (FAA Design Group V) = 1.5x NBE rate
 - c. Super Jumbo (FAA Design Group VI, B-747/800, A-380) = 2.0x NBE rate
5. Due to the common use configuration and environment of the STC landside, airlines will pay for the use of space for ticketing, queue areas, and bag make-up in a manner different from the preferentially assigned committed space in the NTC under LOAs. Airlines with committed gates using the STC will pay a pro rata share of the cost of the common use ticketing and bag makeup areas on a monthly basis in accordance with a common use formula based on terminal usage. Airlines operating at non-committed gates will pay their portion of the common use fee as part of the Facility Fee.
6. Baggage system fees are calculated separately for the NTC and STC, resulting in different baggage fees for airlines operating out of the NTC and STC. The factor used to weight outbound baggage space recovery costs for the North Terminal based upon its terminal capacity will revert from 45 MAP to 40 MAP when Phase 1 of the STC opens. The STC will have a baggage MAP factor of 11.
7. The rate formulas for inbound and outbound baggage system fees are allocated based upon passengers. However, the Authority may adjust the divisor for baggage fees from enplaning or deplaning passengers to number of bags at the beginning of the Fiscal Year following the year in which the Authority has the ability with a reasonable degree of reliability to count total bags by airline processed through both the Inbound Baggage System and Outbound Baggage System.
8. Facility fees will be calculated using the single Terminal Rental Rate for the NTC and STC.
9. Airline revenue sharing is allocated among the Participating Airlines based on Participating Operating Payments,^{**} which will include the common use fees payable by Participating Airlines using the STC common use ticketing and bag make-up facilities, since these charges are in lieu of the per square foot method used in the North Terminal facility.
10. Amortization charges will include 5% imputed interest upon the opening of the STC.

^{*} An airline committing to pay the annual gate access fee for Jumbo or Super Jumbo gates may fly aircraft of smaller sizes into a gate without additional fees. In such case, the airline may choose to pay the annual cost for the largest aircraft flown into such gate, in which case all non-overlapping flights will be covered by the gate cost. If an airline is assigned a gate by the Authority that can accommodate aircraft larger than the one flown by such airline, the airline will pay the cost associated with the size of the aircraft, not the size of the gate.

^{**} Participating Operating Payments include landing fees, terminal rentals, common use rentals in the STC, airline equipment fees, baggage fees, and FIS fees.

11. In the event the all-in debt service coverage* is projected to be or turns out to be less than 1.30x, the airline rate base will include allocable debt service coverage (25% for Senior Bonds and 10% for Subordinated Indebtedness) for purposes of determining annual rates; however, in the event the actual all-in coverage exceeds 1.30x, the Authority will return such excess to the airlines in the annual true up.
12. Because the Authority is contracting with OUC to operate the central energy plant for the STC, it will pay OUC a charge for owning and operating the system. This Central Energy Plant Charge will be an obligation by the Authority to OUC who will own and operate the STC chilled water and emergency power distribution system. The payment obligations to OUC are subordinate to all obligations of the Authority. Therefore, this amount is treated in the calculations similar to operating expenses and debt service as applicable to arrive at Remaining Revenues.
13. Upon the opening of the STC, 50% of the allocable O&M Expense, Debt Service, and Amortization of the South APM System will be included in the Terminal rate base.

Under the Rate and Revenue Sharing Agreement, airlines that (a) commit to an annual gate access assignment of at least one gate and associated space through the term of the Rate and Revenue Sharing Agreement, and (b) agree not to challenge the rate methodology set forth in the Rate Resolution and not to finance or otherwise participate in any challenge of the rate methodology through the term of the Rate and Revenue Sharing Agreement, are entitled to obtain the benefits of revenue-sharing (the Participating Airlines). In addition, the Authority has committed to not change the ratemaking methodology through the term of the agreement subject to any changes that might be required by the USDOT, FAA, or court order.

Under the amended Rate and Revenue Sharing Agreement that extends through September 30, 2024, (1) the Authority retains all Revenues generated from Airport Exclusive Revenue Sources and the first \$55 million by which all other Revenues exceed all Debt Service and Operating Expenditures (including Operating Reserve Requirements and payment obligations under the Global Agreement), (2) the next \$10 million is credited to the Participating Airlines, (3) and the remaining balance, if any, is split 50/50 between the Authority and Participating Airlines.

Under the Rate and Revenue Sharing Agreements, Participating Airlines have waived their right to challenge the Rate Methodology set forth in the Rate Resolution. The Authority expects that it will, at all times, continue to be able to impose rates and charges that would allow the Authority to generate revenues sufficient to cover the debt service payments in respect of all Outstanding Senior Bonds, including the 2022 Bonds, the Outstanding Subordinated Indebtedness, and the Proposed 2023 Bonds.

In developing the financial projections, it was assumed that the ratemaking procedures under the current Rate Methodology, Rate Resolution, and Rate and Revenue Sharing Agreement will remain in effect through the projection period (FY 2025).

Cost Centers. Under the Rate Resolution, the Authority has established Cost Centers to track revenues and expenses that are used in the calculation of airline and nonairline rates and charges.

*All-in debt service coverage is calculated to equal total Net Revenues plus Available PFC Revenues divided by total annual debt service (for senior and subordinate lien bonds) plus the Authority's payment obligations under the Global Agreement (described in the report).

The Authority accounts for all operating revenues, and for direct operating expenses, on the basis of these Cost Centers. In addition, the Authority incurs certain indirect expenses, which are allocated to the Cost Centers based on the estimated usage by cost center. The following direct cost centers are used in the calculation of airline rates and charges:

- Airfield – those portions of the Airport providing for the landing, taking off, and taxiing of aircraft, including without limitation, approach and turning zones, runway protection zones, safety areas, infield areas, taxi lanes, landing and navigational aids, service roads, fencing, buffer areas, fuel farm, fuel hydrant and delivery systems, clear zones, aviation or other easements, fire and crash rescue support facilities, runways, a fully integrated taxiway system, runway and taxiway lights, and other appurtenances related to the aeronautical use of the Airport, including any property purchased for noise mitigation purposes.
- Terminal Apron – areas of the Airport that are designated for the parking of passenger aircraft and support vehicles, and the loading and unloading of passenger aircraft.
- Terminal – the passenger terminal building, including all landside and airside passenger terminal facilities, associated curbside entrance areas, and people mover systems, which will include the STC upon completion.
- Ground Transportation – areas on the Airport for public automobile parking, automobile rental agencies, taxi, bus and limousine parking areas, and other nonaeronautical transportation related accommodations and services for the public arriving at or leaving the Terminal, which will include the South APM/ITC Complex and ITF.
- Hotel – the hotel facility, including guest rooms, meeting rooms restaurants and lobby areas, located in the landside terminal building.
- Other Buildings and Grounds – all other facilities that are not included in the other direct cost centers at the Airport, including the Tradeport area, Heintzelman area, the perishables center, air cargo buildings, airline maintenance and training facilities, and general aviation hangars, buildings, and aprons.
- Orlando Executive Airport – the general aviation reliever airport.

Within the Terminal, the revenues and expenses associated with Airline Equipment for loading bridges (pre-conditioned air, ground power/400Hz, potable water, fire bottles and related equipment) and baggage systems are separately tracked. The Authority also separately tracks O&M Expenses and O&M Reserve Requirement (Operating Expenditures) associated with the FIS facilities.

Rate Methodology

The calculation of Landing Fees is based on a cost center residual method that credits to the Airfield Cost Center non-airline Revenues derived from Airfield use. The calculation of the Terminal Premises Rate is based upon a commercial compensatory method that allocates to the Airlines the cost of the space they use plus their proportionate share of the costs of non-rentable Terminal space. The Authority's compensatory rate methodology is designed to recover from the air carriers using the Airport their fairly allocated share of Airport costs in accordance with USDOT policy and applicable law.

Rate Base Costs. The allocable costs included in the total requirement for calculating the Terminal Premises Rate, Landing Fee Rate, and Apron Use Fee Rate consist of the following:

1. Total direct and indirect O&M Expenses and O&M Reserve Requirement
2. Debt Service net of Available PFC Revenues

3. Amortization of Authority-funded assets (computed net of amounts funded with the proceeds of Bonds, PFCs, and grants-in-aid) amortized over the economic life of the capital item. Under the Rate Methodology, imputed interest is included in restructured 2009A Bonds debt starting in FY 2020 and in the calculation of all other Amortization charges in FY 2022 when the STC opens

Landing Fee Rate. The Landing Fee Rate is established according to a cost center residual methodology to recover all Airfield costs net of Airfield revenues generated from users other than Airlines. The Airfield Requirement is computed by summing the rate base costs identified above for the Airfield. From this amount, Airfield revenues other than Landing Fees assigned to Airfield are deducted to yield the Net Airfield Requirement. The Net Airfield Requirement is divided by the landed weight of all Airlines to determine the Landing Fee Rate.

Apron Use Fee. The Apron Use Fee is established under a compensatory ratemaking methodology where the fee is calculated to recover the cost of the apron associated with each of the NBE gates in the Terminal Apron Cost Center. The Terminal Apron Requirement is computed by summing the rate base costs identified above for the Terminal Apron. From this amount, the Terminal Apron Requirement Allocable to Remote RON Parking is deducted to yield a Net Terminal Requirement, which is divided by total gates to yield the Apron Use Fee per gate.

Terminal Fees and Charges. The airline Terminal Premises Rate is established under a commercial compensatory ratemaking methodology where the rate is calculated to recover the average cost of each square foot of Rentable Space in the Terminal Cost Center. Rentable Space is the total amount of space, in square feet, available for rent in the Terminal, including to airlines, concessions, and other rent-paying tenants. The Terminal Requirement is computed by summing the rate base costs identified above for the Terminal. From this amount, Miscellaneous Direct Reimbursements, Airline Equipment Requirement, Baggage System Operating Expenditures, and the FIS Requirement are deducted to yield a Net Terminal Requirement, which is divided by total Rentable Space to yield the Terminal Premises Rate.

As noted above, there will be a single rental rate per square foot of terminal space applicable to both the NTC and STC and there will single rates for facilities fees for both the NTC and STC airline tenants. In addition, there will be a single rate for NBE holdroom charges whereby the total square footage of all holdroom space multiplied by the terminal rental rate is divided by the number of NBE gates to yield a single NBE cost per gate. However, there will be separate rates for baggage fees between the two terminals.

Airline rates and charges are established annually based on the budget. At the end of each Fiscal Year, the Authority calculates "true-up" rates based on actual expenses and activity, and debits or credits the difference to airlines.

Basis of Use. Under the Rate Resolution and LOAs, Airlines that sign LOAs and are assigned designated space (Committed Premises) within the Terminal for their use on an exclusive or preferential use basis and Airlines that are assigned Exclusive Use Premises not subject to an LOA are charged the applicable Terminal Premises Rate for their use of such space. All gates are charged at the same rate, based upon the size of aircraft using such gate, regardless of the number of square feet in each gate/holdroom. All other space is assigned for use on a per-turn or other activity basis and subject to the applicable rates for use. Airlines must pay the Authority for their use and occupancy of the Airfield, Terminal Apron, and Terminal pursuant to rates and charges established each Fiscal Year, including Landing Fees, monthly charges for Committed Premises and other assigned Exclusive Use

Premises, Facility Fees, FIS Fees, Airline Equipment Charges, Apron Use Fees, and Common Use Baggage Charges.

Revenue Sharing. Under the amended Rate and Revenue Sharing Agreement, airlines that (a) commit to an annual gate access assignment of at least one gate and associated space through the term of the Rate and Revenue Sharing Agreement, and (b) agree not to challenge the rate methodology set forth in the Rate Resolution and not to finance or otherwise participate in any challenge of the rate methodology through the term of the Rate and Revenue Sharing Agreement, are entitled to obtain the benefits of revenue-sharing (the Participating Airlines). In addition, the Authority has committed to not change the ratemaking methodology through the term of the agreement subject to any changes that might be required by the USDOT, FAA, or court order.

As set forth in the Rate and Revenue Sharing Agreement that expired on September 30, 2019, (1) the Authority retained the first \$55 million in Revenues (excluding Revenues generated from Airport Exclusive Revenue Sources) less all Debt Service and Operating Expenditures (including Operating Reserve Requirements), (2) the next \$10 million was credited to the Participating Airlines, and (3) any remaining balance was split 50/50 between the Authority and Participating Airlines.

Under the amended Rate and Revenue Sharing Agreement that extends through September 30, 2024, (1) the Authority retains all Revenues generated from Airport Exclusive Revenue Sources and the first \$55 million by which all other Revenues exceed all Debt Service and Operating Expenditures (including Operating Reserve Requirements and payment obligations under the Global Agreement), (2) the next \$10 million is credited to the Participating Airlines, (3) and the remaining balance, if any, is split 50/50 between the Authority and Participating Airlines.

Under the Rate and Revenue Sharing Agreements, Participating Airlines have waived their right to challenge the Rate Methodology set forth in the Rate Resolution. The Authority expects that it will, at all times, continue to be able to impose rates and charges that would allow the Authority to generate revenues sufficient to cover the debt service payments in respect of all Outstanding Senior Bonds, including the 2022 Bonds and the Outstanding Subordinated Indebtedness. In the event a new business arrangement is not entered into as of October 1, 2024, the Authority will not be required to share any remaining revenues with the Airlines. In such case, the Authority and the Airlines may continue, in their discretion, to negotiate a revenue sharing arrangement for Fiscal Year 2025 and beyond.

Table 20 provides a list of Participating Airlines at the Airport as of January 2022. The Participating Airlines accounted for 97.7% of the passenger market share at the Airport in FY 2021.

Table 20 PARTICIPATING AIRLINES Orlando International Airport (as of January 2022)			
AeroMexico	British Airways	JetBlue	United
Air Canada	COPA	Silver	Virgin Atlantic
American	Delta	Southwest	WestJet
Bahamasair	Frontier	Spirit	
Source: Greater Orlando Aviation Authority.			

RECONCILIATION OF HISTORICAL FINANCIAL RESULTS

Table 21 presents a summary and reconciliation of the historical operating results of the Authority between Generally Accepted Accounting Principles (GAAP) and the Senior Bond Resolution, as obtained from the financial statements for FY 2019 and FY 2020 contained in the Authority's Comprehensive Annual Financial Report, which are prepared on the basis of generally accepted accounting principles.

AIRPORT CAPITAL IMPROVEMENT PROGRAM

On August 18, 2021, the Board adopted the 2021 - 2027 CIP with an estimated cost of \$3.58 billion, which replaced the \$3.76 billion CIP approved in August 2020. This CIP was updated on December 15, 2021 and still maintained the budget of \$3.58 billion. The 2021 - 2027 CIP is designed to accommodate existing and projected passenger demand at the Airport from FY 2021 – FY 2027 and consists of (1) the revised STC Phase 1 and STC Phase 1 Expansion (STC-P1X), (2) terminal improvements, (3) airfield projects, and (4) ground transportation and other projects to maintain and enhance the Airport.

The 2021 - 2027 CIP is a multi-year plan of major capital projects, linked to the Authority's strategic goals, that provides a roadmap to implement projects, including targeted completion dates, budgets, and a funding plan. It is demand driven and dynamic in nature, reflecting current changes in the market, available funding, and the Authority's priorities.

In addition to the 2021 - 2027 CIP, the Authority also undertakes Renewal and Replacement of major assets on an ongoing basis referred to as an R&R project. The Authority anticipates spending approximately \$40 million per year for such improvements.

The projects in the 2021 - 2027 CIP, their estimated costs, and the estimated funding sources are described below and summarized in Table 22. Table 23 shows the estimated capital expenditures by Fiscal Year. Cost estimates were provided by the Authority and its consultants and include construction, allowances for design development, project and construction management, contingencies, and escalation.

The 2021 - 2027 CIP represents, to the Authority's best knowledge and belief at this time, all of the significant capital improvements expected to be undertaken through FY 2027 expected to be funded with Airport bonds except for the potential completion of STC-P1X as described below. As noted earlier, the Authority may undertake additional improvements to the extent additional State and/or Federal grants are received or CFC revenues are dedicated for additional rental car improvements. The Authority reassesses its capital needs at least annually and will modify the 2021 - 2027 CIP as necessary to accommodate demand-driven traffic activity, security needs, any needed receipt of required environmental and other regulatory approvals, and other factors, which could result in increases or decreases to the 2021 - 2027 CIP, or extend or accelerate the timing to complete certain projects. The Authority plans to continually evaluate construction on such future projects based on demand, cost, and funding, as well as other factors.

Table 21
RECONCILIATION OF HISTORICAL FINANCIAL RESULTS
Greater Orlando Aviation Authority
For Fiscal Years ended September 30, 2019 and 2020 (numbers in thousands)

	2020	2019
Net Income (per financial statements)		
Operating revenues	\$ 434,227	\$ 578,142
Operating expenses	(283,658)	(326,068)
Operating income before depreciation	\$ 150,569	\$ 252,074
Depreciation	(188,720)	(181,034)
Operating income	\$ (38,151)	\$ 71,040
Non-operating revenues (expenses)	84,399	65,408
Capital contributions	82,772	36,275
Net Income	\$ 129,020	\$ 172,723
Net Revenues (per Bond Resolution)		
Revenues	\$ 489,998	\$ 597,900
Operations and Maintenance Expenses	(274,526)	(305,247)
Net Revenues	\$ 215,472	\$ 292,653
Required fund deposits	-	-
Net Revenues available for debt service	\$ 215,472	\$ 292,653
Reconciliation		
Net income	\$ 129,020	\$ 172,723
Add back:		
Depreciation	188,720	181,034
Interest expense	35,282	33,914
Non-capitalized expenditures from restricted and other accounts	9,132	20,821
Participating Airline revenue sharing	25,575	77,111
Fair Market Value Adjustment	(4,448)	(4,737)
Deduct:		
Investment income on restricted accounts and Non-trustee Revenue Account	(7,109)	(10,370)
Required deposits	-	-
Passenger facility charge (PFC) revenues	(52,308)	(98,415)
Customer facility charges	(25,136)	(43,804)
Grant income not available for debt service	(82,889)	(35,457)
Transfer to Project Account from Operation and Maintenance Account	-	-
Gain on sale of land, equipment and Other Non-operating	(367)	(167)
Net Revenues available for debt service	\$ 215,472	\$ 292,653

Source: Greater Orlando Aviation Authority.

Table 22
SUMMARY OF 2021-2027 CIP PROJECT FUNDING
Greater Orlando Aviation Authority
(in thousands)

	Project Cost Estimate	ESTIMATED FUNDING SOURCES													Other	
		AIP Grants	TSA	FDOT	GOAA Funds	PFC Paygo / PFC-Supported Bonds			General Airport Revenue Bonds							
						Paygo	Pre-2019	2019 & 2022	STC Senior		CIP 2019					
									Senior	Sub Lien	CIP 2019	CIP 2022	CIP 2023	Prior Bonds		
TERMINAL																
North Terminal Complex																
Baggage Programs	\$ 152,377	\$ -	\$ 32,581	\$ 12,857	\$ 4,618	\$ 19,068	\$ 33,574	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,679	\$ -	
Baggage Program Enhancements	17,641	-	-	6,000	-	-	-	-	-	9,961	-	1,680	-	-	-	
Future CCTV Projects	15,000	3,076	-	3,921	3,872	881	-	-	-	3,250	-	-	-	-	-	
Access Control Security Enhancements	6,441	-	-	-	6,441	-	-	-	-	-	-	-	-	-	-	
North Terminal Building System Replacement	13,712	-	-	-	7,034	-	-	-	-	6,678	-	-	-	-	-	
Changing Regulatory Requirements	18,000	-	-	-	6,000	-	-	-	-	12,000	-	-	-	-	-	
Airside 2 and 4 APM System Updates	12,344	-	-	-	12,344	-	-	-	-	-	-	-	-	-	-	
Airside 2 and 4 APM Replacement	110,000	-	-	25,529	-	-	-	-	-	-	-	84,471	-	-	-	
North Terminal Building Update	4,000	-	-	-	2,000	-	-	-	-	-	-	2,000	-	-	-	
North Terminal Security Checkpoints	27,082	-	-	-	17,333	-	-	-	-	9,600	-	-	-	-	149	
Passenger Processing Efficiency Systems	18,807	-	-	-	5,225	-	-	-	-	10,850	-	-	2,732	-	-	
Airline Terminal Improvement Account	50,404	-	-	-	-	-	-	-	-	45,404	-	5,000	-	-	-	
Security Enhancement Program (incl Access Control)	12,025	-	-	2,801	-	-	-	-	-	9,224	-	-	-	-	-	
Signage - Terminal	2,726	-	-	-	-	-	-	-	-	2,726	-	-	-	-	-	
Health & Safety Renovations - STC Self Service Bag Drop	5,000	-	-	-	5,000	-	-	-	-	-	-	-	-	-	-	
Health & Safety Renovations - VRC	8,000	-	-	-	-	-	-	-	-	8,000	-	-	-	-	-	
Health & Safety Renovations	2,000	-	-	-	-	-	-	-	-	2,000	-	-	-	-	-	
North Terminal Buildings Roof Replacement	20,000	-	-	8,500	-	-	-	-	-	-	-	11,500	-	-	-	
	\$ 495,559	\$ 3,076	\$ 32,581	\$ 59,608	\$ 69,867	\$ 19,949	\$ 33,574	\$ -	\$ -	\$ 119,693	\$ -	\$ 104,651	\$ 52,411	\$ -	\$ 149	
AIRFIELD																
Runway 18L-36R Rehab (Group VI) (Design and Construction)	\$ 35,157	\$ 22,092	\$ -	\$ 4,142	\$ 1,481	\$ -	\$ -	\$ -	\$ -	\$ 7,442	\$ -	\$ -	\$ -	\$ -	\$ -	
East Airfield - Phase 1 (Taxiway F,J,K,L & N Rehabilitation) (Design and Construction)	9,433	8,569	-	2	154	-	-	-	-	708	-	-	-	-	-	
East Airfield Taxiway Rehab - Phase 2 (Design and Construction)	19,971	13,151	-	2,192	660	-	-	-	-	3,968	-	-	-	-	-	
Taxiways G & H Rehab (Design and Construction)	26,560	19,095	-	3,182	-	-	-	-	-	-	-	4,283	-	-	-	
Taxiways E & F Rehab (Design and Construction)	44,060	32,295	-	5,383	-	-	-	-	-	-	-	6,382	-	-	-	
Apron & Taxiway Rehab (Design only)	3,030	2,250	-	390	-	-	-	-	-	-	-	390	-	-	-	
	\$ 138,211	\$ 97,452	\$ -	\$ 15,291	\$ 2,295	\$ -	\$ -	\$ -	\$ -	\$ 12,118	\$ -	\$ 11,055	\$ -	\$ -	\$ -	
GROUND TRANSPORTATION																
Future RAC Related Projects	\$ 45,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,022	
Roadway Improvement Program	19,500	-	-	8,300	-	-	-	-	-	2,427	-	8,773	-	-	-	
Signage - Roadway	12,000	-	-	6,000	-	-	-	-	-	6,000	-	-	-	-	-	
Employee Parking Lot	7,750	-	-	-	177	-	-	-	-	7,573	-	-	-	-	-	
Ground Transportation Facility Pedestrian Bridge	28,600	-	-	14,300	-	-	-	-	-	-	-	-	-	-	14,300	
	\$ 112,872	\$ -	\$ -	\$ 28,600	\$ 177	\$ -	\$ -	\$ -	\$ -	\$ 16,000	\$ -	\$ 8,773	\$ -	\$ -	\$ 59,322	
OTHER																
Fiber Infrastructure Program	\$ 9,028	\$ -	\$ -	\$ -	\$ 9,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Wildlife Attractant Removal	3,500	-	-	-	500	3,000	-	-	-	-	-	-	-	-	-	
Environmental Mitigation	4,525	-	-	4,525	-	-	-	-	-	-	-	-	-	-	-	
Master Stormwater Planning	1,000	-	-	1,000	-	-	-	-	-	-	-	-	-	-	-	
Office Trailers/Warehouse Renovation	16,156	-	-	16,156	-	-	-	-	-	-	-	-	-	-	-	
	\$ 34,209	\$ -	\$ -	\$ -	\$ 31,209	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SOUTH TERMINAL COMPLEX - PHASE 1																
Terminal Building	\$ 1,726,659	\$ -	\$ -	\$ 88,959	\$ 6,196	\$ 200,000	\$ -	\$ 769,000	\$ 133,797	\$ 480,247	\$ -	\$ -	\$ -	\$ -	\$ 48,460	
Parking and Ground Transportation Facility	129,998	-	-	4,709	120	-	-	-	182	26,938	-	-	-	-	98,049	
Apron	79,969	-	-	158	40	41,000	-	-	576	38,195	-	-	-	-	-	
Airfield/Fuel/GSE	91,492	-	-	831	137	-	-	-	-	90,524	-	-	-	-	-	
Site Development	237,028	-	-	822	290	-	-	-	-	235,796	-	-	-	120	-	
	\$ 2,265,146	\$ -	\$ -	\$ 95,479	\$ 6,783	\$ 241,000	\$ -	\$ 769,000	\$ 134,555	\$ 871,700	\$ -	\$ -	\$ -	\$ 120	\$ 146,509	
SOUTH TERMINAL COMPLEX - PHASE 1X																
Terminal Building	\$ 271,058	\$ -	\$ -	\$ 9,782	\$ 24,421	\$ -	\$ -	\$ 150,000	\$ 80,332	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,523	
Parking Garage	60,601	-	-	5,886	-	-	-	-	17,399	-	-	-	-	-	37,316	
Apron	30,464	-	-	82	-	17,681	-	-	12,701	-	-	-	-	-	-	
Airfield	57,615	-	-	155	-	-	-	-	57,460	-	-	-	-	-	-	
Site Development	110,203	-	-	2,107	1,995	-	-	-	106,101	-	-	-	-	-	-	
	\$ 529,941	\$ -	\$ -	\$ 18,012	\$ 26,416	\$ 17,681	\$ -	\$ 150,000	\$ 273,993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,839	
TOTAL SOUTH TERMINAL																
TOTAL FY 2021-2027 Capital Improvement Program	\$ 3,575,938	\$ 100,528	\$ 32,581	\$ 216,990	\$ 136,747	\$ 281,630	\$ 33,574	\$ 919,000	\$ 408,548	\$ 871,700	\$ 147,811	\$ -	\$ 124,479	\$ 52,531	\$ 249,811	

Note: Other funds include CFCs and other financing provided for the STC Central Energy Plant. Totals may not add due to rounding.
Source: Greater Orlando Aviation Authority as of August 2021 for projects expected to be undertaken through FY 2027.

Table 23
SUMMARY OF 2021-2027 CIP PROJECT EXPENDITURES BY FISCAL YEAR
Greater Orlando Aviation Authority
(in thousands)

	Total	Through 2020	Actual 2021	DBO June 2022	Projected 2023	2024	2025	2026	2027
TERMINAL									
North Terminal Complex									
Baggage Programs	\$ 152,377	\$ 143,570	\$ 7,479	\$ 1,328	\$ -	\$ -	\$ -	\$ -	\$ -
Baggage Program Enhancements	17,641	1,601	20	3,497	12,523	-	-	-	-
Future CCTV Projects	15,000	5,922	578	4,000	4,500	-	-	-	-
Access Control Security Enhancements	6,441	4,964	1,342	135	-	-	-	-	-
North Terminal Building System Replacement	13,712	5,550	1,729	1,271	1,500	3,662	-	-	-
Changing Regulatory Requirements	18,000	6,942	1,943	9,115	-	-	-	-	-
Airside 2 and 4 APM System Updates	12,344	1,867	231	5,000	5,246	-	-	-	-
Airside 2 and 4 APM Replacement	110,000	-	-	1,000	54,000	55,000	-	-	-
North Terminal Building Update	4,000	-	-	-	2,000	-	-	-	-
North Terminal Security Checkpoints	27,082	25,705	825	552	-	-	-	-	-
Passenger Processing Efficiency Systems	18,807	3,707	177	14,923	-	-	-	-	-
North Terminal CUSS CUPPS Program	-	-	-	-	-	-	-	-	-
Airline Terminal Improvement Account	50,404	-	2,093	27,907	20,404	-	-	-	-
Security Enhancement Program (incl Access Control)	12,025	-	307	4,000	7,718	-	-	-	-
Signage - Terminal	2,726	-	-	1,500	1,226	-	-	-	-
Health & Safety Renovations - STC Self Service Bag Drop	5,000	-	-	3,300	1,700	-	-	-	-
Health & Safety Renovations - VRC	8,000	-	1,336	5,664	1,000	-	-	-	-
Health & Safety Renovations	2,000	-	169	1,831	-	-	-	-	-
North Terminal Buildings Roof Replacement	20,000	-	-	500	1,500	6,000	6,000	6,000	-
	\$ 495,559	\$ 199,828	\$ 18,229	\$ 85,523	\$ 113,317	\$ 66,662	\$ 6,000	\$ 6,000	\$ -
AIRFIELD									
Runway 18L-36R Rehab (Group VI) (Design and Construction)	\$ 35,157	\$ 25,479	\$ 5,319	\$ 4,359	\$ -	\$ -	\$ -	\$ -	\$ -
East Airfield - Phase 1 (Taxiway F,J,K,L & N Rehabilitation) (Design and Construction)	9,433	-	926	8,507	-	-	-	-	-
East Airfield Taxiway Rehab - Phase 2 (Design and Construction)	19,971	-	-	30	19,941	-	-	-	-
Taxiways G & H Rehab (Design and Construction)	26,560	-	-	-	2,060	8,600	15,900	-	-
Taxiways E & F Rehab (Design and Construction)	44,060	-	-	-	-	-	-	3,030	41,030
Apron & Taxiway Rehab (Design only)	3,030	-	-	-	-	-	-	-	3,030
	\$ 138,211	\$ 25,479	\$ 6,245	\$ 12,896	\$ 22,001	\$ 8,600	\$ 15,900	\$ 3,030	\$ 44,060
GROUND TRANSPORTATION									
Future RAC Related Projects	\$ 45,022	\$ 40,094	\$ 4,928	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Roadway Improvement Program	19,500	-	-	750	750	750	8,750	8,500	-
Signage - Roadway	12,000	-	2,000	8,000	2,000	-	-	-	-
Employee Parking Lot	7,750	-	-	5,500	2,250	-	-	-	-
Ground Transportation Facility Pedestrian Bridge	28,600	-	-	28,600	-	-	-	-	-
	\$ 112,872	\$ 40,094	\$ 6,928	\$ 42,850	\$ 5,000	\$ 750	\$ 8,750	\$ 8,500	\$ -
OTHER									
Fiber Infrastructure Program	\$ 9,028	\$ 5,604	\$ -	\$ 3,424	\$ -	\$ -	\$ -	\$ -	\$ -
Wildlife Attractant Removal	3,500	-	464	536	500	500	500	1,000	-
Environmental Mitigation	4,525	-	-	500	500	3,525	-	-	-
Master Stormwater Planning	1,000	-	-	500	500	-	-	-	-
Office Trailers/Warehouse Renovation	16,156	13,496	1,164	1,496	-	-	-	-	-
	\$ 34,209	\$ 19,100	\$ 1,628	\$ 6,456	\$ 1,500	\$ 4,025	\$ 500	\$ 1,000	\$ -
SOUTH TERMINAL COMPLEX - PHASE 1									
Terminal Building	\$ 1,726,659	\$ 1,029,691	\$ 402,814	\$ 294,154	\$ -	\$ -	\$ -	\$ -	\$ -
Parking and Ground Transportation Facility	129,998	98,197	23,459	8,342	-	-	-	-	-
Apron	79,969	51,181	28,666	122	-	-	-	-	-
Airfield/Fuel/GSE	91,492	52,845	21,247	17,400	-	-	-	-	-
Site Development	237,028	215,817	16,356	4,855	-	-	-	-	-
	\$ 2,265,146	\$ 1,447,731	\$ 492,542	\$ 324,873	\$ -	\$ -	\$ -	\$ -	\$ -
SOUTH TERMINAL COMPLEX - PHASE 1X									
Terminal Building	\$ 271,058	\$ 175,056	\$ 46,053	\$ 49,949	\$ -	\$ -	\$ -	\$ -	\$ -
Parking Garage	60,601	19,811	31,666	9,124	-	-	-	-	-
Apron	30,464	17,416	9,850	3,198	-	-	-	-	-
Airfield	57,615	27,519	16,072	14,024	-	-	-	-	-
Site Development	110,203	76,796	24,121	9,286	-	-	-	-	-
	\$ 529,941	\$ 316,598	\$ 127,762	\$ 85,581	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FY 2021-2027 Capital Improvement Program	\$ 3,575,938	\$ 2,048,830	\$ 653,334	\$ 558,179	\$ 141,818	\$ 80,037	\$ 31,150	\$ 18,530	\$ 44,060

Note: Other funds include CFCs and other financing provided for the STC Central Energy Plant. Totals may not add due to rounding.

Source: Greater Orlando Aviation Authority as of August 2021 for projects expected to be undertaken through FY 2027.

South Terminal

In response to the pre-COVID-19 growth in passengers and international service, the Authority commenced construction of the 16-gate flex STC Phase 1 in the first quarter of 2017 with an expected opening in October 2021. In May 2018, after passenger traffic levels reached 45.8 million annual passengers, the Authority authorized staff to proceed with procurement of professional services for design and early construction activities of STC-P1X to add three additional gates for a total of 19 gates. Phases 1 and 1X of the STC were estimated to cost \$3.02 billion.

In response to the COVID-19 pandemic and the sharp decline in passenger traffic following the announcement of the theme park closures in March 2020, the Authority, among other measures, adjusted the CIP to construct facilities that more appropriately matched passenger demand with financial resources. On August 19, 2020, the Aviation Authority Board approved a \$360.5 million reduction to the CIP which included a \$226.9 million reduction to the South Terminal C programs (STC). The STC programs include the South Terminal Phase 1 (STC-P1) and STC-P1X programs, and together, these projects were intended to provide a landside and airside terminal facility to support 19 aircraft gates with a capacity of up to 27 narrow-body aircraft positions. Because the construction of STC-P1 was well underway, the Authority focused its scope reduction effort on the work associated with STC-P1X. Certain elements of work for STC-P1X had already been constructed or were under construction such as the terminal and site work while others had been awarded but not yet started such as the Ground Transportation Facility (GTF) and portions of the STC-P1X apron. Given those constraints and taking into account the physical progression of these elements of work and possible stopping points, several elements of work were identified that could be reasonably stopped while allowing for the construction of fully functional terminal facilities and associated infrastructure supporting the operation of a total of 15 gates and a capability of up to 20 aircraft positions (the South Terminal C Project).

Phases 1 and 1X of the STC are currently estimated to cost \$2.8 billion and are expected to open in the summer of 2022. For financial modeling purposes it was assumed the STC would open in July 2022.

The South Terminal C project will include the following scope:

1. *Site Development.* This scope of work includes the clearing and removal of existing native vegetation and water features on 175 acres of land within the existing 1,000 + acre south terminal site. Also included is the grading of the existing site to accommodate the proposed terminals, parking facilities, aircraft taxiways, and aprons. Within this package are the roadways and bridges necessary for cars, trucks, and ground transportation as well as the utilities required to operate the complex such as water, sanitary, gas, electricity, and communications systems.
2. *Airside Terminal Building.* The 15-gate facility will be able to accommodate both international and domestic air traffic.* The terminal is designed to facilitate narrow body aircraft as well as larger aircraft such as Group VI aircraft (e.g., Airbus A380 and Boeing 747-8). Phase 1 of the STC will encompass approximately 849,857 square feet in a four-level building housing the necessary features required to operate a terminal. Sterile corridors connecting the gates to the FIS in the landside terminal will be located on the level above the arrivals level.

*The STC is designed for 8 narrow body aircraft gates and 7 Multiple Aircraft Ramp System (MARS) gates that are wide body compatible (two of these MARS gates are Group VI aircraft gates). The MARS gates have two jetways and can accommodate two narrow body aircraft at a time.

3. *Landside Terminal Building.* Adjoining the airside terminal will be the landside terminal that is approximately sized at 976,833 square feet. The building is planned to allow pedestrian traffic to access the complex without interference from motorized vehicles. The concept allows for the arriving party to purchase tickets, check baggage, claim baggage and meet arriving parties without congestion. The building will include internal ticket counters and kiosks. The baggage handling system is planned to allow customers to store their belongings until their flight departs or immediately board a departing plane. In addition, arriving and departing passengers will have a covered curbside canopy at the departure level and the commercial curb level to protect them from the elements when they access the terminal. The Federal Inspection Station (FIS) and international bag claim will also be located in the landside terminal.

Some of the features of the STC include (a) direct contact gates, (b) a state-of-the-art baggage handling system that will eliminate double bag handling and make use of radio frequency identification technology to offer 100% baggage tracking, (c) seven terminal access points compared to over 80 North Terminal access points, (d) an enhanced security checkpoint, which will include eight passenger lanes on the second level, a larger queue area, expandable security checkpoint, modular flow, and two employee lanes on the first level, and (e) implementation of "Bags First" Customs and Border Protection (CBP), which allows passengers to claim their bags before proceeding to a CBP officer. In addition, the STC design will reinforce a campus vision by focusing on a unifying theme called "The Boulevard." The Boulevard is a corridor that traverses the center of the South Terminal on an east-west axis and connects the major civic areas, including the ticket hall and concessions hub. Arrivals and bag claim will be located on the fourth level, departures, ticketing and security will be located on the second level and ground transportation on the first level.

4. *Central Energy Plant.* A central energy plant to provide chilled water for the STC and a high power 12kv emergency power distribution system, as well as a solar energy facility and electrical vehicle charging stations.
5. *Apron and Airfield with Fueling.* Apron and airfield development for connectivity to taxiways and an aircraft fuel hydrant system for the STC gates.
6. *Ground Transportation Center.* To allow the customers of the parking and ground transportation facilities to utilize the STC, an initial portion of elevated, covered walkways have been incorporated within the overall design of the project leading to Garage C. The Ground Transportation Facility is planned for multiple uses. The initial phase is to accommodate foot traffic to and from the landside terminal and the garage. Within this future facility, passengers will have the ability to access ground transportation, purchase tickets for trains, store baggage, and access the terminal. A pedestrian bridge connecting the SAPM station to the STC landside terminal building will include a Rent-A-Car (RAC) Customer Service Lobby (currently deferred).
7. *Parking Facility.* As part of the STC project, the Authority has constructed a second phase of Garage C adding over 700 public parking spaces. Levels 3-6 of Garage C currently provide 1,684 spaces for public parking with levels 1-2 reserved for rental car operations that will operate from the STC at a future date. Upon the opening of the STC, there will be approximately 2,400 spaces for public parking. The expansion of Garage should provide the necessary capacity to accommodate all of the parking needs for the STC – Phase 1 and 1X complex. The capacity generated by Garage C has aided in reducing parking congestion in the North Terminal as passengers arriving at the Airport from the south now have the option to access parking more

quickly, check bags, and use the South APM to access the North Terminal. These additional spaces are needed to accommodate parking demand for the STC.

The Authority has initiated discussions with FDOT to provide funding for the completion of STC-P1X scope that was deferred in May 2020. Certain airlines are projecting additional operations that, if they occur, could make it difficult to accommodate such growth, particularly during seasonal peak operations, without adding gates and/or remote parking on the STC to avoid the need for split operations between the NTC and STC. Completion of the STC-P1X gates would add 8 additional NBE aircraft positions or 4 jumbo positions providing space to move smaller operators from congested airside and allowing major carriers to grow in place within the NTC. In addition, it would add an apron large enough for nine narrow body aircraft parking positions, which would allow for more efficient use of STC gates as flights with extended ground times could be pushed off the gate during servicing allowing the gate to be used. The additional parking positions would provide the ability for remote hard stand operations to react to delays or scheduling conflicts, and would accommodate such potential growth until additional gates could be constructed. Completion of the STC-P1X gates would increase annual passenger capacity by 3 to 4 MAP. At this time, no portion of the deferred scope of STC-P1X has been added to the CIP pending confirmation of a significant contribution from FDOT or other government sources. The Authority is currently in discussions with FDOT to seek funding for all or a portion of the deferred P1X scope. Current discussions are focused on the apron described above which the Authority could use previously approved PFC 21 funds as a match to the FDOT contribution.

In connection with the annual budget process, the Authority's Planning/Engineering/Construction team undertook a review of the programs to identify critical projects as well as a review of all the existing project estimates to complete. There was an overall decrease to the CIP in the amount of \$178.9 million from August 2020 due to projects being completed or otherwise removed from the program. There were also increases due to new projects and/or increases to existing project budgets. Factors contributing to the changes include (1) additional terminal building projects such as the Airside 2 & 4 APM System Replacement, (2) realignment of roadway projects, (3) additional airfield projects and the removal of completed airfield projects, (4) the addition of the completion of the Ground Transportation Facility Pedestrian Bridge, and the removal of the completed Airside 4, Ticket Lobby, and Airside 1&3 APM projects.

Terminal Projects

The capacity enhancements, renovations, and expansion for the NTC included in the 2021-2027 CIP are designed to (1) increase the capacity limits of various NTC functional elements (e.g., gates, curb, security checkpoint, baggage, etc.), (2) expedite international processing, and (3) improve the overall travel experience. The existing NTC provides 93 gates on four airside.

The Authority's 2021 - 2027 CIP includes a series of improvements for the NTC as follows:

1. *Baggage Program.* The baggage systems in the North Terminal consist of several components for both handling of inbound and outbound baggage operations. The outbound baggage components address baggage systems from the ticket lobby to baggage security screening systems and then on to sortation systems that organize bags by flight. The inbound systems address the baggage delivery systems including the baggage claim units used by passengers. The \$152.4 million North Terminal baggage program included almost all facets of the inbound and outbound systems including TSA baggage screening pod optimization, optimized checked baggage processing capacity, reconfiguration of the main induction and sortation conveyor lines for baggage load balancing, replacement of queuing conveyors in front of the explosives detection equipment,

increase of inspection queuing positions in the TSA's resolution area, and modifications to upper and lower levels of the programmable logic controller (PLC) program controlling the BHS. Other BHS components included a wide variety of baggage-related improvements such as replacement of select baggage make-up carousels and flat-plate bag claim devices, upgrade remaining ticket counter security doors, upgraded baggage make-up area lighting and ventilation systems, new baggage make-up area restrooms, safety-netting over personnel traffic areas and Landside emergency power generation expansion. The Baggage Program is estimated to cost \$152.4 million and is substantially complete and in financial closeout, is expected to be removed from the CIP in the next update.

2. *Baggage Program Enhancements.* The North Terminal baggage program enhancements projects will address similar types of smaller projects that were not addressed as part of the completed program described above. Among those projects are the addition of baggage recirculation belts in Pod C, serving the northeast corner of the landside terminal, that will for more bags to be stored and handled in the system in order to facilitate increased peak hour demand, updating select system controls, adding catwalks to allow employee access to hard-to-reach sections of the baggage system, additional CCTV cameras for system monitoring and baggage inspection workstations.
3. *Airline Terminal Improvement Project.* This project will fund anticipated costs associated with airline relocations and space improvements related to the STC Phases 1 and 1X becoming operational and to rebalance terminal operations. The program is planned to build-out and relocate various airline operations and associated support functions so that both the NTC and STC operate in an optimized and balanced fashion, considering all aspects of terminal operations such as curbside usage, ticket counters, bag handling, security check points, gates, and associated support functions.
4. *Closed Circuit Television (CCTV) Improvements.* This project upgrades and enhances the Closed Circuit Television System (CCTV) monitoring the Airport. Currently, the Airport's Secured Areas have CCTV coverage via a system that was installed approximately 10 years ago and is near the end of its useful life. The project will upgrade and enhance the CCTV coverage and video storage capability of the system monitoring the Airport.
5. *Access Control Improvements.* This project provides enhanced access control for Gate E-50 (Checkpoint Charlie) used by airport/airline employees. The project began in FY 2017 and is in financial closeout.
6. *North Terminal Building Updates and Building System Replacement.* These projects consist of updating and/or replacing building system infrastructure to extend the useful life of these systems, including but not limited to, sewer and information technology.
7. *Regulatory Requirements and Security Enhancements.* These projects are designed to address changes in federal regulations regarding security requirements (CBP, TSA, etc.), including mandated Federal requirements for occupied area including IT and security.
8. *Airside 2 and 4 APM System Upgrades/Replacement* The North Terminal APMs are must-ride systems to connect the landside and airside buildings and reduce walking distance in the facility. The Airside 2 and 4 APM System Upgrade project consists of replacing/upgrading key components of the APM vehicles and associated infrastructure to extend the useful life of the system. The Airside 2 and 4 APM System Replacement will replace all APM vehicles and the guideway running surfaces attached to the elevated structure connecting the landside and airside buildings. Additional electrical and systems work will accompany this project as a total system upgrade.

9. *Terminal Signage* This project will enhance and upgrade signage for Airport property.
10. *Health and Safety Renovations* Health and safety renovations projects include self-bag drop and virtual ramp control. Self-bag drop is a proposed common use component at the ticketing area that will provide for customer service and airline staffing optimization. It includes biometric features as well as the use of touchless devices that contribute to the safe environment at the ticketing/check-in area for passengers and agents. Due to the configuration and height of several of the structures currently in construction at the STC, the virtual ramp control is required to guide aircraft safely to and from each STC gate.
11. *North Terminal Buildings Roof Replacement* This project includes a phased replacement of roofs for the landside building and all four airside buildings.

Airfield

The Authority has identified a series of improvements to maintain the airfield, which have been programmed to maximize Airport Improvement Program (AIP) and FDOT grant participation as follows:

1. *Runway 18L-36R Improvements*. This project upgraded and provided rehabilitation and improvements for the existing pavements for Runway 18L-36R and associated taxiway connectors within the runway safety areas. The work included runway rehabilitation and runway shoulder pavement rehabilitation and widening, runway blast pad pavement widening and other related modifications in adjacent airfield areas. Construction began in January 2020 and was substantially completed in during fiscal year 2021.
2. *East Airfield Taxiways Rehabilitation – Phase 1* - This project provides a phased approach to taxiway improvements between the third and fourth runways to taxiways E and F that are part of the mid-crossfield taxiways that connect the east and west airfields. The scope of work includes mill and overlay for the asphalt pavement and shoulders and improvements for airfield markings, lighting and signage.
3. *East Airfield Taxiways Rehabilitation – Phase 2* – This project provides a phased approach to taxiway improvements between the third and fourth runways to taxiways J, K, L and N that are part of the north-crossfield taxiway system that connect the east and west airfields and the parallel taxiway to Runway 17L-35R. The scope of work includes mill and overlay for the asphalt pavement and shoulders and improvements for airfield markings, lighting and signage.
4. *Taxiways G&H Rehabilitation – Phases 1 & 2* – Existing taxiways are undergoing a pavement condition study for necessary future renovation. Phase 1 of this project will rehabilitate existing pavement for Taxiways E and F including concrete slab rehabilitation, asphalt shoulder mill and overlay, improvement for taxiway safety area, pavement geometry, markings, lighting, and signage. Phase 2 will include similar improvements and construction will begin following completion of Phase 1.
5. *Airsides 1 & 3 Apron Rehabilitation – Phases 1 & 2 (Design Only)* - This project designs the partial reconstruction of the outer sections of the Airside 1 and 3 airside aprons where aircraft pushback and taxilane operations take place and are subject to dynamic loading that progressively aged the pavements. These pavements were placed in service in 1981 as part of the original opening of the North Terminal.

Ground Transportation

1. *Rental Car Related Projects.* This program includes improvements for rental car facilities in the STC area and is funded entirely with CFC revenues.
2. *Roadway Improvement Program and Signage.* These projects consist of mill and overlay or rehabilitation of roadways sections or parts thereof, including but not limited to Commercial Lane at the Terminal, Cargo Road, Tradeport Drive, Bear Road, or other roadway improvements as determined by need and priority. The program also provides for improvements to the roadways signage to address wayfinding enhancements once the STC becomes operational.
3. *South Employee Parking Lot* – This project will provide approximately 1,300 paved spaces in a lighted, secured lot located north of the South Cell Phone Lot and east of Jeff Fuqua Boulevard. The project will include roadway improvements to access the lot for employees and shuttle buses and there will be a central bus shelter for pick-up and drop-off of employees working at the North and South Terminals.
4. *Ground Transportation Facility Pedestrian Bridge* - Construction of the Ground Transportation Facility Pedestrian Bridge was suspended and contracts terminated last summer due to a reduction in available funding caused by the decrease in passenger traffic resulting from the COVID-19 pandemic. This project will provide the missing public pedestrian connection between the South Terminal and the existing Intermodal Terminal Facility and South APM Station.

Other Improvements

1. *Fiber Infrastructure Program* -The fiber infrastructure program will provide for the completion, expansion, and modification of the fiber-optic loop connecting major nodes on Airport property. This work will include additional ductbanks, conduit, and cable, associated electronic devices, and facilities improvements, including new and improved Minimum Points of Entry (MPOE).
2. *Wildlife Attractant Removal* - The Wildlife Hazard Management Plan will reduce the amount of open standing water and aquatic vegetation on the east airfield to reduce wildlife attractants.
3. *Office Trailers/Warehouse Renovation* - The site logistics relocation (office trailers) project included clearing and grubbing, excavation and embankment, site stabilization, civil utilities, lime rock base, asphalt, flatwork, bollards around light poles, striping & signing, fencing, electrical power and lighting, and relocation of 14 existing modular buildings and contents from the previous existing trailer complex to the new complex along with installation and fit out of 10 new modular buildings. Construction began in July 2019 and final move-ins were completed in December 2020. The warehouse renovation project included improvements to the interior and exterior of the HBJ Warehouse on Dowden Road to enhance the use for the integration and configuration of multiple systems and storage of equipment that is being installed in the new South Terminal. Improvements also included office space to allow the Authority's Material Controls department to relocate staff and utilize the warehouse and office space as one of the main operational hubs for serving the Airport. Improvements included a relocation of the previous fire pump generator to be utilized as an emergency generator back-up to the communications room, which serves as the airport's East MPOE. Construction began in 2018 and was substantially completed in 2021.

Estimated Sources of Funding for the 2021-2027 Planned Capital Projects

As shown in Table 21, funding sources for the 2021 – 2027 CIP include FAA Airport Improvement Program (AIP) grants-in-aid, FDOT grants-in-aid, TSA grants, PFC pay-as-you-go revenues, proceeds of previously issued Senior Bonds, proceeds of the 2017 Subordinated Bonds, bank Lines of Credit, rental car CFCs, Authority funds, a payment from the OUC for the central energy plant, third party sources, and the proceeds of the proposed 2022 Bonds and the anticipated 2023 Bonds. The Authority has received FAA approval to fund portions of the STC with PFC revenues. The Authority does not need additional PFC approval to complete the 2021-2027 Capital Improvement Program.

Grants. The Authority expects to use a combination of AIP, TSA, and FDOT grants to fund \$347 million in project costs. Approximately \$105 million of this amount is expected from a combination of entitlement and discretionary AIP grants to fund various airfield improvements under the 2021 – 2027 CIP. The Authority is eligible to receive grants-in-aid from the FAA under the AIP for up to 75% of the costs of eligible projects. Certain of these grants are awarded as “entitlement” grants, the annual amount of which is calculated on the basis of the number of enplaned passengers and the amount of landed weight of all-cargo aircraft at the Airports. Other “discretionary” grants are awarded on the basis of the FAA’s determination of the priorities for projects at the Airports and at other airports nationwide. The AIP grant program is subject to periodic reauthorization and appropriation by Congress. Congress passed the FAA Reauthorization Act of 2018 in October 2018 reauthorizing the FAA for FY 2019 to 2023 and providing a total of \$97 billion in funding, which includes \$3.5 billion of AIP grants for airports annually. If not reauthorized in 2023, the AIP could be affected by automatic across-the-board spending cuts, known as sequestration. As a result, there can be no assurance that the FAA will receive spending authority and the Authority is unable to predict the level of available AIP funding it may receive. To the extent AIP grants are not available, the Authority may need to defer projects and/or issue debt to fund them.

On November 15, 2021, the Infrastructure Investment and Jobs Act (IIJA) was enacted, which provides \$25 billion in new general fund revenue over the next five Fiscal Years for airports and air traffic control facilities. Of this amount:

1. \$2.48 billion per year will be allocated to primary airports in two parts: first based on AIP apportionment formulas, and any remaining amounts based on enplanements. According to the FAA, MCO will be eligible for \$44.1 million per year for FY 2022 and FY 2023 under these formula grants (with FY 2024 – FY 2026 to be based on future year enplanements). These grants can be used for PFC-eligible capital project costs and the Federal/local share for large and medium-hub airports will be 75%/25%.
2. \$1 billion per year for a new airport terminal program administered by the FAA for terminal development projects (less a 3% allowance for FAA administration) of which 55% (or \$533.5 million) will be set aside for large hub airports like MCO. These competitive terminal grants will be prioritized for projects that increase capacity and passenger access, replace aging infrastructure; achieve compliance with the Americans with Disabilities Act and expand accessibility for persons with disabilities, improve airport access for historically disadvantaged populations, improve energy efficiency, improve airfield safety through terminal relocation, encourage actual and potential competition); and projects for relocating, reconstructing, repairing, or improving an airport-owned air traffic control towers. These grants can be used for PFC-eligible capital project costs and the Federal/local share will be 80%/20%.

The FAA does not expect to distribute specific guidance on the new IIJA grant programs until February 2022 at the earliest. Therefore, at this time, the Authority intends to update its 2021 – 2027 CIP at a later date when better guidance is available. While not included in the 2021 – 2027 CIP, the IIJA will provide more federal grants than in the approved plan, which should have a beneficial financial and infrastructure impact for the Authority.

The Authority has received \$32.6 million of funding from TSA for various baggage system improvements. In addition, the State of Florida actively participates in the development of Airport capacity in Orlando and other regions of the State through FDOT matching grants equal to 12.5% of the cost of projects funded with AIP grants and 50% of non-AIP funded projects. FDOT grants are expected to total approximately \$217.0 million.

PFC Revenues. The Authority estimates that approximately \$1.2 billion of PFC funding will be used to fund various terminal, airfield, roadway, and STC projects in the 2021 – 2027 CIP. This includes \$282 million of pay-as-you-go PFC funding, \$34 million in previously issued PFC-supported Senior Bond proceeds, \$575 million in the 2019 Bonds for STC Phase 1 and \$150 million for STC Phase 1X. The Authority intends to designate certain PFC Revenues as Available PFC Revenues to fund an additional \$194 million in project costs from the PFC-supported portion of the 2022 Bonds. PFC-use approval on both a pay-as-you-go basis and leveraged basis is also reflected in the financial projections presented in this report.

Authority Funds. Authority funds, in the amount of \$137 million, will be funded from the Capital Expenditure Fund and Discretionary Fund.

Bonds and Subordinated Indebtedness. Approximately \$1.4 billion in project costs under the 2021 – 2027 CIP were funded from previously issued senior and subordinated revenue-backed bonds. Table 24 summarizes the estimated amount of Senior Bonds and Subordinated Indebtedness contemplated to finance the 2021 – 2027 CIP.

Table 24
SUMMARY OF DEBT FUNDED PROJECT COSTS FOR 2021 – 2027 CIP
Orlando International Airport
(in thousands)

	Revenue-Backed Senior Bonds				Subordinated Indebtedness	Total All Bonds
	Pre-2019 Bonds	2019 Bonds	2022 Bonds	2023 Bonds	2017 Bonds	
STC Phase 1	\$ 120	\$ 68,106	\$ -	\$ -	\$ 871,700	\$ 939,926
STC Phase 1X	-	273,993	66,449	-	-	340,442
Total STC		\$ 342,099	\$ 66,449	\$ -	\$ 871,700	\$ 1,280,368
Other CIP	52,411	147,811	-	124,479	-	324,701
Revenue-Backed	\$ 52,531	\$ 489,910	\$ 66,449	\$ 124,479	\$ 871,700	\$ 1,605,069
PFC-Supported Senior Bonds						
STC Phase 1	\$ -	\$ 575,000	\$ 194,000	\$ -	\$ -	\$ 769,000
STC Phase 1X	-	150,000	-	-	-	150,000
Total STC	\$ -	\$ 725,000	\$ 194,000	\$ -	\$ -	\$ 919,000
Other CIP	33,574	-	-	-	-	33,574
PFC Supported	\$ 33,574	\$ 725,000	\$ 194,000	\$ -	\$ -	\$ 952,574
Total Senior Bonds						
STC Phase 1	\$ 120	\$ 643,106	\$ 194,000	\$ -	\$ 871,700	\$ 1,708,926
STC Phase 1X	-	423,993	66,449	-	-	490,442
Total STC	\$ 120	\$ 1,067,099	\$ 260,449	\$ -	\$ 871,700	\$ 2,199,368
Other CIP	85,985	147,811	-	124,479	-	358,275
Total	\$ 86,105	\$ 1,214,910	\$ 260,449	\$ 124,479	\$ 871,700	\$ 2,557,643

Source: Greater Orlando Aviation Authority.

Other Funds. Other funds totaling \$250 million consist of (1) \$160 million from the CFC Bank Loan and \$35 million in CFC paygo to fund rental car improvements and a significant share of the south parking facility and (2) \$55 million from OUC for the STC project costs for the central energy plant.

PLAN OF FINANCE

Exhibit A shows the estimated sources and uses of funds for projects expected to be funded in whole or part with bonds as provided by the Authority's Municipal Advisors. The Municipal Advisors also provided the estimated debt service requirements. The Authority has financed portions of the costs of the STC on an interim basis using its Lines of Credit. The 2022 Bonds will provide proceeds to fund \$66.5 million of the costs of the STC and to repay draws on the Lines of Credit and their associated interest expense. The specific form, amount, and timing of debt to finance the remaining costs to be financed for the 2021 – 2027 CIP have not been determined at this time. Although the Authority will consider various financing options, regarding the anticipated financings, for purposes of this report, the Municipal Advisors made the following assumptions regarding the issuance of Senior Bonds to fund portions of the 2021 – 2027 CIP timed for cash flow needs all of which would have a cash funded Debt Service Reserve:

Debt Financing Assumptions for 2021 – 2027 CIP
Greater Orlando Aviation Authority

Bond Series	Revenue-Backed	PFC-Supported
2022 Bonds (STC)		
Project Costs	\$66.45 million	\$194 million
Term	30 years	30 years
Spread to Market Rates*	50 basis points	50 basis points
Capitalized Interest Period	None	None
Debt Structure	Structured Debt Service**	Level Debt Service
Proposed 2023 Bonds (Other CIP)		
Project Costs	\$124.48 million	n.a.
Term	20 years	n.a.
Spread to Market Rates*	150 basis points	n.a.
Capitalized Interest Period	Through 10/1/2025	n.a.
Debt Structure	Level Debt Service	n.a.

* As of January 14, 2022. Preliminary and subject to change.

** To achieve generally level Senior Bond debt service through FY 2045.

Exhibit C shows historical, estimated, and projected Debt Service on the Authority's Outstanding Senior Bonds and Outstanding Subordinated Indebtedness as well as the proposed 2022 Bonds and Proposed 2023 Bonds as provided by the Municipal Advisors.

The Authority is also considering refunding all or a portion of the Authority's (1) Airport Facilities Revenue Bonds Series 2011C (Non-AMT), (2) Airport Facilities Revenue Bonds Series 2011B and Series 2012A (AMT), and Series 2011D (Taxable) (collectively, the Refunded Bonds) with a portion of the proceeds of Bonds issued in conjunction with the 2022 Bonds depending on market conditions at the time of pricing. Any potential debt service savings from the refunding of the Refunded Bonds have not been incorporated into the financial projections accompanying this report.

PASSENGER FACILITY CHARGES

Exhibit B presents historical, estimated, and projected PFC collections, interest earnings, and the application of PFCs to pay debt service and pay-as-you-go project costs. It was assumed that the Authority's existing \$4.50 per enplaned passenger PFC level would remain constant (at the \$4.50 level) throughout the projection period (through FY 2025). Congress has allocated a certain amount to be reimbursed each year to airports that initially funded the baggage systems themselves. Amounts shown for "splits and transfers" in Exhibit B include \$20.6 million in receipts from TSA for certain PFC expenditures related to the initial Inline baggage system purchased by the Authority. There is a balance of approximately \$7.4 million remaining to be reimbursed to the Authority.

Existing PFC-use approval is reflected in Exhibit B, including the authorization to use PFC revenues to (1) pay a portion of the debt service attributable to certain Outstanding Bonds (Series 2009C Bonds, Series 2010A/B Bonds, Series 2011B/C/D Bonds, Series 2012A Bonds, 2015A Bonds, the 2016B Bonds), the 2019A Bonds, and the 2022 Bonds as well as for approved and projected pay-as-you-go PFC expenditures.

Portions of the 2022 Bonds, when issued, will be designated as issued to finance portions of eligible project costs constituting a PFC project.

GLOBAL AGREEMENT WITH OUC FOR CENTRAL ENERGY PLANT

In June 2019, the Authority entered into a Global Agreement* with the OUC for among other things the ownership and operation of the central energy plant for the STC. The Authority entered an Amended and Restated Global Agreement (ARGA) on November 12, 2021. Under the ARGA OUC will:

1. Own, operate, and maintain a Back-Up Generation Facility
2. Construct, own, operate, and maintain 12 kV Emergency Distribution Services
3. Own, operate, and maintain the Central Energy Plant
4. Construct, own, operate, and maintain a solar energy facility

OUC has considerable expertise in the operation of utility systems and will have on-site operators trained in initial troubleshooting of the backup generation facilities. This will provide OUC expertise on Airport property 24/7/365 to provide immediate initial response. OUC has agreed to provide minimum response times in the event of a shut down or loss of power to MCO of 30 minutes.

The Authority will fund the engineering, procurement, and construction of the Back-Up Generation Facility and Central Energy Plant. OUC will design, engineer, and construct the 12 kV electrical distribution system and solar energy facilities at MCO.

Upon Substantial Completion of the STC Phase 1 by the Authority and OUC, OUC will purchase and assume ownership, as well as risk of loss, of the Back-Up Generation Facility, Central Energy Plant, and the solar energy facility capital assets and will begin operating and maintaining all of the Projects for the 20-year term of the ARGA. OUC is responsible for all capital improvements subsequent to turn over during the term.

Pursuant to the ARGA, the Authority will make monthly payments to OUC over the next 20 years for (1) a variable maintenance and usage charge and (2) a fixed capacity charge. The annual charge is estimated to be approximately \$11 million as shown in Exhibit F based upon maintenance, usage, and the fixed capacity charge estimated by the Authority's consultant for this transaction. The OUC payments are made from the Discretionary Fund.

OPERATION AND MAINTENANCE EXPENSES

Exhibit D presents historical and projected Operation and Maintenance Expenses (O&M Expenses) of the Airport for direct and indirect expenses and by cost center for FY 2019 through FY 2025. Historical O&M Expenses were obtained from the Authority's records and reconciled to the audited financial statements. O&M Expenses for FY 2021 are unaudited estimates and for FY 2022 are based on the Authority's budget.

Individual components of O&M Expenses were projected taking into account the FY 2022 budget; assumed increases in the unit costs of labor, services, utilities, and supplies as a result of price inflation; and additional costs associated with the STC Phase 1 starting in FY 2022 with Phase 1X space coming online in FY 2023 as provided by the Authority's construction finance engineer. Such additional O&M Expenses are shown as "Incremental Expenses for New Facilities" on Exhibit D.

The unit costs of salaries, wages, fringe benefits, materials, supplies, and services were assumed to increase an average of 4.5% per year from the FY 2022 budget of O&M Expenses.

*Defined terms used in this section have the meanings given in the ARGA.

The annual required contribution for pensions as determined by the Authority's actuarial consultant is included in O&M Expenses on an annual basis.

The Authority expects to apply certain remaining Federal COVID-19 Grants for reimbursement of O&M Expenses in FY 2022, FY 2023, and FY 2024 as show in Exhibit E, which is subject to change.

REVENUES

Exhibit E presents historical and projected Revenues by type of revenue for FY 2019 through FY 2025. Historical Revenues were obtained from the Authority's records and reconciled to the audited financial statements.*

Individual components of Revenues were projected taking into account actual financial results for FY 2019 through FY 2020, unaudited Revenues for FY 2021, the FY 2022 budget, allowances for inflation as appropriate, and the provisions of leases and agreements between the Authority and the various tenants and users of the Airports. Revenues from sources related to passengers, such as concession revenues, are projected to increase as a function of projected passenger traffic as described in the "Passenger Traffic Recovery Scenarios" section of this report.

Revenues from sources related to passengers, such as parking and terminal concessions, and from sources related to aircraft activity, such as landing fees, were projected to change in part as a function of the Base passenger traffic recovery scenario. The specific assumptions underlying the individual components of Revenues are summarized in the following sections. In most instances, historical revenues and revenues per passenger are discussed for FY 2019, the most recent full year unaffected by pandemic-related traffic reductions.

Table 25 presents a summary of Revenues by source for FY 2019 (pre-pandemic), FY 2020, and FY 2021 (unaudited). As noted earlier, in FY 2018 and FY 2020 the Authority sold portions of its 1,854-acre Poitras property. Given the one-time nature and magnitude of these transactions, Revenues for FY 2020 in the table below and the financial exhibits to this report exclude the net proceeds from the sale of the Poitras property. The amounts shown for FY 2021 also exclude reimbursement for Secondary Subordinated Indebtedness Debt Service to defease future debt.

* In FY 2018 and FY 2020 the Authority sold portions of its 1,854-acre Poitras property, which netted approximately \$63 million in Revenues in FY 2018 and \$43 million in FY 2020. Given the one-time nature and magnitude of the transaction, Revenues for FY 2020 in the Exhibit E to this report exclude the net proceeds from the sale of the Poitras property.

Table 25
FY 2019, FY 2020, AND FY 2021 REVENUES BY SOURCE*
Orlando International Airport
(in thousands)

	Revenues			Percent of Operating Revenues		
	2019	2020	2021	2019	2020	2021
Airline Revenues	\$ 221,073	\$ 173,544	\$ 166,767	38.0%	39.9%	38.6%
Non-airline Revenues						
Terminal Area Rents - Nonairline	\$ 11,380	\$ 10,677	\$ 10,387	2.0%	2.5%	2.4%
Advertising	5,363	5,209	3,495	0.9%	1.2%	0.8%
Food and Beverage	31,553	21,489	22,289	5.4%	4.9%	5.2%
Merchandise and Services	33,113	22,008	19,201	5.7%	5.1%	4.4%
Parking Facilities (on and off Airport)	78,444	48,479	52,992	13.5%	11.1%	12.3%
Car Rentals	101,270	81,889	87,125	17.4%	18.8%	20.2%
Commercial Lane	19,769	12,072	10,785	3.4%	2.8%	2.5%
Other Buildings and Grounds	19,481	18,747	19,254	3.3%	4.3%	4.5%
Hotel	44,357	28,980	25,701	7.6%	6.7%	5.9%
Other Operating Revenue	16,403	11,950	14,047	2.8%	2.7%	3.3%
Subtotal - Non-airline Revenues	\$ 361,132	\$ 261,500	\$ 265,275	62.0%	60.1%	61.4%
Total Operating Revenues, Excluding Revenue Sharing	\$ 582,205	\$ 435,044	\$ 432,042	100.0%	100.0%	100.0%
Non Operating Revenues*				Percent of Non-Operating Revenues		
Federal COVID-19 Grant Reimbursements						
2017 Subordinated Obligation Debt Service	\$ -	\$ -	\$ 43,375	0.0%	0.0%	28.0%
Secondary Subordinated Debt Service	-	-	101,468	0.0%	0.0%	65.4%
Proceeds from Disposal of Assets	47	43,579	5,675	0.3%	79.7%	3.7%
Interest Earnings and Other	15,647	11,110	4,630	99.7%	20.3%	3.0%
Total Non-Operating Revenues	\$ 15,694	\$ 54,689	\$ 155,148	100.0%	100.0%	100.0%
Total Revenues	\$ 597,899	\$ 489,733	\$ 587,190			

Source: Greater Orlando Aviation Authority; FY 2021 Revenues are unaudited.

* Excludes Federal COVID-19 Grants for reimbursement of Secondary Subordinated Indebtedness Debt Service.

Note: May not add due to rounding.

Airline Revenues

Airline revenues represented 38.0% of non-operating Revenues of the Airport in FY 2019 and 39.9% in FY 2020 and 38.6% in FY 2021, reflecting partial years under the pandemic. Airline revenues declined 21.5% from \$221.1 million to \$173.5 million between FY 2019 and FY 2020 reflecting actions taken by the Authority in the second half of FY 2020 to reduce costs and lower Facility Fees due to the steep decline in traffic resulting from the pandemic. The Authority also permitted airlines to defer \$13,852,009 in fixed rents from May through July 2020, which were paid in full during the final months of FY 2020.

Landing Fees. Under the Rate Methodology, the Authority calculates landing fee rates according to a cost center residual methodology to recover all Airfield costs net of Airfield revenues generated from users other than airline landing fees.

As shown in Exhibit E-1, the Airfield Requirement consists of allocable direct and indirect O&M Expenses (and O&M Reserve Requirement), Debt Service (net of Available PFC Revenues), and amortization. The Airfield Requirement is then credited with fuel system revenues and other revenues assigned to Airfield Cost Center (excluding Airline Landing Fees) to yield the Net Airfield Requirement. The Net Airfield Requirement is divided by the landed weight of the passenger and cargo airlines to determine the Landing Fee Rate.

Apron Use Fees. As shown in Exhibit E-1, the Terminal Apron Requirement consists of allocable direct and indirect O&M Expenses (and O&M Reserve Requirement), Debt Service (net of Available PFC Revenues), and amortization. The Terminal Apron Requirement is then credited with the Terminal Apron Requirement Allocable to Remote RON Area to yield the Terminal Apron Requirement Allocable to Gates, which is divided by the number of Gates to determine the Average Terminal Apron Rate per Gate.

Terminal Rentals. The Terminal Premises Rate is established under a commercial compensatory ratemaking methodology where rental rates are calculated to recover the average cost of each square foot of Rentable Space in the Terminal Cost Center.

Airlines that sign LOAs pay for their designated exclusive and preferential use areas based on the amount of space assigned and the Terminal Rental Rate. All terminal space other than Exclusive or Preferential Use Premises that is not assigned for exclusive or preferential use under an LOA is available on a common use basis as assigned by the Authority, and is charged to the airlines on a per turn fee or other activity basis. In addition, all gates are charged the same rate regardless of the number of square feet allocated to such gate/holdroom. The Authority may award an Airline "priority access" rights to certain gates, which gives the Airline scheduling priority at such gates, as specified from time to time in the Authority's Operating Policies and Procedures. Specifically, a Participating Airline may be assigned priority gate access if they meet the utilization threshold established in the operating procedures, which is currently six turns per gate per day.

Table 26 shows the number of aircraft gates assigned to the Participating Airlines at the Airport for FY 2020 (the first year under the current LOAs) through FY 2022 and the Authority's estimate for FY 2023 (the first full year in the STC) through FY 2025. As shown, 80 narrow-body equivalent gates are currently assigned to the Participating Airlines on an annual access basis and the balance is available to be used on a common use, per-turn fee basis. The expected increase in annual access assignment is based on information provided by the Participating Airlines to the Authority.

Table 26
NUMBER OF COMMITTED NBE ANNUAL ACCESS GATES BY AIRLINE
Orlando International Airport
(by Fiscal Year)

Assigned Under Letters of Authorization	<u>2020-2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Aero Mexico	1	1	1	1
Air Canada	1	1	1	1
American Airlines	9	9	9	9
Bahamas Air	1	1	1	1
British Airways*	1.5	1.5	1.5	1.5
Copa	1	1	1	1
Delta Air Lines	8	8	8	8
Frontier	7	8	9	10
JetBlue Airways	10	10	10	10
Silver	1	1	1	1
Southwest Airlines	20	20	20	20
Spirit Airlines	8	10	12	14
United Airlines	9	9	9	9
Virgin Atlantic*	1.5	1.5	1.5	1.5
Westjet	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total Committed Annual Access NBE Gates	80	83	86	89
Authority Gates	<u>13</u>	<u>30</u>	<u>27</u>	<u>24</u>
Total	93	113	113	113

* British Airways and Virgin Atlantic are assigned Jumbo Annual Access Gates.
Source: Greater Orlando Aviation Authority.

As shown in Exhibit E-2, the Terminal Requirement is computed by summing allocable direct and indirect O&M Expenses (and O&M Reserve Requirement), Debt Service (net of Available PFC Revenues), amortization, and the OUC obligation charge. From this amount, the FIS Requirement, the Airline Equipment Requirement, Baggage System Operating Expenditures, and Miscellaneous Direct Reimbursements are deducted to yield a Net Terminal Requirement, which is then divided by total Rentable Space to yield the Terminal Premises Rate.

The purpose of calculating the FIS Requirement is to allocate to the FIS facilities their proportionate share of the costs in the Terminal Cost Center that are common to FIS and non-FIS space plus all the costs that are specific to the FIS facilities so that these costs are not included in the net Terminal Requirement and are borne only by the airlines using the FIS facilities and by the Authority. The Authority charges a market rate for use of the FIS equal to \$4.00 for each arriving international passenger using the FIS. The Authority intends to raise the FIS fee to \$4.50 in FY 2023. When the STC opens in FY 2021, the existing FIS on Airside 1 of the NTC will remain available for use on an as-needed basis subject to Customs and Border Protection staffing and other considerations.

Airline Equipment Charge. The Airline Equipment Charge is computed by summing direct and indirect O&M Expenses (and O&M Reserve Requirement), Debt Service (net of Available PFC Revenues), and amortization allocable to Airline Equipment and dividing by Total Operational Gates With Airline Equipment to yield the Airline Equipment Charge per Gate.

Baggage System Fees. Common Use Baggage Charges are charged for use of the Inbound Baggage System and the Outbound Baggage System. Inbound and Outbound bag system requirements consist of space rentals and O&M Expenses associated with each system.

Inbound and Outbound baggage system fees are established to recover space rentals and O&M Expenses associated with each system. The Inbound Baggage System Rental Requirement (baggage claim, bag drop-off space, and 50% of the tug drive) is equal to the inbound baggage requirement times a factor corresponding to the difference between the capacity of the terminals and the projected volume of passengers in the Fiscal Year. For purposes of ratemaking the capacity of the baggage system is assumed to be 45 MAP for the NTC until the STC opens and then decline to 40 MAP (which is its optimum design capacity). The baggage system capacity assumed for ratemaking for Phase 1 and 1X of the STC is 11 MAP (its IATA optimum level of service). The amount is allocated among airlines based on such airlines' relative deplaned passengers. The Outbound Baggage System Rental Requirement (in-line baggage handling system and 50% of the tug road) is allocated among airlines based on such airlines' relative enplaned passengers. The Authority has proposed allocating the baggage system fees on the basis of checked bags instead of passengers when it has a reasonable degree of reliability to count total bags by airline processed through both the Inbound Baggage System and Outbound Baggage System.

Common Use Fees. Airlines that use space in the Terminal that has not been assigned to them for use on an exclusive or preferential use basis will be charged a per turn fee or per hour fee depending on the type of facilities and equipment used. Per turn fees are based on four turns per gate per day, which is the approximate Airport-wide average. Common Use Facility Fees are projected to increase in proportion to the increase in passengers with a discount for certain airlines that are expected to commit to more gates when the STC opens and thereafter.

Airline Payments per Enplaned Passenger. Exhibit E-3 presents historical and projected airline payments per enplaned passenger from FY 2019 through FY 2025 after taking into consideration revenue sharing payments as set forth in the applicable Rate and Revenue Sharing Agreements.

Non-Airline Revenues

The principal sources of non-airline revenues include rental car revenues, automobile parking revenues, Transportation Network Companies (TNC)s, terminal concession revenues, hotel revenues, non-airline terminal space rents, cargo, fuel system revenues, land and building rentals, interest income, and miscellaneous other revenues. Projections of non-airline revenues are based on the provisions of existing agreements and allowances for inflation, projected increases in enplaned passengers, and other factors.

As noted earlier, the Authority implemented a series of successive MCO tenant financial relief measures, including a combination of deferrals and waivers based on the evolving impacts from the pandemic and facts available at the time provided to support air service as well as a successful concessions program while balancing Authority financial considerations with concessionaire relief. The table on the following page shows the value of the deferrals and waivers by concession group and the related Federal COVID-19 relief grant:

Summary of Tenant Relief Provided
Greater Orlando Aviation Authority

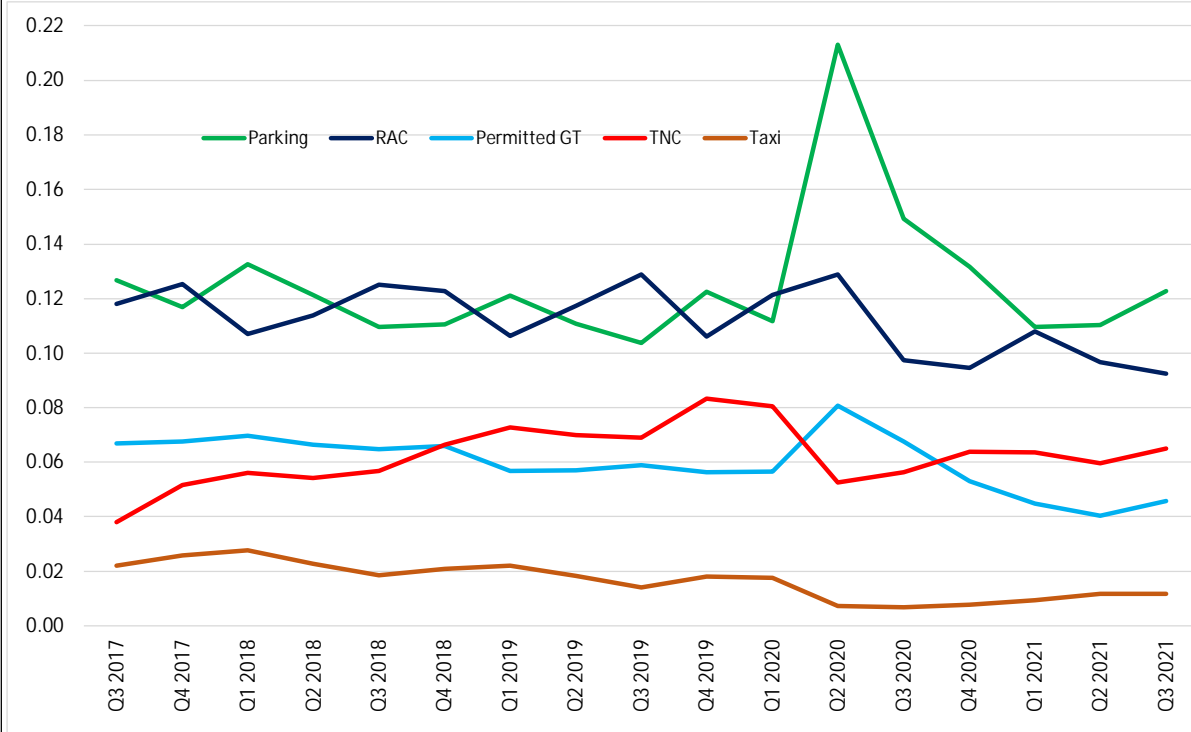
Tenant Group	May-20	Aug-20	Mar-21	Oct-21	CRRSA	Total
Passenger/Cargo Airline (deferral)	\$13,852,009	\$ -	\$ -	\$ -	\$ -	\$13,852,009
In-Terminal Concessions / ITCs (MAG waiver and deferral)	10,381,327	20,958,384	19,097,968	1,160,300	2,015,297	53,613,276
Rental Automobile Company / RACs (MAG waiver)	10,365,766	18,836,831	-	-	3,245,302	32,447,899
Total	\$34,599,102	\$39,795,215	\$19,097,968	\$ 1,160,300	\$5,260,599	\$99,913,184

Note: May 2020 relief applied to months of May, June, and July 2020; August 2020 relief applied to August and September MAGs for ITCs and RACs; and March 2021 relief applied to MAGs for ITCs for April through September 2021. CRRSA grants were a pass through to ITC and RAC tenants.

Although the Authority may apply for ARPA concession relief grants during FY 2022 and retain amounts equal to the amount of MAG relief provided since the enactment of ARPA in March 2021 subject to the stipulations under ARPA, such amounts have not been included in the financial projections pending the application and award of the grant.

Overview of Ground Transportation. Ground transportation revenues at the Airport consist of parking revenues, rental car revenues, permitted ground transportation (GT) customer fees (including Vehicle-for-Hire, Out-of-Town Shuttle, Non-Concessionaire, Concessionaire, Off-Airport Rental Car Operator, Off-Airport Parking Operator), TNC trip fees, and taxi fees. Figure 20 shows the trends in ground transportation transactions per enplaned passenger at the Airport since July 2017 when TNCs were first allowed to pick-up passengers at the Airport.

Figure 20
GROUND TRANSPORTATION TRANSACTIONS PER ENPLANED PASSENGER
Orlando International Airport



Source: Greater Orlando Aviation Authority.

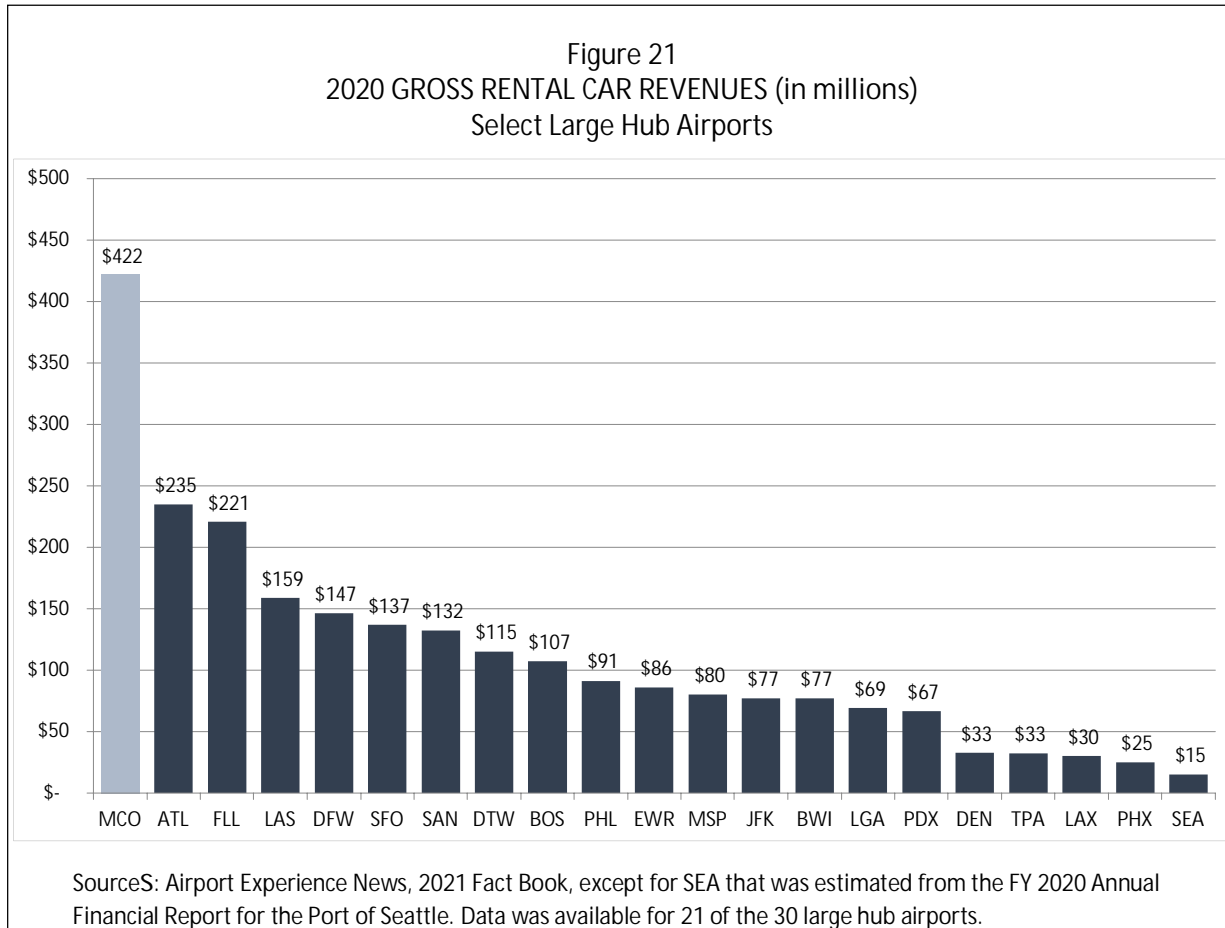
Prior to the pandemic, TNCs appeared to have affected all modes of transportation to and from the Airport, but had the most significant impact on taxis and permitted ground transportation companies and a modest impact on parking and rental car transactions. However, overall there had been a positive impact on ground transportation revenues pre-pandemic because TNCs are charged the same rate as pre-arranged transportation services. During the pandemic TNC trips declined more than parking and rental car transactions reflecting hygiene concerns and the desire to minimize the prospect of close contact with others. Since the pandemic the reduction in rental car trips per enplaned passenger reflects the shortage of cars to rent at the Airport and the corresponding increase in pricing to rent a car. The pre-pandemic patterns appear to be returning except for rental cars, which continue to experience a shortage in vehicles due to a semiconductor microchip manufacturing shortage, which has impacted the rental car companies' ability to obtain a sufficient supply of new vehicles.

Although the ultimate long-term impact is unknown at this time, it is projected that the propensity to use TNCs and rental cars will eventually return to their pre-pandemic levels as the rental car companies ultimately are able to increase the size of their fleets. As such, GT revenues are generally projected to increase with passengers.

Rental Cars. Rental car revenues are the second largest source of Revenues after airline rates and charges, accounting for \$101.3 million in FY 2019, equal to 17.4% of total non-operating Revenues (excluding CFCs, which are not part of Revenues). Rental car revenues declined 19% in FY 2020 to \$81.9 million as a result of the pandemic, which represented 18.8% of non-operating Revenues, but

increased to \$87.1 million in FY 2021. As noted earlier, in response to the pandemic, the Authority offered a series of waivers to MAGs for April 2020 through September 2021 totaling \$32.4 million.

As shown on Figure 21, MCO was the largest rental car market in the U.S. in terms of revenues based upon 2020 data.



Four rental car companies representing 10 brands of rental car companies, which collectively comprise approximately 92% of the Airport rental car market in FY 2021, have agreements with the Authority to operate on-Airport - (1) Avis Budget Car Rental, LLC (Avis, Budget, and Payless brands), (2) Enterprise Leasing Company of Orlando, LLC (Enterprise, Alamo, and National brands), (3) The Hertz Corporation (Hertz brand) and DTG Operations, Inc. (Dollar and Thrifty brands merged into one company as a result of a merger), and (4) Sixt Rent A Car, Inc. The four agreements, as amended, are in effect until the day before any portion of the new South Terminal C is opened for processing h travelers. Under these agreements, the companies pay (1) 10% of gross receipts (which applies to both on- and off-Airport companies, however onsite operators must pay the greater of 10% of gross receipts or a minimum annual guarantee), (2) ready/return space rent on a per space basis, (3) QTA rent, and (4) rent for terminal counters, office, and queuing space leased at the airline Terminal Premises Rate. In addition, rental car companies pay for all operating, utility, maintenance, and service management expenses. The Authority is currently negotiating the new agreements and intends to enter into new rental car agreements that commence upon the opening of the STC. For purposes of the financial projections, it was assumed there is no change to the existing agreement fees and premises.

Following the reduction in rental car business at airports nationwide as a result of the pandemic, Hertz Global Holdings filed for Chapter 11 bankruptcy protection in May 2020. On June 16, 2021, the Authority settled with Hertz and DTG for a combined settlement of \$2.5 million to cover approximately \$4.8 million of outstanding balances. After audit adjustments and interest, the write off for the Authority was approximately \$2.0 million. All three Hertz Global brands (Hertz, Dollar, and Thrifty) continue their operations at the Airport.

In FY 2021, Enterprise Holdings accounted for 30.1% of total gross rental car revenues generated by on-Airport and off-Airport companies. Avis/Budget accounted for 30.1% of total gross rental car revenues, Hertz for 12.2%, Dollar/Thrifty for 13.2%, Sixt for 5.0%, and the off-site companies 8.4%.

The companies also collect and remit CFCs to the Authority, which are not part of Revenues. The CFC revenues are funding components of the 2021 – 2027 CIP as described earlier. The 2021 – 2027 CIP includes projects to accommodate future facility growth for the on-Airport rental car companies to accommodate the higher demand projected in the future, which will be funded with CFC revenues.

Rental car concession fees are projected taking into account the following:

1. During FY 2021, rental car concession revenues increased much faster than passengers reflecting the higher rates charged to customers than pre-pandemic years. As noted earlier, the MAGs were waived from May 2020 through September 2020. Avis has been exceeding its MAG since October 2020, DTG since April 2021, Enterprise since December 2020, Hertz since June 2021, and Sixt since March 2021. The Authority credited the full amount of allocable CRRSA concession relief grants to the rental car companies.
2. For FY 2022, it was assumed that rental car concession revenues on a per passenger basis would continue to be higher than in FY 2019 reflecting the shortage of vehicles to rent and higher pricing.
3. Thereafter, it was assumed that rental car concession revenues would generally increase with passengers plus an allowance for pricing inflation (1.25% per year).
4. Other rental car fees are projected to increase in accordance with the escalators for ready/return spaces and Class II space rental rates included in the respective rental car agreements.

Automobile Parking Revenues. Public automobile parking is the third highest source of revenue at the Airport, accounting for \$76 million in FY 2019, equal to approximately 13.5% of non-operating Revenues, declined 36.4% in FY 2020 to \$48.5 million accounting for 11.1% of non-operating Revenues, and increased to \$53 million in FY 2021.

As shown on Table 27, parking facilities located on the Airport provide 22,458 public automobile parking spaces. The Authority offers the following five parking products:

1. Garage A and B located above or adjacent and connected to the NTC landside terminal
2. Terminal Top located in the garage above the NTC landside building
3. NTC curbside valet
4. Garage C adjacent and connected to the South Terminal
5. Economy located at remote lots less than one mile from the Terminal

On October 1, 2018, parking rates increased from \$17 to \$19 per day for Garages A and B and the Terminal Top, from \$15 to \$17 per day for Garage C, and \$25 for valet. Hourly rates increased by \$1 per hour for the garages (from \$3 to \$4 per hour) and Economy lot changed from \$4 to \$5 for the time period of 11 min - 3 hours. The daily rate for the economy lot remained at \$10. For purposes of the projection, it was assumed that these rates would remain in place for the projection period. The daily rate for the Hyatt Valet remains unchanged at \$25.

Table 27
PUBLIC PARKING FACILITIES – LOCATION AND CAPACITY
Orlando International Airport
(as of December 2021)

Facility	Location	Current Spaces
Garage		
NTC Garage A (a)	Adjacent to Terminal-A (North)	3,600
NTC Garage B (a)	Adjacent to Terminal-B (South)	3,511
NTC Terminal Top	Above Landside Terminal (Levels 4-10)	1,652
NTC Hyatt Valet	Adjacent to Terminal-B (South)	115
STC Garage C	Adjacent to Terminal-C	<u>2,418</u>
Garage Total		11,296
Economy		
North Park Place (Blue Lot)	North of Landside Terminal	3,365
Gold Lot (west) (b)	Northwest of Landside Terminal	3,144
South Park Place (Red Lot)	South of Landside Terminal	<u>4,653</u>
Economy Total		11,162
Public Parking Total		22,458

(a) Includes 200 valet spaces on demand.

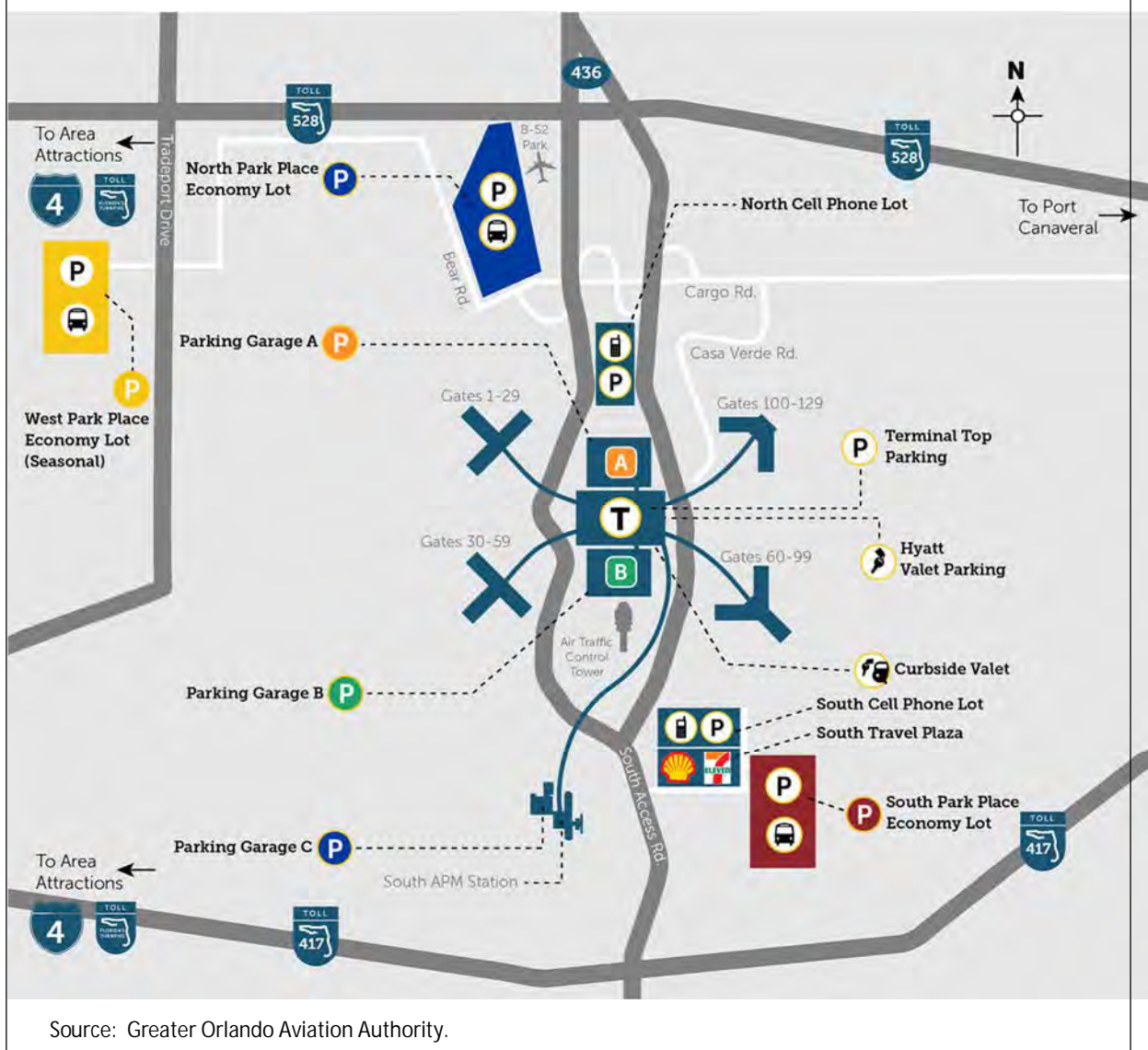
(b) Only open if other lots are full.

Source: Greater Orlando Aviation Authority.

Figure 22 illustrates the location of the Airport parking facilities.

Public parking facilities at the Airport are operated for the Authority under a management agreement with ABM Parking, Inc. (ABM Parking) in place since 2007. Under the agreement, the Authority receives all revenues and pays most of the costs to operate and maintain the facilities plus a management fee to ABM Parking. All other operational costs are included in the management fee. The budget for operating expenses is subject to review by the Authority, which can adjust staffing levels and related costs in response to parking demand and level of service standards. The Authority's current management agreement with ABM Parking expired on January 31, 2021, but they are currently on their 1st option year which expires on January 31, 2022 and on February 1, 2022 they will commence their 2nd option year which will expire on January 31, 2023. It was assumed for purposes of the financial projections that the terms of the successor agreement do not differ materially from the current agreement.

PUBLIC PARKING FACILITIES MAP
Orlando International Airport
(as of Summer 2021)



In addition to the public parking spaces, parking revenues are generated from employee parking (approximately \$4.2 million in FY 2020) and off-Airport private lots. There are 10 permitted off-Airport private parking facilities that provide approximately 10,000 additional automobile parking spaces.

Commercial Lane Fees. Commercial lane ground transportation revenues consist of privilege fees paid by taxis and TNCs, and privilege fees and dwell fees paid by commercial lane vehicles, including hotel shuttles, rental car shuttles, off-airport parking shuttles, cruise line shuttles, and various other types of ground transportation companies.

In 2017, the Governor signed into law the Transportation Network Companies Act, which became effective July 1, 2017, regulates TNCs by the State law, and preempts local regulation. The Authority entered into operating agreements with Rasier-DC, LLC (Uber), Lyft, Inc., and Wingz where the TNC airport fee is consistent with applicable airport taxi charges (\$5.80 per trip) and has designated pick-up and staging locations for their operations. Previously, TNCs were dropping off passengers, but were not permitted to pick up passengers with the exception of UberBlack, which was permitted by the Authority.

Florida state legislation (S.B. 0696) has been proposed that would limit the trip fee assessed on TNCs to a maximum of \$2.00 per trip for pickup only. It also provides that public agencies cannot impede access, degrade, or intentionally remove access to any service, benefit, or infrastructure made available to TNCs before January 1, 2021. TNCs are currently charged at the same rate as scheduled service providers or \$5.80 per pickup. TNC revenues totaled approximately \$10 million in FY 2019, \$6.5 million in FY 2020, and \$6.2 million in FY 2021 at the current rate. It is unknown at this time if the proposed legislation will become law. For purposes of the financial projections, it was assumed that the current rate would remain in place during the projection period.

As noted earlier, although TNCs appeared to have affected all modes of transportation to and from the Airport; however, overall ground transportation revenues remained strong pre-pandemic as shown in the table below because TNCs are charged the same rate as pre-arranged transportation services. TNC revenues are projected to generally increase with passengers after regaining market share resulting from their pandemic slump.

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
GT Revenues (000s)	\$ 168,431	\$ 176,656	\$ 187,001	\$ 197,281	\$ 142,441	\$ 150,902
Enplaned Passenger (e.p.)	20,737	21,718	23,382	24,847	14,538	16,984
GT Revenues per e.p.	\$8.12	\$8.13	\$8.00	\$7.94	\$9.80	\$8.88

The Authority is also aware that certain companies are making vehicles available to Airport travelers under a so-called peer-to-peer car sharing scheme without a permit or agreement with the Authority. The Authority considers these arrangements and any other unauthorized commercial activity at the Airport to be in violation of the Authority's Ground Transportation Rules and Regulations (GTR&Rs) and in violation of applicable City of Orlando ordinances. The Authority is currently in negotiations with these entities and anticipates entering into appropriate agreements for fees. The Authority is monitoring the activities of these companies at the Airport.

The Authority plans to monitor all modes of ground transportation to assess the potential impacts from TNCs; however, at this time, the Authority cannot predict what impact, adverse or otherwise, those operations will have on other ground transportation services, parking, and rental car operations at the Airport.

Terminal Concessions. The sources of terminal concession revenues are food and beverage, specialty, news and gift, and other service concessions. The Authority operates a diversified and successful terminal concession program. Concessions occupy approximately 190,000 square feet (excluding storage and offices) of a total of approximately 3.5 million square feet of terminal space at the Airport. Phase 1 of the STC will add 70,000 square feet of concession space.

The Authority has a written policy statement regarding the awarding of concession and consumer service privileges in the terminal. In accordance with this policy, the Authority specifies performance and operating standards in its agreements with concessionaires in furtherance of its public service

and revenue goals. Table 28 presents a summary of the contractual terms of existing terminal commercial agreements. Terminal concession revenues were projected on the basis of historical trends, allowances for inflation, minimum annual guarantees, changes in contractual agreements, and changes in passenger traffic levels.

Food and Beverage. HMSHost, as a Primary Food & Beverage operator, has the non-exclusive right to operate food and beverage facilities in the Landside Terminal and the hubs in Airside Buildings 1 and 4, subject to an agreement expiring on September 30, 2025. The agreement provides for the greater of a minimum annual guarantee or concession fees based on a percentage of gross sales. HMSHost operates a mix of branded-food outlets, including Starbucks.

The Authority has also entered into numerous other food and beverage concession agreements for operations in the hubs at Airside Buildings 2 and 3 as well as concourse wings in Airsides 1, 2, 3, and 4. These agreements provide for a concession fee equal to the greater of minimum annual guarantee or a percentage of gross receipts.

The food court in the Landside Terminal houses a wide variety of food and beverage concessionaires, including Carvel, Chick-fil-A, Dunkin Donuts, Auntie Anne's, Cinnabon, Moe's Southwest Grill, McDonalds, Panda Express, Firehouse Subs, and Sbarro. Adjacent to the food court are sit-down restaurants and lounges, including Macaroni Grill, Chili's Too, and City Pub. In addition, SSP America operates four snack bars on Airsides 1 and 3, including Urban Crave, Le Grand Comptoir, and Camden Food Co. Villa Enterprise Management operates the food court in Airside 2, which includes The Market by Villa, Green Leaf's, Banana Smoothies and Frozen Yogurt, Jersey Mike's Subs, Villa Italian Kitchen, Asian Chao, and Chipotle concepts. Master Concessionaire operates the award winning local sit-down restaurant, Cask & Larder, as well as two FarmAir Markets on Airside 2.

Specialty and News/Gift. Themed retail concessions are a major component of the Authority's retail program, including Disney, Universal Studios, and Sea World shops in the Landside Terminal. URW operates as a third-party retail manager for the Authority's landside retail program and has entered into agreements with various branded outlets. The Authority has executed agreements with the Hudson Group and Stellar Partners for news, sundry, and gift services.

Table 28
SUMMARY OF EXISTING TERMINAL COMMERCIAL AGREEMENTS
Orlando International Airport
(as of 9/30/2021)

Type of Concession/Concessionaire	Terminal Location	Min Annual Guarantee(a)	Expiration Date
Food & Beverage			
Areas Hojeij	AS 3	\$ 3,180,137	07/31/2024
MCA (Cask & Larder)	AS 2	\$ 3,250,000	01/31/2026
Gilchrist Enterprises, Inc. (McDonald's)	AS 2	\$ 980,000	02/22/2027
HMSHost	LS, AS 1, AS 2, AS 4	\$10,045,415	09/30/2025
McDonald's Corporation	LS	\$ 586,948	09/30/2025
OTG MCO Venture II, LLC	AS 4	\$ 1,051,101	05/31/2023
Perez of Florida, Inc.	AS 1 & 3	\$ 591,522	08/02/2023
Perez of Florida, Inc.	AS 3	\$ 736,607	03/31/2027
Panchos/Transglobal Concessions Orl, JV	AS 2 & 4	\$ 280,000	11/04/2024
SSP America MCO, LLC	AS 1 & 3	\$ 2,520,000	01/31/2025
TAJ II LLC	AS 2	\$ 1,300,999	07/26/2022
Villa	AS 2	\$ 3,030,000	08/22/2026
Vino Volo	AS4	\$ 250,000	03/31/2027
Retail News/Sundries/Gifts/Duty Free			
The DFASS Group, LLC (Duty Free)	AS 1 & AS 4	\$ 4,259,075	05/03/2027
HG Orlando JV	AS 1	\$ 1,219,288	10/31/2022
Hudson Group, Inc.	AS 3	\$ 1,244,121	07/31/2024
Hudson Newburns JV	AS 2 & LS West	\$ 2,843,045	06/20/2022
Stellar Partners, Inc.	AS 4 & LS East	\$ 1,700,000	07/31/2023
URW (Master Retail Manager)	LS	\$ 1,087,695	06/30/2022
Specialty Retail			
Air Sun JV	AS 2	\$ 1,600,000	07/31/2022
InMotion MCO, LLC	AS 2, 3 & 4	\$ 420,000	12/31/2025
GOAA RMUs	AS 1, 2, 3 & 4	\$ 30,000	VARIOUS
Theme Retail			
Magic of Disney East	LS East	\$ 1,298,270	02/21/2034
Magic of Disney West	LS West	\$ 968,000	04/24/2034
Sea World East	LS East	\$ 200,000	06/30/2022
Universal Studios	LS East	\$ 355,028	03/31/2024
Universal Studios	LS West	\$ 310,000	06/30/2030
Services			
ALD Development Corporation	AS 1 & 4	\$ 1,045,114	10/31/2027
Communication Service Co of Daytona	LS	\$ 52,214	01/01/2022
Travel Content	Various	\$ 150,000	04/01/2022
JC Decaux Display Advertising	Various	\$ 4,478,623	01/14/2023
New Cingular		\$ 325,238	04/30/2023
SmarteCarte	Various	\$ 30,000	03/31/2022
Sprint		\$ 325,238	4/30/2023
SunTrust Bank	Various	\$ 485,357	05/05/2022
T-Mobile		\$ 325,238	04/30/2023
Terminal Getaway Spa	AS 2	\$ 70,000	11/01/2024
Verizon	LS	\$ 325,238	4/30/2023
XpresSpa Orlando	AS 1 & 3	\$ 212,000	08/31/2024
XpresSpa Orlando	AS 4	\$ 100,000	05/31/2024

(a) Represents minimum annual guarantee for each individual concession agreement's annual agreement period as amended.

Source: Greater Orlando Aviation Authority.

Other Terminal Concessions. The Authority has an agreement with DFASS Group (Orlando), LLC (DFASS) to sell duty free and duty paid merchandise in the North Terminal, which extends through November 2027. Their Airside 4 store is heavily focused on European travelers, particularly from the UK, whereas Airside 1 store serves more Latin American passengers. The stores offer special products and promotions that appeal to the different passenger groups. Other revenues consist of concession

fees paid for advertising, currency exchange, luggage carts, and other services. Each concessionaire has an agreement with the Authority that establishes the rents and fees, which usually amount to the greater of a minimum annual guarantee or a percentage of gross sales.

The revenues from terminal concessions are projected on the basis of recent trends in revenues per enplaned passenger, projected increases in passengers, allowances for inflation, and the terms of the various agreements.

South Terminal Concession Program. The STC will provide approximately 70,000 square feet of concession space. The Authority has awarded all five major concession packages: three large, 10-year, non-exclusive food and beverage concession packages and two retail/news and gift packages.

Host PHE LDL MCO FB, LLC (Host) was selected for the first package with proposed concepts that include Starbucks, Shake Shack, PGA Tour Grill, Orange County Brewers, Auntie Anne's and Foxtail Coffee Co. During the first year of operation under the Host contract, the Authority will receive the greater of (1) an Initial Minimum Annual Concession Fee of \$1,854,000; or (2) a percentage of gross receipts as follows: (a) 20% of food and non-alcoholic beverage sales, (b) 24% of alcoholic beverage sales, and (c) 5% of employee sales. The Authority selected DN MCO STC F&B, LLC (Delaware North) for the second package with its proposed concepts that include Harvest and Grounds, Raw Juce, Summer House, Greenbeat, Desano Pizzeria and Cucina & Co. During the first year of operation under the Delaware North contract, the Authority will receive the greater of an Initial Minimum Annual Concession Fee of \$1,735,000 or a percentage of gross receipts as follows: (a) 19% of food and non-alcoholic beverage sales, (b) 23% of alcoholic beverage sales, and (c) 5% of employee sales. The Authority selected Orlando Hospitality Airport Partners, LLC (OHAP) for the third package with its proposed concepts that include Bernie's Coffee and Tea co., Cask & Larder Public House, and Provisions by Cask and Larder, Wine Bar George, Sunshine Diner by Chef Art Smith, Orlando Brewing Bar & Bites, and Olde Hearth Bread Co. During the first year of operation under the OHAP contract, the Authority will receive the greater of an Initial Minimum Annual Concession Fee of \$1,650,000 or a percentage of gross receipts as follows: (a) 20% of food and non-alcoholic beverage sales, (b) 24% of alcoholic beverage sales, and (c) 5% of employee sales. In addition, one stand-alone, small food and beverage concessions was awarded to Orlando F&B Partners, LLC (Orlando F&B) with its concept, Chick-fil-A. During the first year of operation under the Orlando F&B contract, the Authority will receive the greater of an Initial Minimum Annual Concession Fee of \$165,000 or a percentage of gross receipts as follows: (a) 17% of food and non-alcoholic beverage sales, and (b) 5% of employee sales.

The Authority awarded two, 7-year non-exclusive retail concession packages for the STC. Paradies Lagardère @ MCO, LLC (Paradies) was selected for the first package with proposed concepts that include Gatlin Trade, Brighton, Sunglass Hut, and TripAdvisor. Under the Paradies contract the Authority will receive the greater of an (a) a Minimum Annual Concession Fee of \$480,000 or (b) 21% of the Gross Receipts during the first year of operation. The Marshall Retail Group, LLC (Marshall) was selected for the second package with proposed concepts that include The Scoop, Replenish, Main Streets Market with Einstein Bros. Bagels & Caribou Coffee, and CityArts Market. Under the Marshall contract the Authority will receive a Concession Fee in an amount equal to the greater of a \$1,000,000 Minimum Annual Concession Fee or 22% of the Gross Receipts for all sales during the first year of operation. The duty free store will be operated by DFASS under a 10-year agreement. Walt Disney World, Universal Studios, and Sea World will all have stores in the STC.

The premium common use lounge in the STC was awarded to Trip Hospitality Orlando, LLC (Trip) with its concept, Plaza Premium Lounge. Under the Trip contract the Authority will receive a Concession Fee in an amount equal to the greater of a \$350,000 Minimum Annual Concession Fee or 24% of the

Gross Receipts for all sales during the first year of operation. There will also be advertising, ATMs, and foreign currency exchange concessions.

Intermodal Terminal Facility (Airport Exclusive Revenues). Under the All Aboard Florida (AAF) Premises Lease and Use Agreement (the Premises Lease and Use Agreement), AAF pays the Authority for its use of the ITF, including holdroom rent at the signatory airline rate per square foot less debt service (estimated to be \$80 per square foot in FY 2021) and platform rent at \$3.00 per square foot. AAF started making these payments in FY 2018 when the South APM Complex opened per the Premises Lease and Use Agreement. These rates are subject to readjustment each five years thereafter. AAF is also required to pay the Authority \$1.50 per boarding rail passenger from the ITF when it commences service to the Airport expected in 2023.* Ridership estimates were developed by The Louis Berger Group, Inc. under a ridership and revenue study commissioned by FECI for financing of the rail system in September 2018. As stated in this report, ridership for the initial years is expected to start at relatively low levels and increase to a more stabilized volume after two years. Given the uncertainty on the timing for the startup of service, more conservative estimates were used for purposes of this report. The Authority anticipates that AAF's Vehicle Maintenance Facility rent will be offset by its investments for the rail corridor as provided in the Premises Lease and Use Agreement. As noted earlier, AAF has stated it expects to commence service to the Airport in 2022 on the Miami to Orlando route. For purposes of this report, it was assumed that AAF would commence operations in mid-2023 and begin paying associated passenger revenues to the Authority. AAF has also indicated its intentions for a potential additional extension beyond MCO with stops at Walt Disney World and SunRail's Meadow Wood station and ultimately Tampa, subject to obtaining necessary permissions from the Authority to operate on airport property; Sun Rail, through its owner, the Central Florida Commuter Rail Commission (CFCRC), to share its track; and the Central Florida Expressway Authority (CFX) to build and operate on highway right-of-way. In the event such service materializes, there could be an adverse impact on MCO rental car and other ground transportation fees. The Authority has estimates of the potential impact on revenues and intends to negotiate rail passenger rider fees from AAF to negate any adverse impact on MCO revenues.

The Authority also anticipates receiving revenues from the ITF for advertising displays (estimated to total \$100,000 per year), concessions (estimated at \$0.22 per boarding rail passenger), and rail passengers parking at the south garage. The Authority's construction finance engineer estimates that 25% of the rail passengers will park in the garage and stay an average of 1.5 days.

Hotel. The Hyatt Regency hotel is an integral part of the landside terminal in the NTC and is directly accessible from Level 3, the departure level. The hotel generated \$44.4 million in Revenues in FY 2019, declining to \$29.0 million in FY 2020 and \$25.7 million in FY 2021, and accounted for O&M Expenses of \$32.5 million, \$23.9 million, and \$21.5 million, respectively. The hotel provides 445 guest rooms; The Hemisphere restaurant and McCoy's Bar and Grill; 42,000 square feet of meeting space; four ballrooms totaling 24,650 square feet; and a 160-seat amphitheater with state-of-the-art sound and audio visual capabilities; and outdoor pool and European spa with sundeck and exercise room.

The Hyatt Corporation has operated the hotel since its opening in 1992 under a management agreement with the Authority. The Authority approved a new Hotel Management Agreement (the Hotel Management Agreement) with the Hyatt Corporation, effective October 1, 2015, that has a 20-year term with more favorable terms for the Authority. Under the Hotel Management Agreement, the Authority receives all revenues from the operation of the Hotel and pays all debt service, operating,

* Source: www.theledger.com/story/news/2021/12/09/brightline-officials-give-update-plan-expand-florida-rail-service/6427927001/.

and maintenance cost associated with its operation. In addition, the Authority annually pays Hyatt a percentage of gross receipts as a management fee of 2.75% and pays an additional percentage of available cash flow (10%) above agreed upon amounts as an incentive for the Hotel operator to maximize the Hotel's surplus revenues. The Hotel Management Agreement also provides that amounts, calculated as 5% of gross receipts, are to be deposited annually into an account for the replacement of furniture, fixtures, and equipment. In addition, the new Hotel Management Agreement contains performance tests, which if failed for two consecutive years, the Authority can either terminate the agreement or require Hyatt to pay a cure amount.

Hotel revenues are projected to increase as a result of increasing occupancy levels and room rate increases coming out of the pandemic as passenger traffic picks up.

Other Buildings and Grounds. As noted earlier, the Authority has pursued aviation and commercial development of the Tradeport Drive corridor on the west side of the Airport and the Heintzelman Boulevard corridor on the east side of the Airport. Other buildings and grounds revenues consist primarily of revenues from various land and building rentals in these areas.

Interest Income. Interest income, per Section 603 of the Senior Bond Resolution, is deposited into the Revenue Fund. Interest income is a function of interest rates and available balances in operating funds and accounts including the Revenue Fund, Debt Service Account, Debt Service Reserve Account, Operation and Maintenance Fund, Operation and Maintenance Reserve Account, Capital Expenditures Fund, Renewal and Replacement Fund, Improvement and Development Fund, and the Discretionary Fund. Interest income does not include interest earnings on construction funds. The projection assumes that interest rates in the Debt Service Reserve Fund will average 1.35% and in all other funds will average 0.25% from FY 2021 through FY 2025, and that balances would increase in the Debt Service and the Debt Service Reserve Funds (reflecting the Outstanding Bonds, the 2022 Bonds, and Proposed 2023 Bonds) and the Operation and Maintenance Reserve Account (reflecting increases in Operation and Maintenance Expenses). Interest income totaled \$15.6 million in FY 2019 and \$11.1 million in FY 2020.

Proceeds from Disposal of Assets. In accordance with the Bond Resolution, proceeds from the sale of assets are deposited into the Revenue Fund. The \$43.6 million in FY 2020 and \$5.7 million in FY 2021 primarily reflect net proceeds from the sale of portions of the Authority's Poitras property.

Federal COVID-19 Grants. In accordance with the Bond Resolution, reimbursements from the federal government for O&M expenses and debt service are considered Revenues. The amounts shown in Exhibit E for FY 2021 through FY 2024 were described earlier.

APPLICATION OF REVENUES

Exhibit F presents the historical (FY 2019 through FY 2021) and projected (FY 2022 through FY 2025) application of Revenues, as required under the Senior Bond Resolution. Under the Senior Bond Resolution, at the end of each Fiscal Year, after all deposits that are required to be made into each of the Revenue, Operation and Maintenance, Bond, O&M Reserve, Capital Expenditures, Renewal & Replacement, and Discretionary Funds have been made, the moneys remaining in the Revenue Fund and not required to make up any deficiencies, are to be transferred to the Discretionary Fund. Amounts deposited into the Airport Exclusive Revenue Sources account in the Discretionary Fund include revenues from the ITC and net proceeds from the sale of portions of the Poitras property, which are not included in the Participating Airline revenue sharing calculation, but instead are retained by the Authority for its lawful use.

DEBT SERVICE COVERAGE

Exhibit G presents the calculation of debt service coverage in accordance with the Rate Covenant of Section 711 of the Senior Bond Resolution and Section 10.01 of the Subordinated Indenture for FY 2019 through FY 2025. Available PFC Revenues are treated as an offset to debt service. As noted earlier, FY 2021 and FY 2022 include one-time Revenues and subordinate debt service for the defeasance of bonds funded with Federal COVID-19 Grants.

The Senior Bond Resolution also permits the addition of Transfers to Net Revenues in computing the debt service coverage requirement. Transfers are limited to no more than 25% of Debt Service payable on Bonds and no more than 10% of Aggregate Annual Debt Service payable on Priority Subordinated Indebtedness in the Fiscal Year from amounts on deposit in the Discretionary Fund. Transfers are not included in the calculation of debt service on Exhibit G.

Net Revenues are projected to be at least 125% of the Aggregate Debt Service (on Senior Bonds) and Available Net Revenues are projected to be at least equal to 110% of Priority Subordinated Indebtedness in each of the Fiscal Years 2022 through 2025 and sufficient to pay all indebtedness, deposits, and liens. In addition, Net Revenues are greater than 100% of the amounts required to be deposited to all funds, excluding the Discretionary Fund. Thus, the Rate Covenant of both the Senior Bond Resolution and Subordinated Indenture are projected to be met in each Fiscal Year of the projection period.

Exhibit A

Sources and Uses of Funds - 2021 - 2027 Capital Improvement Program Orlando International Airport (numbers in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	2017	2019 Bonds			2022 Bonds*			2023			Prior Bonds / Other Funds	Total
	Subordinated Bonds	Revenue-Supported	PFC-Supported	Subtotal	Revenue-Supported	PFC-Supported	Subtotal	Revenue-Supported	Total Bonds	PFC Paygo		
Sources of Funds												
Par Amount of Bonds	\$ 996,585	\$ 478,845	\$ 629,955	\$ 1,108,800	\$ 69,170	\$ 176,445	\$ 245,615	\$ 128,900	\$ 2,479,900	\$ -	\$ -	\$ 2,479,900
Premium	73,764	96,292	128,414	224,706	549	26,878	27,427	14,551	340,449	-	-	340,449
Construction Fund Interest Income	26,700							-	26,700	-	-	26,700
Prior Bonds	-	-	-	-	-	-	-	-	-	-	86,105	86,105
PFC Pay-As-You-Go	-	-	-	-	-	-	-	-	-	281,630	-	281,630
Authority Funds	-	-	-	-	-	-	-	-	-	-	136,747	136,747
Grants and Other Funds**	-	-	-	-	-	-	-	-	-	-	599,918	599,918
Total Sources	\$ 1,097,049	\$ 575,137	\$ 758,369	\$ 1,333,506	\$ 69,719	\$ 203,323	\$ 273,042	\$ 143,451	\$ 2,847,049	\$ 281,630	\$ 822,770	\$ 3,951,449
Uses of Funds												
Project Costs												
South Terminal Phase 1	\$ 871,700	\$ 68,106	\$ 575,000	\$ 643,106	\$ -	\$ 194,000	\$ 194,000	\$ -	\$ 1,708,806	\$ 241,000	\$ 248,771	\$ 2,198,577
South Terminal Phase 1X	-	273,993	150,000	423,993	66,449	-	66,449	-	490,442	17,681	88,267	596,390
	\$ 871,700	\$ 342,099	\$ 725,000	\$ 1,067,099	\$ 66,449	\$ 194,000	\$ 260,449	\$ -	\$ 2,199,248	\$ 258,681	\$ 337,038	\$ 2,794,967
Other CIP	-	147,811	-	147,811	-	-	-	124,479	272,290	22,949	485,732	780,971
Total Project Costs	\$ 871,700	\$ 489,910	\$ 725,000	\$ 1,214,910	\$ 66,449	\$ 194,000	\$ 260,449	\$ 124,479	\$ 2,471,538	\$ 281,630	\$ 822,770	\$ 3,575,938
Financing Costs												
Capitalized Interest Fund	149,349	56,858	-	56,858	-	-	-	\$ 12,890	\$ 219,098	-	-	219,098
Debt Service Reserve Fund	60,047	20,575	27,067	47,642	2,713	7,911	10,623	5,047	123,360	-	-	123,360
Line of Credit Interest Reimbursement	1,000	3,000	-	3,000	-	-	-	-	4,000	-	-	4,000
Costs of Issuance, Underwriters Discount, Rounding	14,953	4,794	6,302	11,096	558	1,412	1,970	1,035	29,054	-	-	29,054
Total Uses	\$ 1,097,049	\$ 575,137	\$ 758,369	\$ 1,333,506	\$ 69,719	\$ 203,323	\$ 273,042	\$ 143,451	\$ 2,847,049	\$ 281,630	\$ 822,770	\$ 3,951,449

Sources: Bonds: the Authority's independent registered municipal advisors: Frasca & Associates LLC, Raymond James & Associates, Inc., National Minority Consultants, Inc.

All other information: Greater Orlando Aviation Authority.

* Estimated, subject to change based upon market rates as of January 14, 2022 plus 50 basis points (bp) for the 2022 Bonds and 150 bp for the 2023 Bonds.

** Includes \$160 million in the 2018 CFC Bank Loan as described in the text.

Exhibit B

Application of PFC Revenues Orlando International Airport (for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	Actual 2019	Actual 2020	Unaudited 2021	Projected --> 2022	2023	2024	2025
PFC Revenues							
Enplaned Passengers	24,847	14,538	16,984	22,362	24,847	25,344	25,851
Percent of PFC Eligible Passengers	<u>93.2%</u>	<u>91.6%</u>	<u>91.7%</u>	<u>92.0%</u>	<u>92.0%</u>	<u>92.0%</u>	<u>92.0%</u>
PFC Eligible Enplaned Passengers	23,166	13,313	15,576	20,573	22,859	23,316	23,783
PFC Collection Level	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50
Less: PFC Airline Collection Fee	<u>(0.11)</u>	<u>(0.11)</u>	<u>(0.11)</u>	<u>(0.11)</u>	<u>(0.11)</u>	<u>(0.11)</u>	<u>(0.11)</u>
Net PFC Collection Level	\$ 4.39	\$ 4.39	\$ 4.39	\$ 4.39	\$ 4.39	\$ 4.39	\$ 4.39
PFC Collections (excluding interest)	\$ 101,700	\$ 58,446	\$ 68,379	\$ 90,316	\$ 100,351	\$ 102,358	\$ 104,406
Reimbursements from TSA grants for EDS inline	11,565		8,995				
Interest Earnings	<u>5,729</u>	<u>3,404</u>	<u>1,475</u>	<u>1,387</u>	<u>1,305</u>	<u>1,408</u>	<u>1,579</u>
Total Annual PFC Revenues	\$ 118,995	\$ 61,850	\$ 78,849	\$ 91,704	\$ 101,657	\$ 103,767	\$ 105,984
PFC Cashflow							
PFC Fund Beginning Balance	\$ 294,962	\$ 350,501	\$ 278,138	\$ 199,514	\$ 171,840	\$ 177,592	\$ 199,336
Deposits:							
Annual PFC Revenues	118,995	61,850	78,849	91,704	101,657	103,767	105,984
Withdrawals ²							
PAYGO	(20,495)	(90,019)	(103,060)	(43,652)	(429)	(429)	(429)
Splits and Transfers		26,441	18,114				
PAYGO - Non-STC Projects in Prior CIP			(1,666)	-	(13,871)		
Adjustments / Transfers	(12,027)	1	-	-	-	-	-
Debt Service on PFC-Backed Bonds							
Outstanding Bonds	(12,825)	(12,821)	(12,821)	(12,825)	(10,360)	(10,833)	(10,364)
Series 2015A	(9,306)	(9,310)	(9,310)	(9,307)	(9,307)	(9,306)	(9,310)
Series 2016B	(5,992)	(5,987)	(5,989)	(5,991)	(5,989)	(5,987)	(5,992)
Series 2016C	(2,811)	(2,812)	(2,812)	(2,815)	(5,275)	(4,799)	(5,298)
Series 2019 STC Phase 1	-	(31,491)	(31,670)	(31,670)	(31,669)	(31,666)	(31,671)
Series 2019 STC Phase 1X	-	(8,213)	(8,260)	(8,262)	(8,263)	(8,259)	(8,264)
Series 2022 STC Phase 1*	-	-	-	(4,855)	(10,741)	(10,743)	(10,743)
Series 2022 STC Phase 1X*	-	-	-	-	-	-	-
CIP Jan 22*	-	-	-	-	-	-	-
PFC Fund Ending Balance	\$ 350,501	\$ 278,138	\$ 199,514	\$ 171,840	\$ 177,592	\$ 199,336	\$ 223,250

1. Equal to 25% of PFC-eligible debt service in current year.

2. Includes approved applications and amendments through PFC 20 and new PFC 21 which is expected to be approved in 2020.

* Estimated, subject to change based upon market rates as of January 14, 2022 plus 50 basis points (bp) for the 2022 Bonds and 150 bp for the 2023 Bonds.

Sources: Greater Orlando Aviation Authority (historical and budget); LeighFisher all other years, January 2022.

Exhibit C

Debt Service Orlando International Airport

(for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	Actual 2019	Actual 2020	Unaudited 2021	Projected --> 2022	2023	2024	2025
Airport Facilities Revenue Bonds							
<u>Non-PFC Supported</u>							
Series 2009A	15,485	-	-	-	-	-	-
Series 2010A	1,823	1,821	1,752	-	-	-	-
Series 2011B	2,610	2,613	2,609	-	-	-	-
Series 2011C	595	595	604	-	-	-	-
Series 2011D	30,245	30,243	-	-	-	-	-
Series 2012A	1,384	1,384	29,069	-	-	-	-
Series 2013A	4,295	4,294	4,299	-	-	-	-
Series 2015A	4,642	4,642	4,642	3,145	3,088	3,011	2,942
Series 2016A	5,480	5,477	5,480	3,777	3,693	3,607	3,509
Series 2016B	574	571	577	573	569	577	571
Series 2016D	31,928	6,114	8,668	16,034	3,758	-	-
Series 2019 CIP	-	-	-	24,532	24,530	24,530	24,529
Series 2019 STC Phase 1	-	-	-	7,151	9,391	9,389	9,392
Series 2019 STC Phase 1X	-	-	-	-	11,002	11,000	11,003
Series 2022 STC Phase 1X*	-	-	-	1,448	2,380	2,380	2,380
Series 2023 CIP**	-	-	-	-	-	-	-
Subtotal - Non-PFC Backed	\$ 99,062	\$ 57,754	\$ 57,699	\$ 56,660	\$ 58,411	\$ 54,494	\$ 54,326

Exhibit C

Debt Service Orlando International Airport

(for the Fiscal Years ending September 30; numbers in thousands, except as noted)

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	Actual 2019	Actual 2020	Unaudited 2021	Projected --> 2022	2023	2024	2025
Airport Facilities Revenue Bonds							
<u>PFC-Supported</u>							
Series 2009C	\$ 2,489	\$ 2,486	\$ 2,488	\$ 2,489	\$ 22	\$ 502	\$ -
Series 2010A	3,953	3,954	3,954	3,951	3,953	3,955	3,951
Series 2011B	1,914	1,912	1,910	1,914	1,913	1,910	1,909
Series 2011C	3,059	3,059	3,058	3,057	3,058	3,059	3,055
Series 2011D	941	941	942	945	946	939	-
Series 2012A	469	469	469	469	469	469	1,449
Series 2015A	9,306	9,310	9,310	9,307	9,307	9,306	9,310
Series 2016B	5,992	5,987	5,989	5,991	5,989	5,987	5,992
Series 2016C	2,811	2,812	2,812	2,815	5,275	4,799	5,298
Series 2019 STC Phase 1X	-	8,213	8,260	8,262	8,263	8,259	8,264
Series 2019 STC Phase 1	-	31,491	31,670	31,670	31,669	31,666	31,671
Series 2022 STC Phase 1*	-	-	-	4,855	10,741	10,743	10,743
Subtotal - PFC-Supported	<u>\$ 30,934</u>	<u>\$ 70,635</u>	<u>\$ 70,862</u>	<u>\$ 75,725</u>	<u>\$ 81,605</u>	<u>\$ 81,594</u>	<u>\$ 81,642</u>
Accrued Aggregate Debt Service (Senior Bonds)	\$ 129,996	\$ 128,389	\$ 128,560	\$ 132,385	\$ 140,016	\$ 136,088	\$ 135,967

Exhibit C

Debt Service Orlando International Airport

(for the Fiscal Years ending September 30; numbers in thousands, except as noted)

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	Actual 2019	Actual 2020	Unaudited 2021	Projected --> 2022	2023	2024	2025
Subordinated Indebtedness							
2016 Subordinated Bonds	\$ 7,555	\$ 7,557	\$ 7,556	\$ 7,558	\$ 7,556	\$ 7,555	\$ 7,554
FDOT Loan Repayment for ITF	-	2,493	-	1,673	2,547	2,603	2,660
2017 Subordinated Bonds	-	-	43,375	39,743	43,377	42,904	42,410
Secondary Subordinated Indebtedness							
Repayment Obligations (Bank Lines of Credit)	-	-	101,467	121,533	-	-	-
Total Subordinated Indebtedness	\$ 7,555	\$ 10,050	\$ 152,399	\$ 170,506	\$ 53,480	\$ 53,061	\$ 52,623
Total Debt Service	\$ 137,551	\$ 138,439	\$ 280,959	\$ 302,891	\$ 193,496	\$ 189,149	\$ 188,591
Cost Center Allocations							
Airfield	\$ 19,992	\$ 15,955	\$ 36,923	\$ 23,759	\$ 11,817	\$ 11,636	\$ 11,588
Terminal Apron	503	243	2,588	2,229	2,843	2,816	2,789
Terminal							
Terminal	\$ 72,790	\$ 46,682	\$ 163,835	\$ 244,155	\$ 151,198	\$ 148,094	\$ 147,623
FIS	1,396	1,368	1,347	459	449	438	428
Subtotal	\$ 74,187	\$ 48,050	\$ 165,183	\$ 244,614	\$ 151,647	\$ 148,531	\$ 148,051
Other Buildings and Grounds	8,756	47,450	47,360	20	16	14	14
Hotel	105	73	68	2	0	-	-
Ground Transportation	34,008	26,667	28,836	32,267	27,173	26,152	26,148
Total	\$ 137,551	\$ 138,439	\$ 280,959	\$ 302,891	\$ 193,496	\$ 189,149	\$ 188,591

* Estimated, subject to change based upon market rates as of January 14, 2022 plus 50 basis points (bp) for the 2022 Bonds and 150 bp for the 2023 Bonds.

** Interest capitalized through FY 2025 on planned 2023 Bonds to finance CIP improvements.

Does not include potential debt service savings from 2022 Refunding Bonds, if issued.

Source: The Authority's independent registered municipal advisors: Raymond James & Associates, Inc., Frasca & Associates LLC, National Minority Consultants, Inc.

Exhibit D

Operation and Maintenance Expenses Orlando International Airport (for the Fiscal Years ending September 30; numbers in thousands, except as noted)

his exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	Actual 2019	Actual 2020	Unaudited 2021	Projected --> 2022	2023	2024	2025
Direct Expenses							
Hotel	\$ 29,537	\$ 21,605	\$ 19,326	\$ 24,725	\$ 29,926	\$ 30,573	\$ 31,491
Other	146,806	130,154	121,700	193,026	201,712	210,789	220,274
Total Direct Expenses	\$ 176,343	\$ 151,759	\$ 141,026	\$ 217,751	\$ 231,638	\$ 241,362	\$ 251,765
Indirect Expenses							
Operation	\$ 23,655	\$ 20,958	\$ 18,896	\$ 26,664	\$ 27,864	\$ 29,118	\$ 30,428
Maintenance	13,630	13,112	11,999	14,655	15,315	16,004	16,724
Aircraft Rescue and Firefighting (ARFF)	11,453	11,913	11,681	12,881	13,461	14,067	14,700
Orlando Police Department	13,442	14,763	16,814	18,951	19,803	20,695	21,626
Property	1,432	1,330	912	1,601	1,673	1,748	1,827
Administration	62,458	57,253	54,056	79,484	72,094	75,339	78,729
Insurance and Other	2,832	3,439	1,650	5,514	5,762	6,021	6,292
Total Indirect Expenses	\$ 128,903	\$ 122,768	\$ 116,007	\$ 159,749	\$ 155,972	\$ 162,991	\$ 170,325
Subtotal	\$ 305,247	\$ 274,526	\$ 257,034	\$ 377,500	\$ 387,610	\$ 404,353	\$ 422,090
Incremental Expenses for New Facilities	-	-	-	-	42,085	43,979	45,958
Operation and Maintenance Expenses	\$ 305,247	\$ 274,526	\$ 257,034	\$ 377,500	\$ 429,695	\$ 448,332	\$ 468,048
Percent Increase / After Incremental	6.6%	-10.1%	-6.4%	46.9%	13.8%	4.3%	4.4%
<u>By Cost Center and Sub-Cost Center</u>							
Airfield	\$ 33,609	\$ 30,606	\$ 28,886	\$ 36,442	\$ 36,167	\$ 37,796	\$ 39,498
Terminal Apron	4,230	4,024	4,055	4,949	4,895	5,115	5,346
Terminal							
Terminal	\$ 169,119	\$ 158,373	\$ 151,906	\$ 239,648	\$ 289,104	\$ 302,125	\$ 315,727
FIS	7,332	3,976	2,351	6,075	6,506	6,798	7,104
Subtotal	\$ 176,451	\$ 162,349	\$ 154,257	\$ 245,723	\$ 295,610	\$ 308,923	\$ 322,832
Other Buildings and Grounds	7,263	6,859	6,525	8,162	8,072	8,436	8,816
Hotel	32,478	23,920	21,496	27,856	30,632	31,295	32,235
Ground Transportation	51,215	46,768	41,814	54,368	54,320	56,766	59,322
Total	\$ 305,247	\$ 274,526	\$ 257,034	\$ 377,500	\$ 429,695	\$ 448,332	\$ 468,048

Sources: Greater Orlando Aviation Authority (historical and budget); LeighFisher all other years, January 2022.

Exhibit E
Revenues
Orlando International Airport
(for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	Actual 2019	Actual 2020	Unaudited 2021	Projected --> 2022	2023	2024	2025
Airline Revenues							
Participating Airlines							
Landing Fees	\$ 46,979	\$ 43,804	\$ 42,439	\$ 39,100	\$ 46,046	\$ 47,644	\$ 47,814
Terminal Rents	70,761	64,975	62,501	95,988	118,954	123,335	127,439
South Terminal Common Use Fees	-	-	-	1,984	6,275	6,415	6,537
Apron Fees	3,320	3,389	3,387	3,890	5,082	5,349	5,624
Equipment Charges	4,642	4,502	4,597	5,822	7,024	6,788	7,313
Baggage System Fees	<u>52,145</u>	<u>35,588</u>	<u>39,074</u>	<u>58,048</u>	<u>83,844</u>	<u>86,343</u>	<u>88,710</u>
Participating Airlines (excl. Facility Fees/FIS)	\$ 177,847	\$ 152,258	\$ 151,998	\$ 204,833	\$ 267,224	\$ 275,874	\$ 283,437
Facility Fees/FIS							
Terminal Facility Fees	16,843	6,087	4,741	8,443	11,801	12,257	12,755
FIS Fees	12,750	5,075	2,822	2,584	6,966	10,368	13,770
Ramp Parking & RON Fees	1,729	777	1,034	1,069	1,437	1,428	1,486
Cargo Landing Fees	2,444	3,380	3,098	2,289	2,524	2,605	2,607
Non-Participating Airlines							
Landing Fees	4,606	2,964	1,458	2,010	2,367	2,449	2,458
Baggage System Fees	3,727	2,089	935	3,587	4,348	4,477	4,618
Space Use Permits	1,128	914	681	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Airline Revenues	\$ 221,073	\$ 173,544	\$ 166,767	\$ 224,815	\$ 296,668	\$ 309,458	\$ 321,131
Less: Cargo Landing Fees	<u>(2,444)</u>	<u>(3,380)</u>	<u>(3,098)</u>	<u>(2,289)</u>	<u>(2,524)</u>	<u>(2,605)</u>	<u>(2,607)</u>
Passenger Airline Payments	\$ 218,630	\$ 170,164	\$ 163,668	\$ 222,526	\$ 294,144	\$ 306,853	\$ 318,524

Exhibit E
Revenues
Orlando International Airport
(for the Fiscal Years ending September 30; numbers in thousands, except as noted)

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	Actual 2019	Actual 2020	Unaudited 2021	Projected --> 2022	2023	2024	2025
Non-airline Revenues							
Terminal							
Terminal Area Rents - Nonairline	\$ 11,380	\$ 10,677	\$ 10,387	\$ 10,408	\$ 10,668	\$ 10,935	\$ 11,208
Advertising	5,363	5,209	3,495	4,654	4,654	4,654	4,654
Food and Beverage	31,553	21,489	22,289	30,764	31,564	32,511	33,486
General Merchandise	21,513	13,911	12,117	18,697	20,962	21,590	22,238
Services	11,600	8,097	7,085	5,153	5,777	5,950	6,129
Other Rentals	2,177	1,892	2,205	2,375	2,491	2,520	2,545
Ground Transportation							
Off-airport Parking	2,202	1,276	1,429	1,301	1,458	1,502	1,547
Parking Facilities	76,242	47,203	51,563	54,963	63,502	64,104	65,298
Car Rentals	101,270	81,889	87,125	98,137	103,590	106,268	109,032
Intermodal Terminal Facility	4,311	4,349	4,121	4,242	5,870	6,523	6,901
Commercial Lane	19,769	12,072	10,785	11,324	12,582	12,834	13,091
Other							
Other Buildings and Grounds	19,481	18,747	19,254	18,115	18,296	18,479	18,664
Hotel	44,357	28,980	25,701	34,837	40,833	44,199	46,769
Other Operating Revenue	7,856	4,013	6,110	6,171	6,233	6,295	6,358
Fuel	2,060	1,696	1,611	2,099	3,275	3,292	3,309
Total Non-airline Revenues	\$ 361,132	\$ 261,500	\$ 265,275	\$ 303,240	\$ 331,755	\$ 341,656	\$ 351,227
Percent Change	6.9%	-27.6%	1.4%	14.3%	9.4%	3.0%	2.8%
Operating Revenues	\$ 582,205	\$ 435,044	\$ 432,042	\$ 528,055	\$ 628,423	\$ 651,114	\$ 672,358
Non-Operating Revenues¹							
Interest Earnings	15,647	11,110	4,630	7,459	6,504	6,654	6,947
Proceeds from Disposal of Assets	47	43,579	5,675	-	-	-	-
Federal COVID-19 Grants							
O&M Expense Reimbursement	-	-	-	15,257	15,000	17,072	-
2017 Subordinated Obligation Debt Service	-	-	43,375	39,743	-	-	-
Secondary Subordinated Indebtedness Debt Service	-	-	101,467	121,533	-	-	-
Other Non-Operating Revenues	-	-	-	-	-	-	-
Revenues	\$ 597,899	\$ 489,733	\$ 587,190	\$ 712,047	\$ 649,927	\$ 674,840	\$ 679,305
Percent Change	9.5%	-18.1%	19.9%	21.3%	-8.7%	3.8%	0.7%

1. Revenues include Federal COVID-19 Grants used to defease debt with Secondary Subordinated Indebtedness debt service in FY 2021 and FY 2022.
Sources: Greater Orlando Aviation Authority (historical and budget); LeighFisher all other years, January 2022.

Exhibit E-1

Landing Fee and Apron Use Fee Orlando International Airport (for the Fiscal Years ending September 30; numbers in thousands, except as noted)

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	Actual 2019	Actual 2020	Unaudited 2021	Projected --> 2022	2023	2024	2025
Airfield Requirements							
Operation and Maintenance Expenses	\$ 33,609	\$ 30,606	\$ 28,886	\$ 36,442	\$ 36,167	\$ 37,796	\$ 39,498
Operating Reserve Requirement	646	598	-	443	747	267	283
Debt Service							
Non-PFC Supported	18,657	14,621	13,596	2,540	5,447	5,323	5,323
PFC-Supported	1,333	1,332	1,332	1,333	1,334	1,332	1,341
Subordinated Indebtedness	2	2	5,036	4,614	5,036	4,981	4,924
Less: CARES grants for 2017 Sub Bond Debt Service			(5,034)	(4,612)			
Debt Service Coverage	-	-	-	-	-	-	-
Amortization of 2009A Bond Principal		2,359	2,359	2,359	2,359	2,359	-
Amortization for GOAA-Funded R&R Projects	3,156	3,626	2,681	2,409	3,002	3,676	4,209
Amortization for GOAA-Funded CIP Projects	-	-	998	1,303	1,455	1,588	1,951
Less: Available PFC Revenues for Senior Bonds	(1,333)	(1,332)	(1,332)	(1,333)	(1,334)	(1,332)	(1,341)
Total Airfield Requirement	\$ 56,070	\$ 51,812	\$ 48,523	\$ 45,499	\$ 54,213	\$ 55,991	\$ 56,188
Adjusted Airfield Requirement	\$ 56,070	\$ 51,812	\$ 48,523	\$ 45,499	\$ 54,213	\$ 55,991	\$ 56,188
Less: Fuel System Revenues, Fuel Flowage Fees (RON Fees)	(2,060)	(1,696)	(1,611)	(2,099)	(3,275)	(3,292)	(3,309)
Net Airfield Requirement	\$ 54,010	\$ 50,116	\$ 46,912	\$ 43,399	\$ 50,938	\$ 52,699	\$ 52,879
 Total Maximum Gross Landed Weight (1,000 pounds)							
Passenger Airline	26,449	18,184	19,515	25,033	27,000	27,342	27,689
Cargo Carrier	1,253	1,315	1,380	1,394	1,408	1,422	1,436
Total Maximum Gross Landed Weight	27,702	19,499	20,895	26,427	28,408	28,764	29,125
 Landing Fee Rate (per 1,000 pound unit)	\$ 1.95	\$ 2.57	\$ 2.25	\$ 1.64	\$ 1.79	\$ 1.83	\$ 1.82
 Passenger Airline Landing Fees	\$ 51,566	\$ 46,736	\$ 43,813	\$ 41,110	\$ 48,413	\$ 50,093	\$ 50,272
Passenger Airline Landing Fees Collected by FBOs	18	31	84				
Cargo Landing Fees	2,444	3,380	3,098	2,289	2,524	2,605	2,607
Total Landing Fees	\$ 54,028	\$ 50,147	\$ 46,996	\$ 43,399	\$ 50,938	\$ 52,699	\$ 52,879
 Participating Airline Landing Fee Revenues	\$ 46,979	\$ 43,804	\$ 42,439	\$ 39,100	\$ 46,046	\$ 47,644	\$ 47,814
Non-Participating Airline Landing Fee Revenues	4,588	2,964	1,458	2,010	2,367	2,449	2,458
Cargo Landing Fee Revenue	2,444	3,380	3,098	2,289	2,524	2,605	2,607
Total Landing Fee Revenue	\$ 54,010	\$ 50,147	\$ 46,996	\$ 43,399	\$ 50,938	\$ 52,699	\$ 52,879

Exhibit E-1

Landing Fee and Apron Use Fee Orlando International Airport (for the Fiscal Years ending September 30; numbers in thousands, except as noted)

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	Actual 2019	Actual 2020	Unaudited 2021	Projected --> 2022	2023	2024	2025
Terminal Apron Requirement							
Operation and Maintenance Expenses	\$ 4,230	\$ 4,024	\$ 4,055	\$ 4,949	\$ 4,895	\$ 5,115	\$ 5,346
Operating Reserve Requirement	113	70	-	60	101	36	38
Debt Service							
Non-PFC Supported	503	243	225	64	479	478	479
PFC-Supported	-	-	-	-	-	-	-
Subordinated Indebtedness	-	-	2,363	2,165	2,363	2,338	2,311
Less: CARES grants for 2017 Sub Bond Debt Service			(2,363)	(1,984)			
Debt Service Coverage	-	-	-	-	-	-	-
Amortization for GOAA-Funded R&R Projects	62	172	226	229	232	232	157
Amortization for GOAA-Funded CIP Projects	-	-	-	3	13	13	13
Less: Available PFC Revenues for Senior Bonds	-	-	-	-	-	-	-
Terminal Apron Requirement	\$ 4,908	\$ 4,509	\$ 4,506	\$ 5,486	\$ 8,083	\$ 8,212	\$ 8,342
 Average NBE Remote RON Area by Position (SF in 000s)	 28	 28	 28	 28	 28	 28	 28
Number of NBE Remote RON Positions	22	22	22	24	31	31	31
Total Remote RON Area (SF in 000s)	627	627	627	691	883	883	883
Total Terminal Apron Area (SF in 000s)	4,183	4,963	4,963	5,254	6,129	6,129	6,129
Amount of Terminal Apron Allocable to Remote RON Parking	15.0%	12.6%	12.6%	13.1%	14.4%	14.4%	14.4%
Terminal Apron Requirement Allocable to Remote RON Area	\$ 735	\$ 569	\$ 569	\$ 721	\$ 1,165	\$ 1,183	\$ 1,202
Annual Remote RON Rate per NBE Position	\$ 33,431	\$ 25,885	\$ 25,869	\$ 29,748	\$ 37,576	\$ 38,175	\$ 38,781
Remote RON Rate per NBE Position per Use	\$ 91.59	\$ 70.92	\$ 70.87	\$ 81.50	\$ 102.95	\$ 104.59	\$ 106.25
 Terminal Apron Requirement Allocable to Gates	 \$ 4,173	 \$ 3,939	 \$ 3,937	 \$ 4,765	 \$ 6,918	 \$ 7,029	 \$ 7,140
Total Narrow Body Equivalent Gates	93	93	93	98	113	113	113
Average Terminal Apron Rate per Gate	\$ 44,871	\$ 42,359	\$ 42,333	\$ 48,620	\$ 61,223	\$ 62,200	\$ 63,187
Rented Gates	74	80	80	80	83	86	89
Airline Terminal Apron Use Fees	\$ 3,320	\$ 3,389	\$ 3,387	\$ 3,890	\$ 5,082	\$ 5,349	\$ 5,624

Sources: Greater Orlando Aviation Authority (historical and budget); LeighFisher all other years, January 2022.

Exhibit E-2

Terminal Premises Rate Orlando International Airport

(for the Fiscal Years ending September 30; numbers in thousands, except as noted)

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	Actual 2018	Actual 2019	Actual 2020	Unaudited 2021	Projected --> 2022	2023	2024	2025
Terminal Requirement								
Operation and Maintenance Expenses	\$ 167,019	\$ 176,451	\$ 162,349	\$ 154,257	\$ 245,723	\$ 295,610	\$ 308,923	\$ 322,832
Less: CARES grants for O&M							\$ -	
Operating Reserve Requirement	1,992	1,906	2,293	-	2,936	5,929	2,120	2,246
Debt Service								
Non-PFC Supported	65,254	55,617	29,477	30,483	45,120	45,631	42,893	42,763
PFC-Supported	18,562	18,559	18,563	18,563	66,097	71,978	71,970	72,006
Subordinated Indebtedness	11	11	11	33,896	31,198	34,038	33,668	33,282
Less: CARES grants for 2017 Sub Bond Debt Service				(33,886)	(28,435)			
Debt Service Coverage	-	-	-	-	-	-	-	-
Central Energy Plant Obligation	-	-	-	-	4,167	10,039	10,131	10,225
Allocable SAPM O&M Expense	-	-	-	-	1,192	4,984	5,209	5,443
Allocable SAPM Debt Service					148	582	571	556
Allocable SAPM Amortization					1,317	1,317	1,317	1,317
Amortization of 2009A Bond Principal	-	-	5,717	5,717	5,717	5,717	5,717	-
Amortization for GOAA-Funded R&R Projects	7,792	13,085	16,276	15,566	16,554	14,867	14,851	15,100
Amortization for GOAA-Funded CIP Projects	-	206	541	2,745	4,913	10,365	12,893	13,764
Total Terminal Requirement	\$ 260,629	\$ 265,835	\$ 235,227	\$ 227,342	\$ 396,648	\$ 501,058	\$ 510,263	\$ 519,533
Less:								
Miscellaneous Direct Reimbursements	(902)	(882)	(705)	(1,041)	(872)	(872)	(872)	(872)
Airline Equipment Requirement	(5,642)	(5,833)	(5,234)	(5,344)	(7,132)	(9,562)	(8,919)	(9,285)
FIS Requirement	(19,952)	(22,844)	(17,592)	(15,363)	(27,712)	(38,240)	(39,131)	(40,019)
Baggage System O&M Expenses	(14,902)	(15,823)	(14,836)	(13,986)	(19,711)	(20,913)	(21,854)	(22,838)
Available PFC Revenues for Senior Bonds	(18,562)	(18,559)	(18,563)	(18,563)	(66,097)	(71,978)	(71,970)	(72,006)
Net Terminal Requirement	\$ 200,668	\$ 201,894	\$ 178,297	\$ 173,044	\$ 275,125	\$ 359,493	\$ 367,518	\$ 374,513
Rentable Space (square feet)	1,480	1,483	1,483	1,483	1,553	1,845	1,845	1,845
Enclosed Terminal Premises Rate (per square foot)	\$135.58	\$136.14	\$120.20	\$116.66	\$177.13	\$194.81	\$199.16	\$202.95
Airline Assigned Space (square feet)	795	814	730	758	774	953	963	973
Net Airline Requirement	\$ 107,745	\$ 110,768	\$ 87,774	\$ 88,482	\$ 137,160	\$ 185,722	\$ 191,789	\$ 197,399
Less Space Rental for Common Use Baggage Charges	(39,951)	(40,049)	(22,841)	(26,023)	(41,214)	(66,810)	(68,496)	(70,002)
Subtotal - Exclusive/Preferential Use Space Rentals	\$ 67,795	\$ 70,719	\$ 64,933	\$ 62,459	\$ 95,946	\$ 118,912	\$ 123,293	\$ 127,397
Unenclosed Terminal Premises (Existing Class 5)								
Rate (per square foot)	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Airline Assigned Space (square feet)	14	14	14	14	14	14	14	14
Unenclosed Terminal Premises Rentals	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42
Total Airline Terminal Rentals (excluding Baggage Space)	\$ 67,837	\$ 70,761	\$ 64,975	\$ 62,501	\$ 95,988	\$ 118,954	\$ 123,335	\$ 127,439
Enclosed Terminal Premises Rate (per square foot)	\$ 135.58	\$ 136.14	\$ 120.20	\$ 116.66	\$ 177.13	\$ 194.81	\$ 199.16	\$ 202.95
Other Airline Space on LOAs (square feet)	8	8	8	6	-	-	-	-
Terminal Rentals (Non-participating Airlines)	\$ 1,092	\$ 1,128	\$ 914	\$ 681	\$ -	\$ -	\$ -	\$ -

Sources: Greater Orlando Aviation Authority (historical and budget); LeighFisher all other years, January 2022.

Exhibit E-3

Airline Payments per Enplaned Passenger Orlando International Airport (for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	Actual 2019	Actual 2020	Unaudited 2021	Projected --> 2022	2023	2024	2025
Total Passenger Airline Payments							
Landing Fees	\$ 51,585	\$ 46,767	\$ 43,897	\$ 41,110	\$ 48,413	\$ 50,093	\$ 50,272
Terminal Rents	70,761	64,975	62,501	95,988	118,954	123,335	127,439
South Terminal Common Use Fees			-	1,984	6,275	6,415	6,537
Apron Fees	3,320	3,389	3,387	3,890	5,082	5,349	5,624
Airline Equipment Fees	4,642	4,502	4,597	5,822	7,024	6,788	7,313
Baggage System Fees	55,872	37,677	40,009	61,635	88,192	90,819	93,328
Terminal Facility Fees	16,843	6,087	4,741	8,443	11,801	12,257	12,755
FIS Fees	12,750	5,075	2,822	2,584	6,966	10,368	13,770
Ramp Parking & RON Fees	1,729	777	1,034	1,069	1,437	1,428	1,486
Space Use Permits	1,128	914	681	-	-	-	-
Total Passenger Airline Payments	\$ 218,630	\$ 170,164	\$ 163,668	\$ 222,526	\$ 294,144	\$ 306,853	\$ 318,524
Enplaning Passengers	24,847	14,538	16,984	22,362	24,847	25,344	25,851
Cost per Enplaned Passenger for All Airlines	\$ 8.80	\$ 11.70	\$ 9.64	\$ 9.95	\$ 11.84	\$ 12.11	\$ 12.32
Revenue Sharing Payments	(77,497)	(25,442)	(32,656)	(24,803)	(19,367)	(27,096)	(19,448)
Total Passenger Airline Payments Net of Revenue Sharing	\$ 141,132	\$ 144,722	\$ 131,012	\$ 197,723	\$ 274,777	\$ 279,757	\$ 299,075
Enplaning Passengers	24,847	14,538	16,984	22,362	24,847	25,344	25,851
Cost per Enplaned Passenger for All Airlines	\$ 5.68	\$ 9.95	\$ 7.71	\$ 8.84	\$ 11.06	\$ 11.04	\$ 11.57
Participating Airline Payments							
Landing Fee	\$ 46,979	\$ 43,804	\$ 42,439	\$ 39,100	\$ 46,046	\$ 47,644	\$ 47,814
Terminal Rent	70,761	64,975	62,501	95,988	118,954	123,335	127,439
Apron Fee	3,320	3,389	3,387	3,890	5,082	5,349	5,624
Baggage System Fees	52,145	35,588	39,074	58,048	83,844	86,343	88,710
Airline Equipment	4,642	4,502	4,597	5,822	7,024	6,788	7,313
Participating Airline Payments (excluding Facility Fees/FIS Fees)	\$ 177,847	\$ 152,258	\$ 151,998	\$ 202,848	\$ 260,950	\$ 269,459	\$ 276,900
Revenue Sharing Payments	(77,497)	(25,442)	(32,656)	(24,803)	(19,367)	(27,096)	(19,448)
Participating Airline Payments Net of Revenue Sharing	\$ 100,350	\$ 126,816	\$ 119,341	\$ 178,045	\$ 241,583	\$ 242,363	\$ 257,451
Participating Airline Enplaned Passengers	23,190	13,732	16,587	21,269	23,632	24,105	24,587
Participating Airline Cost per Enplaned Passenger	\$ 4.33	\$ 9.23	\$ 7.19	\$ 8.37	\$ 10.22	\$ 10.05	\$ 10.47

Sources: Greater Orlando Aviation Authority (historical and budget); LeighFisher all other years, January 2022.

Exhibit F

Application of Revenues and Calculation of Revenue Sharing Orlando International Airport (for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2019	Actual 2020	Unaudited 2021	Projected --> 2022	2023	2024	2025
Revenues¹											
Airline Revenues	\$ 133,341	\$ 146,710	\$ 161,033	\$ 178,136	\$ 221,073	\$ 173,544	\$ 166,767	\$ 224,815	\$ 296,668	\$ 309,458	\$ 321,131
Non-airline Revenues	263,121	281,399	301,515	317,589	361,132	261,500	265,275	303,240	331,755	341,656	351,227
Federal COVID-19 Grants						-	144,843	176,533	15,000	17,072	-
Proceeds from Disposal of Assets					47	43,579	5,675	-	-	-	-
Interest Earnings and Other Non-Operating Revenues	1,876	2,292	3,347	4,970	15,647	11,110	4,630	7,459	6,504	6,654	6,947
Revenues	\$ 418,696	\$ 450,763	\$ 497,288	\$ 500,694	\$ 597,899	\$ 489,733	\$ 587,190	\$ 712,047	\$ 649,927	\$ 674,840	\$ 679,305
Application of Revenues											
Operation and Maintenance Fund	\$ 207,634	\$ 221,726	\$ 239,010	\$ 257,114	\$ 305,247	\$ 274,526	\$ 257,034	\$ 377,500	\$ 429,695	\$ 448,332	\$ 468,048
Bond Fund											
Non-PFC Supported Debt Service	85,185	89,514	90,341	90,110	99,062	57,754	57,699	56,660	58,411	54,494	54,326
PFC-Supported Debt Service	16,287	16,290	25,114	-	-	-	-	-	-	-	-
Debt Service Reserve Account	-	-	-	-	-	-	-	-	-	-	-
Priority Subordinated Indebtedness Account	7,204	6,131	15,402	7,558	7,555	10,050	50,931	48,974	53,480	53,061	52,623
Subordinated Indebtedness Reserve Account	-	-	-	-	-	-	-	-	-	-	-
Operation and Maintenance Reserve Account	1,001	1,978	3,056	4,555	3,430	3,868	-	4,537	8,699	3,106	3,286
Secondary Subordinated Indebtedness Account	-	-	-	-	-	-	101,467	121,533	-	-	-
Central Energy Plant Obligation	-	-	-	-	-	-	-	4,167	10,039	10,131	10,225
Remaining Revenues											
Airport Exclusive Revenue Sources			-	-	3,764	47,650	9,746	4,071	5,870	6,523	6,901
Remaining Authority Funds Net of Transfers	45,000	50,000	55,000	88,225	101,345	70,442	77,656	69,803	64,367	72,096	64,448
Airline Share	52,314	60,848	63,086	53,132	77,497	25,442	32,656	24,803	19,367	27,096	19,448
Total Application of Revenues	\$ 418,696	\$ 450,763	\$ 497,288	\$ 500,694	\$ 597,899	\$ 489,733	\$ 587,190	\$ 712,047	\$ 649,927	\$ 674,840	\$ 679,305

1. Revenues include Federal COVID-19 Grants to defease debt with Secondary Subordinated Indebtedness debt service in FY 2021 and FY 2022.

Sources: Greater Orlando Aviation Authority (historical and budget); LeighFisher all other years, January 2022.

Exhibit G

Debt Service Coverage and Rate Covenant Orlando International Airport

(for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

		Actual 2019	Actual 2020	Unaudited 2021	Projected --> 2022	2023	2024	2025
BOND RESOLUTION RATE COVENANT								
Revenues ¹		\$ 597,899	\$ 489,733	\$ 587,190	\$ 712,047	\$ 649,927	\$ 674,840	\$ 679,305
Operating and Maintenance Expenses		<u>(305,247)</u>	<u>(274,526)</u>	<u>(257,034)</u>	<u>(377,500)</u>	<u>(429,695)</u>	<u>(448,332)</u>	<u>(468,048)</u>
Net Revenues	[A]	\$ 292,653	\$ 215,207	\$ 330,156	\$ 334,547	\$ 220,232	\$ 226,508	\$ 211,257
Transfer ²		<u>24,765</u>	<u>14,438</u>	<u>14,425</u>	<u>14,165</u>	<u>14,603</u>	<u>13,624</u>	<u>13,581</u>
Available Net Revenues for Debt Service	[B]	\$ 317,418	\$ 229,645	\$ 344,581	\$ 348,712	\$ 234,835	\$ 240,132	\$ 224,839
Accrued Aggregate Debt Service (Senior Bonds)		\$ 129,996	\$ 128,389	\$ 128,560	\$ 132,385	\$ 140,016	\$ 136,088	\$ 135,967
Less: PFC-Supported Debt Service		<u>(30,934)</u>	<u>(70,635)</u>	<u>(70,862)</u>	<u>(75,725)</u>	<u>(81,605)</u>	<u>(81,594)</u>	<u>(81,642)</u>
Aggregate Debt Service (Senior Bonds)	[C]	\$ 99,062	\$ 57,754	\$ 57,699	\$ 56,660	\$ 58,411	\$ 54,494	\$ 54,326
Debt Service on Subordinated Indebtedness								
Priority Subordinated Indebtedness Debt Service		7,555	10,050	50,931	48,974	53,480	53,061	52,623
Secondary Subordinated Indebtedness Debt Service ³		<u>-</u>	<u>-</u>	<u>101,467</u>	<u>121,533</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Debt Service (Senior and Subordinate)	[D]	\$ 106,617	\$ 67,804	\$ 210,097	\$ 227,166	\$ 111,891	\$ 107,556	\$ 106,949
Central Energy Plant Obligation ⁴		<u>-</u>	<u>-</u>	<u>-</u>	<u>4,167</u>	<u>10,039</u>	<u>10,131</u>	<u>10,225</u>
Total Including Central Energy Plant Obligation ⁴	[E]	\$ 106,617	\$ 67,804	\$ 210,097	\$ 231,333	\$ 121,930	\$ 117,687	\$ 117,174
Debt Service Coverage								
Airport Facilities Revenue Bonds (Senior) Under Section 711.2	[B]/[C]	3.20	3.98	5.97	6.15	4.02	4.41	4.14
Total Indebtedness (Senior and Subordinate)	[B]/[D]	2.98	3.39	1.64	1.54	2.10	2.23	2.10
Senior, Subordinate, Central Energy Plant Obligation	[B]/[E]	2.98	3.39	1.64	1.51	1.93	2.04	1.92

Exhibit G

Debt Service Coverage and Rate Covenant Orlando International Airport

(for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

		Actual 2019	Actual 2020	Unaudited 2021	Projected --> 2022	2023	2024	2025
SUBORDINATE INDENTURE RATE COVENANT 10.01(a) and (b)								
Available Net Revenues (Net Revenues less Aggregate Debt Service)	[A-C=F]	\$ 193,591	\$ 157,453	\$ 272,458	\$ 277,887	\$ 161,821	\$ 172,014	\$ 156,931
Transfer ²		<u>756</u>	<u>1,005</u>	<u>5,093</u>	<u>4,897</u>	<u>5,348</u>	<u>5,306</u>	<u>5,262</u>
Available Net Revenues and Transfer		\$ 194,346	\$ 158,458	\$ 277,551	\$ 282,784	\$ 167,169	\$ 177,320	\$ 162,194
Aggregate Annual Debt Service								
Priority Subordinated Indebtedness	[G]	\$ 7,555	\$ 10,050	\$ 50,931	\$ 48,974	\$ 53,480	\$ 53,061	\$ 52,623
Short Term Subordinated Obligations (future debt)	[H]	<u>-</u>	<u>-</u>	<u>101,467</u>	<u>121,533</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Aggregate Annual Subordinated Debt Service	[I]	\$ 7,555	\$ 10,050	\$ 152,399	\$ 170,506	\$ 53,480	\$ 53,061	\$ 52,623
Subordinate Debt Service Coverage - Section 10.01(b)								
Subordinate Debt Service Coverage Without Transfer	[F]/[I]	25.72	15.77	5.45	5.77	3.13	3.34	3.08
Coverage Requirement		1.10	1.10	1.10	1.10	1.10	1.10	1.10
Indenture Rate Covenant - Section 10.01(a)								
Available Net Revenues (must be greater than "I")		\$ 193,591	\$ 157,453	\$ 272,458	\$ 277,887	\$ 161,821	\$ 172,014	\$ 156,931

1. Revenues include Federal COVID-19 Grants to defease debt with Secondary Subordinated Indebtedness debt service in FY 2021 and FY 2022.
 2. For the FY 2019 and FY 2020 audits, the Authority elected not to include Transfers in the calculation of coverage, which was reported as 2.95x and 3.73x, respectively for Senior Bonds and 25.62x and 15.69x, respectively for Subordinate Bonds.
 3. Amounts to pay debt service to defease Outstanding Bonds.
 4. Pursuant to the Global Agreement, payments to OUC in connection with its owning and operating the CEP and the EGP are treated as obligations.
- Sources: Greater Orlando Aviation Authority (historical and budget); LeighFisher all other years, January 2022.

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APPENDIX B

AMENDED AND RESTATED BOND RESOLUTION

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GREATER ORLANDO AVIATION AUTHORITY

AMENDED AND RESTATED
AIRPORT FACILITIES REVENUE BOND RESOLUTION
AUTHORIZING
AIRPORT FACILITIES REVENUE BONDS
OF
CITY OF ORLANDO, FLORIDA

Approved September 16, 2015

GREATER ORLANDO AVIATION AUTHORITY

AMENDED AND RESTATED

AIRPORT FACILITIES REVENUE BOND RESOLUTION

AUTHORIZING

AIRPORT FACILITIES REVENUE BONDS

OF

CITY OF ORLANDO, FLORIDA

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AMENDED AND RESTATED
AIRPORT FACILITIES REVENUE BOND RESOLUTION
AUTHORIZING
AIRPORT FACILITIES REVENUE BONDS
OF
CITY OF ORLANDO, FLORIDA

WHEREAS, the Greater Orlando Aviation Authority (the "Authority") adopted the Airport Facilities Revenue Bond Resolution Authorizing Airport Facilities Revenue Bonds of the City of Orlando, Florida on June 13, 1978, as codified by the Authority on September 17, 2008, and as amended, restated and supplemented (collectively, the "Airport Facilities Revenue Bond Resolution"); and

WHEREAS, on June 24, 2015, the Authority approved certain amendments to the Airport Facilities Revenue Bond Resolution which were made pursuant to Section 1002 of the Airport Facilities Revenue Bond Resolution with the consent of the Trustee and certain other entities; and

WHEREAS, the Authority approves further amendments (the "Consent Amendments") to the Airport Facilities Revenue Bond Resolution in this Amended and Restated Airport Facilities Revenue Bond Resolution Authorizing Airport Facilities Revenue Bonds of the City of Orlando, Florida (the "Amended and Restated Bond Resolution"); and

WHEREAS, this Amended and Restated Bond Resolution shall restate in its entirety the Airport Facilities Revenue Bond Resolution; and

WHEREAS, this Amended and Restated Bond Resolution and the Consent Amendments provided herein shall take effect as provided in Section 1302 hereof and upon the effective date hereof shall supersede all other resolutions of the Authority relating to Bonds;

BE IT RESOLVED BY THE GREATER ORLANDO AVIATION
AUTHORITY, AS FOLLOWS:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 101. Definitions. In this Resolution unless a different meaning clearly appears from the context:

"Accountant's Certificate" means a certificate signed by an independent certified public accountant or a firm of certified public accountants selected by the Authority, who may be the accountant or firm of accountants who regularly audit the books of the Authority.

"Accreted Value" means the accreted value of the Capital Appreciation Bonds, on the date of calculation, including the original principal amount or discounted principal value (original offering price) thereof, plus interest or principal accreted thereon to the date of calculation, as determined by reference to the accreted value tables contained or referred to in each such Bond.

"Accrued Aggregate Debt Service" means, as of any date of calculation, an amount equal to the sum of (i) interest on the Bonds of all Series, other than Capital Appreciation Bonds, accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installments for all Series next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such calendar month. With respect to Variable Rate Bonds, the interest rate for the remainder of the then current calendar month shall, for purposes of this definition, be assumed to be the interest rate in effect as of the date of calculation.

"Act" means the Greater Orlando Aviation Authority Act, Chapter 57-1658, Special Laws of Florida 1957, as amended.

"Additional Bonds" means Bonds authenticated and delivered pursuant to Section 204, and thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 506 or 1006.

"Additional Project" means the acquisition and construction of any additional aviation facilities for the Airport System or any additions, extensions, improvements and betterments to and reconstructions of the Airport System to be

financed, in whole or in part, from the proceeds of any Additional Bonds issued pursuant to the provisions of Section 204.

"Aggregate Debt Service" means, as of any particular date of computation and with respect to any period, the sum of the amounts of Debt Service for such period with respect to all Series of Bonds.

"Airport Consultant" means the airport consultant or airport consulting firm or corporation at the time retained by the Authority pursuant to Section 714 to perform the acts and carry out the duties provided for such Airport Consultant in this Resolution.

"Airport Improvement and Development Plan" means the plan prepared annually and modified as necessary by the Authority, detailing all of the Authority's proposed capital additions and improvements to the Airport System for a five-year period.

"Airport System" means (i) the Orlando International Airport owned by the City and operated by the Authority, including all improvements and facilities now in existence, as said Airport may be hereafter added to, extended, improved or constructed and equipped, and (ii) any other aviation facility or airport acquired or constructed by the Authority; provided that, the Airport System shall not include Orlando Executive Airport or any additions, extensions or improvements thereto, unless (a) the Authority shall by Supplemental Resolution, expressly add Orlando Executive Airport to the Airport System, and (b) shall deliver to the Trustee (1) confirmation from each Rating Agency then maintaining a rating at the request of the Authority on any Bonds outstanding hereunder that adding Orlando Executive Airport to the Airport System will not result in a reduction or withdrawal of the credit ratings then assigned to the Bonds, and (2) the written consent of any bond insurers or other credit provider having in effect a bond insurance policy insuring, or other credit enhancement securing, payment of any Bonds outstanding hereunder. Special Purpose Facilities shall not be part of the Airport System except as otherwise provided by Supplemental Resolution so long as Special Purpose Facility Debt is outstanding with respect to such Special Purpose Facilities.

"Annual Budget" means the annual budget of the Authority, as amended or supplemented, adopted or in effect for a particular Fiscal Year as provided in Section 716.

"Authority" means the Greater Orlando Aviation Authority created pursuant to the Act as an agency of the City, and any board or commission succeeding to the principal functions thereof or upon whom the powers conferred by the Act to said Authority shall be given by law. As used herein, the term Authority

means the Greater Orlando Aviation Authority, acting on behalf of itself and the City.

"Authorized Newspapers" means both a newspaper or financial journal customarily published at least once a week, printed in the English language and of general circulation in the City, and a newspaper or financial journal customarily published at least once a day for at least five days (other than legal holidays) in each week, printed in the English language and of general circulation in The City of New York, New York.

"Authorized Officer of the Authority" means the Chairman, the Vice-Chairman, the Treasurer or the Secretary of the Board, or any other officer or employee of the Authority authorized by resolution of the Authority to perform specific acts or duties related to the subject matter of the authorization.

"Authorized Officer of the City" means the Mayor of the City, the City Clerk, or any other officer or employee of the City authorized by resolution of the City Council to perform specific acts or duties related to the subject matter of the authorization.

"Available CFC Account" has the meaning set forth in Section 727 hereof.

"Available CFC Revenues" means, for any period of time, the amount of CFCs specified in a Supplemental Resolution or other resolution duly adopted by the Board pursuant to Section 727 hereof.

"Available PFC Account" has the meaning set forth in Section 727 hereof.

"Available PFC Revenues" means, for any period of time, the amount of Passenger Facilities Charges specified in a Supplemental Resolution or other resolution duly adopted by the Board pursuant to Section 727 hereof.

"Available Revenues" means for any period of time, (i) the amount of Available PFC Revenues and Available CFC Revenues to be received by the Authority during such period and (ii) the amount of any other future income or revenue source not then included in the definition of "Revenues" and which the Authority designates as "Available Revenues" in a future Supplemental Resolution duly adopted by the Board; provided, however that any such Supplemental Resolution 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 727 hereof for Available PFC Revenues and Available CFC Revenues.

"Board" means the Greater Orlando Aviation Authority Board, the governing body of the Authority.

"Bond" or "Bonds" means any bond or bonds and all other evidences of indebtedness authenticated and delivered pursuant to the Resolution.

"Bond Fund" means the Airport Facilities Bond Fund established by Section 402.

"Bondholder", "Holder" or "Holder of Bonds" or any similar term means any person who shall be the bearer of any coupon Bond or Bonds or the registered owner of any Bond or Bonds without coupons.

"Bond Obligation" means as of the date of computation, the sum of: (i) the principal amount of all Bonds then Outstanding other than Capital Appreciation Bonds, and (ii) the Accreted Value of all Capital Appreciation Bonds then Outstanding.

"Bond Proceeds" means all amounts received on the sale of a Series of Bonds.

"Capital Appreciation Bonds" means Bonds that bear interest at a compounded rate which is payable only at maturity or upon prior redemption thereof or Bonds issued at a discount from par value that bear no stated interest and appreciate in value over time.

"Capital Expenditures Fund" means the Airport Facilities Capital Expenditures Fund established by Section 402.

"Capitalized Interest" means the proceeds of Bonds or other moneys deposited with the Trustee or other Fiduciary, the application of which is limited by the terms of the applicable Supplemental Resolution or Issuing Instrument to the payment of interest on specified Bonds for a specified period.

"City" means the City of Orlando, Florida, a municipal corporation in the County of Orange, State of Florida.

"City Council" means the City Council of the City and any successor body.

"Composite Reserve Requirement" means an amount of money or available amount under one or more Reserve Products, or a combination thereof, equal to the lesser of (i) the Maximum Aggregate Debt Service calculated with respect to all Series of Bonds Outstanding hereunder that are secured by the Composite Reserve Subaccount, (ii) 125% of the average annual Aggregate Debt

Service calculated with respect to all Series of Bonds outstanding hereunder that are secured by the Composite Reserve Subaccount, or (iii) 10% of the aggregate stated principal amount of all Series of Bonds Outstanding hereunder that are secured by the Composite Reserve Subaccount; provided, however, that in determining the aggregate stated original principal amount of all Bonds Outstanding hereunder for purposes of (iii), the issue price of a Series (net of pre-issuance accrued interest) shall be substituted for the original principal stated amount of that Series if the Series was sold at either an original issue discount or premium exceeding two percent (2%) of the stated redemption price at maturity of such Series.

"Composite Reserve Subaccount" means the subaccount in the Debt Service Reserve Account established pursuant to Section 402.

"Construction Fund" means the Airport Facilities Construction Fund established by Section 402.

"Consulting Engineers" means the engineer or engineering firm or corporation at the time retained by the Authority pursuant to Section 715 to perform the acts and carry out the duties provided for such Consulting Engineers in this Resolution.

"Cost of Construction," with respect to any Additional Project, means the Authority's costs properly attributable to the construction or acquisition thereof, including but not limited to, the cost of acquisition by or for the Authority of real or personal property or other interest therein, costs of physical construction, and costs of the Authority incidental to such construction or acquisition, the cost of any indemnity and surety bonds and premiums on insurance during construction, engineering expenses, legal fees and expenses, cost of audits, fees and expenses of the Fiduciaries and costs of financing, administrative and general overhead and keeping accounts and making reports required by the Resolution prior to commencement of operation of such Additional Project, amounts, if any, required by the Resolution to be paid into any Fund or Account established under the Resolution upon the issuance of any Series, payments when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the Authority (other than the Bonds) incurred for such Additional Project, costs of machinery, equipment and supplies and initial working capital and reserves required by the Authority for the commencement of operation of such Additional Project, and may include reimbursement to the Authority for any such items of Cost of Construction theretofore paid by or on behalf of the Authority and such other costs and expenses as provided by Supplemental Resolution.

"Counsel's Opinion" means an opinion signed by an attorney or firm of attorneys (who may be counsel or of counsel to the Authority) selected by the Authority and satisfactory to the Trustee.

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

"Customer Facility Charges" or "CFCs" means all amounts received by the Authority from the charges imposed by car rental companies upon car rental customers arriving at Orlando International Airport and renting a vehicle from a car rental company serving such Airport, which charges are established by the Authority by resolution, as the same may be amended from time to time, and shall be collected by the car rental companies for the benefit of the Airport System, together with any interest earnings thereon.

"Debt Service" for any period means, as of any date of calculation and with respect to any Series of Bonds, an amount equal to the sum of (i) interest accruing during such period on Bonds of such Series (other than Capital Appreciation Bonds), except to the extent that such interest is to be paid from deposits (including investment income thereon) in the Debt Service Account made from Bond Proceeds or other amounts available therein, and (ii) that portion of each Principal Installment for such Series of Bonds, which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, if there shall be no such preceding Principal Installment due date, from a date one year preceding the due date of such Principal Installment or from the date of issuance of such Series, whichever is later). Such interest and Principal Installment for such Series shall be calculated on the assumption that no Bonds of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof.

Except as otherwise provided herein, for purposes of calculating Debt Service with respect to Variable Rate Bonds, Variable Rate Bonds other than Taxable Bonds shall be assumed to bear interest at 125% of the Tax-Exempt Variable Rate Index as of the date of calculation and Variable Rate Taxable Bonds shall be assumed to bear interest at the Taxable Variable Rate Index as of the date of calculation.

If a Series of Bonds is subject to purchase by the Authority pursuant to a mandatory or optional tender by the holder, the "tender" date or dates shall be ignored and the stated maturity dates thereof shall be used for purposes of this calculation.

The interest rate for Variable Rate Bonds for purposes of determining the amount, if any, to be deposited into a subaccount in the Debt Service Reserve Account for such Variable Rate Bonds shall be as required by the Supplemental Resolution authorizing the issuance of such Variable Rate Bonds; provided, however, that if no other assumption is provided, the assumptions provided above shall apply.

Other than for purposes of Section 1201 hereof, if, with respect to any portion of Debt Service, the Authority enters into a Qualified Derivative Agreement providing for Qualified Derivative Payments to the Authority which are pledged to the payment of Debt Service in an amount equal to interest on a notional amount equal to the principal portion of such Debt Service (which may include the principal of all or a portion of one or more Series of Bonds), based upon a fixed rate or a variable rate index or formula different from that used to calculate interest on the principal portion of such Debt Service, then the effective synthetic rate of interest to the Authority with respect to such principal portion of Debt Service taking into account (i) the actual interest rate borne by such principal portion of Debt Service, (ii) payments to be received by the Authority pursuant to such Qualified Derivative Agreement and (iii) payment obligations of the Authority to the counterparty under such Qualified Derivative Agreement, all based upon interest on such notional amount as determined by reference to a fixed rate or variable rate index or formula, shall be used for purposes of this definition as the actual rate of interest with respect to such principal portion of Debt Service.

If two Series of Variable Rate Bonds, or one or more maturities within a Series, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Bonds taken as a whole, such composite fixed rate shall be used in determining the Debt Service with respect to such Bonds.

With respect to Designated Maturity Bonds, the unamortized principal coming due on the final maturity date thereof shall be ignored and in lieu thereof there shall be added to the Debt Service for the Bond Year in which such final maturity occurs and to each Bond Service Year thereafter through the 30th anniversary of the issuance of such Bonds (the "Reamortization Period") the amount of substantially level principal and interest payments (assuming for such purposes such interest rate as a financial advisor selected by the Authority and having national experience in the pricing of municipal bonds shall determine is a reasonable estimate of the rate that such Designated Maturity Bonds would bear based upon such Reamortization Period and the characteristics of such Designated Maturity Bonds) that if paid in each year during the Reamortization Period would be sufficient to pay in full the unamortized portion of such Designated Maturity Bonds by such anniversary.

If moneys or Permitted Investments 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 Debt Service on specified Bonds, then the Debt Service to be paid from such moneys, Permitted Investments, or Capitalized Interest or from the earnings thereon shall be disregarded and not included in calculating Debt Service.

If Available Revenues or moneys other than Revenues have been irrevocably committed pursuant to a Supplemental Resolution duly adopted by the Board or amounts have been actually deposited for the purpose of paying principal or interest on Bonds, then the principal or interest to be paid from Available Revenues or moneys other than Revenues which have been irrevocably committed or such amounts which have been actually deposited, including any investment earnings thereon, shall be disregarded and not included in calculating Debt Service.

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 Authority, the amount of principal or interest so paid or expected to be paid shall not be included in calculating Debt Service.

"Debt Service Account" means the Airport Facilities Debt Service Account established within the Bond Fund by Section 402.

"Debt Service Reserve Account" means the Debt Service Reserve Account established within the Bond Fund by Section 402.

"Debt Service Reserve Requirement" means, with respect to the Composite Reserve Subaccount, the Composite Reserve Requirement; and with respect to each Series of Bonds issued hereunder that is not secured by the Composite Reserve Subaccount, the amount of money, if any, or available amount of Reserve Product, if any, or any combination thereof, required by Supplemental Resolution adopted prior to the issuance of such Series of Bonds to be maintained in the subaccount in the Debt Service Reserve Account with respect to such Series of Bonds pursuant to Section 405-1(3) hereof, as applicable, and which amount shall be available for use only with respect to such Series of Bonds.

"Depository" means any bank or trust company qualified under Section 601, selected by the Authority pursuant to the Resolution and approved in writing by the Trustee as a depository of moneys and securities held under the provisions of the Resolution, and may include the Trustee.

"Designated Maturity Bonds" means Bonds of a Series designated as such by Supplemental Resolution adopted in connection with the issuance thereof,

for which either (i) no serial maturities or Sinking Fund Installments prior to the maturity thereof have been established, or (ii) the aggregate of such serial maturities and Sinking Fund Installments that have been established is less than the amount necessary to amortize such Bonds on a substantially level debt service basis.

"Discretionary Fund" means the Airport Facilities Discretionary Fund established by Section 402.

"Event of Default" shall have the meaning given to such term in Section 801.

"FAA" means the Federal Aviation Administration, or any successor agency of the Federal Government performing the same or similar functions.

"FAA Regulations" means the regulations of the FAA contained in Title 14, Part 158, Code of Federal Regulations, as amended from time to time, pertaining to the imposition, collection and use of PFCs.

"Fiduciary" means the Trustee, Special Trustee and any Paying Agent, or any or all of them as may be appropriate.

"Fiscal Year" means the then current annual accounting period of the Authority for its general accounting purposes which period, at the time of the adoption of the Resolution, is the period of twelve consecutive calendar months ending with the last day of September of any year.

"Fitch" means Fitch Investors Service, L.P., a limited partnership organized and existing under the laws of the State of New York, its successors and assigns and, if such entity shall no longer perform the function of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally-recognized securities rating agency designated by the Authority, by notice to the Trustee.

"Improvement and Development Fund" means the Airport Facilities Improvement and Development Fund established by Section 402.

"Insurance Consultant" shall have the meaning specified in Section 712 hereof.

"Investment Securities" means any of the following securities, if and to the extent the same are at the time legal for investment of moneys and funds held under the Resolution:

- (i) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are

unconditionally guaranteed by, the United States of America, including obligations of any federal agency to the extent such obligations are unconditionally guaranteed by the United States of America ("United States Obligations");

(ii) obligations of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Banks, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Association;

(iii) New Housing Authority Bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(iv) negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States or any national banking association (including any Depositary or Paying Agent), provided that such certificates of deposit must be purchased directly from such bank, trust company or national banking association and must be either (a) continuously and fully insured by the Federal Deposit Insurance Corporation, or (b) continuously and fully secured by such securities as are described in clauses (i) through (iii), inclusive, above which have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and are lodged with any Federal Reserve Bank, as custodian, by the bank, trust company or national banking association issuing such certificate of deposit. Additionally, the bank, trust company or national banking association issuing each such certificate of deposit required to be so secured must furnish the Authority with an undertaking satisfactory to the Authority that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit;

(v) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States or any national banking association secured by any one or more of the securities described in clauses (i), (ii) or (iii) above;

(vi) pre-refunded obligations of any state or of any agency, instrumentality or local governmental unit of any such state meeting the following conditions:

(A) the obligations are not to be redeemed prior to maturity or the fiduciary for such obligations has been given irrevocable instructions concerning their calling and redemption;

(B) the obligations are secured by cash or United States Obligations that may be applied only to interest, principal and redemption premium payments of such obligations;

(C) the principal of and interest on the United States Obligations (plus any cash in the escrow fund) have been verified by an independent certified public accountant as being sufficient to pay the principal of, redemption premium, if any, and interest on such obligations on the maturity dates or redemption dates specified in the irrevocable instructions referred to in clause (A) above;

(D) the United States Obligations and cash serving as security for the obligations are held by an escrow agent or trustee;

(E) the United States Obligations and cash are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(F) the obligations are rated in the highest rating category by Moody's and S&P;

(vii) units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Chapter 218, Florida Statutes, or any similar common trust fund which is established pursuant to applicable state law as a legal depository of public moneys;

(viii) commercial paper rated, at the time of purchase, at a minimum of "Prime-1" by Moody's and "A-1" or better by S&P (prime commercial paper) or equivalent ratings by two Rating Agencies;

(ix) interest-bearing time deposits or savings accounts in banks organized under the laws of Florida, in national banks organized under the laws of the United States and doing business and situated in Florida, in savings and loan associations located in Florida and organized under federal law and under federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law;

(x) direct general obligations of any state of the United States of America or any political subdivision, agency or municipality thereof whose unsecured, uninsured or unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's and "A" or better by S&P, or any obligation fully and unconditionally guaranteed by any such state, political subdivision or agency whose unsecured, uninsured and unguaranteed general obligation debt is rated at the time of purchase, "A" or better by Moody's and "A" or better by S&P;

(xi) tax-exempt revenue bond obligations of any state of the United States of America or any political subdivision, agency, municipality or governmental unit thereof rated at the time of purchase at least "Aa" by Moody's and at least "AA" by S&P;

(xii) any certificates, receipts or similar instruments ("Certificates") which were issued by or pursuant to a trust or similar arrangement and which evidence ownership or the right to receive payments of principal or interest or any securities (a) issued by a state of the United States of America or any political subdivision, agency, municipality or governmental unit thereof and (b) meeting the requirements set forth in clauses (iii), (vi), (x) or (xi) above ("Municipal Securities"), which Municipal Securities are held pursuant to such trust or similar agreement for the benefit of the holders of such Certificates; provided, however, that the holders of such Certificates are entitled to rely on an opinion of counsel rendered by a nationally recognized tax counsel that interest received on the Certificates by such holders is excluded from gross income for federal income tax purposes

under the Code and is not treated as an item of tax preference for purposes of the alternative minimum tax and is not subject to any similar tax under the Code, unless all tax-exempt bonds are subject to such tax; and

(xiii) such other investments as the Authority is permitted to make with general funds of the Authority.

"Issuing Instrument" means, with respect to Subordinated Indebtedness and Secondary Subordinated Indebtedness described in Section 414 hereof, 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.

"Maturity Amount" means the amount payable at maturity of a Capital Appreciation Bond consisting of the original principal amount thereof or discounted principal value (original offering price) and interest or principal accreted thereon to the maturity date thereof, as determined by reference to the accreted value tables contained or referred to in such Bond.

"Maximum Aggregate Debt Service" means, as of any date of calculation, an amount equal to the greatest amount of Aggregate Debt Service for the current or any future Fiscal Year.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation shall no longer perform the function of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally-recognized securities rating agency designated by the Authority, by notice to the Trustee.

"Net Revenues" means the Revenues less Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" means the Authority's expenses for operation, maintenance, repairs, ordinary replacement and ordinary reconstruction of the Airport System and shall include, without limiting the generality of the foregoing, administrative expenses, insurance premiums, legal and engineering expenses, payments to pension, retirements, group life insurance, health and hospitalization funds, or other employee benefit funds, and any other expenses required to be paid by the Authority under the provisions of this Resolution or by law or consistent with standard practices for airports similar to the properties and business of the Airport System and applicable in the circumstances, the expenses, liabilities and compensation of the Fiduciaries required to be paid under this Resolution and all to the extent properly attributable to the Airport

System. "Operation and Maintenance Expenses" shall not include any capital expense, depreciation expense, or any other operation or maintenance expense funded by Special Purpose Facility Debt or funded by any source other than Revenues.

"Operation and Maintenance Fund" means the Airport Facilities Operation and Maintenance Fund established by Section 402.

"Operation and Maintenance Reserve Account" means the Operation and Maintenance Reserve Account established within the Operation and Maintenance Fund by subsection 3 of Section 408.

"Outstanding" or "outstanding," when used with reference to Bonds, means as of a particular date, all Bonds theretofore and thereupon being authenticated and delivered under the Resolution except (a) any Bond cancelled at or before said date, (b) any Bond (or portion of Bonds) for the payment or redemption of which moneys equal to the principal amount (or, with respect to Capital Appreciation Bonds, Maturity Amount) or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall have theretofore been deposited with one or more of the Fiduciaries in trust (whether upon or prior to maturity or the redemption date of such Bond) and, except in the case of a Bond to be paid at maturity, of which notice of redemption shall have been given or provided for in accordance with Article V or provision satisfactory to the Trustee shall have been made for the giving of such notice, (c) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Article III or Section 506 or Section 1006, and (d) any Bond deemed to have been paid as provided in subsection 2 of Section 1201.

"Paying Agent" means any bank or trust company designated by the Authority as paying agent for the Bonds of any Series, and its successor or successors hereafter appointed in the manner provided in the Resolution. Notwithstanding any provisions hereof to the contrary, the Authority may serve as Paying Agent for a Series of Bonds.

"PFC Account" means the PFC Account established in the Discretionary Fund by Section 402.

"PFCs" or "Passenger Facility Charges" means the passenger facility charges authorized to be charged by the Authority pursuant to the Aviation Safety and Capacity Expansion Act of 1990, as amended (now codified in Section 40117 of the United States Code), and Section 158.5 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158).

"PFC Projects" means Additional Projects for which the Authority is authorized to impose and use PFCs, as confirmed by a Counsel's Opinion.

"PFC Revenues" means amounts derived by the Authority from the imposition of PFCs, exclusive of the amounts retained by the air carriers collecting the PFCs pursuant to Section 158.53 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158).

"Pledged Funds" means (1) proceeds of the sale of Bonds, (2) the Revenues, (3) all moneys and investments on deposit in all funds, accounts and subaccounts established by the Resolution (excluding any fund established to pay rebatable arbitrage), provided moneys in a subaccount of the Debt Service Reserve Account shall secure only the Series of Bonds designated by Supplemental Resolution to be secured by such subaccount, and (4) any Available Revenues, provided such Available Revenues shall secure only the Series of Bonds to which they are pledged pursuant to a Supplemental Resolution.

"Principal Installment" means, as of any date of calculation and with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (i) the principal amount of Bonds of such Series (other than the Capital Appreciation Bonds) and the Maturity Amount of the Capital Appreciation Bonds of such Series, in each case, due on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in subsection 5 of Section 411 or Section 504) of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount, or Accreted Value with respect to Capital Appreciation Bonds, equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds other than Capital Appreciation Bonds and the Maturity Amount of Capital Appreciation Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any, for such Bonds.

"Qualified Derivative Agreement" means an agreement such as an interest rate swap, collar, cap, or other functionally similar agreement the purpose of which is to manage the effective interest cost on the Authority's outstanding debt, between the Authority and a counterparty whose long-term unsecured debt is at all times rated at least "A" or the equivalent by S&P and "A2" or the equivalent by Moody's, creating Qualified Derivative Payments and designated by the Authority as a Qualified Derivative Agreement for purposes of this Airport Facilities Revenue Bond Resolution. In the event the credit rating of the counterparty to a Qualified Derivative Agreement is reduced below such rating categories, such agreement shall no longer constitute a Qualified Derivative Agreement for purposes hereof.

"Qualified Derivative Payment" means a payment to the Authority by a counterparty pursuant to a Qualified Derivative Agreement, the amount of which

is equal to interest on a notional amount, based upon a fixed rate or a variable rate index or formula.

"Qualified Self Insurance" shall have the meaning specified in Section 712 hereof.

"Rating Agency" means as of any time, and to the extent it is then providing or maintaining a rating on Bonds outstanding hereunder at the request of the Authority, Fitch, Moody's, S&P, or any other nationally recognized statistical ratings organization.

"Redemption Price" means, with respect to any Bond, the principal amount or, with respect to Capital Appreciation Bonds, the Accreted Value to the redemption date of such Bond, plus (in either case) the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Resolution.

"Refunding Bonds" means all Bonds, whether issued in one or more Series, authenticated and delivered pursuant to Section 205, and thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 506 or 1006.

"Renewal and Replacement Fund" means the Airport Facilities Renewal and Replacement Fund established by Section 402.

"Released Revenues" means a category of income, receipts and other revenues of the Authority which are excluded from the definition of "Revenues" pursuant to Section 416.

"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 Composite Reserve Subaccount or any other subaccount in the Debt Service Reserve Account and meeting the terms and conditions of Section 405-1(3) of this Resolution, as applicable.

"Reserve Product Provider" means a 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, at the time such Reserve Product is obtained, results in such issues (as of the date such Reserve Product is delivered) being rated in one of the two highest full rating categories by each of the Rating Agencies; provided, however, that nothing herein shall require the Authority to obtain a rating on any Bonds issued under this Resolution.

"Resolution" means this Airport Facilities Revenue Bond Resolution Authorizing Airport Facilities Revenue Bonds of City of Orlando, Florida, as the same may from time to time be amended or supplemented by a Supplemental Resolution in accordance with the terms hereof and as the same may be amended and restated from time to time, including by the Amended and Restated Bond Resolution, approved on September 16, 2015.

"Revenue Fund" means the Airport Facilities Revenue Fund established by Section 402.

"Revenues" means

(i) all income and revenues from all sources, collected or received by the Authority in the operation of the Airport System, including without limitation except as herein expressly provided, all rentals, charges, landing fees, use charges and concession revenue received by or on behalf of the Authority in its capacity as the operator of the Airport System in connection with the operation, improvement and enlargement of the Airport System, or any part thereof;

(ii) all gifts, grants, reimbursements or payments received from governmental units or public agencies for the Airport System's benefit which are lawfully available for the payment of debt service with respect to any Bonds, Subordinated Indebtedness and Secondary Subordinated Indebtedness, or payment of Operation and Maintenance Expenses;

(iii) income received on any investment of moneys held pursuant to the Resolution and paid into the Revenue Fund pursuant to the terms of the Resolution;

(iv) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Authority, including rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the Authority or any successor thereto from the possession, management, charge, superintendence and control of the Airport System and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the

Authority receives payments which are attributable to the Airport System or activities or undertakings related thereto; and

(v) Special Purpose Facility Revenues, to the extent designated as Revenues by Supplemental Resolution.

The term "Revenues" shall not include:

(a) any revenue or income from Orlando Executive Airport or any additions, extensions or improvements thereto unless Orlando Executive Airport is added to the Airport System as provided in the definition of "Airport System.";

(b) all gifts, grants, reimbursements or payments received from governmental units or public agencies for the Airport System's benefit which are not lawfully available for the payment of Operation and Maintenance Expenses or payment of debt service with respect to any Bonds, Subordinated Indebtedness and Secondary Subordinated Indebtedness;

(c) insurance proceeds, to the extent used by the Authority to repair or replace damaged property or to the extent the use of such proceeds is restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of Operation and Maintenance Expenses or the payment of debt service with respect to Bonds, Subordinated Indebtedness and Secondary Subordinated Indebtedness;

(d) any Transfers;

(e) any Released Revenues;

(f) any unrealized gains on securities held for investment by or on behalf of the Authority;

(g) any gains resulting from changes in valuation of any Qualified Derivative Agreement;

(h) any unrealized gains from the write-down, reappraisal or revaluation of assets;

(i) the proceeds of Bonds, Subordinated Indebtedness and Secondary Subordinated Indebtedness;

(j) Passenger Facility Charges;

(k) Customer Facility Charges;

(l) investment income derived from any moneys or securities which may be placed in escrow or trust to defease Bonds, Subordinated Indebtedness or Secondary Subordinated Indebtedness;

(m) Subordinated Pledged Revenues;

(n) cash subsidy payments or similar payments made by the U.S. Treasury or other federal or State governmental entity to or on behalf of the Authority for payment coming due on the Bonds or any portion thereof;

(o) any arbitrage earnings which are required to be paid to the United States of America pursuant to Section 148 of the Code;

(p) interest earnings or other investment earnings on any Account in the Construction Fund established by any Supplemental Resolution unless otherwise provided in such Supplemental Resolution; and

(q) Special Purpose Facility Revenues, except as otherwise provided by Supplemental Resolution.

"Secondary Subordinated Indebtedness" means any evidence of debt referenced in, and complying with the provisions of, Section 414.

"Series" means all Bonds, including Additional Bonds, authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 506, or Section 1006, regardless of variations in maturity, interest rate, Sinking Fund Installments, or other provisions.

"Sinking Fund Installment" means, an amount so designated which is established pursuant to paragraph (2)(h) of subsection 1 of Section 202.

"Special Purpose Facilities" means any capital improvements or facilities specifically designated as such by the Authority pursuant to Section 722 hereof.

"Special Purpose Facility Debt" means any evidence of debt referred to in, and complying with the provisions of, Section 722 hereof.

"Special Purpose Facility Revenues" means (i) the revenues, income, rentals, payments or other charges arising from, or generated by or to be derived by the Authority with respect to, one or more Special Purpose Facilities which are pledged to secure Special Purpose Facility Debt, and (ii) moneys on deposit in the Discretionary Fund, Subordinated Pledged Revenues or contractual payments made or received by the Authority which the Authority has either pledged or agrees may be pledged by the owner, operator or user of one or more Special Purpose Facilities to secure Special Purpose Facility Debt.

"Special Trustee" means the special trustee appointed pursuant to Article IX, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Resolution.

"Standard & Poor's" or "S&P" means Standard & Poor's, a Division of The McGraw-Hill Companies, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Standard & Poor's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority, by notice to the Trustee.

"Subordinated Indebtedness" means any evidence of debt referred to in, and complying with the provisions of, Section 414.

"Subordinated Pledged Revenues" means, with respect to Subordinated Indebtedness or Secondary Subordinated Indebtedness, such moneys, revenues and income which shall be pledged to payment of such Subordinated Indebtedness or Secondary Subordinated Indebtedness, other than Revenues.

"Supplemental Resolution" means any resolution of the Authority amending or supplementing the Resolution and adopted and becoming effective in accordance with the terms of Article X.

"Tax-Exempt Bonds" shall have the meaning provided in Section 728 hereof.

"Tax-Exempt Variable Rate Index" means the average of the PSA Municipal Swap Index for the twelve (12) months preceding the date of calculation,

or, in connection with the issuance of Bonds, the twelve (12) calendar months preceding the date of pricing of the Bonds to be issued, or, if such index is no longer published, the Tax Exempt Variable Rate Index shall be determined in accordance with such formula or index or in such manner as the Authority shall in good faith determine will provide substantially the same rate and, if the Authority has Bonds outstanding hereunder rated by the Rating Agencies, then with respect to which the Authority receives confirmation from such Rating Agencies that the calculation of the Tax Exempt Variable Rate Index in such manner will not result in a reduction or withdrawal of the then applicable rating on the Bonds.

"Taxable Bonds" shall have the meaning provided in Section 728 hereof.

"Taxable Variable Rate Index" means the average yield on 30-day United States Treasury Bills for the twelve (12) calendar months preceding the date of calculation, or, in connection with the issuance of Bonds, the twelve (12) calendar months preceding the date of pricing of the Bonds to be issued, plus fifty (50) basis points.

"Transfer" shall have the meaning provided in Section 711 hereof.

"Trustee" means the trustee appointed pursuant to Article IX, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Resolution.

"Variable Rate Bonds" means Bonds issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage for the remaining term thereof.

SECTION 102. Authority for this Resolution. This Airport Facilities Revenue Bond Resolution is adopted pursuant to the provisions of the Act.

SECTION 103. Resolution to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Authority with the Holders of the Bonds and shall be deemed to be and shall constitute a contract between the Authority and the Holders from time to time of the Bonds and the coupons appertaining thereto; and the pledge made in this Resolution and the covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be for equal benefit, protection and security of the Holders of any and all of the Bonds and coupons appertaining thereto, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds or coupons appertaining thereto over any other thereof except as expressly provided in or pursuant to this Resolution.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 201. Authorization of Bonds.

1. This Resolution creates an issue of Bonds of the City to be designated as "Airport Facilities Revenue Bonds" which may be issued in one or more Series as hereinafter provided. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Resolution is not limited except as is or may hereafter be provided in the Resolution or as limited by law.

2. The Bonds may, if and when authorized by the Authority pursuant to this Resolution or one or more Supplemental Resolutions, be issued in one or more Series, with such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series, as the Authority may determine and as may be necessary to distinguish such Bonds from the Bonds of any other Series. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

3. Nothing contained in the Resolution shall be deemed to preclude or restrict the consolidation pursuant to a Supplemental Resolution of any Bonds of two or more separate Series authorized pursuant to such Supplemental Resolution to be issued pursuant to any of the provisions of Sections 202, 203, 204 and 205 into a single Series of Bonds for purposes of sale and issuance; provided that each of the tests, conditions and other requirements contained in Sections 202, 203, 204 and 205 as applicable to each such separate Series shall be met and complied with. Except as otherwise provided in this subsection or in such Supplemental Resolution, such a consolidated Series shall be treated as a single Series for all purposes of the Resolution.

SECTION 202. General Provisions for Issuance of Bonds.

1. All (but not less than all) the Bonds of each Series shall be executed by the City and countersigned by the Authority for issuance under the Resolution and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the Authority or upon its order, but only upon the receipt by the Trustee of:

(1) A written order as to the delivery of such Bonds, signed by an Authorized Officer of the Authority;

(2) In the case of each Series of Bonds or Refunding Bonds, a copy or copies of the Supplemental Resolution or Supplemental

Resolutions authorizing such Bonds and determining (or delegating to one or more Authorized Officers authorization to determine) the terms and details thereof, certified by an Authorized Officer of the Authority, which shall specify (or delegate authority to one or more Authorized Officers to specify):

(a) The authorized principal amount, designation and Series of such Bonds;

(b) The purposes for which such Series of Bonds is being issued, which shall be (i) one or more of the purposes specified in Sections 203 or 204, or (ii) the refunding of Bonds or certain other obligations as provided in Section 205;

(c) The date, and the maturity date or dates, of the Bonds of such Series, provided that each maturity date shall fall upon an interest payment date;

(d) The interest rate or rates of the Bonds of such Series, or the manner of determining such rate or rates, which rate or rates may include variable, adjustable, convertible, auction reset or other rates, original issue discounts, Capital Appreciation Bonds and zero coupon bonds, and the interest payment dates, if any, therefor;

(e) The denominations of, and the manner of dating, numbering and lettering, the Bonds of such Series;

(f) The Paying Agent or Paying Agents and the place or places of payment of the principal of, redemption premium, if any, and interest on, the Bonds of such Series;

(g) The Redemption Price or Prices, if any, and subject to Article V, the redemption terms for the Bonds of such Series; provided that if such Bonds shall be redeemable by application of any Sinking Fund Installment within the period during which such Sinking Fund Installment (as a Principal Installment) shall be deemed to accrue in accordance with the definition of Debt Service, the sinking fund Redemption Price applicable within such period shall be the same as that applicable on the due date of such Sinking Fund Installment;

(h) The amount and due date of each Sinking Fund Installment, if any, for Bonds of like maturity of such Series, provided that each Sinking Fund Installment due date shall fall upon an interest payment date for such Bonds;

(i) If so determined by the Authority, the provisions for the sale of the Bonds of such Series;

(j) The forms of the Bonds of such Series, of the coupons to be attached to the coupon Bonds of such Series and of the Trustee's certificate of authentication;

(k) The provisions for the applications of proceeds of such Series of Bonds;

(l) A designation as whether such Series of Bonds shall be secured by the Composite Reserve Subaccount, a separate subaccount in the Debt Service Reserve Account, or no debt service reserve, and, if secured by a separate subaccount in the Debt Service Reserve Account, the Debt Service Reserve Requirement with respect thereto;

(m) The terms, if any, upon which the holder of such Bond may elect, or may be required, to tender such Bonds for purchase by the Authority or its designated agent; and

(n) A copy of a resolution of the City Council, certified by the City Clerk, approving the issuance of the Bonds to be authenticated.

(3) The amount, if any, necessary, for deposit in the Debt Service Reserve Account in the Bond Fund so that such Account shall equal the applicable Debt Service Reserve Requirement calculated immediately after the authentication and delivery of such Series of Bonds;

(4) Except in the case of Refunding Bonds issued for purposes of refunding Outstanding Bonds, a certificate executed by an Authorized Officer of the Authority and an Authorized Officer of the City stating that neither the Authority nor the City is in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Resolution;

(5) A Counsel's Opinion to the effect that (i) the Authority has the right and power under the Act to adopt the Resolution and the Resolution has been duly and lawfully adopted by the Authority and approved by the City Council, is in full force and effect and is valid and binding upon the Authority and the City, and is enforceable in accordance with its terms (except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar

laws relating to the enforcement of creditors' rights) and no other authorization for the Resolution is required; (ii) the Resolution creates the valid pledge which it purports to create of the moneys, securities and Funds held or set aside under the Resolution and of all Revenues, subject in each case to the application thereof to the purposes and on the conditions permitted by the Resolution; and (iii) the Bonds of such Series are valid and binding limited obligations of the City as provided in the Resolution, and are enforceable in accordance with their terms and the terms of the Resolution (except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights) and entitled to the benefits of the Resolution and of the Act, as amended to the date of such Opinion, and such Bonds have been duly and validly authorized and issued in accordance with law, including the Act, as amended to the date of such Opinion, and in accordance with the Resolution;

(6) Such further documents, moneys and securities as are required by the provisions of Sections 203, 204 or 205 or Article X or any Supplemental Resolution adopted pursuant to Article X.

2. After the original issuance of Bonds of any Series, except as otherwise provided by Supplemental Resolution, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Sections 506 or 1006.

SECTION 203. ~~[Deleted]~~.

SECTION 204. Additional Bonds.

1. One or more Series of Additional Bonds may be authorized and delivered upon original issuance for the purpose of paying the Cost of Construction of any Additional Project. The Bonds of any such Series shall be authenticated and delivered by the Trustee only upon receipt by it from the Authority (in addition to the documents and moneys required by Section 202) of the following documents:

(a) An Authorized Officer of the Authority or an Airport Consultant has provided a certificate stating that Net Revenues and any Subordinated Pledged Revenues 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 24 consecutive months immediately preceding the month of issuance of the proposed Additional Bonds would be sufficient if the same amount were received over the next three full Fiscal Years, to

satisfy the rate covenant set forth in Section 711 hereof (provided Subordinated Pledged Revenues shall not be utilized in determining compliance with the provisions of Section 711.2 hereof), when considering the projected Aggregate Debt Service on such proposed Additional Bonds for each of the next three 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 funded from proceeds of such Additional Bonds, whichever is later, including the Aggregate Debt Service during such Fiscal Years on such proposed Additional Bonds; or

(b) An Airport Consultant has provided a certificate stating that, based upon assumptions the Airport Consultant deems reasonable, projected Net Revenues and any Subordinated Pledged Revenues, will be sufficient to satisfy the rate covenant set forth in Section 711 hereof (provided Subordinated Pledged Revenues shall not be utilized in determining compliance with the provisions of Section 711.2 hereof), when considering the projected Aggregate Debt Service on such proposed Additional Bonds for each of the next three 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 funded from proceeds of such Additional Bonds, whichever is later, including Aggregate Debt Service during such Fiscal Years on such proposed Additional Bonds.

For purposes of 1(a) above, the Authority or Airport Consultant shall be allowed to adjust 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 Authority for purposes of 1(a) 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 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 an Authorized Officer of the Authority or Airport Consultant.

For purposes of 1(b) above, in estimating Revenues, the Airport Consultant may take into account (i) 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, (ii) 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 (iii) any other increases in Revenues which the Airport Consultant believes to be a reasonable assumption for such period. With respect to Operation and

Maintenance Expenses, the Airport Consultant shall use such assumptions as such Airport Consultant believes to be reasonable, taking into account: (a) historical Operation and Maintenance Expenses, (b) Operation and Maintenance 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 (c) such other factors, including inflation and changing operations or policies of the Authority, as the Airport Consultant believes to be appropriate. The Airport Consultant 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 Revenues and shall also set forth the calculations of Aggregate Debt Service, which calculations may be based upon information provided by the Authority.

For purposes of preparing the certificate or certificates described above, the Authorized Officer of the Authority or Airport Consultant, as applicable, may rely upon financial statements prepared by the Authority which have not been subject to audit by an independent certified public accountant or firm of independent certified public accountants if audited financial statements for the Fiscal Year or period are not available; provided, however, that an Authorized Officer of the Authority shall certify as to their accuracy and that such financial statements were prepared substantially in accordance with generally accepted accounting principles.

Neither of the certificates described under 1(a) or 1(b) above shall be required if the proceeds of Additional Bonds being issued will be used to pay costs of completing the construction of an Additional Project for which Bonds have previously been issued and the principal amount of such Additional Bonds being issued for completion purposes does not exceed an amount equal to 10% of the principal amount of the Bonds originally issued for such Additional Project as shown in a written certificate of an Authorized Officer of the Authority and there is provided (i) a certificate of an Authorized Officer of the Authority or an Airport Consultant stating that the nature and purpose of such Additional Project has not materially changed and that the proceeds of such Additional Bonds plus any other moneys in the Construction Fund available to pay the Costs of Construction of such Additional Project are expected to be sufficient to pay the Costs of completing the Construction of the Additional Project, and (ii) a certificate of an Authorized Officer of the Authority to the effect that (a) all proceeds (including investment earnings on amounts in the Construction Fund allocable to such Additional Project) of the Bonds issued to finance such Additional Project have been or will be used to pay Costs of Construction of the Additional Project, indicated the amount of such proceeds and investment earnings; and (b) the then estimated Costs of the Construction of the Additional Project.

2. The proceeds, including accrued interest, of the Additional Bonds of each Series shall be applied simultaneously with the delivery of such Bonds in accordance with the Supplemental Resolution authorizing such Bonds or determining the terms and details thereof.

3. The Supplemental Resolution authorizing a Series of Additional Bonds may provide that the holder of any Bond of such Series may demand payment of principal and interest from the Authority within a stated period after delivering notice to a designated agent for the Authority and providing a copy of the notice with the tender of the Bond to such agent and may provide that under certain circumstances the Holder thereof may be required to tender its Bond for purchase. The designated agent for the Authority, in accordance with the terms of a remarketing or replacement agreement, may provide for the resale or redelivery of the Bonds on behalf of the Authority at a price provided for in the agreement. If the Bonds shall not be resold or redelivered within a stated period, the agent for the Authority may be authorized to draw upon a previously executed credit or liquidity agreement between the Authority and one or more banks or other financial or lending institutions permitting the Authority to borrow for payment of the purchase price of the Bonds to which such credit agreement shall pertain. The particular form or forms of such demand provisions, the period or periods for payment of principal and interest after delivery of notice, the appointment of the agent for the Authority, the terms and provisions of the remarketing or replacement agreement, and the terms and provisions of the credit or liquidity agreement shall be as designated by a Supplemental Resolution of the Authority adopted prior to the sale of the applicable Series of Bonds.

Unless otherwise provided by Supplemental Resolution adopted prior to the issuance of the applicable Series of Bonds, a purchase of Bonds by or through a remarketing agent, trustee, auction agent, credit facility provider or the Authority pursuant to an optional or mandatory tender shall not be deemed a redemption of such Bonds and will not be deemed to extinguish or discharge the indebtedness evidenced by such Bonds. Any Bonds purchased by or on behalf of the Authority pursuant to an optional or mandatory tender shall be purchased with the intent that the indebtedness evidenced by such Bonds shall not be extinguished or discharged; such indebtedness shall not be extinguished or discharged and such Bonds shall remain outstanding hereunder unless and until such Bonds are delivered to the Trustee or Paying Agent therefor for cancellation.

SECTION 205. Refunding Bonds.

1. One or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund (a) all Outstanding Bonds of one or more Series or all or any portion of one or more maturities within a Series, or (b) any Subordinated Indebtedness. Refunding Bonds shall be issued in a principal

amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the Funds under the Resolution required by the provisions of the Supplemental Resolution authorizing such Bonds or determining the terms and details thereof.

2. Refunding Bonds of each Series issued to refund one or more Series of Outstanding Bonds, or one or more maturities, or any portion of a maturity, within a Series shall be authenticated and delivered by the Trustee only upon receipt by it from the Authority (in addition to the documents and moneys required by Section 202) of:

(1) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on a redemption date specified in such instructions;

(2) If the Bonds to be refunded are not by their terms subject to redemption within the next succeeding 60 days, irrevocable instructions to the Trustee, satisfactory to it, to make due publication of the notice provided for in Section 1201 to the Holders of the Bonds and coupons being refunded;

(3) Either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) Investment Securities in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of subsection 2 of Section 1201 and any moneys required pursuant to said subsection 2, which Investment Securities and moneys shall be held in trust and used only as provided in said subsection 2;

(4) Either of the following: (i) a certificate of an Authorized Officer of the Authority setting forth (1) the Aggregate Debt Service through the date of the latest maturity of any Bonds of any Series then Outstanding (A) with respect to the Bonds of all Series Outstanding immediately prior to the date of authentication and delivery of such Refunding Bonds, and (B) with respect to the Bonds of all Series to be Outstanding immediately thereafter, and (2) that the Aggregate Debt Service set forth pursuant to (B) above is no greater than that set forth pursuant to (A) above; or (ii) the certificates required by subsection 1 of Section 204 evidencing that such Series of Refunding Bonds meets the

tests provided for by such subsection 1 considering, for all purposes of such certificate and tests, that such Series of Refunding Bonds is a Series of Additional Bonds.

The proceeds, including accrued interest, of the Refunding Bonds of each such Series shall be applied simultaneously with the delivery of such Bonds for the purpose of making deposits in such Funds and Accounts under the Resolution as shall be provided in the Supplemental Resolution authorizing such Bonds or determining the terms and details thereof and shall be applied to the refunding purposes thereof in the manner provided in said Supplemental Resolution.

3. Each Series of Refunding Bonds issued pursuant to clause (b) of subsection 1 of this Section to refund any outstanding Subordinated Indebtedness shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the documents, securities and moneys required by Section 202) of:

(1) Each of the documents referred to in subsection 1 of Section 204;

(2) A certificate of the Trustee (which can be based upon a verification report) then duly appointed or acting under the indenture, resolution or other appropriate instrument securing and authorizing such Subordinated Indebtedness, or of an Authorized Officer of the Authority if there shall be no such trustee, that (i) provision has been duly made for the redemption or payment at maturity of such Subordinated Indebtedness in accordance with the terms thereof, (ii) the pledge, if any, pursuant to Section 414 securing such Subordinated Indebtedness, and all other rights granted by such indenture, resolution or instrument shall have been discharged and satisfied, and (iii) such trustee or the paying agents for such Subordinated Indebtedness hold in trust the moneys required to effect such redemption or payment; and

(3) A certificate of an Authorized Officer of the Authority stating that the Authority is not in default in the performance of any of the covenants in the Resolution.

The proceeds, including accrued interest, of the Refunding Bonds of each such Series shall be applied simultaneously with the delivery of such Bonds for the purpose of making deposits in such funds and accounts as shall be provided in the Supplemental Resolution authorizing such Series or determining the terms and details thereof and shall be applied to refund such Subordinated Indebtedness, including expenses in connection therewith, in the manner provided in said Supplemental Resolution.

SECTION 206. Qualified Derivative Agreements. The Authority may enter into one or more Qualified Derivative Agreements with respect to all or a portion of the Debt Service with respect to Bonds outstanding hereunder; provided, however, that if such Qualified Derivative Agreement is not entered into at the time of initial issuance of the Bonds to which it applies, the Authority must deliver the report described in Subsection 204-1 above, applying the same to all Bonds then Outstanding, but using the assumptions provided in the definition of "Debt Service" with respect to the Qualified Derivative Agreement and the portion of Debt Service to which it relates as of the effective date of such Qualified Derivative Agreement. Qualified Derivative Payments received by the Authority under any Qualified Derivative Agreement shall be deposited upon receipt in the Revenue Fund.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 301. Medium of Payment; Form and Date; Letters and Numbers; Accrual and Payment of Interest; Place of Payment.

1. The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

2. The Bonds of each Series shall be issued in the form of coupon Bonds and/or in the form of fully registered Bonds without coupons as provided in this Resolution or the Supplemental Resolution authorizing such Series.

3. Each Bond shall be lettered and numbered as provided in this Resolution or the Supplemental Resolution authorizing the Series of which such Bond is a part and so as to be distinguished from every other Bond.

4. Coupon Bonds of each Series shall be dated as provided in this Resolution or the Supplemental Resolution authorizing the Bonds of such Series. Coupon Bonds of each Series shall bear interest from their date, payable, in the case of installments due on and prior to maturity, in accordance with, and upon surrender of, the appurtenant interest coupons as they severally mature. Except as may be otherwise provided by the Supplemental Resolution authorizing a Series of Bonds, registered Bonds of each Series shall be dated as of the date six months preceding the interest payment date next following the date of authentication thereof by the Trustee, unless such date of authentication shall be an interest payment date, in which case they shall be dated as of such date of authentication; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds of any Series shall be in default, the registered Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to

which interest has been paid in full on the Bonds surrendered; provided, further, that if the date of authentication shall be prior to the first interest payment date for the Bonds of such Series, registered Bonds shall be dated as provided in the Supplemental Resolution authorizing the Bonds of such Series or containing the terms and details thereof. Registered Bonds of each Series shall bear interest from their date.

5. The interest on, and principal and Redemption Price (if any) of, each Series of Bonds shall be payable at a designated office of each Paying Agent named in the Supplemental Resolution relating to such Series of Bonds.

SECTION 302. Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, the Act, or otherwise, as may be determined by the Authority prior to the authentication and delivery thereof.

SECTION 303. Execution and Authentication.

1. The Bonds and any coupons appertaining thereto shall be signed by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the Chairman of the Board. The seal of the City (or a facsimile thereof) shall be impressed, imprinted or lithographed thereon and attested by the manual or facsimile signature of the City Clerk, or in such other manner as may be required or permitted by law. In case any one or more of the officers who shall have signed or sealed any of the Bonds or coupons appertaining thereto shall cease to be such officer before such Bonds and coupons so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds and coupons may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds and coupons had not ceased to hold such offices. Any Bond or coupons of a Series may be signed and sealed by such persons as at the time of the execution of such Bonds or coupons shall be duly authorized or hold the proper office, although at the date borne by the Bonds and coupons of such Series such persons may not have been so authorized or have held such office.

2. The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in this Resolution or the Supplemental Resolution authorizing such Bonds, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution and no Bond and no coupon thereunto appertaining shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the

Trustee upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under the Resolution and that the Holder thereof is entitled to the benefits of the Resolution.

3. Except as otherwise provided in Section 307, the Trustee, before authenticating and delivering any coupon Bonds, shall cut off, cancel and destroy all matured coupons thereto attached, except matured coupons for which payment in full has not been made or provided for; provided, however, that when coupon Bonds are issued in exchange for registered Bonds of any Series upon which interest is in default, as shown by the records of the Trustee, such coupon Bonds shall have attached thereto all coupons maturing after the date to which interest has been paid in full, as shown by the records of the Trustee, and in case any interest installments shall have been paid in part, appropriate notation shall be made on the coupons to evidence such fact.

SECTION 304. Interchangeability of Bonds.

1. Coupon Bonds, upon surrender thereof at the principal office of the Trustee with all unmatured coupons attached, may, at the option of the Holder thereof, and upon payment by such Holder of any charges which the Trustee may make as provided in Section 306, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series and maturity of any of the authorized denominations.

2. Registered Bonds, upon surrender thereof at the principal office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his duly authorized attorney, may, at the option of the registered owner thereof, and upon payment by such registered owner of any charges which the Trustee may make as provided in Section 306, be exchanged for an equal aggregate principal amount of coupon Bonds of the same Series and maturity with appropriate coupons attached, or of registered Bonds of the same Series and maturity of any other authorized denominations.

SECTION 305. Negotiability, Transfer and Registry.

1. Title to any coupon Bond, and to any coupons shall pass by delivery as negotiable instruments payable to bearer.

2. Each registered Bond shall be transferable only upon the books of the Authority, which shall be kept for the purpose at the principal office of the Trustee, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such registered Bond the

Authority shall issue in the name of the transferee a new registered Bond or Bonds or, at the option of the transferee, coupon Bonds, with appropriate coupons attached, of the same aggregate principal amount, or in the case of Capital Appreciation Bonds, of the same aggregate Maturity Amount, and Series and maturity as the surrendered Bond.

3. The Authority and each Fiduciary may deem and treat the person in whose name any registered Bond shall be registered upon the books of the Authority as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of, and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary.

SECTION 306. Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring registered Bonds is exercised, the City shall execute and the Authority shall countersign and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. All Bonds and coupons surrendered in any such exchanges or transfers shall forthwith be cancelled by the Trustee or shall be retained in safekeeping by the Trustee until such Bonds are needed for a later exchange. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, governmental fee or other governmental charge required to be paid with respect to such exchange or transfer. Except as may be otherwise provided with respect to a Series of Bonds by the Supplemental Resolution authorizing such Series of Bonds, neither the Authority nor the Trustee shall be required (a) to transfer or exchange Bonds of any Series for a period of ten (10) days next preceding an interest payment date on the Bonds of such Series or next preceding any selection of Bonds to be redeemed or thereafter until after the first publication or mailing of any notices of redemption, or (b) to transfer or exchange any Bonds called for redemption.

SECTION 307. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City shall execute, and the Authority shall countersign and thereupon the Trustee shall authenticate and deliver, a new Bond (with appropriate coupons attached in the case of coupon Bonds) of like Series, maturity and principal amount as the Bonds and attached coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond and attached coupons, if any, or in lieu of and substitution for the Bond and coupons, if any, destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Authority and the Trustee that such Bond and attached

coupons, if any, have been destroyed, stolen or lost and proof of ownership thereof, upon furnishing the Authority and the Trustee with a surety bond in an amount satisfactory to them, upon the payment of the cost of preparing and issuing the new Bond, and upon complying with such other reasonable conditions and regulations as the Authority and Trustee may prescribe and paying such other expenses as the Authority and Trustee may incur. All Bonds and coupons so surrendered to the Trustee shall be cancelled by it. Any such new Bonds or coupons issued pursuant to this Section in substitution for Bonds or coupons alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Bonds and coupons so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be entitled to equal and proportionate benefits with all other Bonds and coupons issued under the Resolution, and shall be equally secured by any moneys or securities held by the Authority or the Fiduciary for the benefit of the Bondholders.

SECTION 308. Temporary Bonds.

1. Until the definitive Bonds of any Series are prepared, the City may execute and the Authority may countersign, in the same manner as is provided in Section 303, and, upon the request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive coupon Bond except as to the denominations thereof or as to exchangeability for registered Bonds, one or more temporary Bonds (which may be registerable as to principal and interest) substantially of the tenor of the definitive coupon Bonds in lieu of which such temporary Bond or Bonds are issued, but with or without coupons, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The installments of interest payable on such temporary Bonds in bearer form shall be payable only upon the presentation and surrender of the coupons therefor attached thereto or upon presentation of such temporary Bonds for notation thereon of the payment of such interest. The Authority at its own expense shall prepare and countersign and the City shall execute, upon the surrender of such temporary Bonds, with all unmatured coupons, and all matured coupons for which no payment or only partial payment has been provided, attached, for exchange and the cancellation of such surrendered temporary Bonds and coupons, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive coupon Bonds, with appropriate coupons attached, or, at the option of the Holder, definitive registered Bonds, of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to the Resolution.

2. If the Authority shall authorize the issuance of temporary Bonds in more than one denomination, the Holder of any temporary Bond or Bonds may, at his option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount and Series and maturity of any other authorized denomination or denominations, and thereupon the City shall execute the Authority shall countersign and the Trustee shall authenticate and, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes, fees and charges provided for in Section 306, shall deliver a temporary Bond or Bonds of like aggregate principal amount, Series and maturity in such other authorized denomination or denominations as shall be requested by such Holder.

3. All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

SECTION 309. Cancellation and Destruction of Bonds or Coupons.
All Bonds paid or redeemed, either at or before maturity, together with all unmatured coupons, if any, appertaining thereto, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds and coupons, together with all Bonds purchased by the Trustee, shall thereupon be promptly cancelled. All interest coupons shall be promptly cancelled upon their payment and delivered to the Trustee. Bonds and coupons so cancelled may at any time be destroyed by the Trustee, which shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds and coupons so destroyed, and one executed certificate shall be filed with the Authority and the other executed certificate shall be retained by the Trustee.

ARTICLE IV

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

SECTION 401. The Pledge Effected by the Resolution.

1. There are hereby pledged for the payment of the principal and Redemption Price of, and interest on, the Bonds, in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, the Pledged Funds. A Series of Bonds may be further secured by a credit facility, guaranty or municipal bond insurance policy.

2. The Pledged Funds shall immediately be subject to the lien of this pledge as set forth in subsection 1 hereof without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority or the City, irrespective of whether such parties have notice thereof.

SECTION 402. Establishment of Funds. The following Funds are hereby established:

- (1) Airport Facilities Construction Fund, to be held by the Special Trustee;
- (2) Airport Facilities Revenue Fund, to be held by the Special Trustee;
- (3) Airport Facilities Bond Fund, to be held by the Trustee, consisting of a Debt Service Account and a Debt Service Reserve Account, consisting of a Composite Reserve Subaccount and such additional reserve subaccounts as may be established with respect to particular Series of Bonds;
- (4) Airport Facilities Operation and Maintenance Fund, to be held by the Authority, which includes the Operation and Maintenance Reserve Account;
- (5) Airport Facilities Capital Expenditures Fund, to be held by the Authority;
- (6) Airport Facilities Renewal and Replacement Fund, to be held by the Authority;
- (7) Airport Facilities Improvement and Development Fund, to be held by the Authority; and
- (8) Airport Facilities Discretionary Fund, including the PFC Account hereby established as a separate account therein, to be held by the Authority.

SECTION 403. Construction Fund.

1. There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of this Resolution or any Supplemental Resolution and there may be paid into the Construction Fund, at the option of the Authority, any moneys received for or in connection with the Airport System by the Authority from any other source, unless required to be otherwise applied as provided by the Resolution.

2. The Special Trustee shall establish within the Construction Fund a separate account for each Additional Project the costs of which are to be paid in whole or in part out of the Construction Fund.

3. During the period of construction, the proceeds of insurance maintained pursuant to this Resolution against physical loss of or damage to any Additional Project, or of contractors' performance bonds with respect thereto, pertaining to the period of construction thereof shall be paid into the appropriate separate account in the Construction Fund.

4. Amounts in each separate account established for an Additional Project shall be applied to the purpose or purposes specified in the Supplemental Resolution authorizing the Bonds issued with respect to such Additional Project, or, if no Bonds are so issued, to the purpose or purposes specified in a resolution of the Authority, a copy of which, certified by an Authorized Officer of the Authority, shall be filed with the Special Trustee.

5. Before any such application of any amounts in the Construction Fund shall be made, the Authority shall file with the Special Trustee a requisition, signed by an Authorized Officer of the Authority designated by resolution of the Authority for such purpose, showing with respect to each payment to be made, the name of the person to whom payment is due and the amount to be paid, and stating that the obligation to be paid was incurred and is a proper charge against the Construction Fund. Each such requisition shall be sufficient evidence to the Special Trustee:

(a) that obligations in the stated amounts have been incurred by the Authority and that each item thereof is a proper charge against the Construction Fund; and

(b) that there has not been filed with or served upon the Authority notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named in such requisition which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

6. To the extent that other moneys are not available therefor in any other Fund, amounts in the Construction Fund shall be applied to the payment of the principal of and interest on Bonds when due, unless such use would cause interest on Bonds (other than Bonds issued with the intent that interest thereon be includable in gross income for federal income tax purposes) not to be excluded from gross income for federal income tax purposes.

7. The completion of construction of any Additional Project shall be evidenced by a certificate of the Consulting Engineers, which shall be filed promptly with the Special Trustee, stating the date of such completion and the amount, if any, required in the opinion of the signer for the payment of any remaining part of the Cost of Construction of such Additional Project, and that such Additional Project has been completed in accordance with the plans and specifications applicable thereto. Upon the filing of such certificate, the balance in the separate account in the Construction Fund established therefor in excess of the amount, if any, stated in such certificate shall be deposited in the applicable Debt Service

Reserve Account within the Bond Fund, if and to the extent necessary to make the amount in such Account equal to the Debt Service Reserve Requirement. Any balance, shall be (i) transferred by the Special Trustee to the Trustee for deposit in the Debt Service Account within the Bond Fund and applied by the Trustee to the retirement of Bonds by purchase or redemption or (ii) shall be used to pay for costs of improvements to the Airport System, as the Authority shall direct.

SECTION 404. [Deleted].

SECTION 405. Deposit of Revenues.

1. All Revenues shall be promptly deposited by the Authority into the Revenue Fund. As soon as practicable in each month after the deposit of Revenues in the Revenue Fund but in any case no later than five (5) business days before the end of such month, the Special Trustee shall withdraw from the Revenue Fund and transfer to the Trustee or the Authority, as the case may be, for deposit in the following Funds or transfer to the entities described below in the following order of priority the amounts set forth below:

(1) To the Operation and Maintenance Fund, an amount equal to one-twelfth (or such greater fraction if the period is less than 12 months as may be appropriate) of the money appropriated for Operation and Maintenance Expenses for the then current Fiscal Year as set forth in the then current Annual Budget;

(2) To the Bond Fund for credit to the Debt Service Account, if and to the extent required so that the balance in said Account shall equal the Accrued Aggregate Debt Service; provided that, for the purposes of computing the amount in said Account, there shall be excluded the amount, if any, set aside in said Account which was deposited therein from the proceeds of each Series of Bonds less the amount of interest accrued and unpaid and to accrue on the Bonds of such Series (or any Refunding Bonds issued to refund such Bonds), other than with respect to Capital Appreciation Bonds, to the last day of the then current calendar month;

(3) Except as otherwise provided below, to the Bond Fund for the credit of the applicable subaccounts in the Debt Service Reserve Account, an amount, if and to the extent necessary, so that the balance in each subaccount shall equal the Debt Service Reserve Requirement with respect thereto;

(4) To the trustee, paying agent or holders of any Subordinated Indebtedness, such amount and at such times as shall be sufficient, taking into account any Subordinated Pledged Revenues, to

pay the principal of and interest becoming due in the next succeeding month on any Subordinated Indebtedness, including any obligations to set aside or deposit moneys for future debt service payments, in the manner set forth in the Issuing Instrument(s) for Subordinated Indebtedness;

(5) To the deposit to any debt service reserve account established by the Issuing Instrument(s) for Subordinated Indebtedness such amount and at such times as shall be required by the terms of the Issuing Instrument(s);

(6) To the Operation and Maintenance Fund for credit to the Operation and Maintenance Reserve Account an amount equal to one-twelfth (or such greater fraction if the period is less than 12 months as may be appropriate) of the amount which is equal to the difference between the sum on deposit in said Account at the beginning of the then Fiscal Year and one-sixth of the Operation and Maintenance Expenses for the then Fiscal Year as set forth in the then current Annual Budget;

(7) To the trustee, paying agent or holders of any Secondary Subordinated Indebtedness, such amount and at such times as shall be sufficient to pay the principal of and interest becoming due in the next succeeding month on any Secondary Subordinated Indebtedness, including any obligations to set aside or deposit moneys for future debt service payments, in the manner set forth in the Issuing Instrument(s) for Secondary Subordinated Indebtedness;

(8) To the deposit to any debt service reserve account established by the Issuing Instrument(s) for Secondary Subordinated Indebtedness such amount and at such times as shall be required by the terms of the Issuing Instrument(s);

(9) To the Capital Expenditures Fund, an amount equal to one-twelfth (or such greater fraction if the period is less than 12 months as may be appropriate) of the money appropriated for said Fund as set forth in the then current Annual Budget; provided that, if any such monthly allocation to said Fund shall be less than the required amount, the amount of the next succeeding monthly payments shall be increased by the amount of such deficiency;

(10) To the Renewal and Replacement Fund, an amount equal to one-twelfth (or such greater fraction if the period is less than 12 months as may be appropriate) of the money appropriated for said

Fund as set forth in the then current Annual Budget; provided that, no deposit shall be required to be made into said Fund whenever and as long as uncommitted moneys in said Fund are equal to \$2,000,000 or such other greater amount as provided therefor by the Authority as necessary for the purposes of said Fund; and provided further that, if any such monthly allocation to said Fund shall be less than the required amount, the amount of the next succeeding monthly payments shall be increased by the amount of such deficiency; and

(11) To the Discretionary Fund, any amount remaining after making the deposits required by clauses (1) through (10) above.

Deposits to the Bond Fund shall be increased to the extent required to pay principal, interest and redemption premiums, if any, next becoming due, and to make up any deficiencies or losses that may otherwise arise in such Fund and subaccounts.

If there are not sufficient funds in the Revenue Fund available to make the amounts on deposit in each subaccount in the Debt Service Reserve Account equal to the Debt Service Reserve Requirement for the applicable Series of Bonds, there shall be deposited in each such subaccount an amount equal to the lesser of the Debt Service Reserve Requirement for such subaccount or the total amount available to be deposited into the Debt Service Reserve Account multiplied by a fraction, the numerator of which is the Bond Obligation of all Bonds of the applicable Series then Outstanding and the denominator of which is the total aggregate amount of the Bond Obligation of all Bonds of every Series then Outstanding hereunder secured by a subaccount in the Debt Service Reserve Account.

Notwithstanding anything herein to the contrary, the Authority shall not be required to fully-fund a subaccount in the Debt Service Reserve Account at the time of issuance of any Series of Bonds hereunder, if it provides on the date of issuance of any Series of Bonds in lieu of such funds, a Reserve Product issued by a Reserve Product Provider in an amount equal to the difference between the applicable Debt Service Reserve Requirement and the sums then on deposit in the applicable subaccount in the Debt Service Reserve Account. Such Reserve Product as provided above 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 the applicable Series of Bonds which cannot be cured by funds in any other account held pursuant to this Resolution and available for such purpose, and which shall name the Trustee or a Paying Agent as the beneficiary thereof. If a disbursement is made from a Reserve Product as provided above, the Authority 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 applicable subaccount in the Debt Service Reserve Account from the first Revenues available for deposit pursuant to clause 1.(3) above after the deposits required by clauses 1.(1) and (2) 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 clause 1.(3), amounts necessary to satisfy such reimbursement obligation and other obligations of the Authority to such a Reserve Product Provider shall be deemed required deposits into the applicable subaccount in the Debt Service Reserve Account, but shall be used by the Authority to satisfy its obligations to the Reserve Product Provider.

Also notwithstanding anything herein to the contrary, the Authority shall not be required to fund fully a subaccount in the Debt Service Reserve Account at the time of issuance of any Series of Bonds hereunder, if it elects by Supplemental Resolution adopted prior to the issuance of any Series of Bonds and subject to the limits described below, to fully fund the applicable subaccount over a period specified in such Supplemental Resolution not to exceed sixty (60) months during which it shall make substantially equal monthly installments in order that the amount on deposit in such subaccount in the Debt Service Reserve Account at the end of such period shall equal the applicable Debt Service Reserve Requirement with respect thereto. The aggregate amounts which may be permitted to be deposited in installments at any time shall not exceed 75% of the applicable Debt Service Reserve Requirement with respect to such subaccount in the Debt Service Reserve Account. If a subaccount in the Debt Service Reserve Account is to be initially funded in installments, the deposits required pursuant to the foregoing may be limited to the amount which will be sufficient to make the required monthly installments specified in the Supplemental Resolution, plus an amount necessary to make up any deficiencies caused by withdrawals or resulting from valuations of the funds on deposit therein.

2. At such time as the total amount held in the Debt Service Account and the Debt Service Reserve Account shall be sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal of, applicable sinking fund Redemption Price and interest thereon), no further deposits shall be required to be made into such Accounts and the Bonds shall no longer be deemed Outstanding pursuant to this Resolution.

SECTION 406. Bond Fund - Debt Service Account.

1. The Trustee shall pay out of the Debt Service Account to the respective Paying Agents (i) on or before each interest payment date for any of the Bonds, the amount required for the interest payable on such date; (ii) on or before each Principal Installment due date, the amount required for the Principal

Installment payable on such due date; and (iii) on or before the day preceding any redemption date for the Bonds, the amount required for the payment of interest on the Bonds then to be redeemed. Such amounts shall be applied by the Paying Agents on and after the due dates thereof. The Trustee shall also pay out of the Debt Service Account the accrued interest included in the purchase price of Bonds purchased for retirement.

Notwithstanding anything provided in this Section 406 to the contrary, if principal, interest or premium payments on Bonds have been paid on behalf of the Authority by a bond insurer or the provider of any credit or liquidity facility or any other entity insuring, guarantying or otherwise providing for the payment of the Bonds, or any Series thereof, moneys on deposit in the Debt Service Account and allocable to such Bonds shall be paid to such bond insurer or provider of the liquidity facility or credit facility or other entity having heretofore made a corresponding payment on the Bonds.

2. Amounts accumulated in the Debt Service Account with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) may and, if so directed by the Authority, shall be applied by the Trustee, on or prior to the 60th day preceding the due date of such Sinking Fund Installment, to (i) the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, or (ii) the redemption at the applicable sinking fund Redemption Prices, pursuant to Article V, of such Bonds, if then redeemable by their terms. After the 60th day but on or prior to the 40th day preceding the due date of such Sinking Fund Installment, any amounts then on deposit in the Debt Service Account (exclusive of amounts, if any, set aside in said Fund which were deposited therein from the proceeds of Additional Bonds) may, and if so directed by the Authority, shall be applied by the Trustee to the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established in an amount not exceeding that necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. All purchases of any Bonds pursuant to this subsection 2 shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made in such manner as the Trustee shall determine. The applicable sinking fund Redemption Price (or principal amount of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such Sinking Fund Installment date, for the purpose of calculating the amount of such Fund. As soon as practicable after the 40th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, by giving notice as provided in Section 505, on such due date Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement

of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the Debt Service Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment).

3. The amount, if any, deposited in the Debt Service Account from the proceeds of each Series of Bonds, including Capitalized Interest, shall be set aside in such Fund and applied to the payment of interest on the Bonds of such Series (or Refunding Bonds issued to refund such Bonds) as the same becomes due and payable.

SECTION 407. Bond Fund - Debt Service Reserve Account.

1. If, on the final business day of any month the amount in the Debt Service Account shall be less than the amount required to be in such Account pursuant to subsection 1 of Section 405, the Trustee shall apply amounts from the applicable subaccounts in the Debt Service Reserve Account to the extent necessary to make good the deficiency; provided, however, that amounts in the separate subaccounts in the Debt Service Reserve Account shall be used only for the purpose of curing deficiencies with respect to the Series of Bonds secured by such subaccount. Any proceeds received from a Reserve Product shall be applied to cure deficiencies in the Debt Service Account only with respect to the Series of Bonds for which such Reserve Product was provided.

2. Whenever the moneys on deposit in a subaccount in the Debt Service Reserve Account shall exceed the applicable Debt Service Reserve Requirement, the Trustee, at the direction of an Authorized Officer of the Authority, shall allocate and apply the amount of such excess in the same manner as Available Revenues or Revenues, as the case may be, pursuant to Section 405.

3. Whenever the amounts in the applicable subaccounts in the Debt Service Reserve Account, together with the amount in the Debt Service Account, is sufficient to pay fully all Outstanding Bonds in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), the funds on deposit in the Debt Service Reserve Account shall be transferred to the Debt Service Account. Prior to said transfer, all investments held in the Debt Service Reserve Account shall be liquidated to the extent deemed necessary in order to provide for the timely payment of principal and interest (or Redemption Price) on the Bonds Outstanding secured by the applicable subaccount in the Debt Service Reserve Account.

4. Notwithstanding the foregoing, if one or more subaccounts in the Debt Service Reserve Account have been funded with cash or Investment Securities and no event of default shall have occurred and be continuing hereunder, the Authority may, at any time in its discretion, substitute a Reserve Product meeting the requirements of this Resolution for the cash and Investment Securities in any such subaccount, and the Authority may then withdraw such cash and Investment Securities from such account and deposit them to the credit of the Discretionary Fund or such other fund or account as shall be designated by the Authority so long as the Authority obtains an opinion of Bond Counsel that such actions will not, in and of themselves, adversely affect the exclusion from gross income of interest on the applicable Series of Bonds (if other than Taxable Bonds) for federal income tax purposes.

Cash on deposit in the applicable subaccount in the Debt Service Reserve Account shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Product. If and to the extent that more than one Reserve Product is deposited in the applicable subaccount in the Debt Service Reserve Account, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

SECTION 408. Operation and Maintenance Fund.

1. Amounts in the Operation and Maintenance Fund shall be paid out from time to time by the Authority for reasonable and necessary Operation and Maintenance Expenses.

2. Amounts in the Operation and Maintenance Fund which the Authority at any time determines to be in excess of the requirements of such Fund shall be paid over by the Authority to the Special Trustee for deposit into the Revenue Fund and applied in accordance with Section 405.

3. There is hereby established in the Operation and Maintenance Fund a separate account to be known as the Operation and Maintenance Reserve Account. Moneys to the credit of said Account shall be paid out from time to time by the Authority for reasonable and necessary Operation and Maintenance Expenses to the extent that sufficient funds are not available within the Operation and Maintenance Fund for such purposes.

4. If at any time amounts on deposit in the Operation and Maintenance Reserve Account are in excess of 1/6 of the Operation and Maintenance Expenses with respect to the Airport System as set forth in the then

current Annual Budget, the Authority shall pay such excess to the Special Trustee for application in accordance with Section 405.

SECTION 409. Capital Expenditures Fund.

1. Moneys in the Capital Expenditures Fund may be applied to purchase items of equipment and other capital items for use in connection with the Airport System.

2. If at any time the moneys in the Debt Service Account, the Debt Service Reserve Account, the Discretionary Fund, the Improvement and Development Fund and the Renewal and Replacement Fund shall be insufficient to pay the interest and Principal Installments when due on the Bonds, the Authority, upon requisition of the Trustee, shall transfer from the Capital Expenditures Fund to the Trustee for deposit in the Debt Service Account the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency.

3. To the extent not required to meet a deficiency as required in subsection 2 of this Section, if at any time the moneys in the Operation and Maintenance Fund (including the Operation and Maintenance Reserve Account), the Discretionary Fund, the Improvement and Development Fund and the Renewal and Replacement Fund shall be insufficient to pay Operation and Maintenance Expenses when due, the Authority shall transfer from the Capital Expenditures Fund to the Operation and Maintenance Fund the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency.

SECTION 410. Renewal and Replacement Fund.

1. Moneys in the Renewal and Replacement Fund may be applied to pay costs of unanticipated or emergency replacements and repairs to the Airport System.

2. If at any time the moneys in the Debt Service Account, the Debt Service Reserve Account, the Discretionary Fund and the Improvement and Development Fund shall be insufficient to pay the interest and Principal Installments when due on the Bonds, the Trustee shall transfer from the Renewal and Replacement Fund to the Debt Service Account the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency.

3. To the extent not required to meet a deficiency as required in subsection 2 of this Section, if at any time the moneys in the Operation and Maintenance Fund (including the Operation and Maintenance Reserve Account), the Discretionary Fund, and the Improvement and Development Fund shall be

insufficient to pay Operation and Maintenance Expenses when due, the Trustee shall transfer from the Renewal and Replacement Fund to the Authority for deposit in the Operation and Maintenance Fund the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency.

SECTION 411. Discretionary Fund.

1. If at any time the moneys in the Debt Service Account and the Debt Service Reserve Account shall be insufficient to pay the interest and Principal Installments when due on the Bonds, the Authority, upon requisition of the Trustee, shall transfer from the Discretionary Fund to the Trustee for deposit in the Debt Service Account the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency.

2. To the extent not required to meet a deficiency as required in subsection 1 of this Section, if at any time the moneys in the Operation and Maintenance Fund (including the Operation and Maintenance Reserve Account) shall be insufficient to pay Operation and Maintenance Expenses when due, the Authority shall transfer from the Discretionary Fund to the Operation and Maintenance Fund the amount necessary (or all moneys in said Fund if less than the amount necessary) to make up such deficiency.

3. To the extent not required to meet a deficiency as required by subsections 1 and 2 of this Section, if at any time the amounts deposited pursuant to Sections 405(4), (5), (7) and (8) shall be insufficient for the purposes provided in such Sections, the Authority shall transfer from the Discretionary Fund the amounts necessary to make up such insufficiency for the purposes and in the order provided in such Sections.

4. Amounts in the Discretionary Fund not required to meet a deficiency as required in subsections 1, 2 and 3 of this Section may, at the discretion of the Authority, be applied to any one or more of the following purposes:

(a) the purchase or redemption of any Bonds, and expenses in connection with the purchase or redemption of any such Bonds;

(b) the purchase or redemption of any Subordinated Indebtedness or Secondary Subordinated Indebtedness and expenses in connection with the purchase or redemption of any such Subordinated Indebtedness or Secondary Subordinated Indebtedness;

(c) payments into any separate account or accounts established in the Construction Fund for application in a manner consistent with the purposes of such account;

(d) improvements, extensions, betterments, renewals, replacements, repairs, maintenance or reconstruction of any properties or facilities of the Airport System or the provision of one or more reserves therefor; and

(e) any other lawful purpose of the Authority;

provided that, subject to the provisions of subsection 1, 2 and 3 of this Section, amounts deposited in the Discretionary Fund and required by the Resolution to be applied to the purchase or redemption of Bonds shall be applied to such purpose in such manner as the Authority shall determine.

5. Whenever any moneys in the Discretionary Fund or the Improvement and Development Fund are to be applied to the purchase or redemption of Bonds, the Authority shall deposit such moneys with the Trustee, in a separate account established for such purpose, and shall give written instructions to the Trustee to make such purchase or redemption in accordance with the provisions of the Resolution. Upon any such purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established, an amount equal to the principal amount of such Bonds so purchased or redeemed shall be credited toward a part or all of any one or more Sinking Fund Installments thereafter to become due, as directed by the Authority in a certificate in writing signed by an Authorized Officer of the Authority and filed with the Trustee, or in the absence of such direction, toward such Sinking Fund Installments in inverse order of their due dates. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

6. Amounts in the PFC Account in the Discretionary Fund not required to meet the deficiencies as required by subsections 1, 2 and 3 of this Section may be withdrawn by the Authority at any time and shall be applied by the Authority, in its discretion, for permitted purposes, in accordance with the applicable approvals and authorizations of the FAA and applicable FAA Regulations.

SECTION 412. Improvement and Development Fund.

1. Moneys in the Improvement and Development Fund may be applied to costs of the Airport Improvement and Development Plan for the then current Fiscal Year or to the purchase or Redemption of Bonds, including any expenses in connection with such purchase or redemption. Whenever moneys in the

Improvement and Development Fund are applied to the purchase or redemption of Bonds, the provisions of paragraph 5 of Section 411 shall equally apply.

2. If at any time the moneys in the Debt Service Account, the Debt Service Reserve Account and the Discretionary Fund shall be insufficient to pay the interest and Principal Installments when due on the Bonds, the Authority, upon requisition of the Trustee, shall transfer from the Improvement and Development Fund to the Trustee for deposit in the Debt Service Account the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency.

3. To the extent not required to meet a deficiency as required in subsection 2 of this Section, if at any time the moneys in the Operation and Maintenance Fund (including the Operation and Maintenance Reserve Account) and the Discretionary Fund shall be insufficient to pay Operation and Maintenance Expenses when due, the Authority shall transfer from the Improvement and Development Fund to the Operation and Maintenance Fund the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency.

4. At such time as all amounts on deposit in the Improvement and Development Fund have been spent or transferred to other Funds, the Improvement and Development Fund shall be closed and no longer used in connection with this Resolution.

SECTION 413. [Deleted].

SECTION 414. Subordinated Indebtedness and Secondary Subordinated Indebtedness. The Authority may, at any time, or from time to time, issue Subordinated Indebtedness or Secondary Subordinated Indebtedness, pursuant to one or more Issuing Instruments. Such Subordinated Indebtedness or Secondary Subordinated Indebtedness shall be payable out of, and may be secured pursuant to such Issuing Instrument(s) by a pledge of the moneys deposited pursuant to Sections 405 hereof, any Subordinated Pledged Revenues and such amounts in the Discretionary Fund as may from time to time be available for the purpose of payment thereof as provided in Section 411 hereof; provided, however, that (i) such Subordinated Indebtedness or Secondary Subordinated Indebtedness shall be incurred, and the proceeds thereof utilized for, any lawful purpose of the Authority, (ii) such pledge provided for Subordinated Indebtedness or Secondary Subordinated Indebtedness in the Issuing Instrument(s) shall be, and shall be expressed to be, subordinated in all respects to the pledge created by this Resolution in favor of the Bonds, and (iii) such pledge provided for Secondary Subordinated Indebtedness in the Issuing Instrument(s) relating thereto shall be, and shall be expressed to be, subordinate in all respects (other than any pledge of Subordinated

Pledged Revenues made solely to the holders of Secondary Subordinated Indebtedness) to the pledge created for the Subordinated Indebtedness.

SECTION 415. [Deleted].

SECTION 416. Released Revenues. The Authority may cause a category of income, receipts or other revenues then included in the definition of "Revenues" in Section 101 to be excluded from such definition for all purposes of this Resolution, which exclusion shall be effective from the date the Authority satisfies the conditions of this Section 416, by filing the following with the Trustee:

1. a written request from an Authorized Officer of the Authority to release such category of income, receipts and other revenues from the definition of Revenues contained in Section 101, accompanied by a written certificate of an Authorized Officer of the Authority certifying the Authority is not in default pursuant to Section 801(i) hereof; and

2. a certificate of an Authorized Officer of the Authority or Airport Consultant to the effect that Net Revenues and any Subordinated Pledged Revenues, excluding the category of Revenues proposed to become Released Revenues, for each of the two Fiscal Years for which audited financial statements are available immediately preceding the date of such certificate or report, were sufficient to satisfy the rate covenant set forth in Section 711 for each of such two Fiscal Years, assuming that 1.10 (instead of 1.00) was used in Section 711.1 and 1.50 (instead of 1.25) was used in Section 711.2.

ARTICLE V

REDEMPTION OF BONDS

SECTION 501. Privilege of Redemption and Redemption Price. Bonds subject to redemption, in whole or in part, prior to maturity pursuant to this Resolution or a Supplemental Resolution shall be redeemable, upon published notice as provided in this Article V, at such times, at such Redemption Prices and upon such terms in addition to the terms contained in this Article V as may be specified in this Resolution or in the Supplemental Resolution authorizing such Series.

SECTION 502. Redemption at the Election or Direction of the City. In the case of any redemption of Bonds at the election or direction of the City, the Authority shall give written notice to the Trustee of the City's election or direction so to redeem, of the redemption date, of the Series, and of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by the City in its sole discretion, subject to any limitations with respect thereto contained in the

Resolution). Such notice shall be given at least 45 days prior to the redemption date. In the event notice of redemption shall have been given as provided in Section 505 there shall be paid prior to the redemption date to the appropriate Paying Agents an amount in cash which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed. The Authority shall promptly notify the Trustee in writing of all such payments by it to a Paying Agent.

SECTION 503. Redemption Otherwise Than at City's Election or Direction. Whenever by the terms of the Resolution the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the City, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and pay out of moneys available therefor the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article V and, to the extent applicable, Section 506.

SECTION 504. Selection of Bonds to be Redeemed. If less than all of the Bonds of like maturity of any Series shall be called for prior redemption, the particular Bonds or portion of Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that the portion of any Bond to be redeemed no less than the authorized denomination or an integral multiple thereof as provided by Supplemental Resolution with respect to a Series of Bonds, or with respect to Capital Appreciation Bonds, the Maturity Amount of authorized denomination or an integral multiple thereof, and that in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of authorized denomination which is obtained by dividing the principal amount or, with respect to Capital Appreciation Bonds, Maturity Amount of such Bond to be redeemed in part by the authorized denomination as provided by Supplemental Resolution with respect to a Series of Bonds.

Upon any purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established in advance of their scheduled maturity or mandatory redemption date, an amount equal to the principal amount of such Bonds so purchased or redeemed shall be credited toward a part (an integral multiple of authorized denomination as provided by Supplemental Resolution with respect to a Series of Bonds) or all of any one or more Sinking Fund Installments thereafter to become due, as directed by the Authority in a certificate in writing signed by an Authorized Officer of the Authority and filed with the Trustee, or in the absence of such direction, toward such Sinking Fund Installments in inverse order of their due dates. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited

toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

SECTION 505. Notice of Redemption. When the Trustee shall receive notice from the Authority of the City's election or direction to redeem Bonds pursuant to Section 502, and when redemption of Bonds is authorized or required pursuant to Section 503, the Trustee shall give notice of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall specify the respective portions of the principal amount, or with respect to Capital Appreciation Bonds, the portion of the Maturity Amount, thereof to be redeemed, and with respect to Capital Appreciation Bonds, the applicable Accreted Value of the Bonds to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only together with interest accrued to the redemption date with respect to Bonds other than Capital Appreciation Bonds, and the Accreted Value of Capital Appreciation Bonds, and that from and after such date interest thereon shall cease to accrue and be payable and the value of Capital Appreciation Bonds shall cease to accrue. Notice of redemption shall be given by the deposit in the U.S. Mail of a copy of the redemption notice, postage prepaid, at least thirty and not more than sixty days before the redemption date to all registered owners of the Bonds or portions of the Bonds to be redeemed at their last addresses as they appear on the registration books maintained in accordance with the provisions hereof. Failure to mail any such notice to a registered owner of a Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Bond or portion thereof with respect to which no such failure or defect occurred. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the owner of such Bond receives such notice. The foregoing notwithstanding, the Authority may provide redemption notice requirements different than those provided in this Section 505 with respect to a Series of Bonds by Supplemental Resolution authorizing such Series of Bonds.

SECTION 506. Payment of Redeemed Bonds. Notice having been given in the manner required in Section 505, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus, with respect to Bonds other than Capital Appreciation Bonds, interest accrued and unpaid to the redemption date, and, upon

presentation and surrender thereof at the office specified in such notice, together with, in the case of coupon Bonds, all appurtenant coupons maturing subsequent to the redemption date, such Bonds, or portions thereof, shall be paid at the Redemption Price, plus, with respect to Bonds other than Capital Appreciation Bonds, interest accrued and unpaid to the redemption date not represented by coupons for matured interest installments. All interest installments represented by coupons which shall have matured on or prior to the redemption date shall continue to be payable to the bearers of such coupons. If there shall be drawn for redemption less than all of a registered Bond, the City shall execute and the Authority shall countersign and the Trustee shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount, or in the case of Capital Appreciation Bonds, the unredeemed balance of the Maturity Amount, of the Bond so surrendered, at the option of the owner thereof, other than with respect to Capital Appreciation Bonds which shall be delivered only as registered Bonds, either coupon Bonds (if such Series of Bonds is authorized to be issued in the form of Coupon Bonds) or registered Bonds of like Series and maturity in any of the authorized denominations. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, including the Accreted Value of Capital Appreciation Bonds to be redeemed on such date, and together with interest to the redemption date on Bonds other than Capital Appreciation Bonds, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as required in Section 505, then, from and after the redemption date interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable and with respect to Capital Appreciation Bonds that bear no stated interest, principal of such Capital Appreciation Bonds or portions thereof of such Series and maturity so called for redemption shall cease to appreciate, and the coupons for interest appertaining thereto maturing subsequent to the redemption date shall be void. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and the principal of Capital Appreciation Bonds that bear no stated interest shall continue to appreciate at the same rate as it would have had such Capital Appreciation Bonds not been called for redemption.

ARTICLE VI

DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

SECTION 601. Depositaries. All moneys held by the Trustee or the Special Trustee under the provisions of the Resolution shall be deposited with the Trustee or the Special Trustee as the case may be, including one or more

Depositories in trust for the Trustee or the Special Trustee. All moneys held by the Authority under the Resolution shall be deposited in one or more Depositories in the name of the Authority. Moneys to be deposited in a particular Fund or Account under the Resolution may be deposited with more than one Depository, provided that such moneys be credited to such Fund or Account. Each Depository shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least \$1,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of the Resolution. All moneys deposited under the provisions of the Resolution with the Trustee, Special Trustee or any Depository shall be held in trust and applied only in accordance with the provisions of the Resolution, and each of the Funds established by the Resolution shall be a trust fund for the purposes thereof.

SECTION 602. Deposits.

1. All moneys held by any Depository under the Resolution may be placed on demand or time deposit, if and as directed by the Authority, provided that such deposits shall permit the moneys so held to be available for use at the time when needed. The Authority shall not be liable for any loss or depreciation in value resulting from any investment made pursuant to the Resolution. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. All moneys held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Authority and acceptable to such Fiduciary, on time deposit, provided that such moneys on time deposit be available for use at the time when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

2. All moneys held under the Resolution by the Trustee, Special Trustee or any Depository shall be continuously and fully secured for the benefit of the Authority and the Holders of the Bonds and coupons, either (a) by lodging with the Trustee or the Special Trustee, as the case may be, as custodian, as collateral security, direct obligations of or obligations guaranteed by the United States of America having a market value (exclusive of accrued interest) not less than the amount of such moneys, or (b) in such other manner as may then be required by applicable Federal or State of Florida laws and regulations regarding security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Fiduciaries to give security under this subsection 2 for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of or interest on any Bonds, or for the Trustee, Special Trustee or any Depository to give security for any

moneys which shall be represented by obligations purchased as an investment of such moneys.

3. All moneys deposited with the Trustee, Special Trustee and each Depositary shall be credited to the particular Fund or Account to which such moneys belong.

SECTION 603. Investment of Certain Funds. Moneys held in the Debt Service Account and the Debt Service Reserve Account shall be invested and reinvested by the Trustee to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Accounts, and in the case of the Debt Service Reserve Account not later than 15 years (unless such securities shall be redeemable at the option of the holder thereof, in which event such securities may mature at a date no later than the final maturity date of the Bonds). The Trustee shall make such investment in accordance with any instructions received from an Authorized Officer of the Authority. Moneys in the Revenue Fund and the Construction Fund may be invested in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed to provide payments from such Funds. The Special Trustee shall make such investment in accordance with any instructions received from an Authorized Officer of the Authority. Moneys in the Operation and Maintenance Fund, including amounts in the Operation and Maintenance Reserve Account, may be invested by the Authority in Investment Securities which mature within 12 months and moneys in the Capital Expenditures Fund, the Renewal and Replacement Fund, the Improvement and Development Fund and the Discretionary Fund may be invested in Investment Securities which mature within 5 years, and in any case not later than such times as shall be necessary to provide moneys when needed for payments from such respective Funds.

Interest earned on any moneys or investments in any such Accounts or Funds other than the Construction Fund shall be paid into the Revenue Fund. Interest earned on any moneys or investments in a separate account in the Construction Fund shall be held in such account for the purposes thereof.

The Authority agrees that broker confirmations of investments are not required to be issued by either the Trustee or the Special Trustee for each month in which a monthly statement is rendered by the Trustee or the Special Trustee, respectively.

SECTION 604. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any Account or Fund shall be deemed at all times to be a part of such Account or Fund and any profit realized from the liquidation of such investment shall be credited to such Account or Fund and any

loss resulting from the liquidation of such investment shall be charged to the respective Account or Fund.

In computing the amount in any Account or Fund created under the provisions of the Resolution for any purpose provided in the Resolution, obligations purchased as an investment of moneys therein shall be valued at cost or the principal amount thereof, whichever is lower, exclusive of accrued interest, except that such investments in the Debt Service Reserve Account shall be valued at the cost or market price thereof whichever is lower, exclusive of accrued interest. The valuation of such Accounts and Funds shall be made as of March 31 and September 30 in each year.

Except as otherwise provided in the Resolution, the Trustee and the Special Trustee shall sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested in writing by an Authorized Officer of the Authority so to do whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Account or Fund held by the Trustee or Special Trustee. Neither the Trustee nor the Special Trustee shall be liable or responsible for making any such investment in the manner provided above or for any loss resulting from any such investment.

ARTICLE VII

PARTICULAR COVENANTS OF THE AUTHORITY

SECTION 701. Effect of Covenants. The Authority hereby particularly covenants and agrees with the Trustee and with the Holders of the Bonds and coupons, and makes provisions which shall be a part of the contract with such Holders, to the effect and with the purpose set forth in the following Sections of this Article VII.

SECTION 702. Payment of Principal, Premium, if any, and Interest. The Authority will promptly pay or cause to be paid, but solely from the Revenues or Available Revenues, as the case may be, and the proceeds of the Bonds pledged therefor by the Resolution the principal of, interest and premium, if any, on all Bonds issued hereunder according to the terms hereof.

SECTION 703. Extension of Payment of Bonds and Coupons. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the coupons or claims for interest by the purchase or funding of such Bonds, coupons or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such coupons or claims for interest shall be extended, such Bonds, coupons or claims for interest shall not be entitled in case of any default under the Resolution to the benefit of the Resolution or to any payment out of

Revenues or Available Revenues, as the case may be, or out of any funds including the investments, if any, thereof, pledged under the Resolution or the moneys (except moneys held in trust for the payment of particular Bonds, coupons or claims for interest pursuant to the Resolution) held by any Fiduciary, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has occurred and has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended coupons or claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of the maturity of any Bonds.

SECTION 704. Offices for Servicing Bonds. The Authority hereby irrevocably appoints the Trustee as its agent to maintain an office or agency for the registration, transfer or exchange of Bonds, and for the service of notices, presentations and demands upon the Authority. The Authority hereby appoints the Paying Agents as its respective agents to maintain such offices or agencies for the payment or redemption of Bonds and coupons.

SECTION 705. Further Assurance. At any and all times the Authority shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming of all and singular the rights, Revenues or Available Revenues, as the case may be, and other moneys, securities and funds hereby pledged or assigned, or intended so to be, or which the Authority may hereafter become bound to pledge or assign.

SECTION 706. Powers as to Bonds and Pledge. The Authority is duly authorized under the Act and all applicable laws to create and issue the Bonds and to adopt the Resolution and to pledge the Pledged Funds and other moneys, securities and funds purported to be pledged by the Resolution in the manner and to the extent provided in the Resolution. Except as to the issuance of Bonds hereunder, the Pledged Funds and other moneys, securities and funds so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Resolution, and all corporate or other action on the part of the Authority and the City to that end has been duly and validly taken. The Bonds and the provisions of the Resolution are and will be in the valid and legally enforceable obligations of the City in accordance with their terms and the terms of the Resolution. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Funds and other moneys, securities and funds pledged under the Resolution and all the rights of the Bondholders under the Resolution against all claims and demands of all persons whomsoever.

SECTION 707. Powers as to the Airport System and Collection of Rates, Fees and Rentals. The Authority has, and will have so long as any Bonds are Outstanding, good right and lawful authority to acquire, construct, develop, operate, maintain, repair, improve, reconstruct, enlarge, and extend the Airport System and to fix rates, fees, rentals and other charges in connection therewith, all as provided in the Act.

SECTION 708. Indebtedness and Liens. The Authority shall not issue any bonds or other evidences of indebtedness other than the Bonds, payable out of or secured by a pledge of the Pledged Funds or of the moneys, securities or funds pledged by the Authority or by the Fiduciaries under the Resolution and shall not create or cause to be created any lien or charge on the Pledged Funds or such moneys, securities or funds; provided, however, that nothing contained in the Resolution shall prevent the Authority from issuing (i) evidences of indebtedness payable out of moneys in the Construction Fund as part of the Cost of Construction of any Additional Project, and after the date the pledge of Pledged Funds provided in the Resolution shall be discharged and satisfied as provided in Section 1201, or (ii) Subordinated Indebtedness or Secondary Subordinated Indebtedness as provided in Section 414.

SECTION 709. Sale, Lease or Encumbrance of Property.

1. Except as provided in subsection 2 or subsection 3 of this Section 709 or elsewhere in the Resolution, no part of the Airport System shall be sold, or otherwise disposed of or encumbered.

2. The Authority may sell, for fair and reasonable value, at any time and from time to time, in an arm's-length transaction, any property constituting part of the Airport System which an Authorized Officer of the Authority certifies to be obsolete, uneconomical, negligible, worn out or surplus property, or property no longer necessary, useful or profitable in the operation of the Airport System.

3. The Authority may lease or make contracts or grant licenses for the operation of, or grant easements or other rights with respect to, any part of the Airport System if such lease, contract, license, easement or right does not impede or restrict the operation by the Authority of the Airport System or will be advantageous to the Airport System.

4. Proceeds from the sale or disposition of property not used to replace such property and any such payments with respect to a lease, contract, license, easement or right not otherwise required to be applied in accordance with the Resolution shall be applied in the same manner and to the same purposes as

Revenues, or shall be utilized for such other purpose as may be required by law or contract.

SECTION 710. Operation, Maintenance and Reconstruction.

1. The Authority shall at all times operate, or cause to be operated, the Airport System properly and in a sound, efficient and economical manner and shall maintain, preserve, and keep the same or cause the same to be maintained, preserved, and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all ordinary, necessary and proper repairs, replacements and renewals so that at all times the operation of the Airport System may be properly and advantageously conducted, and, if any useful part of the Airport System is damaged or destroyed, the Authority shall, as expeditiously as may be possible, commence and diligently prosecute the ordinary replacement or reconstruction of such part so as to restore the same to use; provided, however, that nothing in the Resolution shall require the Authority to operate, maintain, preserve, repair, replace, renew or reconstruct any part of the Airport System from sources other than the Revenues or if there shall have been filed with the Trustee a certificate executed by an Authorized Officer of the Authority stating that in the opinion of the Authority abandonment of operation of such part is economically justified and is not prejudicial to the interests of the Holders of the Bonds.

2. To the extent deemed necessary by the Authority for the efficient or economical operation of the Airport System and permitted by law, it shall maintain, preserve, and renew all the franchises, rights, powers and privileges acquired, owned or held by it.

3. The Authority shall establish and enforce reasonable rules and regulations governing the operation, use and services of the Airport System.

SECTION 711. Rate Covenant.

1. The Authority shall, while any of the Bonds remain Outstanding, establish, fix, charge, prescribe 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 Transfers and Subordinated Pledged Revenues in each Fiscal Year will be at least equal to 100% of the aggregate amount required to be applied and/or deposited by the Authority pursuant to Section 405 (2) - (10) during such Fiscal Year.

2. The Authority further agrees that it will establish, fix, charge, prescribe 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 Transfers for such Fiscal Year will be equal to at least 1.25 times the Aggregate Debt Service on all Outstanding Bonds for such Fiscal Year.

3. The Authority covenants that if Net Revenues plus any Transfer and any Subordinated Pledged Revenues in any Fiscal Year are less than the amounts specified in subsections 1. and 2. of this Section 711, the Authority will retain and direct an Airport Consultant to make recommendations as to the revision of the Authority's schedule of rates, fees, rentals and charges for the use of the Airport System. After receiving such recommendations, the Authority will take such action as it deems appropriate to become compliant with the provisions of Section 711 hereof in the next Fiscal Year.

For purposes of this Section 711, the term "Transfer" means the lesser of (a) the sum of (i) amounts on deposit in the Discretionary Fund on the last day of the Fiscal Year, to the extent such amounts are not restricted to other uses, plus (ii) amounts paid from the Discretionary Fund during such Fiscal Year toward Operating and Maintenance Expenses and Debt Service, minus (iii) amounts deposited into the Discretionary Fund in such Fiscal Year, or (b) twenty five percent (25%) of Debt Service payable in such Fiscal Year.

SECTION 712. Insurance.

1. So long as any Bonds are Outstanding, the Authority shall at all times carry insurance with a responsible insurance company or companies authorized and qualified under the laws of any state of the United States of America to assume the risk thereof, covering such properties of the Airport System as are customarily insured, and against loss or damage from such causes as are customarily insured against, by public or private corporations engaged in a similar type of business, all in accordance with the annual written recommendations of the Insurance Consultant.

2. Any proceeds of insurance for the Airport System shall, except as provided in subsection 3 of Section 403, to the extent necessary and desirable, be applied to the repair and replacement of any damaged or destroyed properties of the Airport System. If any of said proceeds received are not used to repair or replace property, such proceeds shall be paid into the Debt Service Account in the Bond Fund.

3. Notwithstanding the provisions of this Section 712, the Authority shall be entitled to provide the coverage required by this Section 712 through Qualified Self Insurance, provided that the requirements hereinafter set

forth in this Section 712 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 Authority has a material interest or of which the Authority has control, either singly or with others.

Prior to participation in any plan of Qualified Self Insurance not currently in effect, the Authority shall comply with the following requirements:

(a) the Qualified Self Insurance program shall be approved by the Insurance Consultant;

(b) the Qualified Self Insurance program shall include a claims reserve fund out of which each self-insured claim shall be paid; the adequacy of such fund shall be evaluated on an annual basis by the Insurance Consultant, and any deficiencies in the fund shall be remedied in accordance with the recommendations of the Insurance Consultant;

(c) the Qualified Self Insurance program claims reserve fund shall be held in a bank account credited for the purpose of maintaining such self insurance funds, which bank account may be under the control of the Authority and may be commingled with other Authority moneys; and

(d) in the event the Qualified Self Insurance program shall be discontinued, the actuarial soundness of its claims reserve fund shall be maintained.

For purposes of this Section 712, "Insurance Consultant" means a person, firm of persons or company of favorable repute 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 the Resolution.

SECTION 713. Condemnation. The Authority covenants that in the event the Airport System or any part thereof is taken by the exercise of eminent domain, any proceeds received in connection with such exercise of eminent domain shall, to the extent necessary and desirable, be applied to the replacement of the Airport System or such part thereof. If any of said proceeds are not applied to such replacement, such proceeds shall be paid into the Debt Service Account in the Bond Fund.

SECTION 714. Airport Consultant. The Authority shall employ an Airport Consultant from time to time whenever and for the purposes contemplated by this Resolution. Such Airport Consultant shall be an airport consultant or airport consultant firm or corporation having a wide and favorable reputation for

skill and experience with respect to the operation and maintenance of airports, in recommending rental and other charges for use of airport facilities and in projecting revenues to be derived from the operation of airports.

SECTION 715. Consulting Engineers. The Authority shall employ Consulting Engineers from time to time whenever and for the purposes contemplated or required by this Resolution. Such Consulting Engineers shall be engineer or engineering firms having a wide and favorable reputation for skill and experience in the construction and operation of airport facilities.

SECTION 716. Annual Budget.

1. Not less than five (5) days prior to the beginning of each Fiscal Year the Authority shall prepare and file with the Trustee an Annual Budget for the ensuing Fiscal Year. Such Annual Budget shall set forth in reasonable detail: the estimated Revenues and Operation and Maintenance Expenses for the Airport System for such Fiscal Year; the estimated amounts to be deposited during such Fiscal Year in each of the Funds and Accounts established under the Resolution and the estimated expenditures for the replacement of capital assets or any unusual or extraordinary maintenance or repairs, for the building and constructing of permanent improvements, alterations, buildings and other structures, including runways, taxi strips and aprons of the Airport System. The Authority may at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year. Copies of the Annual Budget and of any amended Annual Budget shall be promptly filed with the Trustee for inspection by Bondholders.

2. If for any reason the Authority shall not have adopted the Annual Budget for a Fiscal Year before the first day of such Fiscal Year, the Annual Budget for the preceding year shall be deemed to have been adopted and be in effect for such Fiscal Year until the Annual Budget for such Fiscal Year is adopted and a copy thereof filed with the Trustee.

SECTION 717. Accounts and Reports.

1. The Authority shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Revenues, each Fund and Account established under the Resolution and which shall at all times be subject to the inspection of the Trustee, and the Holders of an aggregate of not less than 5% of the Bond Obligation then Outstanding or their representatives duly authorized in writing.

2. The Trustee and the Special Trustee shall advise the Authority promptly after the end of each month of the respective transactions during such month relating to each Fund and Account held by the Trustee and the Special

Trustee under the Resolution and the Revenues and Available Revenues, as the case may be. The Authority shall have the right upon reasonable notice and during reasonable business hours to examine the books and records of the Trustee and the Special Trustee with respect to the Funds and Accounts held by the Trustee or the Special Trustee under the Resolution and with respect to the Revenues or Available Revenues, as the case may be.

3. The Authority shall annually, within 180 days after the close of each Fiscal Year, cause an audit to be made of its books and accounts relating to said Airport System for such Fiscal Year by an independent and recognized certified public accountant not in the regular employ of the Authority. Promptly thereafter reports of each such audit shall be filed with the Trustee. Each such audit Report shall set forth with respect to such Fiscal Year:

(a) A summary with respect to each Fund and Account established under the Resolution, of the receipts therein and disbursements therefrom;

(b) the details of all Bonds issued, paid, purchased or redeemed;

(c) the amounts on deposit at the end of such Fiscal Year to the credit of each Fund and Account established under the Resolution, showing the respective amounts on deposit to the credit thereof in each Depository under the Resolution, as the case may be, and any security held therefor, and showing the details of any investment thereof;

(d) the amounts of the proceeds received from any sales of property consisting part of the Airport System; and

(e) a list of all insurance policies with respect to the Airport System or certificates thereof then held by the City, the Authority, or the Trustee.

4. The Authority shall file with the Trustee (a) forthwith upon becoming aware of any Event of Default or default in the performance by the Authority of any covenant, agreement or condition contained in the Resolution, a certificate signed by an Authorized Officer of the Authority and specifying such Event of Default or default and (b) within 180 days after the end of each Fiscal Year, a certificate signed by an appropriate Authorized Officer of the Authority stating that, to the best of his knowledge and belief, the Authority has kept, observed, performed and fulfilled each and every one of its covenants and obligations contained in the Resolution and there does not exist at the date of such certificate any default by the Authority under the Resolution or any Event of Default or other event which, with the lapse of time specified in Section 801 would

become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

5. The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Resolution shall be available for the inspection of Bondholders at the office of the Trustee and shall be mailed to each Bondholder who shall file a written request therefor with the Authority. The Authority may charge each Bondholder requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

SECTION 718. [Deleted].

SECTION 719. [Deleted].

SECTION 720. [Deleted].

SECTION 721. Covenants With Respect to Airports and Aviation Facilities. Nothing herein contained shall prohibit the Authority from acquiring or constructing an airport or an aviation facility and financing the same from moneys other than the proceeds of Bonds or Revenues generated by the Airport System. The Authority hereby covenants that it will not acquire or construct any such airport or aviation facility as aforesaid unless a certificate is received from the Airport Consultant and filed with the Trustee to the effect that such airport or aviation facility will not adversely affect Revenues or Available Revenues to be derived by the Authority or the rights, security and remedies of Bondholders under the Resolution.

SECTION 722. Special Purpose Facilities. The Authority may designate new or existing facilities as "Special Purpose Facilities" as permitted in this Section 722 pursuant to a Supplemental Resolution and is authorized to finance such Special Purpose Facilities from the proceeds of Special Purpose Facility Debt issued by the Authority secured by Special Purpose Facility Revenues and without regard to any requirements of this Resolution with respect to the issuance of Additional Bonds, provided that there shall be filed with the Trustee prior to the issuance of such Special Purpose Facility Debt a certificate of an Authorized Officer of the Authority, stating that:

1. the estimated amount of Special Purpose Facility Revenues with respect to the Special Purpose Facilities to be financed will be at least sufficient to pay the principal of and interest on such Special Purpose Facility Debt and all sinking fund, reserve or other payments required by the Supplemental Resolution authorizing and securing such Special Purpose Facility Debt;

2. in the case of Special Purpose Facility Debt secured solely from sources described in subsection (i) of the definition of Special Purpose Facility Revenues, the Airport Consultant shall certify that the construction and operation of the Special Purpose Facilities to be financed will not decrease the Revenues to be derived from the Airport System;

3. in the case of Special Purpose Facility Debt secured from any of the sources described in subsection (ii) of the definition of Special Purpose Facility Revenues, the Airport Consultant shall certify that the Authority will be in compliance with the rate covenant described in Section 711 hereof for each of the next three full Fiscal Years following issuance of the Special Purpose Facility Debt;

4. no Event of Default then exists under Article VIII of this Resolution; and

5. the Authority is in compliance with any and all requirements set forth in any Supplemental Resolution related to such Special Purpose Facility Debt or any outstanding Special Purpose Facility Debt which will be secured on a parity with such additional Special Purpose Facility Debt.

The Supplemental Resolution authorizing the issuance of Special Purpose Facility Debt shall specify whether (i) the Special Purpose Facilities (or any portion thereof) financed with such Special Purpose Facility Debt shall be part of the Airport System, and (ii) the Special Purpose Facility Revenues (or any portion thereof) shall constitute Revenues.

SECTION 723. Fulfillment of Conditions Precedent. Upon the date of issuance of any of the Bonds, all conditions, acts and things required by the Constitution or statutes of the State of Florida or by the Act or the Resolution to exist, to have happened and to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed and such Bonds, together with all other indebtedness of the City, shall be within every applicable debt and other limit prescribed by said Constitution or statutes.

SECTION 724. Payment of Lawful Charges. The Authority shall pay from the Revenues all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the Airport System, or upon any part thereof or upon any revenue therefrom, when the same shall become due, and shall duly observe and comply with all legal requirements of any municipal or governmental authority applicable to any part of the Additional Project, and shall not create or suffer to be created any lien or charge upon the Airport System or any part thereof or upon the Revenues therefrom, except the pledge and lien created by the Resolution for the payment of the principal and Redemption Price of and interest on the Bonds and except as otherwise provided

herein. The Authority shall pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within ninety (90) days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects; provided, however, that nothing contained in this Section shall require the Authority to pay or cause to be discharged, or make provision for, any such lien or charge, so long as the validity thereof shall be contested in good faith and by appropriate administrative and legal proceedings.

SECTION 725. Compliance with Law. The Authority shall observe and perform all of the terms and conditions contained in the Act and shall comply with all valid acts, rules, regulations, orders and directions applicable to the Airport System or the Authority, of any legislative, executive administrative or judicial body having lawful jurisdiction thereover.

SECTION 726. Covenants With Respect to PFCs. The Authority hereby covenants and agrees to file such applications, submit such reports and take any and all such other actions that may be necessary or desirable to preserve its rights to impose and collect PFCs from which Available PFC Revenues are derived, to enforce with reasonable diligence its right to receive PFC Revenues from which Available PFC Revenues are derived and to use the proceeds of such Available PFC Revenues and amounts required to be deposited in the PFC Account in the manner provided herein. Without limiting the generality of the foregoing, the Authority hereby covenants and agrees as follows:

(a) To apply PFC Revenues only to finance allowable costs of approved projects in accordance with the FAA Regulations and applicable FAA authorizations and approvals (including Accrued Aggregate Debt Service with respect to that portion of the Bonds issued to finance PFC Projects);

(b) To comply with the applicable requirements of Section 9304(e) and 9307 of the Airport Noise and Capacity Act of 1990 (Pub. L. 101-508, Title IX, Subtitle D);

(c) To notify the air carriers and foreign air carriers required to collect PFCs with respect to the Airport System of the FAA's approval of the imposition of such PFCs in accordance with the requirements of the FAA Regulations and to take all actions reasonably necessary to insure the proper collection and remittance of the PFC Revenues from which Available PFC Revenues are derived by the air carriers; and

(d) To comply with all reporting, recordkeeping, and auditing requirements contained in the FAA Regulations.

SECTION 727. Available Revenues.

1. At any time and from time to time, the Authority, without the consent of the Trustee or the Holder of any Bond and without the consent of any Credit Provider, may adopt a Supplemental Resolution that (a) specifies the amount of Passenger Facilities Charges that shall constitute Available PFC Revenues, the amount of Customer Facility Charges that shall constitute Available CFC Revenues or the amount of such other income or revenue source that shall constitute Available Revenues during each Fiscal Year as specified in such Supplemental Resolution or (b) specifies Bonds that shall be secured by Available Revenues. More than one Series of Bonds may be secured by Available Revenues, and no consent from any Holder of any Bond or from any Credit Provider, shall be required as a condition to the issuance or incurring of any subsequently-issued Bonds that are secured by any Available Revenues. Notwithstanding any other provision of this Resolution, the Authority may amend (including reduce) the amount of Available Revenues, specified pursuant to clause (a) above with respect to any Fiscal Year without the consent of the Trustee or any Holder of any Bond or any Credit Provider; provided the Authority shall be in compliance with the provisions of the Supplemental Resolution that specifies the Available Revenues that secure Bonds issued hereunder.

2. The Accounts set forth in clauses (a) and (b) below are hereby established with and to be held by the Authority.

- (a) Available PFC Account; and
- (b) Available CFC Account.

3. The Authority shall, promptly upon receipt, deposit, or cause to be deposited, all Available PFC Revenues in the Available PFC Account and all Available CFC Revenues in the Available CFC Account. Unless otherwise provided in the Supplemental Resolution which specifies Available Revenues pledged for one or more Series of Bonds, simultaneously with the Authority's withdrawal of amounts from the Revenue Fund for deposit into the funds and accounts as set forth in Section 405 hereof, the Authority shall withdraw amounts on deposit in the Available PFC Account, the Available CFC 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 Bond Fund for the applicable Series of Bonds, in such amounts as are specified or provided for in the corresponding Supplemental Resolution specifying Available Revenues for such Series of Bonds.

4. Notwithstanding any other provision of this Resolution, (a) the Available PFC Account and the Available PFC Revenues shall secure on a pari passu basis all Bonds, whenever issued, that are specified in the applicable

Supplemental Resolution to be secured by the Available PFC Account and the Available PFC Revenues; and (b) Available PFC Revenues held in the Available PFC Account shall be applied by the Authority 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 secured thereby and such amount shall be accounted for as a credit against the amounts required to be deposited in the Bond Fund for such purpose pursuant to Section 405.

Any Available PFC Revenues, including investment earnings thereon, in excess of amounts required to pay Bonds secured thereby may be used for fund eligible PFC Project costs or as otherwise permitted by federal statute or the FAA Regulations.

5. Notwithstanding any other provision of this Resolution, (a) the Available CFC Account and the Available CFC Revenues shall secure on a pari passu basis all Bonds, whenever issued, that are specified in the Supplemental Resolution to be secured by the Available CFC Account and the Available CFC Revenues; and (b) Available CFC Revenues held in the Available CFC Account shall be applied by the Authority as follows:

The Available CFC Revenues, including any investment earnings thereon, on deposit in the Available CFC Account shall be applied to the payment of such Bonds secured thereby and such amount shall be accounted for as a credit against the amounts required to be deposited in the Bond Fund for such purpose pursuant to Section 405.

Any Available CFC Revenues, including investment earnings thereon, in excess of amounts required to pay Bonds secured thereby may be used for any lawful purpose.

SECTION 728. Federal Income Taxation Covenants; Taxable Bonds.
The Authority covenants with the Holders of each Series of Tax-Exempt Bonds that it shall not use the proceeds of such Series of Tax-Exempt Bonds in any manner which would cause the interest on such Series of Tax-Exempt Bonds to be or become included in gross income for purposes of federal income taxation.

The Authority covenants with the Holders of each Series of Tax-Exempt Bonds that neither the Authority nor any person or entity under its control or direction will make any use of the proceeds of such Series of Tax-Exempt Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Series of Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of the Code and neither the Authority nor any other person or entity under its control shall do any act or fail to do any act which would cause the interest on such

Series of Tax-Exempt Bonds to become subject to inclusion within gross income for purposes of federal income taxation.

The Authority hereby covenants with the Holders of each Series of Tax-Exempt Bonds that it will comply with all provisions of the Code necessary to maintain the exclusion from gross income of interest on the Tax-Exempt Bonds for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code. The Authority shall establish a rebate fund pursuant to Supplemental Resolution for each Series of Tax-Exempt Bonds which shall be subject to payment of rebatable arbitrage.

The Authority may, if it so elects, issue one or more Series of Taxable Bonds the interest on which is (or may be) includable in the gross income of the Holder thereof for federal income taxation purposes, provided that the issuance thereof will not cause interest on any other Tax-Exempt Bonds theretofore issued hereunder to be or become subject to federal income taxation. The covenants set forth in this Section 728 shall not apply to any Taxable Bonds.

For purposes of this Section 728, (1) the term "Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder in effect or proposed, (2) the term "Tax-Exempt Bonds" means Bonds the interest on which is excludable from the gross income of the Holders thereof for federal income taxation purposes, and (3) the term "Taxable Bonds" means those Bonds that the interest income thereon is includable in gross income of the Holders thereof for federal income taxation purposes.

ARTICLE VIII

REMEDIES OF BONDHOLDERS

SECTION 801. Events of Default. The following events shall be "Events of Default" under the Resolution:

(i) default shall be made in the due and punctual payment of the principal of or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise, or in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor when and as such interest installment or Sinking Fund Installment shall become due and payable;

(ii) default shall be made by the Authority in the performance or observance of the covenants, agreements and

conditions on its part as provided in Section 711; provided, however, that a failure to comply with the covenants in Section 711 shall not constitute an event of default unless the Authority shall fail in the succeeding Fiscal Year to comply with the covenants in Section 711 or to restore any deficiencies which occurred in any Funds in the preceding Fiscal Year;

(iii) default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Resolution or in the Bonds and such default shall continue for a period of sixty (60) days after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Holders of not less than twenty-five percent (25%) of the Bond Obligation;

(iv) the Authority or the City shall file a petition seeking a composition of indebtedness under the Federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State of Florida;

(v) judgment for the payment of money shall be rendered against the Authority or the City as the result of the construction, improvement, ownership, control or operation of the Airport System, and any such judgment shall not be discharged within twenty-four (24) months after the entry thereof, or an appeal shall not be 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 set aside or stay the execution of or levy under such judgment, or order, decree or process or the enforcement thereof; and

(vi) an order or decree shall be entered, with the consent or acquiescence of the Authority or the City, appointing a receiver or receivers of the Airport or any part thereof, or other revenues therefrom, or if such order or decree, having been entered without the consent or acquiescence of the Authority or the City, shall not be vacated or discharged, stayed or appealed within ninety (90) days after the entry thereof.

SECTION 802. Accounting and Examination of Records After Default.

1. The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Authority and all other records relating to the Airport shall at all times be subject

to the inspection and use of the Trustee and of its agents and attorneys, including any engineer or firm of engineers appointed to act on behalf of the Trustee.

2. The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and Funds pledged or held under the Resolution for such period as shall be stated in such demand.

SECTION 803. Application of Revenues and Other Moneys After Default.

1. The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, shall pay over or cause to be paid over to the Trustee (i) forthwith, all moneys, securities and Funds then held by the Authority or Special Trustee in any Fund or account under the Resolution, and (ii) all Revenues as promptly as practicable after receipt thereof.

2. During the continuance of an Event of Default, the Trustee shall apply such moneys, securities, Funds and Revenues and the income therefrom as follows and in the following order:

(a) to the payment of Operation and Maintenance Expenses including, without limitation, the payment of the reasonable and proper charges and expenses of the Trustee and the reasonable fees and disbursements of its counsel;

(b) to the payment of the interest and principal or Redemption Price then due on the Bonds, subject to the provisions of Section 703, as follows:

(i) unless the principal of all of the Bonds shall have become due and payable,

First: To the payment to the persons entitled thereto of all installments of interest on Bonds other than Capital Appreciation Bonds then due in order of the maturity of such installments, together with accrued and unpaid interest on the Bonds other than the Capital Appreciation Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according

to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal, or with respect to Capital Appreciation Bonds the unpaid Maturity Amount, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal, or with respect to Capital Appreciation Bonds the unpaid Maturity Amount, or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(ii) if the principal (or, with respect to Capital Appreciation Bonds, the Maturity Amount) of all of the Bonds shall have become due and payable, to the payment of the principal and interest (or, with respect to Capital Appreciation Bonds, Maturity Amount) then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, (or, with respect to Capital Appreciation Bonds, Maturity Amount) to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds and coupons.

3. If and whenever all overdue installments of interest on all Bonds, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums payable by the Authority under the Resolution, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable, shall either be paid by or for the account of the Authority, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Resolution or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Authority all moneys, securities, and Funds then remaining unexpended in the hands of the Trustee (except moneys, securities, and Funds deposited or pledged, or required by the terms of the Resolution to be deposited or pledged, with the Trustee), and thereupon

the Authority and the Trustee shall be restored, respectively, to their former positions and rights under the Resolution. No such payment over to the Authority by the Trustee nor such restoration of the Authority and the Trustee to their former positions and rights shall extend to or affect any subsequent default under the Resolution or impair any right consequent thereon.

SECTION 804. Proceedings Brought By Trustee.

1. If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than twenty-five (25%) of the Bond Obligation shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds under this Resolution forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the Resolution.

2. All rights of action under the Resolution may be enforced by the Trustee without the possession of any of the Bonds or coupons or the production thereof on the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

3. The Holders of not less than a majority of the Bond Obligation may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

4. Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Resolution, the Trustee shall be entitled to exercise any and all rights and powers conferred in the Resolution and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

5. Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of a majority of the Bond Obligation, and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it

may be advised shall be necessary or expedient to prevent any impairment of the security under the Resolution by any acts which may be unlawful or in violation of the Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

6. When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of a default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 805. Restriction on Bondholder's Action.

1. No Holder of any Bond or coupon shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Resolution or the execution of any trust under the Resolution or for any remedy under the Resolution, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Holders of at least twenty-five percent (25%) of the Bond Obligation shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in the Resolution or by the Act or by the laws of Florida or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of thirty (30) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds or coupons shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by this Resolution, or to enforce any right under the Resolution, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Resolution shall be instituted, had and maintained in the manner provided in the Resolution and for the equal benefit of all Holders of the Outstanding Bonds and coupons.

2. Nothing in this Resolution or in the Bonds or in the coupons contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay, from the sources herein specified, at the respective dates of maturity and places therein expressed the principal of and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bond.

SECTION 806. Remedies Not Exclusive. No remedy by the terms of the Resolution conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or existing at law or in equity or by statute on or after the date of adoption of the Resolution.

SECTION 807. Effect of Waiver and Other Circumstances.

1. No delay or omission of the Trustee or any Bondholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such default or be an acquiescence therein; and every power and remedy given by this Article to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

2. The Holders of not less than sixty-six and two-thirds percent (66-2/3%) of the Bond Obligation, or their attorneys-in-fact duly authorized, may on behalf of the Holders of all of the Bonds waive any past default under the Resolution and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 808. Notice of Default. The Trustee shall promptly upon becoming aware of any Event of Default mail to registered Holders of Bonds, the original purchasers of the Bonds and the financial consultant to the Authority and to all Bondholders who shall have filed their names and addresses with the Trustee for such purpose, written notice of the occurrence of any Event of Default. If any Fiscal Year Revenues shall be insufficient to comply with the provision of Section 711, the Trustee, on or before the 30th day after receipt of the annual audit, shall mail to such registered Holders and such Bondholder written notice of such failure.

ARTICLE IX

CONCERNING THE FIDUCIARIES

SECTION 901. Trustee and Special Trustee; Appointment and Acceptance of Duties.

1. The Authority shall appoint the Trustee in the Supplemental Resolution authorizing the issuance of the initial Series of Bonds hereunder. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing the certificate of authentication endorsed upon the Bonds, and by executing such certificate upon any Bond the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the

Bond so authenticated, but with respect to all the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in the Resolution.

2. The Authority shall appoint the Special Trustee in the Supplemental Resolution authorizing the issuance of the initial Series of Bonds hereunder. The Special Trustee shall signify its acceptance of duties and obligations imposed upon it by the Resolution by executing and delivering to the Authority and the Trustee a written acceptance thereof.

SECTION 902. Paying Agents; Appointment and Acceptance of Duties.

1. The Authority shall appoint one or more Paying Agents for the Bonds of each Series, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 913 for a successor Paying Agent. The Trustee or the Special Trustee may be appointed a Paying Agent.

2. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the Authority and to the Trustee a written acceptance thereof.

3. Unless otherwise provided, the principal offices of the Paying Agents are designated as the respective offices or agencies of the Authority for the payment of the interest on and principal or Redemption Price of the Bonds.

SECTION 903. Responsibilities of Fiduciaries.

1. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Bonds or coupons issued thereunder or as to the security afforded by the Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Authority or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of subsection 2 of this Section 903, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default.

2. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Resolution. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by the Resolution, and 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. Any provision of the Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 903.

SECTION 904. Evidence on which Fiduciaries may Act.

1. Each Fiduciary, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of the Resolution, shall examine such instrument to determine whether it conforms to the requirements of the Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Resolution in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under

the Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Authority, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may seem reasonable.

3. Except as otherwise expressly provided in this Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Authority to any Fiduciary shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer of the Authority.

SECTION 905. Compensation. The Authority shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution and each Fiduciary shall have a lien therefor on any and all Funds at any time held by it under this Resolution. Subject to the provisions of Section 903, the Authority further agrees to indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence, misconduct or default.

SECTION 906. Certain Permitted Acts. Any Fiduciary may become the owner of any Bonds and coupons, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as Depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

SECTION 907. Resignation of Trustee or Special Trustee. The Trustee or Special Trustee may at any time resign and be discharged of the duties and obligations created by the Resolution by giving not less than ninety (90) days' written notice to the Authority and posting notice of such resignation with the Municipal Securities Rulemaking Board via its Electronic Municipal Marketplace Access ("EMMA") system or any successor thereto, and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the Authority or the Bondholders as provided in Section 909, in which event such resignation shall take effect immediately on the appointment of

such successor; provided, however, that in no event shall the resignation of the Trustee or Special Trustee become effective until a successor Trustee or Special Trustee shall have been appointed pursuant to the provisions of this Article. Notwithstanding anything herein to the contrary, the only remedy for the failure by the Trustee to post any notice with the Municipal Securities Rulemaking Board shall be an action by the holders, as applicable, in mandamus for specific performance or similar remedy to compel performance.

SECTION 908. Removal of Trustee or Special Trustee. The Trustee or Special Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee and Special Trustee, and signed by the Holders of a majority of the Bond Obligation then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority, or, so long as the Authority is not then in default hereunder, by a certificate of an Authorized Officer of the Authority filed with the Trustee and the Special Trustee.

SECTION 909. Appointment of Successor Trustee or Special Trustee.

1. In case at any time the Trustee or Special Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or Special Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee or Special Trustee, or of its property or affairs, a successor may be appointed by the Authority, so long as the Authority is not then in default hereunder, or, if the Authority is then in default hereunder or the Authority has not appointed a successor Trustee or Special Trustee as the case may be within forty-five (45) days of the occurrence of such event, by the Holders of a majority of the Bond Obligation then outstanding, excluding any Bonds held by or for the account of the Authority. Such appointment by the Holders shall be by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee or Special Trustee, notification thereof being given to the Authority and the predecessor Trustee and Special Trustee; provided, nevertheless, that unless a successor Trustee or Special Trustee shall have been appointed by the Bondholders as aforesaid, the Authority by a duly executed written instrument signed by an Authorized Officer of the Authority shall forthwith appoint a Trustee or Special Trustee to fill such vacancy until a Successor Trustee or Special Trustee shall be appointed by the Bondholders as authorized in this Section 909. The Authority shall mail notice of any such appointment made by it to each registered owner of Bonds within 20 days of such appointment and, unless all of the Bonds outstanding are in registered form, the Issuer shall publish notice of any such appointment made by it in an Authorized Newspaper, such publication to be made within 20 days after such appointment. If the Authority shall be in default

hereunder at the time of the appointment of a Successor Trustee or Special Trustee, any Successor Trustee or Special Trustee appointed by the Authority shall, immediately and without further act, be superseded by a Trustee appointed by the Bondholders.

If no successor Trustee shall have been so appointed and accepted appointment within ninety (90) days of the resignation, removal, incapability or the occurrence of a vacancy in the office of the Trustee or the Special Trustee in the manner herein provided, the Trustee or the Special Trustee, as applicable, or any Bondholder may petition any court of competent jurisdiction for the appointment of a successor Trustee or Special Trustee, as applicable, until a successor shall have been appointed as above provided.

SECTION 910. Transfer or Rights and Property to Successor Trustee or Special Trustee. Any successor Trustee or Special Trustee appointed under this Resolution shall execute, acknowledge and deliver to its predecessor Trustee or Special Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Trustee or Special Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee or Special Trustee, with like effect as if originally named as Trustee or Special Trustee; but the Trustee or Special Trustee ceasing to act shall nevertheless, on the written request of the Authority, or of the successor Trustee or Special Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as reasonably may be required for more fully and certainty vesting and confirming in such successor Trustee or Special Trustee all the right, title and interest of the predecessor Trustee or Special Trustee in and to any property held by it under the Resolution, and shall pay over, assign and deliver to the successor Trustee or Special Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee or Special Trustee for more fully and certainly vesting in and confirming to such successor Trustee or Special Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Trustee or Special Trustee shall promptly notify all Paying Agents of its appointment as Trustee or Special Trustee.

SECTION 911. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or

a national banking association, shall have a net worth after such merger, conversion, consolidation, sale or transfer at least equal to the net worth of the Fiduciary immediately prior thereto, and shall be authorized by law to perform all the duties imposed upon it by the Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

SECTION 912. Adoption of Authentication. In case any of the Bonds contemplated to be issued under the Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall have not been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in the Resolution provided that the certificate of the Trustee shall have such full force.

SECTION 913. Resignation or Removal of Paying Agent and Appointment of Successor.

1. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least ninety (90) days' written notice to the Authority, the Trustee, and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by the Authority. Any successor Paying Agent shall be appointed by the Authority with the approval of the Trustee and shall be a bank or trust company or a national banking association, and having capital stock and surplus aggregating at least \$20,000,000 and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

2. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

ARTICLE X

SUPPLEMENTAL RESOLUTIONS

SECTION 1001. Supplemental Resolution Without Bondholder or Trustee Consent. The Authority, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders or Trustee

(which Supplemental Resolution shall thereafter form a part hereof) for any of the following purposes:

(1) To cure any ambiguity or formal defect or omission or to correct any inconsistent or obsolete provisions in the Resolution or to clarify any matters or questions arising hereunder.

(2) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.

(3) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of the Resolution other conditions, limitations and restrictions thereafter to be observed.

(4) To add to the covenants and agreements of the Authority in the Resolution other covenants and agreements thereafter to be observed by the Authority or to surrender any right or power herein reserved to or conferred upon the Authority.

(5) To authorize Additional Bonds or Refunding Bonds or to determine the terms and details thereof and, in connection therewith, specify and determine the matters and things referred to in Sections 202, 204 or 205 hereof, including the issuance of Additional Bonds or Refunding Bonds, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds.

(6) To authorize Additional Projects or to change or modify the description of any Additional Project.

(7) To specify and determine matters necessary or desirable for the issuance of Variable Rate Bonds, federal or State subsidy bonds or Capital Appreciation Bonds.

(8) To provide for the establishment of a separate subaccount or subaccounts in the Debt Service Reserve Account which shall independently secure one or more Series of Bonds.

(9) To modify, amend or supplement the Resolution in such manner as to permit the qualification of the Resolution under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add

to the Resolution such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

(10) To comply with any future laws, rules and regulations with respect to Tax-Exempt Bonds or Taxable Bonds.

(11) To provide for the establishment and utilization of Available Revenues as provided in Section 727 hereof.

(12) To make any other change that, in the opinion of the Authority, would not materially adversely affect the interests of the Bondholders. In making such determination, the Authority shall not take into consideration any bond insurance policy insuring, or other credit enhancement securing, payment of any Bonds.

SECTION 1002. Supplemental Resolution With Bondholder and Credit Provider Consent. Subject to the terms and provisions contained in this Section 1002 and Sections 1001 and 1003 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolutions hereto as shall be deemed necessary or desirable by the Authority for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series or maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 1002. No Supplemental Resolution may be approved or adopted which shall permit or require, without the consent of all affected Bondholders, (1) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (2) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (3) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (4) 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 Bondholders or the Credit Providers of the adoption of any Supplemental Resolution as authorized in Section 1001 hereof.

Written Consent of Credit Providers. Any Supplemental Resolution which is adopted in accordance with the provisions of this Section 1002 shall also require the written consent of any Credit Provider that has provided credit enhancement to any Bonds which are Outstanding at the time such Supplemental

Resolution shall take effect if (1) such Credit Provider has been granted the right of consent pursuant to Supplemental Resolution, (2) such Credit Provider is not in default under the related credit enhancement documents, and (3) such Credit Provider has not applied for or consented to the appointment of a receiver, custodian, trustee or liquidator of all or a substantial part of its assets, has not admitted in writing as to its inability to pay its debts as they become due, has not made a general assignment for the benefit of its creditors and has not commenced voluntary bankruptcy proceedings.

Notice. If at any time the Authority shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this 1002, the Authority shall cause the Trustee to give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Trustee for inspection by all Bondholders or provide an appropriate World Wide Web internet link to where the Supplemental Resolution is posted. The Authority shall not, however, be subject to any liability to any Bondholder by reason of the Trustee's failure to cause the notice required by this Section 1002 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 1002.

Effect of Supplemental Resolution. Whenever the Authority shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental 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 Authority may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto. If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Authority from adopting the same or from taking any action pursuant to the provisions thereof. Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 1002, the Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Resolution of the Authority and all Holders of Bonds then Outstanding shall

thereafter be determined, exercised and enforced in all respects under the provisions of the Resolution as so modified and amended.

Deemed Notice and Consent. Notwithstanding any other provision of this Section 1002, Holders of Bonds shall be deemed to have provided consent pursuant to this Section 1002 if the offering document for such Bonds expressly describes the amendments to the Resolution contained therein and states by virtue of the Holders' purchase of such Bonds the Holders are deemed to have notice of, and consented to, such amendments.

Underwriters or Agents May Provide Consent. Notwithstanding any other provision of this Section 1002, to the extent permitted by law, at the time of issuance or remarketing of Bonds under the Resolution, a broker, dealer or municipal securities dealer, serving as underwriter or remarketing agent for such Bonds, or as agent for or in lieu of Holders of the Bonds, may provide consent to amendments to the Resolution pursuant to this Section 1002.

SECTION 1003. Amendment with Consent of Credit Providers Only. For purposes of amending the Resolution pursuant to Section 1002 hereof, a Credit Provider shall be considered the Holder of such Bonds which it has insured or provided credit enhancement. The consent of the Holders of such Bonds shall not be required if the Credit Provider shall consent to the amendment as provided by this Section 1003 and such Credit Provider (1) is not in default under the related credit enhancement documents, and (2) has not applied for or consented to the appointment of a receiver, custodian, trustee or liquidator of all or a substantial part of its assets, has not admitted in writing as to its inability to pay its debts as they become due, has not made a general assignment for the benefit of its creditors and has not commenced voluntary bankruptcy proceedings. At least fifteen (15) days prior to adoption of any amendment made pursuant to this Section 1003, notice of such amendment shall be delivered to the Rating Agencies rating the Bonds. Upon filing with the Trustee evidence of such consent of the Credit Providers as aforesaid, the Authority may adopt such Supplemental Resolution. After the adoption by the Authority of such Supplemental Resolution, notice thereof shall be mailed in the same manner as notices of an amendment under Section 1002 hereof. Notwithstanding the foregoing, the consent of all affected Bondholders shall still be required with respect to any amendment set forth in clauses (1) through (4) in the first paragraph of Section 1002 hereof.

SECTION 1004. General Provisions.

1. The Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X. Nothing in this Article X shall affect or limit the right or obligation of the Authority to adopt, make, do, execute, acknowledge or deliver any resolution, act or

other instrument pursuant to the provisions of Section 705 or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument which elsewhere in the Resolution it is provided shall be delivered to said Fiduciary.

2. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Sections 1001, 1002 or 1003 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be a Counsel's Opinion) that such Supplemental Resolution is authorized or permitted by the provisions of the Resolution.

3. No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

SECTION 1005. Exclusion of Bonds. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article X, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article X, the Authority shall furnish the Trustee a certificate of an Authorized Officer of the Authority, upon which the Trustee may rely, describing all Bonds so to be excluded.

SECTION 1006. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken in this Article X may, and, if the Trustee so determines, shall bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and presentation of his Bond for such purpose at the principal office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Authority to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds with all unpaid coupons, if any, appertaining thereto.

ARTICLE XI

[DELETED]

ARTICLE XII

MISCELLANEOUS

SECTION 1201. Defeasance.

1. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds and coupons the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of Pledged Funds, and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the Authority to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Authority to be prepared and filed with the Authority and, upon the request of the Authority, shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Authority all moneys or securities held by them pursuant to the Resolution which are not required for the payment of principal or Redemption Price, if applicable, on Bonds or payment of coupons not theretofore surrendered for such payment or redemption. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Outstanding Bonds of a particular Series and the coupons appertaining thereto the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under the Resolution, and all covenants, agreements and obligations of the Authority to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

2. Bonds or coupons or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section. All Outstanding Bonds of any Series, or all or any portion of one or more maturities within a Series, and all coupons appertaining to such Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to

their maturity, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to give as provided in Article V notice of redemption of such Bonds on said date, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Securities the principal of and the interest on which when due will provide money which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to provide, as soon as practicable, by mail to the registered owners of all Registered Bonds so defeased. Neither Investment Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under the Resolution, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable and legally permissible, be reinvested in Investment Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Resolution. For purposes of this Section, Investment Securities shall mean and include only such securities as are described in clauses (i) and (vi) of the definition of "Investment Securities" in Section 101.

3. Anything in the Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge for any of the Bonds or coupons which remain unclaimed for six (6) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, unless otherwise provided by law, at the written request of the Authority, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Authority for the payment of such Bonds and

coupons; provided, however, that before being required to make any such payment to the Authority, the Fiduciary shall, at the expense of the Authority, cause to be published at least three times at intervals of not less than seven (7) days between publications, in Authorized Newspapers, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than forty-five (45) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

SECTION 1202. Evidence of Signatures of Bondholders and Ownership of Bonds.

1. Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Bonds or coupons appertaining thereto, shall be sufficient for any purpose of the Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any Bondholder or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate or any notary public or other officer authorized to take acknowledgments of deed, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(2) The amount of Bonds transferable by delivery held by any person executing any instrument as a Bondholder, the date of his holding such Bonds, and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company, or financial corporation or other depository wherever situated, showing at the date therein mentioned that such person exhibited to such member or officer or had on deposit

with such depositary the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depositary with respect to Bonds owned by it, if acceptable to the Trustee. In addition to the foregoing provisions, the Trustee may from time to time make such reasonable regulations as it may deem advisable permitting other proof of holding of Bonds transferable by delivery.

2. The ownership of Bonds registered otherwise than to bearer and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

3. Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Authority or any Fiduciary in accordance therewith.

SECTION 1203. Prior Obligations Not Affected. Nothing contained in the Resolution shall be construed as impairing or destroying the obligation of the Authority in connection with any franchise, contract, agreement, lease or other arrangement entered into by the Authority in connection with the operation of the properties of the City by the Authority prior to the adoption of this Resolution, or to release any person, firm or corporation, public or private, from any debt or other obligation to the Authority pursuant to any such franchise, contract, agreement, lease or other arrangement.

SECTION 1204. Moneys Held for Particular Bonds and Coupons. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds or coupons, shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds and coupons entitled thereto.

SECTION 1205. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of the Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, any other Fiduciary, and any Bondholder and their representatives, any of whom may make copies thereof.

SECTION 1206. Parties Interested Herein. Nothing in the Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Authority, the Fiduciaries and the Holders of the Bonds and the coupons thereunto appertaining, any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation thereof, and all the covenants, stipulations, promises and agreements in the

Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Fiduciaries, and the Holders of the Bonds and the coupons thereunto appertaining.

SECTION 1207. No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Resolution against any member or officer of the Authority or the City or any person executing the Bonds. Further, the Bonds do not constitute a debt of the City or a pledge of the faith and credit of the City. The Bonds and the interest thereon are payable solely from the funds pledged therefor under the Resolution. The issuance of Bonds under the Resolution shall not directly or indirectly or contingently obligate the City to levy or pledge any form of taxation whatever therefor or to make any appropriation for their payment.

SECTION 1208. Publication of Notice; Suspension of Publication.

1. Any publication to be made under the provisions of the Resolution in successive weeks or on successive dates may be made in each instance upon any business day of the week and need not be made in the same Authorized Newspapers for any or all of the successive publications but may be made in a different Authorized Newspapers.

2. If, because of the temporary or permanent suspension of the publication or general circulation of Authorized Newspapers or for any other reason, it is impossible or impractical to publish any notice pursuant to the Resolution in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

SECTION 1209. [Deleted].

SECTION 1210. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in the Resolution on the part of the Authority or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of the Resolution.

SECTION 1211. Available PFC Revenues; Transition.

1. On the date the Consent Amendments become effective in accordance with the terms hereof, the Available PFC Revenues pledged to Bonds Outstanding, including the portion of the Series 2015A Bonds which financed the 2015A PFC Projects (the "Outstanding PFC Bonds"), shall continue to be so pledged subsequent to such effective date. However, for purposes of the Resolution, Available PFC

Revenues subsequent to such effective date shall be utilized in accordance with the Amended and Restated Bond Resolution, including, in particular, Section 727 hereof. Subsequent to the effective date of the Consent Amendments, such Available PFC Revenues shall be considered Revenues only for purposes of the pledge provided by the Resolution.

2. As permitted by the Amended and Restated Bond Resolution, the Authority hereby determines that Passenger Facilities Charges shall constitute Available PFC Revenues for the Outstanding PFC Bonds in each Fiscal Year starting with the Fiscal Year during which the Consent Amendments shall become effective, in an amount for each such Fiscal Year as set forth in the certificate of an Authorized Officer delivered in connection with the issuance of the Outstanding PFC Bonds. The amount of Available PFC Revenues specified in the certificate of an Authorized Officer for each such Fiscal Year shall be the amount required to pay the amount of principal of and interest due and payable on the Outstanding PFC Bonds in each such Fiscal Year as specifically set forth in the certificate of an Authorized Officer. Such Available PFC Revenues shall be deposited into the Available PFC Account and shall be transferred to the Bond Fund for the payment of the Outstanding PFC Bonds.

3. As provided in the Amended and Restated Bond Resolution, commencing in the Fiscal Year during which the Consent Amendments shall become effective, the Debt Service on the Outstanding PFC Bonds to be paid from Available PFC Revenues shall be irrevocably committed to payment of such Debt Service pursuant to this Section 1211 and Section 727 of the Amended and Restated Bond Resolution and shall not be included in calculating Debt Service in each applicable Fiscal Year for purposes of the Amended and Restated Bond Resolution.

4. In each of the Fiscal Years specified in subsection (2) above, the Authority shall deposit an amount of Passenger Facilities Charges as received by the Authority into the Bond Fund 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 PFC Revenues specifically set forth in the certificate of an Authorized Officer.

5. Any Passenger Facilities Charges received in any of the Fiscal Years specified in subsection (2) above in excess of the committed amounts of Available PFC Revenues as specifically set forth in the certificate of an Authorized Officer, including any investment earnings thereon, may be used by the Authority 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 1212. Rate Covenant; Transition. The Rate Covenant provided in Section 711 of the Amended and Restated Bond Resolution shall be operative for the entire Fiscal Year in which the effective date of the Consent Amendments occurs.

SECTION 1213. Additional Bonds Test; Transition. The Additional Bonds test provided in Section 204 of the Amended and Restated Bond Resolution shall be operative for all Additional Bonds issued on or subsequent to the effective date of the Consent Amendments.

SECTION 1214. Other Provisions; Transition. The Authority may adopt pursuant to Supplemental Resolution procedures for the transition of provisions in this Resolution to those of the Amended and Restated Bond Resolution.

ARTICLE XIII

BOND FORMS AND EFFECTIVE DATE OF RESOLUTION

SECTION 1301. Form of Bonds and Coupons and Trustee's Certificate of Authentication. Subject to the provisions of the Resolution, the Bonds of each Series, the coupons (if any) to be attached hereto, the validation certificate and the Trustee's certificate of authentication shall be in the form provided in the Supplemental Resolution authorizing such Series of Bonds.

[FORM OF CERTIFICATE OF AUTHENTICATION ON ALL BONDS]

TRUSTEE'S CERTIFICATE

This bond is one of the bonds executed and delivered pursuant to the within mentioned Resolution.

Trustee

By: _____
Authorized Officer

SECTION 1302. Effective Date of Amended and Restated Bond Resolution and Consent Amendments. Upon (i) receipt of the written consent thereto of the Holders of at least a majority of the principal amount of the Bonds Outstanding, (ii) receipt of consent or approval of any other entities which have been provided such right, including the City, and (iii) compliance with the relevant provisions of Articles X and XI of the Airport Facilities Revenue Bond Resolution, this Amended and Restated Bond Resolution will be deemed adopted and the Consent Amendments contained therein shall become effective. Upon the adoption of this Amended and Restated Bond Resolution, this Amended and Restated Bond Resolution shall supersede all other prior bond resolutions of the Authority in all respects.

Airport Facilities Revenue Bond Resolution approved and adopted by Greater Orlando Aviation Authority Board on September 16, 2015.

GREATER ORLANDO AVIATION
AUTHORITY

By: 
Chairman

APPENDIX C

RATE RESOLUTION AND FORM OF REVENUE SHARING AGREEMENT

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**SECOND AMENDED AND RESTATED RESOLUTION OF THE
GREATER ORLANDO AVIATION AUTHORITY**

RELATING TO

**AIRLINE RATES AND CHARGES AND AIRLINE
OPERATING TERMS AND CONDITIONS FOR THE
USE OF FACILITIES AND SERVICES AT
ORLANDO INTERNATIONAL AIRPORT**

**August 28, 2019
to be effective October 1, 2019**

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RESOLUTION

W I T N E S S E T H:

WHEREAS, the City of Orlando is the owner of the Airport located in the City of Orlando, County of Orange, State of Florida; and

WHEREAS, pursuant to an agreement dated September 27, 1976 with the City of Orlando, City Document No. 13260-1, as amended by that certain Amended and Restated Operation and Use Agreement dated August 31, 2015, the Authority has custody, control, and management of the Airport, and under its governmental responsibilities, operates the Airport for the accommodation of air commerce transportation; and

WHEREAS, the Authority has the right to lease, license, or otherwise provide for the use of land, property and facilities of the Airport and has full power and authority to establish Rates and Charges and operating terms and conditions for such use; and

WHEREAS, Airlines engaged in the business of transportation by air of persons, property, mail, parcels and/or cargo desire to conduct operations at the Airport; and

WHEREAS, the Authority desires to adopt this Resolution to establish the permitted activities and operating terms and conditions of Airlines, and Rates and Charges payable by Airlines, with respect to the use and occupancy of the Airport;

NOW, THEREFORE, BE IT RESOLVED by the Greater Orlando Aviation Authority that:

ARTICLE 1 DEFINITIONS

The following words, terms and phrases wherever used in this Resolution shall have the following meanings:

1.1 Affiliate shall mean any Airline that has signed an Operating Permit or Letter of Authorization and (i) is a parent or wholly owned subsidiary of another Airline, or (ii) operates under essentially the same trade name as another Airline at the Airport and uses essentially the same livery as such other Airline.

1.2 Airfield or Airfield Cost Center shall mean those portions of the Airport, excluding the Terminal Apron, providing for the landing, taking off, and taxiing of aircraft, including without limitation, approach and turning zones, runway protection zones, safety areas, infield areas, taxi lanes, landing and navigational aids, fire and crash rescue support facilities, service roads, fencing, buffer areas, fuel farm, fuel hydrant and delivery systems, clear zones, avigation or other easements, access roadways, perimeter roads, runways, a fully integrated

taxiway system, runway and taxiway lights, and other appurtenances related to the aeronautical use of the Airport, including any property purchased for noise mitigation purposes, as may be designated from time to time by the Authority in its reasonable discretion.

1.3 Airline shall mean any air carrier or foreign air carrier, as defined in 49 U.S.C. §40102, as amended, operating an Air Transportation Business from time to time at the Airport.

1.4 Airline Equipment shall mean loading bridges, pre-conditioned air, ground power/400Hz, potable water, fire bottles and related equipment used to transport passengers between the Terminal and an aircraft.

1.5 Airline Equipment Charge shall mean the amount payable by an Airline for the use of Airline Equipment, as established from time to time by the Authority based on calculations using the Rate Methodology.

1.6 Airline Equipment Expenses shall mean the aggregate annual cost to the Authority of acquiring and maintaining all Airline Equipment, which cost (a) shall include Debt Service, O&M Expenses, Operating Reserves and Amortization, (b) may include Debt Service Coverage, as set forth in the Rate Methodology, but (c) shall not include the acquisition cost of items purchased by the Authority with PFCs or funds from federal or state grants.

1.7 Airline Premises shall mean those areas in the Terminal or Terminal Aprons assigned to an Airline from time to time, including but not limited to Committed Premises assigned in connection with a Letter of Authorization. The use or occupancy of premises at the Airport that are not in the Terminal or on the Terminal Apron (e.g. hangers), and that are leased by an Airline subject to a separate agreement between the Authority and such Airline, shall not be governed by the terms of this Resolution, except to the extent set forth in such separate agreement.

1.8 Airport shall mean Orlando International Airport, owned by the City of Orlando and operated by the Authority, including all real property easements or any other interest therein as well as all improvements and appurtenances thereto, structures, buildings, fixtures, and all tangible personal property or interest in any of the foregoing, now or hereafter owned, leased or operated by the Authority.

1.9 Air Transportation Business shall mean the scheduled or non-scheduled commercial transportation by air of persons, property, mail, parcels and/or cargo.

1.10 Airport System shall mean all real property owned or operated from time to time by the Authority, and any interest therein, including improvements thereto, structures, buildings, fixtures, and other personal property, which comprise part of the Airport, Orlando Executive Airport or any airport hereafter owned by the Authority or by the City of Orlando and leased or operated by the Authority.

1.11 Amortization shall mean the annualized cost of capital assets and projects (including renewal and replacement projects and other expenditures and debt paid down prior to

maturity) funded with Authority funds, amortized over the reasonably expected life of the respective asset, project or expenditure, and charged, with an imputed interest rate if, and in the amount, set forth in the Rate Methodology, to the Cost Center(s) to which the asset, project or expenditures relates and, within the Terminal Cost Center, if and to the extent appropriate, to areas or equipment having separately calculated Rates and Charges (e.g. the FIS or the Airline Equipment Expenses).

1.12 Annual Access Gate shall mean Gates included as part of an Airline's Committed Premises, including Priority Access Gates.

1.13 Apron Use Fee shall mean the amount payable by an Airline for the use of the Terminal Apron, as established from time to time by the Authority based on calculations using the Rate Methodology.

1.14 Authority shall mean the Greater Orlando Aviation Authority, created pursuant to Chapter 57-1658, Special Laws of Florida 1957, as replaced by Chapter 98-492, Laws of Florida, as amended, and, for purposes of carrying out and exercising the obligations, rights and duties of such entity hereunder, its board and executive staff, as the context requires.

1.15 Authority Policies and Procedures shall mean the operating rules, policies, procedures, terms, conditions and directives relating to operations at the Airport, as publicly posted or available (e.g. on the Authority's website) or as announced from time to time by the Chief Executive Officer or the Chief Executive Officer's designee, or as set forth, from time to time, in the Airline Operations Procedures (or similar document), all as may be amended from time to time by the Authority, which amendments shall be effective after reasonable notice to the persons to whom such amendments apply, including, in certain cases, notice by public posting.

1.16 Baggage System shall mean the Inbound Baggage System and the Outbound Baggage System, provided that, to the extent the Rate Methodology calculates Rates and Charges for the Baggage System in the North Terminal separately from the Baggage System in the South Terminal, Baggage System shall be deemed to apply to either the North Terminal, the South Terminal or both Terminals, as the context requires.

1.17 Bond Resolution shall mean the Airport Facilities Revenue Bond Resolution Authorizing Airport Facilities Revenue Bonds of City of Orlando, Florida, adopted by the Authority on September 16, 2015 with an effective date of May 1, 2017, and as the same has and may hereafter, from time to time, be amended and supplemented by Supplemental Resolution, as defined in the Bond Resolution.

1.18 Bonds shall mean the Airport Facilities Revenue Bonds issued by the Authority pursuant to the Bond Resolution.

1.19 Chief Executive Officer shall mean the Chief Executive Officer of the Authority, and shall include such person or persons as may from time to time be authorized in writing by

the Authority or by the Chief Executive Officer or applicable law to act for the Chief Executive Officer with respect to any or all matters pertaining to the operation of the Airport.

1.20 City shall mean the City of Orlando, Florida.

1.21 Committed Premises shall mean those portions of the Terminal and Terminal Aprons assigned to an Airline pursuant to a Letter of Authorization for use and occupancy at a cost charged on a per period rate, as opposed to an activity basis, including Exclusive Use Premises, Preferential Use Premises and Annual Access Gates.

1.22 Common Use Baggage Charges shall mean charges payable by the Airlines for use of the Inbound Baggage System and the Outbound Baggage System, as established from time to time by the Authority based on calculations using the Rate Methodology.

1.23 Common Use Premises shall mean Airline Premises, other than Committed Premises, that are assigned by the Authority from time to time for use and occupancy by an Airline and paid for on an activity basis, whether by Facility Fee, Common Use Baggage Charges, or Common Use South Ticketing Area Charges, and shall include, for example, ticket counters, baggage make-up, Baggage System, gates, holdrooms, aprons and loading bridges. Common Use Premises may be designated as such from time to time in the Authority Policies and Procedures.

1.24 Common Use South Ticketing Area Charges shall mean charges payable by the Airlines for use of the South Ticketing Area, as established from time to time by the Authority based on calculations using the Rate Methodology.

1.25 Cost Centers shall mean those distinct areas or functional activities of the Airport System established by the Authority from time to time and used for the purposes of accounting for Revenues, O&M Expenses, Operating Reserves, Amortization, Debt Service, and Debt Service Coverage, and for calculating Rates and Charges.

1.26 Debt Service shall mean 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, Bonds, Subordinated Indebtedness or Other Indebtedness, exclusive of amounts funded by Available PFC Revenues (as defined in the Bond Resolution).

1.27 Debt Service Coverage shall mean 1.25 times the Debt Service payable by the Authority in a particular Fiscal Year with respect to Bonds, 1.10 times the Debt Service payable by the Authority in a particular Fiscal Year with respect to Subordinated Indebtedness or Other Indebtedness, and any different amount corresponding to the debt service coverage requirement set forth in the applicable governing document for such debt.

1.28 Deplaned Passenger shall mean any passenger disembarking an aircraft at the Terminal, including any such passenger that (a) shall subsequently board another aircraft of the same or a different Airline or (b) subsequently board or remain on board the same aircraft operating under a different flight number than at the time it landed at the Airport.

1.29 Effective Date shall mean October 1, 2019.

1.30 Enplaned Passenger shall mean any passenger boarding an aircraft at the Terminal, including any such passenger that (a) previously disembarked from another aircraft of the same or a different Airline or (b) disembarked from or remained on board the same aircraft operating under a different flight number than at the time it landed at the Airport.

1.31 Environmental Laws shall have the meaning set forth in Section 17.5(a)(i) below.

1.32 Exclusive Use Premises shall mean those portions of the Terminal available for use and occupancy for a fixed monthly amount, and assigned to an Airline on an exclusive basis. Exclusive Use Premises may be designated as such from time to time in the Authority Policies and Procedures.

1.33 FAA shall mean the Federal Aviation Administration, or its authorized successor(s).

1.34 Facility Fee shall mean a Per Turn fee payable by an Airline for the right to use Common Use Premises assigned to an Airline (other than the Baggage System or, with respect to Airlines operating out of Committed Premises, the South Ticketing Area), for the processing of passengers and baggage (e.g. gate, check-in counter, queue space, holdroom, bag make-up space and equipment, Airline Equipment, Terminal Apron, etc.), as established from time to time by the Authority based on calculations using the Rate Methodology.

1.35 Fiscal Year shall mean the annual accounting period of the Authority for its general accounting purposes which, as of the Effective Date, is the period of twelve consecutive months, ending with the last day of September of any year.

1.36 FIS shall mean the Federal Inspection Services facilities located in the Terminal.

1.37 FIS Fees shall mean the per person-on-board fee payable by Airlines for the use of the FIS, as established from time to time by the Authority in accordance with the Rate Methodology.

1.38 FIS Space shall mean those areas in the Terminal used for the processing of arriving international passengers that require federal processing, including associated sterile corridors, customs and immigration control, international baggage claim areas, federal agency offices, and any other Federal Inspection Services facilities.

1.39 Gates shall mean that portion of the Terminal consisting of individual portals used for loading and unloading passengers to and from aircraft, and related holdrooms and all appurtenant space.

1.40 Ground Transportation Cost Center shall mean those areas of the Airport designated from time to time by the Authority for public automobile parking, automobile rental

agencies, taxi, bus, transportation network companies, and limousine parking areas, and other nonaeronautical transportation related accommodations and services for the public arriving at or leaving the Terminal, as designated as such from time to time by the Authority.

1.41 Hotel shall mean the hotel facility, including guest rooms, meeting rooms, restaurants and lobby areas, located in the landside Terminal building.

1.42 Identified Affiliate shall have the meaning set forth in Section 5.3 below.

1.43 Inbound Baggage System shall mean the Airport space, facilities and equipment used to process passenger bags from the time a bag is removed from an aircraft until it is claimed by, or delivered to, the passenger, including bag claim, bag drop off, and, to the extent applicable, 50% of the tug road, but excluding bag make-up and any remote (non-Terminal) screening facilities and equipment for which the Authority incurs no operational or maintenance costs.

1.44 Landing Fee shall mean the amount payable by an Airline for the use of the Airfield, as designated from time to time by the Authority based on calculations using the Rate Methodology.

1.45 Letter of Authorization shall mean a written commitment by an Airline, in a form acceptable to the Authority, to use and occupy Committed Premises for a stated duration.

1.46 Maximum Gross Landed Weight shall mean the maximum gross certificated landing weight in one thousand pound units for each Revenue Landing operation at the Airport by an Airline, as certificated by the FAA or its successor.

1.47 Non-Revenue Landing shall mean any aircraft landing by an 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.

1.48 North Terminal shall mean the Terminals and the associated automated people movers in operation on the Effective Date, currently identified as Terminals A and B, as such facilities may be modified from time to time. The North Terminal shall not include the Hotel located in the landside terminal building and its entrance curbside.

1.49 Operation and Maintenance Expenses (or O&M Expenses) shall mean all direct, indirect or general administrative, operational and maintenance expenses, paid, payable or accrued, of the Authority to operate, maintain, and conduct ordinary current repairs or replacements of or at the Airport and shall include, without limiting the generality of the foregoing, insurance premiums, insurance claims and related costs, self-insurance retentions, administrative fees, administrative expenses of the Authority, employment compensation and costs, engineering, architectural, legal, accounting and airport consultant fees and costs, replacement and/or repair of all vehicles, rolling stock and moveable equipment, fees and

expenses relating to any Bonds not included in Debt Service, and expenditures for the purpose of paying the cost of rebuilding, reconstructing, altering, replacing and renewing the facilities of the Airport (other than expenditures of casualty insurance proceeds), construction and acquisition of improvements to capital assets of the Airport, and such other current expenses of the Authority incurred in connection with the operation of the Airport. O&M Expenses shall not include any allowance for depreciation or obsolescence of capital assets used at the Airport, or any operating expenses of special purpose facilities buildings where the lessees thereof are obligated to pay such operating expenses. Direct and indirect O&M Expenses shall be allocated by the Authority from time to time to the Cost Center to which those expenses relate.

1.50 Operating Permit shall mean a written acknowledgment by an Airline, in a form acceptable to the Authority, of the applicability of this Resolution to such Airline's use of the Airport, including the Airfield, Terminal Apron and Terminal space, facilities and equipment.

1.51 Operating Reserve Requirement (or O&M Reserve Requirement) shall mean the operating reserve amount required to be created and maintained in accordance with the Bond Resolution, or, in the absence thereof, such amount deemed reasonable in the discretion of the Chief Executive Officer.

1.52 Operating Reserves shall mean all repair, replacement, operating, maintenance and other reserves (including the Operating Reserve Requirement) required or deemed prudent in the reasonable discretion of the Authority.

1.53 Other Buildings and Grounds Cost Center shall mean those areas of the Airport not in the Airfield Cost Center, Terminal Cost Center, Ground Transportation Cost Center, or Other Cost Center.

1.54 Other Cost Center shall mean those areas of the Airport specifically designated from time to time by the Authority in its reasonable discretion as not belonging in another Cost Center, including, but not limited to, rail corridors, terminals and operations.

1.55 Other Indebtedness shall mean any debt incurred by the Authority for Airport purposes which is outstanding and not authenticated and delivered under and pursuant to the Bond Resolution or any Subordinated Bond Resolution.

1.56 Outbound Baggage System shall mean the Airport space, facilities, and equipment used to process passenger bags from the time a bag is checked until it is loaded on an aircraft, including the in-line baggage handling system and, to the extent applicable, 50% of the tug road, but excluding bag make-up and any remote (non-Terminal) screening facilities and equipment for which the Authority incurs no operational or maintenance costs.

1.57 Passenger Facility Charge (or PFC) shall mean the fees authorized by 49 U.S.C. 40117 and regulated by 14 CFR Part 158 as such statute and regulations currently exist or as they may be amended.

1.58 Performance Security shall have the meaning set forth in Section 7.6(a) below.

1.59 Per Turn shall mean a single inbound and outbound flight operation, for which an Airline uses certain Terminal space, facilities and/or equipment, other than Committed Premises.

1.60 Preferential Use Premises shall mean those portions of the Terminal, other than Annual Access Gates, assigned to an Airline pursuant to a Letter of Authorization for use and occupancy charged on a per period rate and to which such Airline will have scheduling priority over other users. Preferential Use Premises may be designated as such from time to time in the Authority Policies and Procedures.

1.61 Priority Access Gate shall mean a Committed Gate that qualifies for certain enhanced occupancy rights, as such qualifications and rights are set forth in the Authority Policies and Procedures from time to time.

1.62 Public Space shall mean all public sidewalks, stairways, hallways, corridors, elevators, escalators, entrance-ways, lobbies and waiting areas, passenger screening areas, passenger transit system, restrooms, and other similar areas made available by the Authority from time to time for use by passengers, Authority and Airline employees, and other members of the public; areas used by the Orlando Police Department and TSA that are not rented; and areas used for the operation, maintenance or security of the Terminal, even if used solely by the Authority (such as utility rooms, ductways, janitorial rooms and closets), as such may be designated from time to time.

1.63 Rate and Revenue Sharing Agreement shall mean an agreement between one or more Airlines and the Authority, whereby the Authority agrees to share with such Airlines certain net Revenues, as set forth in such agreement.

1.64 Rate Methodology shall mean the formulas, methods and calculations used to derive Rates and Charges, as such are adopted by the Authority from time to time and set forth in a rate book or rate package that is delivered to Airlines, published or otherwise made available for review each year, but exclusive of any tables or other attachments thereto.

1.65 Rates and Charges shall have the meaning set forth in Section 7.1 below.

1.66 Rentable Space, with respect to the Terminal, shall mean the areas in the Terminal that are rentable to tenants, including office and administrative space used by the Authority, but specifically excluding Public Space, and Hotel space; as such may be determined from time to time by the Authority. Unrentable areas committed for leasing to a future tenant when renovated shall not be considered rentable during the period of such commitment until the lease period commences.

1.67 Resolution shall mean this resolution, including the Rate Methodology and resulting Rates and Charges incorporated herein, as modified, amended or replaced by the Authority from time to time.

1.68 Revenue Landing shall mean any aircraft landing by an Airline at the Airport for which such Airline receives revenue for either or both of the arrival or departure portions of the operation.

1.69 Revenues shall mean income received or accrued by the Authority in accordance with generally accepted accounting principles, including investment earnings, from or in connection with the ownership or operation of the Airport or any part thereof, or the leasing or use thereof; provided, however, Revenues shall specifically exclude: (a) gifts, grants and other funds which are restricted by their terms to purposes inconsistent with the payment of general O&M Expenses, Operating Reserves or payment of Debt Service; (b) insurance proceeds; (c) any gain from the sale, exchange or other disposition of real property of the Airport, (d) any unrealized gains on securities held for investment by or on behalf of the Authority; (e) any gains resulting from changes in valuation of any Swap; (f) any unrealized gains from the reappraisal or revaluation of assets; (g) the proceeds of debt; (h) Passenger Facility Charges and the interest earned therefrom, (i) customer facility charges (e.g. rental car CFCs) and interest earned therefrom; (j) investment income derived from any moneys or securities placed in escrow or trust to defease Debt Service; (k) any arbitrage earnings which are required to be paid to the United States of America pursuant to Section 148 of the Code; (l) any exclusions from the definition of Revenues in the Bond Resolution, (m) Available PFC Revenues (as defined in the Bond Resolution) whether applied to Debt Service, or deposited into the PFC Fund, and (n) interest earnings or other investment earnings on any account in the construction fund established by any supplement to the Bond Resolution unless otherwise provided in such supplement.

1.70 South Terminal shall mean the Terminal under construction on the Effective Date, expected to be initially identified as Terminal C, as such facilities may be modified from time to time.

1.71 South Ticketing Area shall mean the ticket counter, queue areas and bag make up space in the South Terminal identified from time to time by the Authority.

1.72 Subordinated Indebtedness shall mean any bonds or other financing instrument or obligation subordinate to the Bonds, issued pursuant to any Subordinated Bond Resolution.

1.73 Subordinated Bond Resolution shall mean a bond resolution, indenture or related document granting a pledge subordinate to the pledge granted by the Bond Resolution, and authorizing the issuance by the Authority of Subordinated Indebtedness, as such may be supplemented or amended from time to time.

1.74 Substantial Completion shall mean the date on which the Authority's architects and/or engineers certify any premises at the Airport to be substantially complete as to permit use and occupancy sufficient for its intended use.

1.75 Terminal or Terminal Cost Center shall mean all passenger terminal buildings, including all landside and airside passenger terminal facilities, and, to the degree appropriate,

access roadways, tunnels, sidewalks and people mover systems used to access the terminals, as such may be designated from time to time by the Authority.

1.76 Terminal Aprons shall mean those areas of the Airport surrounding the Terminal that are designated by the Authority from time to time for the parking, including overnight parking and remote parking, of passenger aircraft, support vehicles and equipment, and the loading and unloading of passenger aircraft, but excluding taxi lanes for circulation.

1.77 Terminal Rental Rate shall be the amount per square foot used to determine Rates and Charges, as designated from time to time by the Authority based on calculations using the Rate Methodology.

1.78 TSA shall mean the Transportation Security Administration of the Department of Homeland Security, created under the Aviation and Transportation Security Act ("ATSA"), Public Law 107-71 of 2001, as amended, or any successor or any successor agency thereto..

Additional words and phrases used but not defined herein shall have the meanings as defined under the Bond Resolution or, if not so set forth, shall have their usual and customary meaning.

ARTICLE 2
EFFECTIVE DATE AND LETTERS OF AUTHORIZATION

2.1 Effective Date. This Resolution, along with the determination of Rates and Charges set forth herein, shall be effective for the first Fiscal Year beginning on or after the Effective Date, shall supersede the Amended and Restated Resolution dated August 21, 2016 (the "Prior Rate Resolution") as of the Effective Date, and shall continue in effect until modified, amended or terminated by the Authority. The Prior Rate Resolution shall terminate and be of no further force and effect for Fiscal Years beginning on or after the Effective Date, but shall remain in effect as to Fiscal Years ending prior to the Effective Date, including for purposes of any payments, adjustments or true-ups calculated or implemented after the Effective Date, but applicable to Fiscal Years ending prior to the Effective Date.

2.2 Letters of Authorization. At the Effective Date, any and all Letters of Authorization between Airlines and the Authority for the use of particular Terminal facilities at the Airport shall terminate and be of no further force and effect, except that (a) any obligations of payment by either an Airline or the Authority to the other under such Letters of Authorization, and (b) any other obligations intended to survive termination pursuant to the terms of such Letters of Authorization or the Prior Rate Resolution, shall survive termination until such obligations have been satisfied.

ARTICLE 3
APPLICABILITY OF RESOLUTION

This Resolution shall apply to all Airlines operating at the Airport and/or making use of the Airfield or Terminal at the Airport, whether or not such Airline specifically agrees in writing to the terms hereof. All Airlines operating at the Airport are expected to sign and deliver to the Authority either a Letter of Authorization or an Operating Permit prior to the Effective Date of this Resolution or prior to commencement of operations at the Airport. In any event, use of the Airfield or Terminal by an Airline in connection with its operations shall constitute the agreement by such Airline with the terms and conditions hereof, including, in particular, the Rate Methodology and the Rates and Charges described or authorized herein.

ARTICLE 4 TERMINAL PREMISES

4.1 Terminal Space Assignments.

Airlines shall use such Terminal space, facilities and equipment (e.g. Gates, ticket counters and corresponding queue space, bag make up, administrative offices, club space, ramp operations and crew base facilities) as shall be assigned to them from time to time by the Authority. Use of particular Baggage System equipment (e.g. bag claim devices) shall be assigned by the Authority to Airlines from time to time based on operational efficiencies and Airline needs. All such assignments shall be made by the Authority after consultation with, or receipt of information from, an Airline regarding such Airline's anticipated space, facilities and equipment needs, or, in the absence of any consultation or receipt of information, after a reasonable evaluation and estimation by the Authority of such Airline's anticipated space, facilities and equipment needs.

4.2 Gate Assignments

(a) Subject to the Authority Policies and Procedures relating to Gate assignment and usage, an Airline that includes a Gate as part of its Committed Premises will receive occupancy and use of a Gate and corresponding Terminal Apron, as assigned from time to time by the Authority, but will not receive preferential occupancy and use of any particular Gate. Airlines may qualify for certain enhanced occupancy rights for Gates that qualify as a Priority Access Gate.

(b) All flights of an Airline that has included one Gate as part of its Committed Premises shall be considered to have used, and shall be charged as if it used, a single Gate as part of its Committed Premises, even if such flights are assigned by the Authority to different Gates, but only if such flights using different Gates do not have overlapping dwell times (i.e., such flights could have used the same Gate if they were assigned by the Authority to the same Gate). If any flights of an Airline that has included one Gate as part of its Committed Premises have overlapping dwell times, only one of such flights shall be deemed to have used, and shall be charged as if it used, a Gate as part of its Committed Premises, and the other overlapping flights shall be charged a Facility Fee for use of a Gate on a Per Turn basis. Likewise, all flights of an Airline that includes more than one Gate as part of its Committed Premises, up to the corresponding number of flights with overlapping dwell times, shall be charged as if such flights used Gates as part of its Committed Premises, with any number of flights having overlapping dwells times in excess of the number of Gates included as part of an Airline's Committed Premises being charged a Facility Fee for use of such Gates on a Per Turn basis. For example, if an Airline has included five (5) Gates as part of its Committed Premises, all flights operated at the Airport each day shall be deemed to have used, and shall be charged as if it used, the five (5) Gates included as its Committed Premises, regardless of the number or location of actual Gates used due to Authority assignment; provided, however, that if more than five (5) flights have overlapping dwell times at any point

during the day (e.g. at 9:00 a.m., the Airline has seven aircraft occupying Gates) the excess flights (numbers 6 and 7 in our example) shall not be deemed to have used, and shall not be charged as if it used, Committed Premises; but shall be charged a Facility Fee for use of such sixth and seventh Gates on a Per Turn basis.

(c) Dwell time and excess dwell time charges shall apply to all Gates used by an Airline, including Gates included as part of an Airline's Committed Premises, as set forth in the Authority Policies and Procedures. Overnight parking locations at Gates shall be assigned by the Authority, with Airlines that have included a Gate as part of its Committed Premises entitled, at no additional cost, to one assigned overnight parking location at a Gate or a remote overnight location for each Gate included as part of Committed Premises. The time when an aircraft may begin and a time when an aircraft must end overnight parking at a Gate shall be established from time to time by Authority Policies and Procedures.

4.3 Use and Occupancy of Terminal Premises.

(a) At such time as (i) the Airline Premises are, in the reasonable discretion of the Chief Executive Officer, insufficient to support an Airline's operations, (including operations of an Identified Affiliate), as evidenced by actual use or occupancy by such Airline of space, facilities or equipment not assigned to such Airline, either under a Letter of Authorization or on a Per Turn basis, and such Airline fails to promptly and permanently vacate use or occupancy of such unassigned space, facilities or equipment following notice from the Authority to vacate such premises, or (ii) use of the Airline Premises exceeds the legal capacity for such space, facilities or equipment, then in either such event, the Authority shall be entitled to assign and charge to such Airline on a Per Turn basis additional space, facilities or equipment actually used by such Airline, on a retroactive basis, or reasonably sufficient for such Airline's needs, on a prospective basis. Alternatively, such Airline may commit to occupy and use such space, facilities or equipment in accordance with a Letter of Authorization.

(b) Each Airline shall accept the Airline Premises assigned to it, "as is". The Authority shall have no obligation to do any work on, or make any improvements to or with respect to, the Airline Premises or the condition thereof, unless otherwise specifically agreed to by the Authority.

(c) The Authority may (i) make changes in the Airport boundaries, the categories of space (e.g. Public Space to Rentable Space) or the configuration or amount of space, and (ii) identify new, destroyed, demolished, untenable, decommissioned or re-commissioned facilities or space. If any such event impacts the Rentable Space or configuration of the particular Committed Premises assigned to an Airline, the Authority may, in its reasonable discretion, amend any applicable Letters of Authorization, or exhibits thereto, to reflect such changes in Committed Premises, and, upon notice to the affected Airline, such amended Letter of Authorization or exhibits shall replace any prior Letter of Authorization or exhibits; provided, however, that Rates and Charges for any

resulting changes in Committed Premises hereunder may not be increased by any material amount (e.g. 15% or greater) without the agreement of the affected Airline.

(d) The Authority may, from time to time, establish minimum or maximum space, facilities and/or equipment usage requirements pursuant to Authority Policies and Procedures. For example, Airlines desiring to use a Gate and holdroom on either a Per Turn basis or pursuant to a Letter of Authorization may be assigned a corresponding minimum amount of ticket counter and related queue space.

4.4 Letters of Authorization and Committed Premises.

(a) Letters of Authorization may be signed by an Airline at any time in order to classify Airline Premises as Committed Premises, but shall not be effective until signed by the Authority. Letters of Authorization may be for any duration of three (3) months or longer, and may expire at the end of any month; provided that Letters of Authorization designating Gates as Committed Premises may only expire at the end of a Fiscal Year.

(b) Airlines beginning operations at the Airport may be granted, by Authority Policies and Procedures or the Chief Executive Officer, a period of time following the commencement of operations to sign a Letter of Authorization having an effective date retroactive to the date operations commenced.

(c) If an Airline has a Priority Access Gate, the Authority may assign to another Airline the right to use or occupy such Priority Access Gate only in the circumstances described in the Authority Policies and Procedures. An Airline with a Priority Access Gate shall not be entitled to be paid or receive credit for any Rates and Charges or other fees paid by the other Airline using its Priority Access Gate.

(d) Letters of Authorization may not be signed for, and Committed Premises may not include, any portion of the Baggage System or the South Ticketing Area, which shall be assigned by the Authority from time to time based on operational considerations and shall be paid for by the Airlines using the Baggage System and South Ticketing Area in accordance with the Common Use Baggage Charges and Common Use South Ticketing Area Charges.

4.5 Transfer of Operations.

(a) The Authority may at any time, and from time to time, assign to an Airline (i) Gates not included as part of the Airline's Committed Premises and (ii) Annual Access Gates (other than Priority Access Gates) as set forth in Section 4.2(a) above. The Authority may at any time, and from time to time, permanently relocate an Airline's Priority Access Gates or Exclusive Use Premises to alternative Terminal locations and facilities if the Authority determines that such relocation is required (1) to accommodate a new Airline, (2) to make available sufficient contiguous space to accommodate the

expansion or growth of another Airline, (3) as a result of the destruction of Priority Access Gates or Exclusive Use Premises as described in Section 10.2 or 10.3 below, or (4) to utilize Airport Terminal facilities in a fair and efficient manner, including new and expanded facilities, such as the South Terminal; provided that (A) the Authority will provide any affected Airline at least ninety (90) days advance notice of such relocation, except that shorter notice may be provided when circumstances dictate (e.g. an emergency situation), and (B) except as described below, in the event an Airline's Exclusive Use Premises are relocated to a different Terminal airside as the Airline's then current Exclusive Use Premises, the Authority will reimburse the reasonable out of pocket costs incurred by such Airline to build out the relocated space (including, without limitation, all installation costs). The Authority will use commercially reasonable efforts, but is not required, to cause the alternative Priority Access Gates or Exclusive Use Premises to be comparable in square footage, quality, appearance, layout or appointments to the Airline Premises being vacated. The Authority shall have no obligation to reimburse an Airline for costs incurred by such Airline to relocate such Airline, if such relocation was requested by Airline or determined by the Authority as being necessary, in the reasonable judgment of the Authority, to accommodate such Airline's expansion or growth. A relocated Airline may install in its Priority Access Gates and Exclusive Use Premises in such relocated space, its own equipment, subject to the Authority Policies and Procedures, at a time reasonably determined by the Authority to satisfy construction schedules, which time will not be less than forty five (45) days prior to the estimated move date. Such Airline shall begin its operations from any relocated space on the move date, unless otherwise directed by the Authority.

(b) The Authority may at any time, and from time to time, temporarily relocate an Airline's Priority Access Gates or Exclusive Use Premises to alternative Terminal locations and facilities to accommodate any damage to such Airline Premises as described in Section 10.2 below or any Authority construction or renovation project affecting the use of such Committed Premises; provided, that (1) the Authority will provide any affected Airline, to the extent possible, at least sixty (60) days advance notice of such relocation, and (2) in the event an Airline's Exclusive Use Premises are relocated to a different Terminal airside as the Airline's then current Exclusive Use Premises, the Authority will reimburse the reasonable out of pocket costs incurred by such Airline to build out the relocated space and to return to the renovated or repaired Airline Premises; provided the damage prompting such relocation was not caused by, or the responsibility of, Airline.

(c) An Airline may request in writing that the Authority relocate any Airline Premises, which request may be accepted or denied by the Authority in its exclusive discretion. An Airline shall pay all costs of any relocation requested by an Airline, including any costs necessary to relocate another Airline in order to accommodate the requesting Airline's relocation.

(d) No relocation of Airline Premises, either temporarily or permanently, shall have any effect on Airline's obligation to pay Rates and Charges

herein, except for any change caused by a difference in the total Rentable Space for Exclusive Use Premises or Preferential Use Premises assigned under a Letter of Authorization. If an Airline's cost of Exclusive Use Premises increases by a material amount (i.e. 15% or more) as a result of an unrequested relocation of Exclusive Use Premises, such Airline may, within thirty (30) days after such relocation, terminate the portion of the Letter of Authorization relating to such new Exclusive Use Premises.

(e) No Airline shall have any continuing use or occupancy rights in any assigned Airline Premises, other than Priority Access Gates and Exclusive Use Premises covered by a Letter of Authorization, and the Authority may reassign such Airline Premises at any time, and from time to time, in its exclusive discretion, without any obligation to Airline.

(f) In addition to the reimbursement obligation described above, the Authority may choose, in its exclusive discretion, in unusual or extraordinary circumstances, to reimburse all or a portion of the reasonable out-of-pocket relocation costs incurred by an Airline in connection with the relocation of Airline Premises other than Exclusive Use Premises.

(g) The Authority may satisfy any payment obligation described in this Section 4, in its exclusive discretion, by having the Airline pay all relocation expenses and then reimbursing such Airline for reimbursable expenses incurred by such Airline out of, and as a reduction to, Net Shared Revenues as defined in the Rate and Revenue Sharing Agreement.

4.6 Terminal Equipment. Terminal equipment owned or acquired by the Authority for use by Airlines shall remain the property, and under the control, of the Authority.

ARTICLE 5 USE OF THE AIRPORT AND RELATED FACILITIES

5.1 Permitted Airline Activities. Each Airline may, subject to its compliance with this Resolution and Authority Policies and Procedures, use, in common with others so authorized by the Authority, all Airline Premises, including related space, facilities, equipment, Public Space, the Airfield and Terminal Aprons for the operation of each Airline's Air Transportation Business and all activities reasonably necessary to such operations, including but not limited to:

(a) The landing, taking off, flying over, taxiing and towing of aircraft and, in areas designated or approved by the Authority, the extended parking, servicing, deicing, loading or unloading, storage, or maintenance of aircraft and support equipment subject to Sections 5.1(f), 5.1(g), and 5.2(c) below and subject to the availability of space; provided, however, an Airline may not permit the use of the Airfield by any aircraft operated or controlled by such Airline which exceeds the design strength or capability of the Airfield as described in the then-current FAA approved Airport Layout Plan or other engineering evaluations performed subsequent thereto, including the then-current Airport Certification Manual.

(b) The sale of air transportation tickets and services, the processing of passengers and their baggage for air travel, the sale, handling, and providing of mail, freight, cargo and express services, and reasonable and customary airline activities.

(c) The training of employees or prospective employees and the testing of aircraft and other equipment being utilized at the Airport in areas designated or approved by the Authority; provided, however, such training and testing must be incidental to the use of the Airport in the operation by such Airline of its Air Transportation Business and shall not unreasonably hamper or interfere with the use of the Airport and its facilities by others. The Authority may restrict or prohibit any such training and testing operations that it deems to interfere with the use of the Airport.

(d) The sale, disposition, or exchange of aircraft, engines, accessories, gasoline, oil, grease, lubricants, fuel, or other similar equipment or supplies; provided, however, an Airline may not, and must cause its agents not to, sell or permit to be sold aviation fuels or propellants except (i) to any Airline that is a successor company to the selling Airline, (ii) for use in aircraft of others that are being used solely in the operation of selling Airline's Air Transportation Business, including, but not limited to, such Airline's Affiliates, (iii) when a comparable grade and type of fuel desired by others is not available at the Airport except from the selling Airline, or (iv) in accordance with sales of fuel through the Airport's fuel hydrant system, to the extent the Authority has authorized by an agreement one or more Airlines or an entity owned by one or more Airlines to operate the fuel flowage systems at the Airport.

(e) The purchase at the Airport or elsewhere, of fuels, lubricants, and any other supplies and services, from any person or company, subject to Section 5.1(d) and to the Authority's right to require that each provider of services and/or supplies secures a permit from the Authority to conduct such activity at the Airport, pays required fees, and abides by all reasonable rules and regulations established by the Authority. Nothing herein shall be construed to permit an Airline to store aviation fuels at the Airport. The granting of the right to store and dispense aviation fuels shall be subject to the execution of a separate agreement between an Airline and the Authority. Fuel tenders are prohibited on Terminal Aprons serviced by the fuel hydrant system.

(f) The servicing of aircraft and other equipment being utilized at the Airport on the Terminal Aprons or such other locations as may be designated by the Authority Policies and Procedures; provided that routine servicing or maintenance of ground equipment on Terminal Aprons is not permitted, unless specifically authorized by the Authority.

(g) The loading and unloading of persons, property, cargo, parcels and mail by motor vehicles or other means of conveyance reasonably approved by the Authority on Terminal Aprons or such other locations as may be designated by the Authority Policies and Procedures; provided an Airline shall not use Terminal Aprons immediately adjacent to the Terminal to load or unload all-cargo aircraft unless otherwise authorized in writing by the Authority.

(h) The provision, either alone or in conjunction with others, or through a nominee, of porter/skycap service for the convenience of the public.

(i) The installation and maintenance of identifying signs in an Airline's Committed Premises; provided that any permanent signage may not be installed without the prior consent of the Authority, which may be withheld in the Authority's exclusive discretion. All signage shall be subject to the Authority Policies and Procedures. Furthermore, the general type and design of such signs shall be compatible with and not detract from the pattern and decor of the Terminal areas, in the exclusive discretion of the Authority. Subject to the foregoing, Airlines may install on the walls behind ticket counters or in holdrooms, whether occupied in accordance with a Letter of Authorization or used on a Per Turn basis, temporary signage on Authority provided LCD monitors identifying such Airline, displaying such Airline's company logo or other content, subject to the approval of the Authority; provided that any such installation must be performed in accordance with the Authority Policies and Procedures.

(j) The installation, maintenance, and operation of such radio communication (including radio frequency identification ("RFID") devices and beacons), company telephone system, computer, meteorological and aerial navigation equipment as may be necessary or convenient for the operation of an Airline's Air Transportation Business; provided, however, that (i) such installations and the subsequent use of such equipment shall be subject to applicable law, regulation, Section 5.2(g) below and the

Authority Policies and Procedures, (ii) the location of all such equipment shall be determined by the Authority in its exclusive discretion, (iii) the Authority's telephone system must be used in all locations other than Exclusive Use Premises, and (iv) any use of wireless communications systems not provided by the Authority shall not interfere with any the Authority wireless communications system. Subject to Authority Policies and Procedures, an Airline may install in the holdroom of any Priority Access Gate and, with the Authority's consent, Preferential Use Premises, such Airline's Gate Information Display System (GIDS). The Authority shall have unrestricted access to all communication equipment owned or used by an Airline and located on Airline Premises, if any of the Authority equipment or systems interfaces with such equipment. Prior to any such installation, an Airline shall provide the Chief Executive Officer with all necessary supporting documentation related to such installations. All Airlines are required to use the Authority's compatible multi-user flight information display systems (MUFIDS); provided that an Airline may install and maintain its own MUFIDS if it is compatible in all material respects, in the exclusive discretion of the Authority, with the Authority's MUFIDS.

(k) Such rights of way as may reasonably be required by an Airline for communications, computer equipment, telephone, interphone, conveyor systems and power, and other transmission lines in Airline's Committed Premises, subject to the availability of space and/or ground areas as determined by Authority Policies and Procedures. The Authority may require the execution of a separate agreement between the Authority and an Airline for the lease and use of space and/or ground area outside Terminal areas or for the provision of such service directly to an Airline.

(l) The installation of personal property, including furniture, furnishings, supplies, machinery, and equipment, in an Airline's Exclusive Use Premises and, subject to prior approval by the Authority, Preferential Use Premises and Priority Access Gates, as such Airline may deem necessary, useful or prudent for the operation of its Air Transportation Business. Title to such personal property shall remain with such Airline, except as otherwise provided herein.

(m) The construction of modifications, finishes and improvements in an Airline's Exclusive Use Premises and, subject to the prior approval of the Authority, Preferential Use Premises and Priority Access Gates as such Airline may deem necessary or prudent for the operation of its Air Transportation Business, subject to the Authority Policies and Procedures and subject to Article 9.

(n) An Airline shall have rights of ingress to and egress from the Airport and its Airline Premises for its Airline's officers, employees, agents, and invitees, including passengers, suppliers of materials, furnishers of services, aircraft, equipment, vehicles, machinery and other property, subject to 49 CFR Part 1542, the Airport's security program, applicable laws, and any Authority Policies and Procedures governing (i) the general public, including passengers, (ii) access to non-public areas at the Airport by an Airline's employees, suppliers of materials, and furnishers of services, or (iii) safety

and security. In addition to the foregoing, the Authority may at any time, temporarily or permanently, close, re-route, or consent to or request the closing or re-routing of any roadway or access to the Airport, so long as a means of ingress to and egress from the Airport and the Airline Premises is concurrently made available to each Airline. Each Airline hereby releases and discharges the Authority from any and all claims, demands, or causes of action which each such Airline may now or at any time hereafter have arising or alleged to arise out of such a closing or re-routing. The Authority shall have no liability or obligation to an Airline for temporary blockages or closings of means of ingress to or egress from the Airport and the Airline Premises caused by factors beyond the reasonable control of the Authority.

(o) Subject to any restrictions in the Authority's agreements with its food and beverage concessionaires, nothing in this paragraph shall prohibit an Airline from (i) providing food and beverages, at such Airline's sole cost and expense, or installing or maintaining vending machines or credit union automated teller machines in its non-public Exclusive Use Premises, for the sole use of such Airline's employees, the type, kind, and locations of such machines being subject to the Authority Policies and Procedures, (ii) providing, under a separate agreement with the Authority and subject to the Authority Policies and Procedures, including the payment of fees based on gross receipts, for its own flight kitchen or for catering services to its passengers and crews for consumption aboard aircraft, (iii) entering into a separate agreement if required by the Authority for the distribution, without charge, of food and beverage in a non-public "VIP room" or similar private club at the Airport, or (iv) selling food and beverages, including alcoholic beverages, to VIP room or private club members or paid invitees in such Committed Premises, subject to the payment to the Authority of a percentage of sales (including access fees) as determined by Authority Policies and Procedures. Airlines may not conduct or permit the sale of food or beverages to passengers in holdroom areas.

(p) An Airline may exercise on behalf of any other Airline that has signed a Letter of Authorization or Operating Permit in favor of the Authority any of the activities permitted herein, so long as such Airline is concurrently performing the same activities in the operation of its own Air Transportation Business at the Airport, subject to the Authority's Policies and Procedures. Any Airline providing services to another Airline shall provide notice thereof to the Authority in advance of commencing such services.

(q) An Airline may only enter into revenue generating agreements, such as for advertising or sponsorship, in its non-public Exclusive Use Premises (e.g. airline clubs and VIP rooms), and shall not enter into any such revenue generating agreements anywhere else within the Terminal.

5.2 Prohibited Activities and Authority Activities.

(a) Airlines are 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 herein or by the Authority in writing.

(b) Airlines shall not knowingly interfere or permit interference by its employees, 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; and Airlines shall not engage in any activity prohibited by the Authority's approved FAR Part 150 Noise Compatibility Study, as may be amended or supplemented from time to time.

(c) As soon as reasonably possible after an Airline's disabled aircraft is released from the control or jurisdiction of all applicable authorities, an Airline shall remove any such disabled aircraft from the Airfield and Terminal Aprons, shall place any such disabled aircraft only in such storage areas as may be reasonably approved by Authority Policies and Procedures, and shall store such disabled aircraft only upon such terms and conditions as may be established by the Authority. In the event a disabled aircraft is not removed as expeditiously as is reasonably possible, the Authority may, but shall not be obligated to, cause the removal of such disabled aircraft. In such case, the owner of such aircraft shall pay to the Authority, upon receipt of an invoice therefor, the costs incurred for such removal plus ten percent (10%).

(d) Airlines 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 at an airport. If an Airline shall do or permit to be done any act not permitted hereunder, or fail to do any act required hereunder, which act or failure, in and of itself, or in combination with other acts or failures of the Airline, causes an increase in the Authority's insurance premiums, such Airline shall immediately remedy such actions and/or pay the increase in premiums, upon notice from the Authority to do so.

(e) An Airline shall not maintain or operate in the Terminal or elsewhere at the Airport a cafeteria, restaurant, bar, or cocktail lounge for the purpose of selling food and beverages to the public or to its employees and passengers, except as permitted herein or by Authority Policies and Procedures.

(f) The Authority may, at its sole option, install or cause to be installed advertising and revenue generating devices or concessions, including vending machines and power poles, anywhere in the Airport other than an Airline's Exclusive Use Premises; provided, however, that any advertising at an Airline's Priority Access Gate or Preferential Use Premises shall not promote competing Airlines, power poles will only be

installed in holdrooms assigned to an Airline as a Priority Access Gate with such Airline's prior consent, and such installations shall not unreasonably interfere with such Airline's operations authorized hereunder or diminish the square footage contained in Committed Premises in a material way. The Authority may also, at its sole option, install business center and other amenities in any part of the Terminal, excluding Exclusive Use Premises. The Authority shall be entitled to access Airline Premises to install or service power poles, vending machines and other amenities.

(g) The Authority may install anywhere in the Terminal, and require use of, a Common Use Passenger Processing System (CUPPS), Common Use Self-Service (CUSS) equipment, Common Use Terminal Equipment (CUTE) and/or other equipment designed to facilitate the handling and processing of passengers and baggage in the Terminal. The Authority shall be entitled to reasonable access upon all Airline Premises to install and maintain such hardware/software for any of such equipment.

(h) The Authority may, for a fee established by the Authority from time to time, make area(s) at the Airport available for vehicular parking and provide transportation to the Terminal for Airline personnel employed at the Airport; provided, however, such area(s) shall not be used for the storage of vehicles or trailers, and usage of the area(s) is subject to Authority Policies and Procedures.

(i) All activities of an Airline permitted hereunder, and in particular this Article 5, shall be subject to Authority Policies and Procedures.

5.3 Affiliates. Upon written request by an Airline to the Authority, and provided the requirements of this Section are satisfied, any Affiliate of such Airline identified in such written request ("Identified Affiliate") shall be treated for calculating Rates and Charges for Committed Premises as described in Section 4.2(b) above as one and the same as the Airline, provided the Identified Affiliate shall remain responsible to pay the applicable Rates and Charges for such Airline Premises (a) for as long as the Identified Affiliate remains an Affiliate of such Airline, and (b) only if the Identified Affiliate enters into an Operating Permit or Letter of Authorization for operations at the Airport. Each Airline making such written request shall be deemed to have agreed to guaranty full payment of all Rates and Charges incurred by its Identified Affiliates at the Airport. The Authority may, at its exclusive option, invoice an Airline and its Identified Affiliates separately for amounts owed hereunder, or may invoice an Airline for the aggregate amounts owed by such Airline and its Identified Affiliates hereunder. Each Airline shall be responsible to pay any and all Rates and Charges of any Identified Affiliate for which it receives an invoice or, if an Airline does not receive an invoice with the Identified Affiliate's Rates and Charges, a notice of non-payment by the Identified Affiliate issued by the Authority, which payment by the Airline shall be made on the due date of such invoice or within fifteen (15) days after receipt of the notice of non-payment, whichever applies. Any failure of an Airline or its Identified Affiliate to pay such amounts when due shall be deemed a failure of such Airline. An Airline may, at any time, give the Authority at least thirty (30) days prior written notice that an Affiliate shall no longer be considered an Identified Affiliate of such Airline, and such Airline shall have no responsibility for any Rates and Charges incurred by the Affiliate after the

conclusion of such notice period, but shall remain liable for Rates and Charges incurred by the Affiliate prior to the conclusion of such notice period.

5.4 Airline Requirements.

(a) Each Airline shall hold all certificates, permits, licenses, insurance or other entitlements required by federal, state or local laws, rules, or regulations in order to enable it to conduct its operations and engage in the Air Transportation Business at the Airport, and that said certificates, permits, licenses or other entitlements are and will be kept current, valid and complete throughout the duration of Airline's operations at the Airport.

(b) Each Airline shall, at its sole cost and expense, comply, and cause its employees, agents, contractors, licensees and invitees to comply, with all present and future applicable laws, rules or regulations of all applicable federal, state and local governmental or quasi-governmental authorities, subdivisions, departments, agencies and the like, including the Authority Policies and Procedures. Each Airline shall obtain any permits necessary to occupy the Airline Premises and shall promptly pay all fines, penalties, and expenses to remedy or correct any violations of applicable laws, and damages that may arise out of or be imposed because of its failure to comply with the provisions of this paragraph.

(c) Each Airline shall faithfully observe and comply with any Authority Policies and Procedures.

(d) Except as otherwise provided herein or in the Authority Policies and Procedures, each Airline shall have the right to obtain supplies or services from suppliers, vendors or contractors of its own choice for its operations at the Airport, provided that the Authority may license and regulate all persons or companies doing business on the Airport and impose charges for the privilege of conducting any such business and prohibit persons from engaging in aeronautical activities, the provision of ground transportation services or any commercial activities at the Airport, except in accordance with agreements, concession contracts, permits or operating agreements entered into between the Authority and such persons. Notwithstanding any Authority Policies and Procedures to the contrary, a service provider properly operating at the Airport shall not be required to pay the Authority a percentage of revenues received in connection with the performance of services (e.g. ground handling) for any Airline or its Identified Affiliate, while such Airline is party to a Rate and Revenue Sharing Agreement and is not in breach thereof. (Please see Section 15.2 for an exclusion from the requirement to pay fees to the Authority for ground handling and other services provided by an Airline.)

(e) Each Airline shall comply with all applicable state and federal regulations relating to Airport security and shall control its Airline Premises so as to prevent or deter unauthorized persons from obtaining access to the air operations area or

any other secure area of the Airport. Each Airline shall also take such security precautions, with respect to its Airline Premises and the Airline's operations and service personnel related thereto, as the Authority may, from time to time, reasonably require pursuant to the Authority Policies and Procedures. Each Airline shall reimburse the Authority for all fines or charges imposed by any applicable governmental authority against the Authority as a result of such Airline's violation of any laws, rules and regulations promulgated by such governmental authority.

(f) Each Airline acknowledges that a portion of the Airline Premises is to be used by the traveling public. Each Airline shall make available such space to its passengers and to the traveling public on a nondiscriminatory basis, including ensuring accessible paths of travel for disabled persons, and shall make reasonable efforts to coordinate its activities and operations with abutting tenants and the Authority, so as to maximize efficient use of available space.

(g) No Airline may injure, deface or otherwise harm their respective Airline Premises in any manner that will constitute waste, and shall not cause or permit any unlawful conduct, unreasonable annoyance or nuisance to exist on the Airline Premises, nor permit any activity or omission which constitutes or results in unlawful conduct, unreasonable annoyance or nuisance, nor permit the emission of any objectionable noise, vibration or odor, nor overload the floor of the Airline Premises, nor permit any use of the Airline Premises which will invalidate or increase the premiums on any of the Authority's insurance; provided that the conduct of the Airline's Air Transportation Business in accordance with applicable law shall not be deemed a nuisance or an unreasonable annoyance.

(h) Each Airline shall participate in any lawful Airport-wide programs or initiatives of general applicability as the Authority may require upon notice to such Airline, provided such program or initiative shall not result in any material cost or expense or result in any undue burden to such Airline.

ARTICLE 6 OPERATION AND MAINTENANCE OF THE AIRPORT

6.1 Designation of Operation and Maintenance Responsibilities. In addition to the obligations of the Airlines set forth in this Article 6, each Airline shall have those responsibilities for maintenance, cleaning, and operation of the Airport as shall be set forth in the Authority Policies and Procedures. The Airlines shall each timely perform all such obligations.

6.2 Airline Obligations.

(a) Each Airline shall, at all times, preserve and keep its Airline Premises, including loading bridges and related equipment, in an orderly, clean, neat, and sanitary condition, free from trash and debris resulting from such Airline's operations.

(b) Each Airline shall keep, at its own expense, its assigned Terminal Apron space free of fuel, oil, debris, and other foreign objects.

(c) Each Airline shall operate and maintain, at its own expense, any improvements and/or equipment installed by such Airline for the exclusive use of such Airline or its passengers.

(d) Each Airline shall perform such other routine operational and maintenance responsibilities with respect to its Airline Premises or assigned Terminal Apron space as may be established from time to time by the Authority Policies and Procedures.

(e) No Airline may store any obsolete or derelict equipment on any Airline Premises, and shall promptly remove any such equipment.

(f) Should an Airline fail to perform any of its material obligations hereunder, or if the Authority is requested, or, in order to maintain the Airport as a first class facility, deems it necessary, to make repairs or otherwise maintain an Airline's Airline Premises, the Authority shall have the right to enter the Airline Premises and perform such activities; provided, however, other than in a case of emergency, the Authority shall give Airline ten (10) business days advance written notice of non-compliance, prior to the exercise of this right. If the Authority has performed services in accordance with this paragraph, the Airline shall pay the Authority, upon receipt of an invoice, the cost of such services plus ten percent (10%).

(g) Each Airline must comply with all applicable laws and regulations, including, without limitation, 14 CFR 382, including rules requiring an Airline to provide accessible boarding assistance for passengers with disabilities.

6.3 Failure of Utilities. The Authority shall make diligent efforts to supply Airline with utility services as provided herein, but if the Authority is not able to provide such utility

services, such failure shall not constitute a constructive eviction. Further, the Authority shall not be liable to Airline in damages, or for any reduction in Airline Rates and Charges, or otherwise, for the interruption of utility services (including heating, ventilation or air conditioning) (i) to the extent any utility shall become unavailable from any public utility company, public authority or any other person or entity supplying or distributing such utility, or (ii) for any interruption in any service hereunder (including, without limitation, any heating, ventilation or air conditioning) caused by the making of any necessary repairs or improvements, or (iii) which results from any cause beyond the reasonable control of the Authority. In no event shall the Authority be responsible to Airline for indirect or consequential damages.

ARTICLE 7 RENTALS, FEES, AND CHARGES

7.1 Rate Methodology, Rates and Charges.

(a) Each Airline shall pay to the Authority for the use and occupancy of the Airfield, Terminal Apron, and Terminal all fees, tariffs, costs, rates and charges ("Rates and Charges") established for each Fiscal Year by the Authority, including, but not limited to: Landing Fees, monthly charges for Committed Premises and other assigned Preferential Use Premises and Exclusive Use Premises, Facility Fees, FIS Fees, Airline Equipment Charges, Apron Use Fees, Common Use South Ticketing Area Charges, and Common Use Baggage Charges. Notice of such Rates and Charges shall be provided to the Airlines or otherwise published or made available by the Authority prior to the start of each Fiscal Year. The Rate Methodology shall be provided to an Airline upon request. The Rate Methodology used to calculate Rates and Charges each year, and the Rates and Charges established in accordance with the Rate Methodology, and any additional, ancillary Rates and Charges that are imposed in accordance with the terms hereof or the Authority's Policies and Procedures, but not determined in accordance with the Rate Methodology (e.g. phone system charges, parking charges and identification badges), shall be incorporated herein and shall be a part of this Resolution for all purposes. The Authority does not guaranty the accuracy of any estimates, projections, assumptions or results in the tables and other attachments to the Rate Methodology, which are provided with the Rate Methodology merely for illustration purposes.

(b) The specific Rates and Charges payable by Airlines during a Fiscal Year and calculated using the Rate Methodology are based on estimates by the Authority of projected costs and Airline activity for the Fiscal Year. Airlines shall pay such estimated Rates and Charges in accordance with the payment provisions in Section 7.5 below. Debt Service, Debt Service Coverage, O&M Expenses, Operating Reserves and Amortization may be included in the Rates and Charges for any Fiscal Year in which the facility or equipment to which such relates comes into service, and for each Fiscal Year thereafter.

(c) Within thirty (30) days after the Authority Board has accepted the audit for a Fiscal Year, the Authority shall recalculate Rates and Charges for such Fiscal Year based on actual costs and Airline activity, and provide notice to each Airline operating at the Airport during that Fiscal Year of the total actual Rates and Charges owed for such Fiscal Year, as compared to the Rates and Charges paid ("True-Up"). If an Airline has paid more Rates and Charges than was determined to be due following the True-Up, the Authority shall pay such excess to such Airline, minus any amounts that may be otherwise owed to the Authority by such Airline, within thirty (30) days after the True-Up calculation is complete. If an Airline has paid less Rates and Charges than was determined to be due following the True-Up, such Airline shall pay such shortfall to the Authority within thirty (30) days after receipt of an invoice for such shortfall amount

from the Authority, or the Authority may, in its discretion, recover such underpayment by offsetting such amount from any revenue sharing or other payments owed by the Authority to the affected Airline; provided, however, that any such offset shall not eliminate Airline's right to object to the Authority's determination of the amount owed by Airline.

(d) Rates and Charges for Committed Premises are based on the Terminal Rental Rates for such Committed Premises, regardless of an Airline's frequency or volume of use of such Committed Premises (e.g. one monthly charge for a Gate or for an administrative office). Rates and Charges for other Airline Premises, including the Baggage System, are based on the frequency or volume of an Airline's use of such Airline Premises (e.g. a Per Turn Facility Fee for certain Common Use Premises, such as a Gate). All Rates and Charges shall be determined in accordance with the Rate Methodology, or as described herein (e.g. see Section 7.3 below).

7.2 Extraordinary Service Charges. Each Airline shall pay the Authority for additional equipment and services provided by the Authority for such Airline's use (e.g., club room finishes, or any other systems or equipment that are unique or special to such Airline's operation). The charges for equipment and services purchased and/or provided by the Authority, as referred to above, shall be as set forth in a separate agreement between the Airline and the Authority.

7.3 Other Fees and Charges.

(a) Each Airline shall also pay the following Rates and Charges, each as established from time to time by the Authority, which amounts, when allocated, shall be allocated to and between Cost Centers deemed most appropriate in the reasonable discretion of the Authority:

(i) Fees for services provided by an Airline for another Airline, if such services or concessions would otherwise be available from a concessionaire or licensee of the Authority; provided, however, that no fees shall be collected in connection with services provided by an Airline to Airline's Identified Affiliates, to an Airline by its Identified Affiliates, or if the exemptions described in Sections 5.4(d) or 15.2 apply.

(ii) Fees for services, equipment or facilities not otherwise enumerated in this Resolution (including the Rate Methodology), but provided by the Authority or its contractors and utilized by an Airline, including, but not limited to, fees and charges for special maintenance of Airline Premises or mechanical lifts.

(iii) All costs, charges or expenses for the provision of any services or facilities which the Authority is required or mandated to provide by any governmental entity (other than the Authority acting within its proprietary capacity) having jurisdiction over the Airport.

(b) The Authority may charge an Airline or its employees a fee based on the Authority's cost of providing services and facilities for the employee parking area(s) provided at the Airport. All such charges received by the Authority shall be allocated to the Ground Transportation Cost Center.

(c) Each Airline shall pay all applicable sales, use, intangible and ad valorem taxes of any kind, payable in connection with the use or occupancy of Airline Premises, the real property and any improvements thereto or any Letter of Authorization related thereto, whether levied against an Airline or the Authority. Each Airline shall also pay any other taxes or assessments against the Airline Premises or any Letter of Authorization related thereto. Airlines may reserve the right to contest such taxes and withhold payment of such taxes upon written notice to the Authority of its intent to do so, so long as the nonpayment of such taxes does not result in a lien against any property of the Authority or any improvements thereon or a direct liability on the part of the Authority. The Authority agrees to promptly forward to the appropriate Airlines any notices of such taxes and assessments due upon receipt of same.

(d) Airlines shall pay all other fees and costs associated with their use of the Airport (e.g. utilities), including such fees and costs as may be set forth from time to time in the Authority Policies and Procedures.

7.4 Information to be Supplied by Airlines.

(a) Each Airline shall provide the Authority with such information and written or electronic reports describing activity conducted by such Airline and its Identified Affiliates at the Airport, as is requested by the Authority from time to time as being helpful or necessary for the smooth operation of the Airport or to calculate Rates and Charges, in the Authority's exclusive discretion. Such activity reporting shall be submitted at such times as requested by the Authority and on forms or in a format provided or approved by the Authority from time to time, and may include, but not be limited to, real time "type-B messages", AHM 583 Loadmessages, movement messages, revenue and non-revenue Enplaned Passengers and Deplaned Passengers (in total, by Terminal and/or by flight), pounds of cargo and mail, Revenue Landings by aircraft type, number of incoming passenger bags delivered from airplanes to passengers using any part of the Inbound Baggage System, Maximum Gross Landed Weight by aircraft type, and number of Per Turn uses for Airline Premises (other than Committed Premises) for which Facility Fees are payable (including the number of remote-over-night (RON) aircraft apron uses).

(b) The Authority shall have the right, but shall not be required, to rely on information and activity reports provided by Airline in determining Rates and Charges due hereunder. The Authority may also rely on alternative sources of information, such as FAA statistics and electronic data collection systems and/or shall be entitled to approximate such activity information using any sources or methods deemed reasonable by the Authority (e.g. using aircraft seats as a proxy for passenger information), to

determine Rates and Charges due hereunder. Use of such alternative sources by the Authority shall not relieve an Airline of its reporting obligations hereunder. To the extent there is a discrepancy between the information provided by an Airline and information gathered from other sources and methods, the Authority's determination as to the most reliable and accurate information shall be conclusive and binding on the parties, absent fraud or manifest error. Each Airline shall have full responsibility for the accuracy of its reports. Payment deficiencies of more than ten percent (10%) by category of Rates 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. In the event an Airline fails or refuses to timely deliver or make available to the Authority any requested information or reports, the Airline shall be subject to any consequences set forth herein, in the Authority Policies and Procedures or a Rate and Revenue Agreement.

(c) Each Airline shall at all times maintain and keep records reflecting the statistics of its activities at the Airport to be reported pursuant to Section 7.4(a). Such records shall be retained for a period of three (3) years subsequent to the activities reported therein, or such other retention period as set forth in 14 CFR Part 249, and upon written notice to an Airline, shall be made available at Orlando, Florida for audit and/or examination by the Authority or its duly authorized representative during all normal business hours. Each Airline shall produce such books and records at Orlando, Florida within thirty (30) calendar days of the Authority's notice to do so or pay all reasonable expenses, including, but not limited to, transportation, food, and lodging, necessary for an auditor selected by the Authority to audit said books and records at alternative facilities. The cost of such audit (other than an Airline's cost to prepare, maintain and deliver access to such records, and the expenses referenced in the immediately preceding sentence) shall be borne by the Authority, unless either or both of the following conditions exist, in which case, the cost of the audit shall be borne by the audited Airline:

(i) The audit reveals an underpayment of more than ten percent (10%) by category of Rates and Charges due on an annual basis hereunder, as determined by said audit;

(ii) Such Airline has failed to maintain true and complete records in accordance with this Section 7.4(c).

(d) Unless otherwise required by the Authority Policies and Procedures, Airlines shall (i) provide to the Chief Executive Officer or designee on or before each March 1 and October 1 a projected flight schedule for Airline flights to and from the Airport for the upcoming season, as described in the Authority Policies and Procedures; and (ii) notify the Chief Executive Officer or designee prior to any schedule changes affecting flights to or from the Airport.

7.5 Payments.

(a) Payments of one-twelfth (1/12) of the total Rates and Charges for Committed Premises and Common Use South Ticketing Area Charges based on operations out of Committed Premises shall be due in advance, without demand or invoice, on the first day of each month. Such payment shall be deemed delinquent if payment is not received by the tenth (10) day of the month.

(b) Payment of Landing Fees shall be due fifteen (15) days from the Authority's issuance of an invoice therefor, and shall be deemed delinquent if not received within ten (10) days after the due date.

(c) Payment of Common Use Baggage Charges, Common Use South Ticketing Area Charges not based on operations out of Committed Premises, Facility Fees, FIS Fees and RON aircraft parking charges shall be due fifteen (15) days from the Authority's issuance of an invoice therefor, and shall be deemed delinquent if not received within ten (10) days after the due date.

(d) Payment of fees payable on account of any concession type activity shall be due without demand or invoice on the fifteenth (15th) day following the month revenue is earned by an Airline, or, if different, in accordance with Authority Policies and Procedures, and shall be deemed delinquent if payment is not received within thirty (30) days after the due date.

(e) Payment for all other fees and charges due the Authority shall be due fifteen (15) days from the Authority's issuance of an invoice therefor, and shall be deemed delinquent if payment is not received within ten (10) days after the due date for such amounts.

(f) The Authority shall provide notice of any and all payment delinquencies, including any deficiencies which may be due as a result of the Authority's estimates of activity pursuant to Section 7.5(g) below, or due to an audit performed pursuant to Section 7.4(c) above; provided, however, interest at the rate of eighteen percent (18%) per annum shall accrue against any and all delinquent payment(s) from the due date until the date payments are received by the Authority. In the event the Authority sends an invoice in error (as opposed to an invoice based on estimates or budgets that happens to differ from the final True-Up amount due, which would not be deemed an invoice sent in error) and an Airline pays such invoice, the Authority shall promptly refund the erroneous payment, plus interest at a rate of eighteen percent (18%) per annum, accruing from the date payment was received by the Authority.

(g) The Authority shall estimate Rates and Charges that are based on Airline activity using the sources and methods permitted in Section 7.4(b) above, or, if the Authority is not comfortable with the reliability of such sources and methods in its exclusive discretion, Rates and Charges may be based on the highest month of the

previous twelve (12) month's activity reported by the Airline. The Authority may issue an invoice to Airline based on such activity estimates. Airlines shall be liable for any deficiencies in payments based on estimates made under this provision. Payment for said deficiencies shall be deemed due as of the date such rental fee or charge was due and payable. If such estimate results in an overpayment by Airline, the Authority shall apply such overpayment as a credit against subsequent amounts due for such rentals, fees, and charges from Airline; provided, however, Airline shall not be entitled to any interest or credit for interest on payments of such estimated amounts.

(h) In the event any Airline's obligations with respect to Airline Premises or any privileges granted hereunder shall commence or terminate on any date other than the first or last day of the month, as applicable, such Airline's rentals, fees, and charges shall be prorated, as appropriate, on the basis of the number of days such Airline Premises or privileges were assigned or available to Airline during that month.

(i) All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off, in the manner (e.g. check, wire transfer, etc.), and to the location specified by the Authority from time to time, with such payment made payable to the Authority.

(j) The acceptance by Authority of any payment made by an Airline shall not preclude Authority from verifying the accuracy of an Airline's report and computations or from recovering any additional payment actually due from such Airline.

7.6 Security for Performance.

(a) Unless an Airline has both (i) executed and fulfilled its obligations under a Rate and Revenue Sharing Agreement with the Authority and (ii) operated regularly scheduled flights to and from the Airport during the eighteen (18) months prior to the Effective Date without the occurrence of any Event of Default under this Resolution in the exclusive discretion of the Authority, each Airline shall provide the Authority with a contract bond, irrevocable letter of credit or other similar security acceptable to the Authority ("Performance Security") in an amount equal to the estimate of three (3) months' Rates and Charges, to guarantee the faithful performance by such Airline of its obligations to the Authority hereunder and the payment of all Rates and Charges due hereunder. Such Performance Security shall be in a form and with a company reasonably acceptable to the Authority and licensed to do business in the State of Florida. In the event that any such Performance Security expires or is canceled, the applicable Airline shall provide a renewal or replacement Performance Security for the remaining required period at least sixty (60) days prior to the date of such expiration or cancellation. The amount of Performance Security required to be maintained may be adjusted from time to time by the Authority based on updated estimates of Rates and Charges payable by an Airline. Each Airline shall deposit increased Performance Security promptly after receipt of notice of adjustment from the Authority. The Authority may waive any requirement herein in its exclusive discretion.

(b) In the event the Authority is required to draw down or collect against an Airline's Performance Security for any reason, such Airline shall, within ten (10) business days after the Authority's written demand, take such action as may be necessary to replenish the existing Performance Security to its original amount (three months' estimated Rates and Charges) or to provide additional or supplemental Performance Security from another source so that the aggregate of all Performance Security is equal to three months' estimated Rates and Charges payable.

(c) If an Airline is not required to have Performance Security in place at any time, then, upon the occurrence of any act or omission that is a breach of any obligation hereunder, or upon the failure of such Airline to pay any Rates and Charges hereunder when due for sixty (60) consecutive days, the Authority, by written notice to such Airline given at any time within ninety (90) days after the date such event becomes known to the Authority, may impose or reimpose the Performance Security requirements of this Section on such Airline. In such event, such Airline shall provide the Authority with the required Performance Security within ten (10) days from its receipt of such written notice and shall thereafter maintain such Performance Security in effect until the requirement for such Performance Security has been waived by the Authority.

(d) If an Airline shall fail to obtain and/or keep in force the Performance Security required hereunder, such failure shall be grounds for immediate termination of all Letters of Authorization with the Airline and for requiring such Airline to pay Rates and Charges in advance.

(e) Any Performance Security provided hereunder 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 Performance Security is property of the third party providing it (subject to the Authority's ability to draw against the Performance Security).

(f) To the extent permitted by applicable law, all PFCs collected by Airlines with respect to Enplaned Passengers at the Airport, are property of the Authority when collected, and, to the extent held by an Airline, are being held in trust for the Authority.

7.7 Calculation of Holdroom Space and Airline Equipment Charge. The number of square feet of holdroom space assigned to an Airline under a Letter of Authorization shall, for purposes of calculating the Terminal Rental Rate payments due under the Letter of Authorization for each such holdroom, be calculated as follows: total square footage of all holdroom space in the Terminal, divided by the number of operational narrow body equivalent Gates in the Airport, as described in the Rate Methodology. For purposes of calculating Gate holdroom charges, Airline Equipment Charges and other Rates and Charges, the number of operational gates in the Airport, from time to time, shall be determined by the Authority in its reasonable discretion.

ARTICLE 8 CHANGES IN RATES AND CHARGES

8.1 Annual Rate Changes.

(a) Prior to the end of each Fiscal Year, the Authority shall, subject to any consultation requirements imposed by applicable law, notify the Airlines of the proposed schedule of initial Rates and Charges for the ensuing Fiscal Year and of any proposed changes in the Rate Methodology. The Chief Executive Officer shall have the authority to modify the Rate Methodology as deemed appropriate, and such modification shall be an amendment hereof, and the modified Rate Methodology shall thereafter be incorporated herein, without any further action by the Authority Board being required.

(b) If calculation of the new Rates and Charges is not completed by the Authority and the notice provided in Section 8.1(a) is not given on or prior to the end of the then current Fiscal Year, the Rates and Charges then in effect shall continue to be paid by the Airlines until such calculations are concluded and such notice is given. Upon the completion of such calculations and the giving of such notice, the Authority shall determine the difference(s), if any, between the actual Rates and Charges paid by the Airlines to date for the then current Fiscal Year and the Rates and Charges that would have been paid by each Airline if such Rates and Charges had been in effect beginning on the first day of the Fiscal Year. Such differences shall be applied to the particular Rates and Charges for which a difference resulted in an overpayment or underpayment, and shall be remitted by the affected Airlines or credited or refunded by the Authority to the affected Airlines in the month immediately following the calculation of the Rates and Charges for the new Fiscal Year and the giving of written notice to the Airlines by the Authority of such new Rates and Charges.

(c) The Authority may recalculate Rates and Charges, in its exclusive discretion, any time during a Fiscal Year when the unaudited monthly financial data collected by the Authority indicates that the amounts projected to be owed by one or more Airlines for that Fiscal Year are reasonably likely to fall short of, or exceed, by a material amount, the amounts to be paid by such Airlines.

8.2 Changes in Rates and Charges. Adjustments to Rates and Charges based on the True-Up or in accordance with Section 8.1(c) above, shall apply without the necessity of a formal consultation with the Airlines, Authority Board action or any other approvals; provided there has been no change in the Rate Methodology.

ARTICLE 9 AIRLINE IMPROVEMENTS

9.1 Alterations and Improvements by Airlines. In accordance with Section 5.1(m) above, an Airline may construct and install, at such Airline's sole expense, such improvements at its Priority Access Gates as such Airline deems to be necessary for its operations; provided, however, that the plans and specifications, location, and, in the Chief Executive Officer's exclusive discretion, construction schedule for such improvements shall be approved by the Chief Executive Officer in writing prior to the commencement of any and all such construction or installation and further provided that such Airline complies with the requirements of the Authority in effect from time to time, including Authority Policies and Procedures. No reduction or abatement of Rates and Charges shall be allowed for any interference with an Airline's operations by such construction.

9.2 Removal of Improvements. Subject to Section 9.4 below, upon any relocation or withdrawal of an Airline from space containing Airline improvements, such Airline shall remove, at the Airline's cost, such improvements and, except as may be directed or approved by the Authority, shall return such space to the condition it was in prior to such improvements being made, normal wear and tear excepted.

9.3 Compliance with Law. As a condition to making any improvements at the Airport, an Airline shall comply with all applicable laws and Authority Policies and Procedures relating to such improvements, including the 2010 ADA Standards for Accessible Design, 49 CFR Section 27, and any successor laws and regulations.

9.4 Ownership of Improvements. All improvements made to Airline Premises and all additions and alterations thereto made by an Airline, except those financed by the Authority, shall be and remain the property of such Airline until the relocation or withdrawal of the Airline from the improved space. Upon such relocation or withdrawal, said additions and alterations shall become the property of the Authority or at the Authority's option, shall be removed by Airline, in accordance with Section 9.2 above; provided, however, that any trade fixtures, signs, equipment and other movable personal property of an Airline not permanently affixed to Airline Premises shall, if timely removed, remain the property of such Airline.

ARTICLE 10

DAMAGE OR DESTRUCTION

10.1 Partial Damage. If any part of Committed Premises, or adjacent facilities directly and substantially affecting the use of Committed Premises, shall be partially damaged by fire or other casualty or by any Authority required construction or renovation project, but such circumstances do not render the Committed Premises untenable as reasonably determined by the Authority, the same shall be repaired, constructed or renovated to usable condition with due diligence by the Authority as hereinafter provided. No abatement of Rates and Charges or modifications to the applicable Letter of Authorization shall occur, so long as the Committed Premises remain tenantable.

10.2 Substantial Damage. If any part of Committed Premises, or adjacent facilities directly and substantially affecting the use of Committed Premises, shall be so extensively damaged by fire or other casualty or by any Authority required construction or renovation project, as to render any portion of the Committed Premises untenable, but capable of being repaired, as reasonably determined by the Authority, the same shall be repaired to usable condition with due diligence by the Authority as hereinafter provided. If such repairs have not been commenced (defined as any material construction related activity, such as preparing plans, applying for permits, etc.) by the Authority within ninety (90) days after such damage, and Airline has not been provided comparable alternative facilities, Airline shall have the option to terminate the Letter of Authorization to the extent relating to the damaged Committed Premises. In the case of damage described herein, the Rates and Charges payable with respect to an Airline's affected Committed Premises shall be paid up to the time of such damage and, in the absence of the Authority making alternative Committed Premises available to Airline, shall thereafter be abated equitably in proportion as the part of the area rendered untenable bears to total Committed Premises until such time as the damaged Committed Premises are again tenable or comparable alternative facilities are made available to Airline. The Authority shall use commercially reasonable efforts to provide Airline with comparable, alternative facilities sufficient to allow Airline to continue its operations while repairs are being completed, at Rates and Charges applicable to such alternative facilities, as if such alternative facilities were covered by the Letter of Authorization applicable to the damaged Committed Premises; provided, however, that Airline shall not be charged more for alternative space than was rendered untenable in accordance with this Section unless and until such temporary alternative space shall be assigned to Airline by the Authority as Airline's permanent Committed Premises.

10.3 Destruction.

(a) If any part of Committed Premises, or adjacent facilities directly and substantially affecting the use of Committed Premises, shall be damaged by fire or other casualty or by any Authority required construction or renovation project, and is so extensively damaged as to render any portion of the Committed Premises untenable and not economically feasible to repair, as reasonably determined by the Authority, the Authority shall notify the affected Airline within a period of forty five (45) days after the date of such damage of its decision whether to reconstruct or replace such premises or

facilities; provided, however, the Authority shall be under no obligation to replace or reconstruct such premises or facilities. The Rates and Charges payable hereunder with respect to affected Committed Premises shall be paid up to the time of such damage and, in the absence of the Authority making alternative Committed Premises available to Airline, thereafter shall abate until such time as replacement or reconstructed space becomes available for use by Airline.

(b) In the event the Authority elects to reconstruct or replace affected Committed Premises, the Authority shall use commercially reasonable efforts to provide Airline with comparable, alternative facilities sufficient to allow Airline to continue its operation while reconstruction or replacement facilities are being completed, at Rates and Charges applicable to such alternative facilities as if such alternative facilities were covered by a Letter of Authorization applicable to the damaged Committed Premises; provided, however, that Airline shall not be charged more for alternative space than was rendered untenable in accordance with this Section unless and until Airline and Authority agree that such temporary alternative space shall become Airline's permanent Committed Premises pursuant to Section 4.4(b)(i).

(c) In the event the Authority elects to not reconstruct or replace damaged Committed Premises, the Authority shall either relocate Airline, pursuant to Section 4.4(b)(i) above, or if no premises are available to accomplish such relocation, to terminate that portion of the Airline's Letter of Authorization that relates to the damaged facilities. In any event, the Authority agrees to amend an Airline's Letter of Authorization to reflect related additions and deletions to Committed Premises. In the event Airline is not relocated and, after termination of the Letter of Authorization as to the damaged facilities, the remaining tenable portion of the Committed Premises is not sufficient to maintain operations at the Airport, Airline may terminate the entire Letter of Authorization upon at least sixty (60) days advance notice given within ninety (90) days after receipt by Airline of notice of termination of its Letter of Authorization as to the damaged facilities.

10.4 Damage Caused By Airline. Notwithstanding any provision of this Article 10 to the contrary, in the event that due to the negligence or willful act or omission of Airline, its employees, its agents, or licensees ("Responsible Airline"), Airline Premises shall be damaged or destroyed by fire, other casualty or otherwise, there shall be no abatement of Rates and Charges during the repair or replacement of such Airline Premises. To the extent that the costs of repairs are not fully recovered from any insurance proceeds payable to the Authority by reason of such damage or destruction, the Responsible Airline shall pay the amount of such additional costs to the Authority and shall pay any other costs incurred by Authority as a result of such damage or destruction, such as the costs of relocating other Airlines. Upon the evacuation of any premises by Airline, whether due to relocation or otherwise, Airline shall reimburse the Authority for the cost to repair any damage to such premises caused by the Responsible Airline, other than normal wear and tear.

10.5 Limit on Authority's Responsibilities. The Authority's obligations to repair, reconstruct, or replace any part of the affected Airline Premises or adjacent facilities under the provisions of this Article 10 shall, in any event, be limited to restoring affected Airline Premises or adjacent facilities to the extent of insurance proceeds and other similar funds available to the Authority for such repair, reconstruction, or replacement, but, in any case, to a condition no better than substantially the same condition that existed at the date of damage or destruction; provided further, that the Authority shall in no way be responsible for the insuring of, or the restoration or replacement of, any equipment, furnishings, property, improvements, signs, or other items installed and/or owned by Airline.

ARTICLE 11 INDEMNIFICATION AND INSURANCE

11.1 Indemnification by Airlines.

(a) Indemnification. Each Airline shall, as a condition of operating at the Airport, protect, defend, reimburse, indemnify and hold each of the Authority, the City, their respective agents, employees, board members and elected officers (hereinafter collectively referred to as "Authority Indemnatee") free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including actually incurred reasonable attorney's fees and appellate cost) and causes of action of every kind and character, whether or not meritorious, including but not limited to, claims or damages relating to any damage to property (including but not limited to, any environmental damage) personal injury, or bodily injury (including death) incurred or sustained by any person or organization (including, but not limited to, by an Authority Indemnatee) against or incurred by any Authority Indemnatee and arising out of, or incident to, or in connection with, (i) such Airline's use, operation, maintenance or occupancy of the Airline Premises; or (ii) the operation of such Airline's Air Transportation Business, including the use or access by such Airline's ticketed passengers of the Airport; or (iii) the performance, non-performance or purported performance of such Airline under any Letter of Authorization; or (iv) any breach by such Airline of the terms of this Resolution or any agreement between the Authority and the Airline; provided, however, nothing contained in this Section shall require indemnification by an Airline of an Authority Indemnatee from or against any loss, liability or claim to the extent arising from the gross negligence or willful misconduct of the Authority Indemnatee or the negligence or willful misconduct of any third party not contractually related to Airline or not acting on behalf of Airline.

(b) Notice and Defense of Claims. Upon the filing by anyone of a claim with the Authority for damages arising out of incidents for which an Airline must indemnify and hold the Authority or another Authority Indemnatee harmless, the Authority shall promptly notify such Airline of such claim and, in the event that such Airline does not settle or compromise such claim, then such Airline shall undertake the legal defense of such claim both on behalf of such Airline and on behalf of each involved Authority Indemnatee. It is specifically agreed, however, that in the event of any conflict

between an Authority Indemnatee, including the Authority, and the indemnifying Airline, an Authority Indemnatee may, at its option, provide its own legal defense and such Airline will promptly reimburse any such Authority Indemnatee for the reasonable cost, including attorney's fees, incurred by or on behalf of the Authority Indemnatee in the legal defense of such claim.

(c) No Voluntary Waiver of Immunity. The obligation of each Airline to indemnify an Authority Indemnatee is not intended to waive any sovereign immunity otherwise applicable to an Authority Indemnatee.

(d) Consideration, Survival of Indemnity Obligation and Additional Remedy. Each Airline's indemnity obligation shall survive the termination of any Letter of Authorization and an Airline's use of the Airport for its Air Transportation Business. Compliance with the insurance requirements of this Article 11 shall not relieve an Airline of, or otherwise limit, an Airline's obligation to indemnify an Authority Indemnatee as set forth in this Article 11.

11.2 Insurance.

(a) Except to the extent the Authority, in its sole discretion, otherwise agrees to the contrary, each Airline shall provide, pay for and maintain the types and amounts of insurance described herein, or as may be updated or modified in the Authority Policies and Procedures. All such insurance shall be issued by insurers which are eligible to do business in the State of Florida or, if permitted by applicable law, as otherwise approved by the Authority. In addition, all such insurers shall have and maintain evidence of financial integrity and responsibility reasonably acceptable to the Authority.

(b) The insurance coverage and limits required shall be evidenced by properly executed certificates of insurance. These certificates shall be signed by the authorized representative of the insurance company shown on the certificate and will show all deductibles or self-insurance retentions. The Airline liability/commercial general liability primary and excess coverage insurance policies shall be endorsed to name the Authority, the City of Orlando, members of their governing body, and their officers, volunteers, and employees as Additional Insureds. In addition, certified, true, and exact copies of all insurance policies shall be made available to the Authority at an Airline's headquarters, at the Authority's cost, on a timely basis, if requested by the Authority.

(c) All required insurance coverages of each Airline shall be primary to any insurance or self-insurance program of the Authority. In addition, any insurance, or self-insurance maintained by the Authority shall be excess of, and shall not contribute with, the insurance provided by Airline.

(d) The acceptance of delivery to the Authority of any certificate of insurance evidencing the insurance coverages and limits required does not constitute

approval or acceptance by the Authority that the insurance requirements herein have been met.

(e) No Airline may conduct operations at the Airport unless and until the required certificates of insurance are in effect and approved by the Authority.

(f) The insurance coverages and limits required of Airline are designed to meet the minimum requirements of the Authority. They are not designed as a recommended insurance program for any Airline. Each Airline is responsible for insuring its real and personal property located at the Airport. Each Airline, alone, shall be responsible for the sufficiency of its own insurance program. Should an Airline have any question concerning its exposures to loss, or the possible insurance coverages needed therefor, it should seek professional advice.

(g) An Airline shall give, or cause its insurance representative to give, the Authority thirty (30) days prior written notice, seven (7) days in the case of war risk, by registered or certified mail of any cancellation, intent not to renew, or material reduction in any policy's coverage instigated by such Airline and prompt notice of any such event instigated by an insurance company.

(h) Renewal Certificates of Insurance must be provided to the Authority as soon as practical but in every instance prior to expiration of current coverages.

(i) Should at any time an Airline not, in the opinion of the Authority, provide or maintain the insurance coverages required, the Authority may terminate or suspend operation of such Airline's Air Transportation Business at the Airport or any Letters of Authorization applicable to Airline.

(j) Except to the extent updated or modified by the Authority's Policies and Procedures, the amounts and types of insurance shall conform to the following minimum requirements.

(i) Workers Compensation and Employer's Liability Insurance shall be maintained in force by each Airline for all employees engaged in the operations on the Airport. 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

(ii) Airline Liability Insurance/Commercial General Liability shall be maintained by each Airline and shall include, but not be limited to, Premises and Operations, Personal Injury, Contractual Liability, Products and Completed Operations Coverage,

Hangarkeepers, Liquor Liability, Terrorism or War Risk and Allied Perils (to the extent available from, or subsidized by, the federal government), and Environmental Liability. Coverage shall be applicable to the operation of all owned, non-owned, leased or hired, licensed and unlicensed motor vehicles and ground equipment operating within the Aircraft Operations Area (AOA) at the Airport. The limits of coverage shall not be less than:

Airline Liability:	
Bodily & Personal Injury & Property Damage Liability	\$200,000,000 Each Occurrence & Aggregate, with no less than \$25,000,000 sublimit for Personal Injury to non-passengers

Sublimits to be provided through the Airline Liability or separate policy:

Liquor Liability Coverage – for any facility of an Airline serving alcoholic beverages on the Airport in an amount not less than \$1,000,000 per occurrence.

Hangarkeepers Liability Coverage – in an amount adequate to cover any non-owned property in the care, custody, and control of an Airline on the Airport, but in any event in an amount not less than \$5,000,000 per occurrence.

Motor Vehicle Liability Coverage – to cover all licensed and unlicensed motor vehicles and ground equipment owned, non-owned, or hired by an Airline which are operated in the AOA. This coverage will be in an amount not less than \$5,000,000 per person and per occurrence.

Terrorism or War Risk and Allied Perils (to the extent available from, or subsidized by, the federal government) – in an amount not less than \$50,000,000.

Environmental Liability – in an amount not less than \$10,000,000 for sudden and accidental pollution, or, to the extent not prohibited by any applicable law, an Airline may provide for reasonable limits of self-insurance against environmental liability risks. All amounts paid to the Authority by an Airline on account of any self-insurance program shall be deemed insurance proceeds. To the extent an Airline self-insures as to environmental liability, the protections afforded the Authority by such Airline shall be the same as if insurance were provided by a third-party insurer, and such Airline shall have all the obligations and liabilities of a third party insurer hereunder (e.g. obligation to provide a defense).

(iii) Aircraft Liability Insurance shall be maintained by each Airline 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	\$200,000,000 Each Occurrence & Aggregate, with no less than \$25,000,000 sublimit for Personal Injury to non-passengers
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(iv) Business Automobile Liability Insurance shall be maintained by each Airline 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	\$1,000,000 Combined Single Limit
& Property Damage Liability	Each Occurrence

(v) Umbrella Liability Insurance or Excess Liability Insurance may be used to reach the limits of liability required by this Article 11.

ARTICLE 12

CANCELLATION OF LETTER OF AUTHORIZATION BY THE AUTHORITY

12.1 Termination Events. The occurrence of any of the following with respect to the applicable Airline shall be an event of default hereunder ("Event of Default"):

(a) The conduct by an Airline of any business or performance of any acts at the Airport not specifically authorized by this Resolution or by other agreements between the Authority and such Airline, and such business or acts do not cease within thirty (30) days after receipt of the Authority's written notice to cease such business or acts.

(b) The failure by an Airline to cure a default in the performance of any of the terms, covenants, and conditions required herein (except Performance Security requirements, insurance requirements, and payment of Rates and Charges, all as provided for below) within thirty (30) days after receipt of written notice by the Authority of such default; or, if by reason of the nature of such default, the same cannot be cured within thirty (30) days following receipt of written demand from the Authority to do so, such Airline fails to commence curing such default within such thirty (30) days following such written notice, or having so commenced, shall fail thereafter to continue with diligence the curing thereof and, in any event, fails to cure such default within a reasonable time or ninety (90) days after receipt of notice of such default, whichever is earlier. The defaulting Airline shall have the burden of proof to demonstrate (i) that the default cannot be cured within thirty (30) days, and (ii) that it is proceeding with diligence to cure said default, and that such default can be cured within the earlier of a reasonable period of time or ninety (90) days.

(c) The failure by an Airline to pay any part of the Rates and Charges due the Authority and the continued failure to pay such amounts in full within fifteen (15) days after the Authority's written notice of such default; provided, however, that if a dispute arises between the Authority and such Airline with respect to any obligation or alleged obligation of such Airline to make certain payments to the Authority, payments made under protest by such Airline shall not waive any of such 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 the Authority shall promptly reimburse such Airline or credit against future payments by such Airline any amount determined as not due.

(d) The failure by an Airline to provide and keep in force the Performance Security, to the extent required.

(e) The failure by an Airline to obtain and keep in force the insurance coverages described herein.

(f) The appointment of a trustee, custodian, or receiver of all or a substantial portion of Airline's assets.

(g) The divestiture of an Airline's rights under this Resolution, a Letter of Authorization or Operating Permit by operation of law, by dissolution, or by liquidation (not including a merger or sale of assets).

(h) The insolvency of an Airline; or if an Airline shall (i) take the benefit of any present or future insolvency statute, (ii) shall make a general assignment for the benefit of creditors, or (iii) 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 such Airline of a voluntary petition of bankruptcy or the institution of proceedings against such Airline for the adjudication of such Airline as a bankrupt.

(i) The abandonment by an Airline of any Committed Premises, or its conduct of business at the Airport; and, in this connection, suspension of operations for a period of thirty (30) days will be considered abandonment in the absence of a labor dispute or other governmental action in which such Airline is directly involved.

(j) The failure by an Airline to remit PFCs in accordance with Section 18.2.

(k) The breach by an Airline of any Rate and Revenue Sharing Agreement to which the Airline is a party.

12.2 Continuing Responsibilities. Notwithstanding the occurrence of any Event of Default applicable to it, an Airline shall remain liable to the Authority for all Rates and Charges payable hereunder and for all preceding breaches of any obligation owed the Authority. Furthermore, unless the Authority elects to cancel any Letters of Authorization, an Airline shall remain liable for and promptly pay all Rates and Charges accruing thereunder through the end of the term of such Letter of Authorization.

12.3 The Authority's Remedies. Upon the occurrence of an Event of Default with respect to an Airline, the following remedies, which shall be cumulative, shall be available to the Authority:

(a) The Authority may exercise any remedy provided by law or in equity, including, but not limited to, the remedies hereinafter specified.

(b) The Authority may cancel any Letters of Authorization with such Airline, or, any Operating Permit signed by such Airline, effective upon the date specified in the notice of cancellation; provided, however, that Airline shall remain liable for damages to the Authority arising out of the breach of such Letters of Authorization or Operating Permit without regard to such cancellation. Upon such date, the defaulting Airline shall be deemed to have no further rights thereunder and the Authority shall have the right to take immediate possession of Airline's Committed Premises.

(c) The Authority may reenter the Airline Premises and may remove all of such Airline's persons and property from same upon the date of reentry specified in the Authority's written notice of reentry. Upon any removal of an Airline's property by the Authority hereunder, such Airline property may be stored at a public warehouse or elsewhere at such Airline's sole cost and expense.

(d) The Authority may reassign Committed Premises and any improvements thereon or any part thereof at such Rates and Charges and upon such other terms and conditions as the Authority, in its sole discretion, may deem advisable, with the right to make alterations, repairs or improvements on such Committed Premises.

(e) No reentry or reassignment of Committed Premises by the Authority shall be construed as an election on the Authority's part to cancel the applicable Letter of Authorization, unless a written notice of cancellation is given to Airline.

(f) The Authority shall have no obligation to reassign any Committed Premises pursuant to a Letter of Authorization prior to the assignment of any other similar Terminal space pursuant to a Letter of Authorization. The Authority shall have exclusive discretion as to which Terminal space to assign at any time.

(g) Airline shall pay to the Authority all other costs incurred by the Authority in the exercise of any remedy in this Article 12, including, but not limited to, reasonable attorneys' fees, disbursements, court costs, and expert fees.

12.4 Remedies Under Federal Bankruptcy Laws. Notwithstanding the foregoing, upon the filing by or against an Airline of any proceeding under federal bankruptcy laws, if such Airline has defaulted in the performance of any provision of a Letter of Authorization or Operating Permit within the six (6) months preceding such filing, the Authority shall have the right to cancel such Letter of Authorization or Operating Permit, as applicable, in addition to other remedies provided under provisions of the Federal Bankruptcy Rules and Regulations and Federal Judgeship Act of 1984, as such may be subsequently amended, supplemented, or replaced. Such cancellation shall be by written notice to the affected Airline within sixty (60) days from the date of Airline's initial filing in bankruptcy court.

ARTICLE 13

CANCELLATION OF LETTER OF AUTHORIZATION BY AN AIRLINE

13.1 Termination Events. An Airline will be entitled to terminate a Letter of Authorization upon the occurrence of any of the following events applicable to such Airline:

(a) The Authority fails to keep, perform, or observe any term, covenant, or condition herein contained, to be kept, performed, or observed by the Authority and such failure continues for thirty (30) days after receipt of written notice of such failure from an Airline; or, if by its nature such default cannot be cured within such thirty (30) day period, the Authority shall not commence to cure such default within said thirty (30) days and thereafter to cure or remove the same as promptly as reasonably practicable.

(b) Airport is closed to flights in general or to the flights of an Airline, for reasons other than those circumstances within the Airline's control or caused by Airline, and Airport fails to be reopened to such flights within sixty (60) consecutive days from such closure.

(c) The Airport is permanently closed as an air carrier airport by act of any federal, state, or local government agency having competent jurisdiction; or an Airline is unable to use the Airport for a period of at least forty-five (45) consecutive days due to any law or any order, rule or regulation of any governmental authority having jurisdiction over the operations of the Airport; or any court of competent jurisdiction issues an injunction preventing the Authority or such Airline from using Airport for airport purposes, for reasons other than those circumstances within such Airline's control or resulting from such Airline's actions, and such injunction remains in force for a period of at least forty-five (45) consecutive days.

(d) The United States Government or any authorized agency thereof (by executive order or otherwise) assumes the operation, control, or use of the Airport in such a manner as to substantially restrict an Airline from conducting its operations, if such restriction continues for a period of sixty (60) consecutive days or more.

13.2 Airline's Remedy. So long as an Airline is not in default of any obligation hereunder, including but not limited to payments due to the Authority, such Airline may cancel any Letter of Authorization or part thereof impacted by, and upon the occurrence of, an event described in Section 13.1 above, upon delivery of written notice of cancellation to the Authority and the surrender of such Committed Premises to the Authority any time prior to such event being cured. All obligations of Airline to pay Rates and Charges under that part of the Letter of Authorization cancelled hereby, other than Rates and Charges payable for periods and activities prior to such cancellation, shall cease as of the date of such cancellation and surrender of the Committed Premises to the Authority. The Airline shall continue to be responsible for all Rates and Charges applicable to its use or occupancy of the Airfield, Terminal or Terminal Apron.

ARTICLE 14

SURRENDER OF AIRLINE PREMISES

14.1 Surrender and Delivery. Upon expiration or cancellation of a Letter of Authorization or Operating Permit, or a reassignment of any Airline Premises, an Airline shall promptly and peaceably surrender to the Authority its Airline Premises and all improvements thereon to which the Authority is entitled in good and fit condition, and at least in substantially the same condition as such Airline Premises was delivered to Airline, reasonable wear and tear, as well as damage or repair which is the responsibility of the Authority hereunder, excepted; provided, however, nothing in this Section 14.1 shall be construed to modify the obligations of the parties set forth in Article 9, Article 10, and Article 11.

14.2 Removal of Property. Provided an Airline is not in default for payment of Rates and Charges hereunder, an Airline is permitted at any time to remove from the Airport its aircraft, tools, equipment, trade fixtures, and other personal property, title to which shall remain in the Airline, unless otherwise set forth herein, and shall remove such aircraft, tools, equipment, trade fixtures, and other personal property from any Airline Premises no longer assigned to such Airlines within five (5) business days following any notice to such Airline that such Airline Premises are no longer assigned to it, subject to any valid lien which the Authority may have thereon for unpaid Rates and Charges. No Airline may abandon any portion of its property at the Airport without the written consent of the Authority. Any and all property not removed by Airline from former Airline Premises, as required hereby, shall, at the option of the Authority, (i) become the property of the Authority at no cost to the Authority; (ii) be stored by the Authority, at no cost to the Authority; (iii) be sold at public or private sale at no cost to the Authority, with the proceeds thereof being retained by the Authority or (iv) be dealt with in accordance with Section 12.3(c). Except as may be agreed to otherwise by the Authority and an Airline, all Authority property damaged by or as a result of the removal of Airline's property shall be restored by Airline to the condition existing before such damage at Airline's expense.

ARTICLE 15

ASSIGNMENT AND HANDLING AGREEMENTS

15.1 Assignment by an Airline.

(a) No Airline may, directly or indirectly, assign, sell, hypothecate, or otherwise transfer its rights under a Letter of Authorization, an Operating Permit or any portion of Airline Premises assigned to such Airline, without the prior written consent of the Authority; provided, however, Airline may assign such rights to any person, firm or corporation with which Airline may merge or consolidate or which may succeed to the business of Airline or which purchases all or substantially all of such Airline's assets. The Authority may withhold its consent hereunder for any reason, including the availability for assignment to others of alternative space.

(b) No Airline may allow any third party Airline to use of any Airline Premises assigned to such Airline, other than an Identified Affiliate, without the prior written consent of the Authority, which consent may be withheld if the Authority has alternative unassigned space available or if the Authority can make such space available for assignment within a reasonable time.

(c) An Airline shall include with its request for permission to assign Committed Premises, a copy of the proposed assignment agreement. The assignment agreement submitted with Airline's request shall include the following information: (i) the term; (ii) the area or space to be assigned; (iii) the amounts to be charged; and (iv) a provision that assignee must execute a separate Operating Permit or Letter of Authorization with the Authority for operating at the Airport. Any other information reasonably requested by the Authority pertaining to said assignment shall be promptly provided by Airline. A fully executed copy of such assignment shall be submitted to the Authority for final approval prior to the occupancy of the Committed Premises, or any portion thereof, by the assignee.

(d) Nothing in this Article 15 shall be construed to release an Airline from its obligations under a Letter of Authorization, including but not limited to, the payment of Rates and Charges provided herein, with respect to the Airline Premises, including such portion of the Airline Premises assigned, unless otherwise agreed in writing by the Authority.

15.2 Handling Agreements. In the event any Airline agrees to ground handle any portion of the operations of another Airline, other than an Identified Affiliate, such Airline shall provide the Authority advance written notice of such proposed activities, including a description of the type and extent of services to be provided, and shall comply with all Authority Policies and Procedures in effect from time to time applicable to such activity, including, without limitation, policies relating to the payment to the Authority of a percentage of fees received by Airline for such service. Notwithstanding the foregoing or any Authority Policies and Procedures to the contrary, an Airline shall have no obligation to pay to the Authority a

percentage of fees received by Airline for performing ground handling or other permitted services if and to the extent the Airline receiving the services is a party to a Rate and Revenue Sharing Agreement and is not in breach thereof. (Please see Section 5.4(d) for an exclusion from the requirement to pay fees to the Authority for ground handling and other services provided by a third party to an Airline.)

ARTICLE 16

AVAILABILITY OF ADEQUATE FACILITIES

16.1 Award and Revocation of Committed Premises and Priority Access Gates. Upon request by an Airline to include a Gate as part of its Committed Premises under a Letter of Authorization or as a Priority Access Gate, the Authority may, in its exclusive discretion, accept or deny such request based on operational considerations, such as Terminal limitations and Gate availability. An Airline's Priority Access Gate may lose such status and the rights related thereto in accordance with the eligibility requirements set forth from time to time in the Authority's Policies and Procedures. The Authority may revoke the designation of one or more of an Airline's Gates as part of its Committed Premises under a Letter of Authorization if: (a) such Airline's scheduled average utilization for such Gate(s) falls below four (4) turns per Gate per day; (b) the Authority determines that there is a reasonable need for the use of such Gate(s) by another Airline; and (c) such other Airline meets the required four (4) turns per Gate per day minimum. Prior to such revocation becoming effective, the Airline shall have a sixty (60) day period to adjust its schedule to equal or exceed four (4) turns per Gate per day so as not to be subject to such revocation during the term of its Letter of Authorization. When determining specific Committed Premises to be revoked, the Authority will use reasonable efforts to choose facilities that will not disrupt the continuity and staffing of an Airline's operation.

16.2 Regional/Commuter Operations.

(a) To the extent practical, and unless otherwise directed by the Authority, aircraft that are capable of connecting to a loading bridge must use a Terminal Apron equipped with a loading bridge for the enplaning and deplaning of passengers.

(b) Aircraft that are not capable of connecting to a loading bridge will use those areas of the Terminal Aprons designated by the Authority and will be accessed from the ramp level through commuter facilities unless otherwise approved by the Authority.

ARTICLE 17

GOVERNMENT INCLUSION

17.1 Government Agreements. The terms of this Resolution shall be subordinate to, and shall be automatically modified to comply with, the provisions of any existing or future agreements between the Authority and the United States Government or other governmental authority, relative to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of federal or other governmental funds for the development of the Airport, to the extent that the provisions of any such existing or future agreements are generally required by the United States or other governmental authority as a condition to receiving such funds. The Authority agrees to provide Airlines written advance notice of any provisions which would adversely modify the terms of this Resolution in a material respect.

17.2 Federal Government's Emergency Clause. All provisions of this Resolution 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 Resolution inconsistent with the operations of the Airport by the United States of America. The Authority shall have no liability to an Airline to the extent the Authority is prohibited or hindered from performing its obligations hereunder as a result of rights exercised in this paragraph.

17.3 Nondiscrimination.

(a) General Civil Rights Provisions: Each Airline agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If an Airline transfers its obligation to another, the transferee is obligated in the same manner as the Airline.

This provision obligates each Airline, its personal representatives, successors in interest and assigns, for the period during which the property is owned, used or possessed by the Airline and the airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

(b) Compliance with Nondiscrimination Requirements: During the performance of this Resolution, each Airline, for itself, its assignees, and successors in interest (hereinafter referred to as the "Airline"), agrees as follows:

(i) Compliance with Regulations: Each Airline (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Resolution.

(ii) Nondiscrimination: Each Airline, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Each Airline will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

(iii) Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Airline for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Airline of the Airline's obligations under this Resolution and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

(iv) Information and Reports: Each Airline will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of an Airline is in the exclusive possession of another who fails or refuses to furnish the information, the Airline will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

(v) Sanctions for Noncompliance: In the event of an Airline's noncompliance with the non-discrimination provisions of this Resolution, the Authority will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

(A) Withholding payments to the Airline under the contract until the Airline complies; and/or

(B) Cancelling, terminating, or suspending a contract, in whole or in part.

(vi) Incorporation of Provisions: Each Airline will include the provisions of paragraphs (i) through (vi) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. Each Airline will take action with respect to any subcontract or procurement as the Authority or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Airline becomes involved in, or is threatened with litigation by a

subcontractor, or supplier because of such direction, the Airline may request the Authority to enter into any litigation to protect the interests of the Authority. In addition, the Airline may request the United States to enter into the litigation to protect the interests of the United States.

(c) Incorporation of Provisions: Each Airline will include the provisions of paragraphs (i) through (vi) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. Each Airline will take action with respect to any subcontract or procurement as the Authority or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Airline becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Airline may request the Authority to enter into any litigation to protect the interests of the Authority. In addition, the Airline may request the United States to enter into the litigation to protect the interests of the United States.

(d) In the event of breach of any of the above nondiscrimination covenants, the Authority will have the right to cancel any Letters of Authorization, Operating Permit or other contract with such Airline and enter or re-enter and repossess said Airline Premises and hold the same as if said agreement had never been made or issued.

(e) Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Resolution, the Airline, for itself, its assignees, and successors in interest (hereinafter referred to as the “Airline”) agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

(i) Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

(ii) 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);

(iii) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

(iv) Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;

(v) The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);

(vi) Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

(vii) The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

(viii) Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

(ix) The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

(x) Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

(xi) Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

(xii) Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).

(f) Each Airline acknowledges that the provisions of 49 CFR, Part 23, Disadvantaged Business Enterprises (“DBE”), as such regulations may be amended, and such other similar regulations as may be enacted, may be applicable to the activities of Airline at the Airport, unless exempted by said regulations, and by choosing to operate at the Airport, each Airline shall be deemed to have agreed to comply with the regulatory

agencies, in reference thereto. These requirements may include, but not be limited to, compliance with DBE participation goals, the keeping of certain records of good faith compliance efforts, which would be subject to review by the various agencies, the submission of various reports and, if so directed, the contracting of specified percentages of goods and services contracts to DBEs.

17.4 Security. Each Airline, its officers, employees, agents, and those under its control, shall comply with all security measures required of Airline by the Authority, TSA, FAA or contained in any Airport master security plan approved by the TSA or FAA. If an Airline, or its officers, employees, agents, or those under its control, shall fail or refuse to comply with such measures and such non-compliance results in a monetary penalty being assessed against the Authority, then, in addition to any other remedies available to the Authority, such non-complying Airline shall be responsible for, and shall reimburse the Authority in the full amount of, any such monetary penalty or other damages. This Resolution shall be deemed to be automatically amended to the extent required, in the Authority's discretion, to satisfy any federal security requirements or directives. The Authority shall provide notice to each Airline in advance of, or as soon as practically possible after, any such automatic amendment.

17.5 Environmental.

(a) General Conditions.

Each Airline must:

(i) be knowledgeable of all applicable federal, state, regional, and local environmental laws (including common law), ordinances, rules, regulations and orders, which apply to Airline's operations at the Airport (collectively, "Environmental Laws") and acknowledge that such Environmental Laws change from time-to-time. Each Airline must keep informed of any such future changes.

(ii) comply with all applicable Environmental Laws, which apply to Airline's operations, and all permits issued to Airline pursuant to any Environmental Laws. Airline's indemnity obligation under Section 11.1 for violation of this Section shall include, but not be limited to, enforcement actions to assess, abate, remediate, undertake corrective measures or monitor environmental conditions and for any monetary penalties, costs, expenses, or damages, including natural resource damages, imposed against Airline, its employees, invitees, suppliers, or service providers or the Authority by reason of such Airline's violation or non-compliance.

(iii) cooperate with any investigation, audit or inquiry by the Authority or any governmental or quasi-governmental agency, regarding possible violation by Airline of any Environmental Law upon the Airport, to the extent applicable or potentially applicable to Airline.

(iv) promptly provide to the Authority any notice of violation, notice of non-compliance, or other enforcement action relating to the Airport promptly after receipt by Airline or Airline's agent.

(b) Stormwater.

(i) Each Airline shall observe and abide by all stormwater rules and regulations as may be applicable to Airline and its use of the Authority's property.

(ii) Any stormwater discharge permit issued to the Authority may name such Airline as a co-permittee. Each Airline shall closely cooperate with the Authority to ensure compliance with any applicable stormwater discharge permit terms and conditions. Each Airline shall undertake such actions necessary to minimize the exposure of stormwater to "significant materials" generated, stored, handled or otherwise used by such Airline, as such term may be defined by applicable stormwater rules and regulations, by implementing and maintaining "best management practices" as that term may be defined in applicable stormwater rules and regulations.

(iii) Within ten (10) days after receipt of any written notice from the Authority or any governing authority relating to stormwater discharge requirements applicable to Airline, an Airline shall notify the Authority in writing if it disputes any of the stormwater permit requirements it is being directed to undertake. If an Airline does not provide such timely notice, such Airline shall undertake at its sole expense, unless otherwise agreed to in writing between the Authority and Airline, those stormwater permit requirements for which it has received written notice from the Authority, and Airline will hold harmless and indemnify the Authority for any violations or non-compliance by such Airline with any such permit requirements.

(c) Solid and Hazardous Waste.

(i) Each Airline shall comply with all applicable federal, state and local laws relating to such Airline's transportation, handling, storage, treatment or disposal of solid or hazardous waste at the Airport, and any rules and regulations promulgated thereunder, including, but not limited to, ensuring that the transportation, storage, handling and disposal of such hazardous wastes are conducted in full compliance with applicable law.

(ii) Each Airline shall provide the Authority, or, at Authority's option, make available for review by the Authority, upon request, copies of all hazardous waste permit application documentation, permits, monitoring reports, transportation, responses, storage, disposal and contingency plans and material safety data sheets applicable to Airline's operations at the Airport, within ten (10) days after any such requests by the Authority, all of which shall be maintained in compliance with applicable Environmental Laws. Each Airline shall have, and shall implement as needed, to the extent required by applicable Environmental Laws, a written plan addressing containment and clean up of fuel and/or oil spills.

(d) Air Quality. Each Airline agrees to comply with all applicable Environmental Laws relating to the quality of air in any confined or indoor spaces.

17.6 Part 27 Compliance. Pursuant to Title 49 CFR Part 27, the Authority provides accessible facilities and services to individuals with disabilities, including mechanical lifts for enplaning and deplaning passengers with disabilities that are available to all Airlines (both foreign and domestic) that do not have access to passenger loading bridges. Access to services and mechanical lifts can be achieved by contacting the Airport Operations Center at the Airport. Maintenance and service records are available upon request by contacting the Airport Operations Center or making a formal public records request to the Authority. Notwithstanding the foregoing, each Airline is responsible for providing assistance to its passengers in enplaning and deplaning, including the provision of mechanical lifts or other boarding assistance devices, as needed, in the event that the Authority's mechanical lifts are not available. As and to the extent required by Title 14 CFR Part 382, each Airline shall promptly provide or ensure the provision of assistance requested by or on behalf of its passengers with a disability, or offered by the Airline or Authority personnel and accepted by passengers with a disability, in enplaning and deplaning, including the use of wheelchairs, mechanical lifts or other boarding assistance devices, where boarding and deplaning by level-entry loading bridges or accessible passenger lounges is not available.

ARTICLE 18 GENERAL PROVISIONS

18.1 Subordination to Bond Resolution.

(a) This Resolution, and all privileges granted to the Airlines hereunder, are expressly subordinated and subject to the lien, covenants (including the rate covenants), and provisions of the Bond Resolution. To the extent this Resolution is inconsistent with the Authority's requirements under the Bond Resolution, this Resolution shall be deemed amended to the extent and for the duration needed to allow the Authority to comply with such Bond Resolution requirements. To the extent required by the Bond Resolution or law, the holders of the Bonds, or their designated representatives, shall have the right to exercise any and all rights of the Authority hereunder.

(b) With respect to property assigned by the Authority to an Airline hereunder, which was or is to be acquired or constructed by the Authority with proceeds of Bonds, the interest on which is, or is intended to be, excludable from the gross income of the holders of such Bonds for federal income tax purposes, each such Airline shall protect the tax-exempt status of the Bonds, including by not taking any depreciation deductions relating to such property.

(c) Each Airline shall execute all instruments, certificates, or other documents reasonably requested by the Authority to assist the Authority and bond counsel in determining and assuring that Bonds are issued in compliance with applicable rules and regulations of the Internal Revenue Service and the Securities and Exchange Commission, and each Airline shall provide whatever additional relevant information is reasonably requested by the Authority initially or on an ongoing basis in connection with complying with any of those rules and regulations.

18.2 Passenger Facility Charge. The Authority reserves the right to assess and collect PFCs subject to the terms and conditions set forth in the Aviation Safety and Capacity Expansion Act of 1990, now Codified as 49 U.S.C. §40117, and implementing regulations as may be supplemented or amended from time to time. Each Airline shall collect and pay all PFC's for which it is responsible under applicable law or regulation. If Airline fails to remit PFC revenue to Authority within the time limits established by the PFC Regulations and within ten (10) calendar days after receipt of a written notice of non-payment from Authority, such condition shall be deemed an Event of Default. In addition, any late payment of the PFC may be subject to late fees computed at the rate of one and one-quarter percent (1.25%) per month from the due date until paid to the extent allowed by law.

18.3 Use of Airline Premises. Consistent with the nature of each Airline's business, each Airline's occupancy of its Airline Premises will be lawful and quiet and each Airline will not knowingly use or permit the use of Airline Premises in any way that would violate the terms of this Resolution or any Letter of Authorization, create a nuisance, or disturb other tenants or

the general public. Each Airline shall be responsible for the activity of its officers, employees, agents, and others under its control with respect to this provision

18.4 Performance. Time is of the essence with respect to the obligations in this Resolution and in each Letter of Authorization.

18.5 Avigation Rights. The Authority reserves unto itself, its successors, and assigns for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Airport, including Airline Premises, for navigation or flight in such airspace for landing on, taking off from, or operating at the Airport.

18.6 Rules and Regulations and Operational Directives.

(a) Each Airline, its officers, employees, agents, and others under its control shall observe and obey all laws, regulations, and orders of the federal, state, county, municipal governments and the Authority (acting in its governmental capacity) applicable to such Airline's operations at the Airport.

(b) The Chief Executive Officer and/or Authority staff may, from time to time, adopt, amend, or revise the Authority Policies and Procedures for reasons of safety, health, preservation of property, or the good, efficient and orderly appearance and/or operation of the Airport. Each Airline, and its officers, employees, agents, and others under its control, shall faithfully comply with and observe all lawful Authority Policies and Procedures, of which Airline has received actual or constructive notice.

(c) Each Airline shall be strictly liable and responsible for obtaining, maintaining current, and fully complying with, any and all permits, licenses, and other governmental authorizations, however designated, as may be required at any time by any federal, state, or local governmental entity or any court of law having jurisdiction over such Airline or such Airline's operations and activities.

18.7 Inspection. The Authority's authorized representatives shall have access to Committed Premises for the purpose of examining and inspecting such premises, for purposes necessary, incidental to, or connected with the performance of its operational obligations, or, in the exercise of its governmental functions. Except in the case of an emergency, the Authority shall conduct such inspections during reasonable business hours, after reasonable prior notice to an Airline and in the presence of such Airline's representative.

18.8 Titles. Paragraph titles are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope or extent of any provision of this Resolution.

18.9 Severability. In the event that any covenant, condition, or provision of this Resolution is held to be invalid by any court of competent jurisdiction, the invalidity of such covenant, condition, or provision shall not materially prejudice either the Authority or any

Airline in their respective rights and obligations contained in the valid covenants, conditions, or provisions of this Resolution or any Letter of Authorization.

18.10 Other Agreements. Other than as set forth herein, nothing contained in this Resolution shall be deemed or construed to nullify, restrict, or modify in any manner the provisions of any other lease or contract between the Authority and an Airline authorizing the use of the Airport, its facilities, and appurtenances.

18.11 Approvals. Unless otherwise stated, whenever the Resolution calls for approval by the Authority, such approval shall be evidenced by the written approval of the Chief Executive Officer.

18.12 Notice.

(a) All notices, requests, consents, and approvals served or given under this Resolution shall be served or given in writing with proof of delivery. If intended for the Authority, notices shall be delivered to:

Chief Executive Officer
Greater Orlando Aviation Authority
Orlando International Airport
One Jeff Fuqua Boulevard
Orlando, FL 32827-4399

or to such other address as may be designated by the Authority by written notice to Airline.

(b) Notices to an Airline shall be delivered to the address on file with the Director of Board Services of the Authority, or to such other address as may be designated by an Airline by written notice to the Authority.

18.13 Agent For Service. Each Airline shall, upon request, notify the Authority, in writing, of the name and address of its agent for service of process in Florida. Such service shall be made as provided by the laws of the State of Florida for service upon a non-resident engaging in business in the State of Florida.

18.14 Governing Law and Legal Forum. This Resolution, all Letters of Authorization and all Operating Permits are to be read and construed in accordance with the laws of the State of Florida. Exclusive venue for all dispute resolution, including litigation, concerning or arising out of this Resolution, all Letters of Authorization and all Operating Permits shall be in Orange County, Florida.

18.15 Third-Party Beneficiary. Each Airline understands and agrees that the City is a third party beneficiary to this Resolution, each Letter of Authorization and each Operating Permit, with full rights of enforcement therein.

18.16 Most Favored Nation Clause. In the event the Authority offers an Airline the opportunity to use the Airfield and Terminal on terms and conditions that are materially different, and more favorable than the terms and conditions described herein, such offer shall also be made to all similarly situated Airlines (e.g. an Airline that makes substantially similar use of the Airport, operates substantially similar aircraft and utilizes substantially similar facilities as the Airline offered the more favorable terms and conditions), subject to the same conditions and limitations as the original offer. The foregoing Authority obligation shall not apply to lawfully permitted incentive programs or to differences set forth in the Rate Methodology.

18.17 No Individual Liability. No member, officer, agent, director or employee of either the Authority or an Airline shall have any personal liability under this Resolution for the failure of the Authority or such Airline, as applicable, to comply with the terms hereof.

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This Amended and Restated Resolution was approved and adopted by the Greater Orlando Aviation Authority on August 28, 2019.

**GREATER ORLANDO AVIATION
AUTHORITY**

By: _____
Domingo Sanchez
Chairman

ATTEST:

By: _____
Dayci S. Burnette-Snyder
Assistant Secretary

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RATE AND REVENUE SHARING AGREEMENT
FISCAL YEAR 2020 - FISCAL YEAR 2024

This Rate and Revenue Sharing Agreement is made as of this ____ day of _____, 20__ (the "Effective Date") by and between the Greater Orlando Aviation Authority (the "Authority") and _____ ("Airline").

Background

A. The Authority has adopted rates and charges for operations at Orlando International Airport (the "Airport") by Airlines pursuant to a Second Amended and Restated Resolution of the Greater Orlando Aviation Authority relating to Airline Rates and Charges and Airline Operating Terms and Conditions for the uses of Facilities and Services at Orlando International Airport dated August 28, 2019, to be effective October 1, 2019, as such may be amended from time to time (the "Rate Resolution").

B. The Authority has offered to share Net Shared Revenues with the passenger Airlines in exchange for certain long-term commitments to the Authority by the Airlines and acceptance by the Airlines of the Rate Resolution and the methodology for calculating rates and charges thereunder.

Agreement

NOW, THEREFORE, in consideration of the promises set forth herein, the Authority and Airline hereby agree as follows:

1. Definitions.

(a) "Airport Exclusive Revenue Sources" shall mean (i) that certain real property commonly referred to as the "Poitras Property", (ii) rail, rail corridors or rail terminals located on the Airport, as such facilities exist today or may be developed in the future, and (iii) the Airfield.

(b) "Long Term Committed Premises" shall mean Committed Premises for which Airline makes a contractual commitment to the Authority under a Letter of Authorization through the end of Fiscal Year 2024.

(c) "Net Shared Revenues" shall mean (i) the first Ten Million Dollars (\$10,000,000) of Remaining Revenues, and then (ii) Fifty Percent (50%) of all Remaining Revenues thereafter.

(d) "Participating Airlines" shall mean all passenger Airlines that have executed and are parties to an effective Rate and Revenue Sharing Agreement for the applicable Fiscal Year.

(e) "Participating Operating Payments" shall mean all Landing Fees, FIS Fees, Common Use Baggage Charges, Common Use South Ticketing Area Charges to the extent associated with Long Term Committed Premises, Facility Fees paid for the use of bag make-up space, Airline Equipment Fees for Long Term Committed Premises, and Rates and Charges paid

for Long Term Committed Premises under a Letter of Authorization for the use and occupancy of Terminal facilities and the Terminal Apron by a passenger Airline, which, for the avoidance of doubt, excludes all Facility Fees (other than Facility Fees paid for the use of bag make-up space), ramp parking fees, RON fees and certain ancillary charges, such as phone or utility charges, in each case only to the extent such payments are made with respect to periods after (i) the Effective Date, or (b), if the Effective Date is not on October 1 or April 1 of a year, the first October 1 or April 1 following the Effective Date.

(f) "Rate and Revenue Sharing Agreement" shall mean an agreement between the Authority and an Airline in a form substantially similar to this agreement.

(g) "Remaining Revenues" shall mean the amount by which (i) the difference between (A) all Revenues generated by the operation of the Airport for a Fiscal Year (with the exception of, and not including, Revenues generated from the operation, use, sale, lease or other exploitation of Airport Exclusive Revenue Sources), minus (B) all Debt Service and O&M Expenses and Operating Reserves, incurred in connection with the operation of the Airport (with the exception of, and not including, any such expenses in the Airfield) for such Fiscal Year exceeds; (ii) Fifty Five Million Dollars (\$55,000,000) in such Fiscal Year.

(h) "Revenue Share Percentage" shall equal a fraction, the numerator of which is the total amount of Participating Operating Payments paid to the Authority by Airline, on behalf of itself and its Identified Affiliates, for a Fiscal Year and the denominator of which is the total amount of Participating Operating Payments paid to the Authority by all Participating Airlines, on behalf of themselves and their Identified Affiliates, for a Fiscal Year.

(i) Capitalized terms not defined herein shall have the definitions assigned to such terms in the Rate Resolution.

2. Airline Covenants.

(a) Airline agrees not to challenge the Rate Resolution, the rate making methodology thereunder (the "Methodology"), or the rates and charges determined in accordance with the Methodology for a period of five (5) years (i.e. Fiscal Years 2020 through 2024). The agreement of Airline in this paragraph means that Airline shall not file, participate in, finance, contribute to or otherwise support a formal complaint or lawsuit with, or a specific request for action to, the United States Department of Transportation ("USDOT"), the Federal Aviation Administration ("FAA"), or any state or federal court objecting to or challenging the Authority's Rate Resolution, the rates and charges determined thereunder, or the rate Methodology therein, including but not limited to commencing a "rocket docket" proceeding under 49 U.S.C. § 47129 with the USDOT or a Part 16 complaint with the FAA.

(b) Airline agrees to pay Rates and Charges for its use and occupancy of space, facilities and equipment at the Airport calculated in accordance with the Methodology for Fiscal Years 2020 through 2024, and acknowledges that this Agreement constitutes a written agreement with air carriers within the meaning of 49 U.S.C. § 47129(e)(1).

(c) Airline shall execute a Letter of Authorization committing to pay for the use of at least one Annual Access Gate and corresponding ticket counter, queue space and bag make-up space, as prescribed by Airport Policies and Procedures, through September 30, 2024.

3. Revenue Sharing.

(a) (i) In the event Airlines accounting for seventy five percent (75%) or more of the enplaned passengers at the Airport for the twelve (12) months ending September 30, 2019 sign a Rate and Revenue Sharing Agreement on or prior to October 1, 2019, the Authority will agree not to materially modify the Methodology through Fiscal Year 2024. Airline acknowledges that Rates and Charges are likely to, and are permitted to, change from year to year, even though the rate Methodology does not change.

(ii) Notwithstanding the foregoing, in the event (1) the Methodology is successfully challenged by one or more Airlines, whether or not such Airlines signed a Rate and Revenue Sharing Agreement, (2) the Authority deems it to be in the Authority's best interest to settle a challenge to the Methodology, (3) the Authority is otherwise required to modify the Methodology in accordance with applicable law, regulation or directive, or (4) Airlines accounting for seventy five percent (75%) or more of the enplaned passengers for the most recent twelve (12) full months preceding an agreement to change the Methodology do agree with the Authority on changes to the Methodology, then the Authority shall be released of its obligation under Section 3(a)(i) above not to materially modify the Methodology.

(iii) In the event the Authority materially modifies the Methodology for any reason other than as set forth in Section 3(a)(ii)(4) then Airline shall have the option, for a period of sixty (60) days after receipt of notice of such material modification, to terminate this Agreement and the remaining period of the Letter of Authorization signed pursuant to Section 2(c) above; and upon such termination or upon any challenge by Airline to the Rate Resolution, the Methodology or rates and charges determined in accordance with the Methodology, the obligation of the Authority to make any Revenue Sharing Payment hereunder shall terminate and be of no further force and effect and Airline shall reimburse to the Authority all Revenue Sharing Payments made to Airline hereunder for the Fiscal Years to which the challenge relates or to which the termination applies. Reimbursed Revenue Sharing Payments from any other airline party to a Rate and Revenue Sharing Agreement shall be retained by the Authority and not redistributed to Airline or any other airlines.

(b) (i) For each Fiscal Year from Fiscal Year 2020 through Fiscal Year 2024, Authority will pay to Airline an amount equal to Airline's Revenue Share Percentage of any Net Shared Revenues generated in such Fiscal Year ("Revenue Sharing Payment").

(ii) In the event of a breach by Airline of this Agreement and, in the case of a failure to timely pay Rates and Charges under Section 2(b) above, such breach is not cured within fifteen (15) business days after written notice to Airline, (1) the obligation of Authority to make any Revenue Sharing Payment hereunder shall terminate and be of no further force and effect, and (2), except in the case where such breach was a failure to timely pay Rates and Charges under Section 2(b) above, Airline shall reimburse to the Authority all Revenue Sharing Payments previously made to Airline hereunder. Reimbursed Revenue Sharing

Payments from any other airline party to a Rate and Revenue Sharing Agreement shall be retained by the Authority and not redistributed to Airline or any other airlines.

(iii) Authority shall use commercially reasonable efforts to pay to Airline the Revenue Sharing Payment owed to Airline each Fiscal Year within thirty (30) days after acceptance of the audit for the applicable Fiscal Year by the Authority Board. To the extent reliable information is available to the Authority to make Revenue Sharing Payment calculations, the Authority will pay seventy five percent (75%) of the estimated final Revenue Sharing Payment on or before December 31 of each year for the prior Fiscal Year. In the event Airline is delinquent in submitting flights schedules or other information required by the Authority under the Rate Resolution, the Authority may withhold such Airline's Revenue Sharing Payment until such information is submitted.

(iv) In the event the Authority is prohibited by applicable law or regulation from sharing Revenues from any particular source, the Authority and Airline agree that Revenues from such source shall not be shared. In such case, the Authority shall identify specific sources from which Revenues may be shared and, to the extent possible, attribute Net Shared Revenues as being derived from such sources.

(v) The Authority shall be entitled to offset any Revenue Sharing Payment payable to an airline by any amounts owed by such Airline to the Authority; provided that such offset shall not eliminate Airline's right to object to the Authority's determination of the amount owed by Airline.

4. Notice.

(a) All notices, requests, consents, and approvals served or given under this Agreement shall be served or given in writing with proof of delivery. If intended for Authority, notices shall be delivered to:

Executive Director
Greater Orlando Aviation Authority
Orlando International Airport
One Jeff Fuqua Boulevard
Orlando, Florida 32827-4399

or to such other address as may be designated by Authority by written notice to Airline.

(b) Notices to Airline shall be delivered to:

Attn.: _____

or to such other address as may be designated by Airline by written notice to Authority.

5. Amendment.

Except as specifically set forth herein, nothing herein shall amend, modify, or terminate the terms of the Rate Resolution or the terms of any Letter of Authorization or Operating Permit between the Authority and Airline.

6. Entire Agreement.

This Rate and Revenue Sharing Agreement is the entire agreement of the parties with respect to the subject matter herein, and supersedes all prior agreements relating to such subject matter, whether written or oral.

7. Governing Law, Jurisdiction, and Venue.

This Agreement shall be governed by the laws of the State of Florida. The parties hereto consent to the personal jurisdiction of, and agree that exclusive venue for any and all actions or lawsuits filed in connection with the Agreement shall be in, the state and federal courts in and for Orange County, Florida or the Middle District of Florida.

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This agreement has been executed by the parties as of the date set forth above.

	_____	Greater Orlando Aviation Authority
By:	_____	By: _____
Name:	_____	Name: _____
Title:	_____	Title: _____

Signature Page for Rate and Revenue Sharing Agreement

APPENDIX D

**AUDITED FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT AUDITORS
THEREON FOR THE FISCAL YEARS
ENDED SEPTEMBER 30, 2020 AND 2019**

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INDEPENDENT AUDITOR'S REPORT

The Authority Board
Greater Orlando Aviation Authority
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Greater Orlando Aviation Authority (the "Authority") as of and for the fiscal years ended September 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 the Authority as of September 30, 2020 and 2019, and the changes in its financial position and its cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, supplemental schedules, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The supplemental schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
February 19, 2021



MANAGEMENT'S **DISCUSSION** AND ANALYSIS

One Jeff Fuqua Boulevard
Orlando, Florida 32827-4392
407.825.2001 | orlandoairports.net



GREATER ORLANDO
AVIATION AUTHORITY
Orlando, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The following discussion and analysis of the Greater Orlando Aviation Authority (the Authority) provides an introduction to the basic financial statements for the fiscal years ended September 30, 2020 and 2019 with selected comparative information for the fiscal year ended September 30, 2018. This discussion has been prepared by management and should be read in conjunction with the basic financial statements, footnotes, and supplementary information found in this report. This information taken collectively is designed to provide readers with an understanding of the Authority's finances.

Overview of the Financial Statements

The Authority is structured as an enterprise fund with separate accounts for Orlando International Airport and Orlando Executive Airport. The financial statements are prepared on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated over their useful lives, except for land and assets held for future use. See "Notes to the Financial Statements" for a summary of the Authority's significant accounting policies and practices.

The Statements of Net Position present information on all of the Authority's assets, deferred outflows, liabilities and deferred inflows, with the difference between total assets and deferred outflows and total liabilities and deferred inflows reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Authority's financial position.

The Statements of Revenues, Expenses and Changes in Net Position present information reflecting current year changes in the Authority's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for certain items that will result in cash flows in future fiscal periods.

The Statements of Cash Flows reports the flow of cash and cash equivalents. Consequently, only transactions that affect the Authority's cash accounts are recorded in these statements. A reconciliation follows these statements to assist in the understanding of the difference between cash flow from operating activities and operating income.

The outbreak of COVID-19 has been declared a pandemic by the World Health Organization, with both domestic and global impact. Both governmental and private actions resulting from such pandemic have caused significant disruptions to domestic and international passenger and cargo air travel. Due to the continued impact of the COVID-19 pandemic, the information contained in this report may differ materially from the current financial position and operations being experienced by the Authority and the Orlando International Airport (the Airport).

The COVID-19 pandemic is ongoing and the Airport cannot predict: (i) the duration of the pandemic; (ii) actions that may be taken by governmental authorities to contain the outbreak or to recover from its impact; (iii) the length of any current, or further imposition of, travel restrictions or the impact on demand for air travel at the Airport; (iv) the impact on the general airport revenues, customer facility charges, passenger facility charges, fund balances or cash reserves; (v) the impact on the airlines, automobile rental companies, retailers or concessionaires at the Airport; (vi) whether and to what extent the Authority provides or continues deferrals, forbearances, adjustments or other changes to arrangements with airlines, tenants or concessionaires; or (vii) the impact on tourism industries in the state or on the local, state, domestic or global economy in general and its further effect on the travel industry.

Authority Activity Highlights

Beginning in approximately mid-March of 2020 due to the COVID-19 pandemic, Orlando International Airport traffic declined to its lowest point in mid-April 2020 with a reduction in daily enplaned passenger traffic of (97.5%) compared to 2019 due to many travel restrictions and various stay-at-home orders throughout the nation. Through the remainder of the fiscal year, the daily-enplaned passenger traffic numbers slowly increased as many travel restrictions and stay-at-home orders were lifted. For the month ended September 30, 2020, average daily-enplaned passengers had increased to an overall reduction compared to 2019 of (57.85%). However due to the increases in enplaned passengers for the first five months of the fiscal year, total enplanements for fiscal year 2020 was only a decrease of (41.49%) over fiscal year 2019, while operations decreased by (28.83%). The decrease in enplanements included a (39%) decrease in domestic and a (56.3%) decrease in international travelers.

During fiscal year 2019 total enplanements increased at Orlando International Airport 4.74% from fiscal year 2018, while operations increased by 4.74%. Fiscal year 2018 saw an increase in total enplanements of 7.66% over 2017.

The following chart shows total enplaned passengers and flight operations (landings and take-offs) at Orlando International Airport for the three-year comparative period:

ENPLANEMENTS AND OPERATIONS ACTIVITY FOR 2018 TO 2020

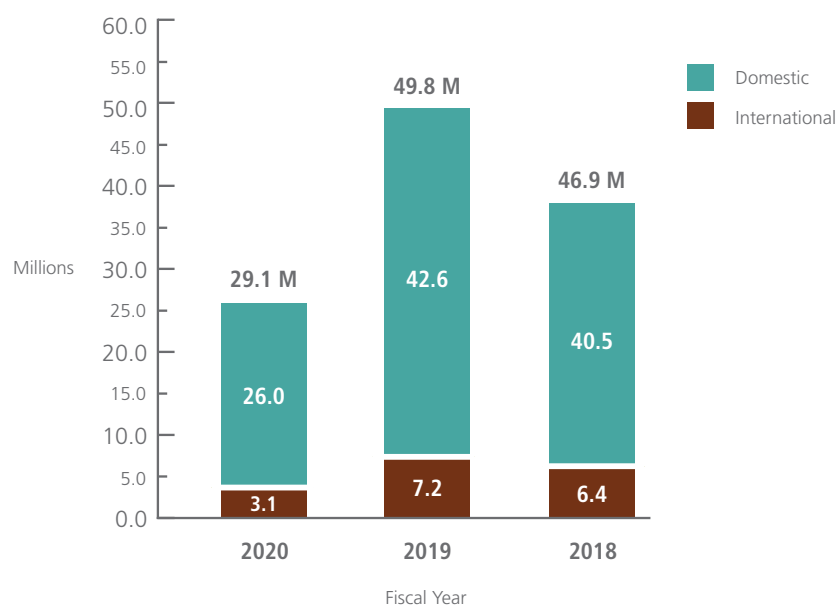
	2020	2019	2018
Enplaned Passengers	14,538,126	24,846,842	23,382,273
Operations	242,368	340,530	325,108

Total passengers served by Orlando International Airport during fiscal year 2020 decreased by approximately 20.7 million from 49.8 million to 29.1 million. This follows an increase of approximately 2.9 million total passengers during fiscal year 2019 from 46.9 million to 49.8 million. The Authority continues to monitor changes in passenger levels, making adjustments when necessary to accommodate the demands on the airport facilities.

The following graph represents total passenger activity at Orlando International Airport for the fiscal years ended September 30:

TOTAL PASSENGERS

Fiscal Years Ended September 30, 2018-2020



Financial Highlights

PARTICIPATING AIRLINE REVENUES

Effective November 1, 2013, the Authority began operating under a Resolution Relating to Airline Rates and Charges and Airline Operating Terms and Conditions for the Use of Facilities and Services at Orlando International Airport, adopted by the Authority Board on October 16, 2013, amended, and restated as of August 10, 2016, and a second amendment and restatement as of August 28, 2019 (the Resolution). The Resolution, which has no expiration date, provides for a compensatory rate-setting methodology for use of the terminal facilities, including certain activity-based charges for use of the baggage system, and a residual ratemaking methodology to establish landing fees for use of the airfield. Any airline may commit to use certain terminal space on an exclusive or preferential basis and, as a result, pay a fixed monthly charge for such space. Otherwise, airlines pay for terminal space assigned by the Authority on a per-use basis.

Effective October 1, 2016, airlines had the option to sign a Rate and Revenue Sharing Agreement (Rate Agreement), whereby the airline affirmatively agreed to the Resolution and the rate-setting methodology therein, and further agreed not to challenge the rates and charges calculated under the Resolution's rate-setting methodology through any judicial or regulatory process throughout the term of the agreement, which expired on September 30, 2019. The Authority entered into a new five-year rate agreement with Participating Airlines effective October 1, 2019. Airlines that sign and comply with the terms of a Rate Agreement with the Authority are entitled to share in certain revenues remaining after the payment of all Authority debt service and operating expenses, including fund deposit requirements (Net Remaining Revenue). The Authority receives the first \$55 million of Net Remaining Revenues for FY 2020 – FY 2025, with Participating Airlines sharing in a pool of the next \$10 million, and then 50% of remaining revenues.

Under the previous Rate Agreement effective for fiscal years 2018 and 2019, the Authority receives the first \$65 million of Net Remaining Revenues, with Participating Airlines sharing in a pool of 65% of all Net Remaining Revenues in excess of the first \$65 million up to \$40 million for FY 2018, and \$58 million for FY 2019, 100% of the next \$10 million of remaining revenues and then 65% of all remaining revenues.

The Authority received revenues from Participating Airlines of \$152.3 million, \$177.8 million and \$162.1 million for fiscal years 2020, 2019 and 2018 respectively, which represented approximately 35%, 31% and 31% of total operating revenue. The Authority's total revenues decreased in fiscal year 2020 primarily due to the COVID-19 pandemic and imposed travel restrictions associated with the pandemic. Those results are as follows:

TOTAL REVENUES (IN THOUSANDS)

	2020	2019	2018
Total Operating Revenues	\$ 438,011	\$ 581,964	\$ 537,476
Total Nonoperating Revenues	146,096	176,846	205,671
Total Revenues	\$ 584,107	\$ 758,810	\$ 743,147

Operating Revenues

Because of the reduction in passenger traffic due to COVID-19, many of the in-terminal concessions temporarily closed or reduced their hours beginning in March 2020, and slowly started to re-open over the remainder of the fiscal year. Overall, the operating revenues of the Authority decreased \$144.0 million in fiscal year 2020, or (24.7%) from the previous year, Participating Airline Revenue decreased \$25.6 million or (14.4%), and Nonparticipating Airline Revenue decreased \$21.8 million or (50.5%). Overall, Concession Revenues decreased \$22.4 million or (26.4%). Food and Beverage and General Merchandise combined revenues decreased \$17.7 million or (33.3%) while Service Concession and Other Terminal Area Revenues decreased \$4.8 million or (14.9%). Ground Transportation revenues decreased \$57.3 million or (28.6%) while Hotel revenues decreased \$14.9 million or (35.8%). Rail Station Revenue remained relatively flat for FY 2020.

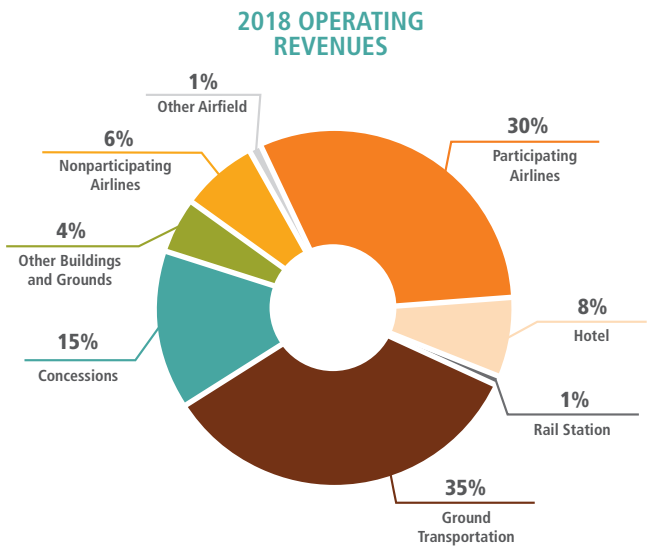
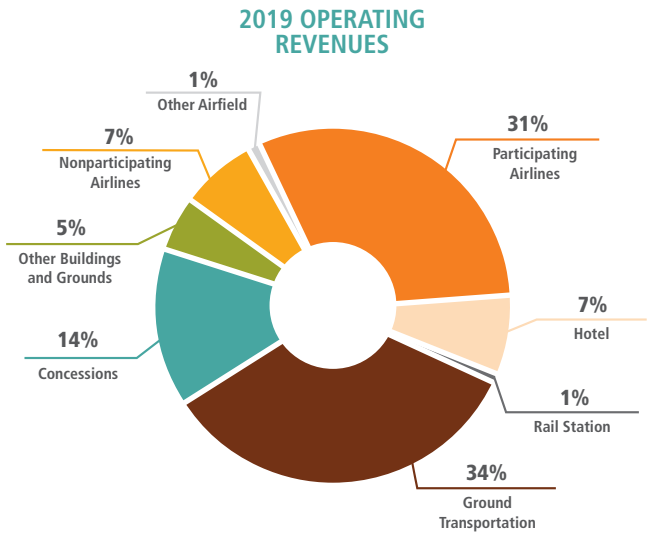
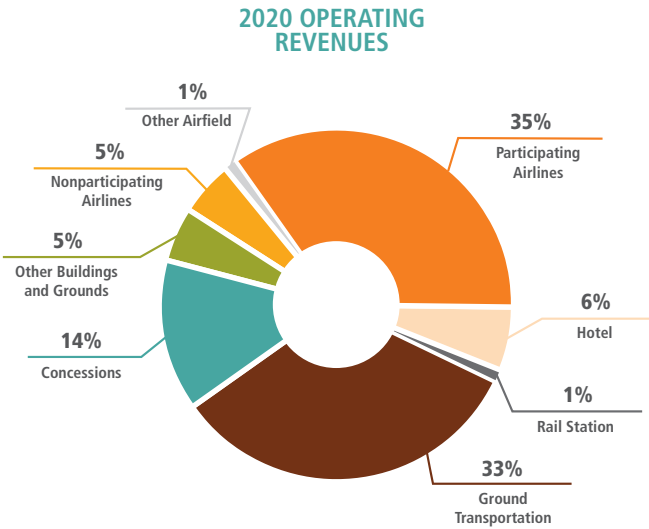
In August 2020 the Authority Board approved supplemental relief in the amount of \$47.6 million for certain In-Terminal Concessions and Rental Automobile Companies (RACs). The resolution approved the waiver of 50% of the minimum annual guarantee for October 2020 through March 2021. The resolution also provided for a deferral of the August and September 2020 minimum annual guarantee, which is convertible to a waiver upon timely payment of the minimum annual guarantees through March 2021.

For fiscal year 2019, the operating revenues of the Authority increased \$44.4 million or 8.3% from the 2018 due to greater airline revenues, parking revenues and concessions revenues. Participating Airline Revenue increased \$15.8 million or 9.7% as a result of an increase in terminal area rents and landing fees, as well as an increase in passengers that contributed to an increase in baggage fees. Non-Participating Airline Revenue increased \$9.1 million or 26.6% due in large part to an increase in federal inspection station and facilities fees, and baggage system revenue consistent with the increase in passengers. Overall Concession Revenues increased \$5.1 million or 6.3%. Food and Beverage and General Merchandise combined revenues increased \$2.8 million or 5.5% while Service Concession and Other Terminal Area Revenues increased \$2.3 million or 7.64%. Ground Transportation revenues increased \$12.5 million or 6.7% primarily due to an increase in parking revenue. Hotel revenues decreased \$1.1 million primarily due to the room renovation making fewer rooms available for occupancy. Rail Station Revenue increased slightly by \$0.5 million due to a full year of rent in fiscal year 2019.

OPERATING REVENUES BY MAJOR SOURCE (IN THOUSANDS)

	2020	2019	2018
Participating Airlines			
Landing Fees	\$ 43,803	\$ 46,979	\$ 35,773
Terminal Area Rents	64,976	70,761	67,837
Other Participating Revenue	43,491	60,099	58,479
Participating Airline Revenues	152,270	177,839	162,089
Nonparticipating Airlines			
Landing Fees	6,344	7,050	5,058
Terminal Area Rents	914	1,128	1,092
Other Nonparticipating Revenue	14,135	35,064	28,015
Nonparticipating Airline Revenues	21,393	43,242	34,165
Other Airfield Revenues	1,695	2,459	2,616
Concession			
General Merchandise	13,911	21,513	21,332
Food and Beverage	21,489	31,553	28,953
Services	13,306	16,963	14,444
Other Terminal Area	14,036	15,158	15,398
Concession Revenues	62,742	85,187	80,127
Ground Transportation			
Rental Car (RAC)	81,889	101,269	98,655
Parking Facilities	47,896	77,237	69,122
Other Ground Transportation	13,349	21,971	20,197
Ground Transportation Revenues	143,134	200,477	187,974
Other Buildings and Grounds	25,612	26,696	23,800
Hotel	26,816	41,753	42,850
Rail Station	4,349	4,311	3,855
Total Operating Revenues	\$ 438,011	\$ 581,964	\$ 537,476

The following charts show major sources and the percentage of operating revenues for the years ended September 30, 2020, 2019 and 2018:



Nonoperating Revenues

Nonoperating revenues consist of Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), investment income, and other nonoperating revenue. PFC revenues were \$52.3 million in fiscal year 2020, \$98.4 million in fiscal year 2019, and \$91.6 million in fiscal year 2018. The decrease in PFC revenues in fiscal year 2020 compared to 2019 is a direct effect of the decrease in passenger enplanements. The Authority approved the collection of CFCs effective October 1, 2008. Certain Rental Automobile Companies agreed to assess and collect CFCs to pay for a portion of the costs and expenses of financing, designing, constructing, operating, relocating and maintaining the CFC Ground Transportation Project. Revenue related to the collection of CFCs amounted to \$25.1 million during fiscal year 2020, \$43.8 million during fiscal year 2019, and \$44.8 million during fiscal year 2018. Effective October 1, 2017 the CFC collection rate increased from \$2.50 to \$3.50 and the use of funds was expanded.

Investment income was \$15.3 million in fiscal year 2020, \$22.5 million in fiscal year 2019, and \$15.0 million in fiscal year 2018. Investment fair value adjustment was \$7.6 million for fiscal year 2020, \$8.6 million for fiscal year 2019 and \$(4.9) million for fiscal year 2018. The fair value adjustment reflects the unrealized gain or loss if the investment is sold prior to maturity. Since the Authority typically holds investments to maturity, these unrealized gains and losses would not be realized. The increase in other nonoperating revenues in fiscal years 2020 and 2018 is due to land sales of various properties no longer needed for aviation purposes, in fiscal year 2020 with a net gain of approximately \$43.0 million, and in fiscal year 2018 with a net gain of approximately \$58.0 million.

Operating Expenses

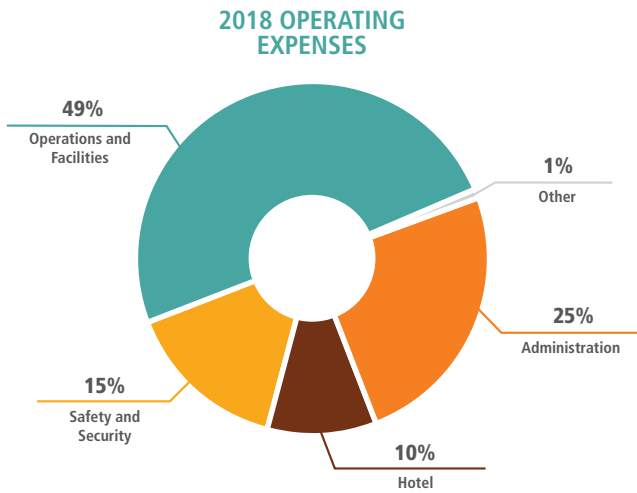
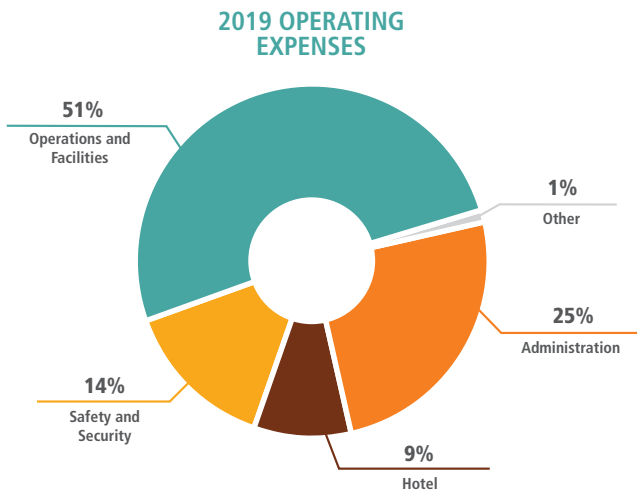
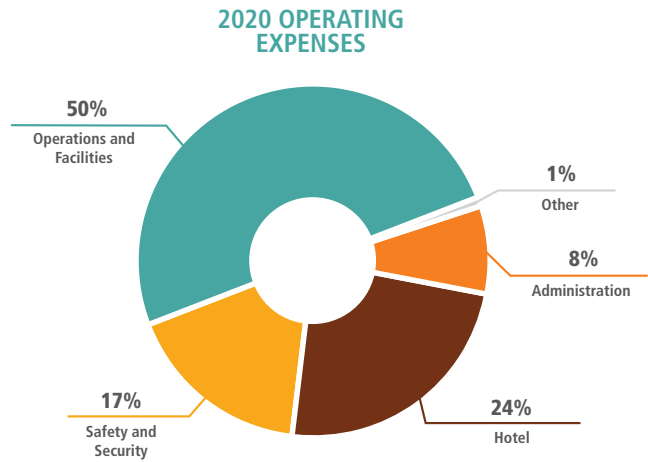
Due to the uncertainty of the COVID-19 pandemic, the Authority took immediate action to reduce costs and implemented strict budget monitoring procedures that continues to be in place for fiscal year 2021. The Authority instituted a hiring freeze effective March 2020, deferred approximately \$28.6 million of renewal and replacement projects, stopped work on all nonessential consultant and contractor projections and worked with vendors to reduce labor hours where appropriate and to waive contract renewal escalators. Due to these cost-cutting measures, Operating Expenses Before Depreciation decreased \$46.6 million or (14.1%) from fiscal year 2019 to 2020.

Fiscal year 2019 Operating Expenses Before Depreciation increased \$24.8 million or 8.1% over fiscal year 2018. Operations and facilities expenses increased primarily due to an increase in maintenance contracts for the baggage handling systems, passenger boarding bridges and maintenance for the automated people mover. Administration expenses increased primarily from other promotional activities due to the increased participation in the Air Service Incentive Plan.

OPERATING EXPENSES (IN THOUSANDS)

	2020	2019	2018
Operations and Facilities	\$ 143,787	\$ 168,023	\$ 150,372
Safety and Security	49,210	49,479	45,465
Administration	69,344	81,341	76,769
Hotel	21,969	29,880	29,967
Other	3,208	1,964	3,270
Total Operating Expenses Before Depreciation	287,518	330,687	305,843
Depreciation	190,890	183,147	165,527
Total Operating Expenses	\$ 478,408	\$ 513,834	\$ 471,370

The following charts show major cost centers and the percentage of operating expenses (excluding depreciation) for the years ended September 30, 2020, 2019, and 2018:



Nonoperating Expenses

Nonoperating expenses consist of interest expense and Participating Airline net revenue sharing required by the Rate and Revenue Sharing Agreement. Interest expense amounted to \$35.3 million in fiscal year 2020, \$33.9 million in fiscal year 2019 and \$35.5 million in fiscal year 2018. Participating Airline net revenue sharing was \$25.6 million for fiscal year 2020, \$77.1 million for fiscal year 2019, and \$57.7 million for fiscal year 2018. The Participating Airline revenue share decreased by (66.8%) for fiscal year 2020 compared to 2019 and increased 33.7% for fiscal year 2019 over 2018.

TOTAL EXPENSES (IN THOUSANDS)

	2020	2019	2018
Total Operating Expenses	\$ 478,408	\$ 513,834	\$ 471,370
Total Nonoperating Expenses	60,857	111,025	93,170
Total Expenses	\$ 539,265	\$ 624,859	\$ 564,540

Capital Contributions

Capital contributions received from the federal and state governments and others amounted to \$87.2 million for fiscal year 2020, \$36.7 million for fiscal year 2019 and \$59.4 million during fiscal year 2018. Funding received on major projects including Airfield Rehabilitation, South Terminal Phase C, and the Baggage System, for fiscal year 2020, 2019 and 2018 are as follows:

CAPITAL CONTRIBUTIONS (IN MILLIONS)

	2020	2019	2018
Florida Department of Transportation	\$ 52.2	\$ 11.5	\$ 35.7
Federal Aviation Administration	26.6	19.5	17.3
Transportation and Security Administration	5.1	5.7	6.4
Other	3.3	-	-
Total Capital Contributions	\$ 87.2	\$ 36.7	\$ 59.4

The changes in net position for the fiscal years ended September 30, 2020, 2019 and 2018 are as follows:

CHANGES IN NET POSITION (IN THOUSANDS)

	2020	2019	2018
Operating Revenues	\$ 438,011	\$ 581,964	\$ 537,476
Operating Expenses	478,408	513,834	471,370
Operating Income/(Loss)	(40,397)	68,130	66,106
Net Nonoperating Revenues (Expenses)	85,239	65,821	112,501
Income Before Capital Contributions	44,842	133,951	178,607
Capital Contributions	87,185	36,747	59,437
Increase in Net Position	132,027	170,698	238,044
Beginning Net Position	2,698,995	2,528,297	2,290,253
Ending Net Position	\$ 2,831,022	\$ 2,698,995	\$ 2,528,297

Financial Position

The Statement of Net Position presents the financial position of the Authority at the end of the fiscal year. The statement includes all assets, deferred outflows, liabilities and deferred inflows of the Authority. Net position is the difference between total assets and deferrals and total liabilities, and is an indicator of the current fiscal health of the Authority. During fiscal year 2020, Total Net Position increased by approximately \$132.0 million, or 4.89% over fiscal year 2019. During fiscal year 2019, Total Net Position increased by approximately \$170.7 million, or 6.8% over fiscal year 2018.

The following is a summarized comparison of the Authority's assets, deferred outflows, liabilities, deferred inflows and net position at September 30:

CONDENSED STATEMENT OF NET POSITION (IN THOUSANDS)

	2020	2019	2018
Assets:			
Current Assets	\$ 601,729	\$ 670,467	\$ 548,128
Other Assets	1,688,666	1,415,506	1,515,871
Capital Assets	4,434,729	3,570,045	3,021,370
Total Assets	6,725,124	5,656,018	5,085,369
Deferred Outflows of Resources	21,070	24,044	28,925
Liabilities:			
Current	439,111	468,757	397,666
Noncurrent Liabilities	3,470,858	2,497,480	2,177,121
Total Liabilities	3,909,969	2,966,237	2,574,787
Deferred Inflows of Resources	5,203	14,830	11,210
Net Position:			
Net Investment in Capital Assets	1,540,116	1,392,214	1,325,599
Restricted	942,538	981,927	903,869
Unrestricted	348,368	324,854	298,829
Total Net Position	\$ 2,831,022	\$ 2,698,995	\$ 2,528,297

The majority of the Authority's net position at September 30, 2020 represents its investment in capital assets less the related indebtedness outstanding used to acquire those capital assets. The Authority uses these capital assets to provide services to the airlines and to its passengers and visitors to the airports; consequently, these assets are not available for future spending. The Authority's investment in its capital assets is reported net of related debt. The resources required to repay this debt must be provided annually from operations since it is unlikely that the capital assets themselves will be liquidated to pay the liabilities.

Net position restricted for debt service and capital acquisitions at September 30, 2020 represents funds subject to external restrictions under the Authority's Bond Resolution, PFCs restricted by federal regulations, and CFCs restricted by the Third Amended and Restated Resolution of the Greater Orlando Aviation Authority Authorizing the Collection of a Customer Facility Charge as adopted on June 21, 2017. Restricted assets necessary to meet current obligations are classified as current assets on the Statement of Net Position. Restricted Assets are restricted for disbursements in the acquisition or construction of non-current assets, or are segregated for the liquidation of long-term debts, are classified as non-current assets. The unrestricted portion of net position, \$348,308 million on September 30, 2020, may be used to meet the Authority's ongoing obligations.

Airline Rates and Charges

Effective November 1, 2013, the Authority began operating under a Resolution Relating to Airline Rates and Charges and Airline Operating Terms and Conditions for the Use of Facilities and Services at Orlando International Airport, adopted by the Authority Board on October 16, 2013 and amended and restated as of August 10, 2016, and second amendment and restatement as of August 28, 2019 (the Resolution). In the chart below, the actual landing fees and average terminal rental rate are shown for fiscal years 2018 through 2020. See the Airline Rates by Resolution (Note 17) for additional information.

AIRLINE RATES AND CHARGES

	Rates Effective for FY 2020	Rates Effective for FY 2019	Rates Effective for FY 2018
Terminal Average Square Foot Rate	\$ 120.20	\$ 136.14	\$ 135.58
Landing Fee – per 1,000 lbs. Unit (gross)	2.5701	1.9497	1.5686
Cargo Landing Fee – per 1,000 lbs. Unit	2.5701	1.9497	1.5686

Passenger Facility Charges

As part of the Safety and Capacity Expansion Act of 1990, the Authority received approval from the Federal Aviation Administration (FAA) to impose a PFC per eligible enplaned passenger at Orlando International Airport and has imposed the PFC since February 1993. For fiscal year 2020, the Authority collected PFCs at \$4.50. PFCs may be used to pay either eligible capital improvements or debt service on bonds issued to finance projects eligible for PFC funding. Through September 2020, the Authority has approved applications to impose PFCs of approximately \$5.0 billion to fund project costs of various airport improvements. PFC collections to date (including investment earnings) are \$1.6 billion. Expenditures on PFC-approved projects and debt service to date are \$1.3 billion.

Capital Acquisitions and Construction Activities

During fiscal year 2020, 2019 and 2018, the Authority expended \$1.0 billion, \$721.0 million and \$509.0 million respectively on capital projects. For fiscal year 2020 this included \$26.6 million funded by FAA contributions; \$52.1 million funded by Florida Department of Transportation (FDOT); \$5.1 million funded by the Transportation and Security Administration (TSA) and \$56.8 million funded by CFCs. The balance was paid from tenant and other Authority funds, including bonds and PFCs. See the Schedule of Expenditures of Federal Awards and State Financial Assistance in the Compliance section for additional information regarding grant expenditures.

Major projects under construction and the amounts expended during fiscal years 2020, 2019 and 2018 are as follows (in millions):

PROJECTS UNDER CONSTRUCTION (IN MILLIONS)

	2020	2019	2018
South Terminal C	\$ 955.90	\$ 605.00	\$ 279.00
Airfield Rehabilitation	34.30	28.10	17.20
North Security Checkpoint	15.10	16.00	3.30
South Terminal Trailers	8.90	-	-
Garage Canopy System	5.80	-	-
ORL Airfield Improvements	4.50	0.50	1.60
Central Plant Improvements	2.60	-	-
Fencing	2.60	1.20	-
RAC Quick Turnaround Facility	2.20	2.30	2.20
Equipment and Vehicles	2.10	3.20	0.60
Garage Lighting	1.80	-	-
Rail Infrastructure/Land Improvements	1.70	0.80	-
Ticket Lobby Improvements	1.30	6.10	39.60
Airside 2 & 4 APM	1.20	0.40	0.20
Baggage System Improvements	2.40	2.80	11.50
Parking Lots	0.90	0.60	5.60
Closed Circuit TV	0.80	-	2.40
Hotel Renovations & Infrastructure Improvements	0.60	8.10	12.90
Airside 1 & 3 Automated People Movers	0.40	4.00	17.00
Airside 4 Security & Operational Improvements	0.40	2.40	3.30
RAC Storage Facility	0.30	21.00	2.70
Airside 4 Renovation	0.30	9.80	40.50
South Airport Automated People Mover Complex – System	0.30	0.80	6.40
Fiber Optics Duct Bank	0.10	1.60	0.50
South Airport Automated People Mover Complex – Station	0.10	0.70	5.50
South Airport Automated People Mover Complex – Parking	0.10	0.60	7.20
Intermodal Terminal Facility	-	-	19.10
South Airport Automated People Mover Complex – Master Site/Civil	-	-	3.40
South Airport Automated People Mover Complex – Guideway	-	-	1.40
Hangar Blvd Sanitary Sewer	-	-	1.10
Roadway & Pavement	-	0.90	8.30
North Terminal Building System Replacement	-	0.30	3.30
South Airport Automated People Mover Complex – Roadways	-	0.30	2.80
HVAC Rehabilitation	-	0.10	3.20
Other Projects (<\$1.0 million in 2020, 2019 and 2018)	3.00	3.40	7.20
Total	\$ 1,049.7	\$ 721.0	\$ 509.0

Major projects completed and the amounts transferred to fixed assets during the fiscal years 2019 and 2018 are as follows (in millions):

PROJECTS COMPLETED (IN MILLIONS)

	2020	2019	2018
North Terminal Security Checkpoint	\$ 23.3	\$ 0.1	\$ -
Airfield Rehabilitation	9.8	38.8	0.5
ORL Airfield Improvements	5.0	1.0	1.2
South Terminal Trailers	3.9	-	-
Central Plant Improvements	2.8	0.3	-
North Terminal Communication Room Enhancements	2.7	-	-
Ticket Lobby Improvements	2.1	4.3	80.1
Baggage System Improvements	1.7	2.2	69.8
Rail Infrastructure/Land Improvement	1.0	4.9	-
Garage Fire Alarm Upgrade	1.0	-	-
Hotel	0.9	20.2	0.9
Fiber Optics Duct Bank	0.8	3.8	-
Closed Circuit TV	0.8	0.2	3.7
Airside 1 & 3 Automated People Movers	0.4	4.4	34.3
Parking Lots	0.3	3.7	4.1
Electrical and Lighting Rehabilitation	0.2	-	2.0
Airside 4 Security & Operational Improvements	0.1	8.9	-
Roadway & Pavement	0.1	1.7	8.5
South Airport Automated People Mover Complex – Parking	0.1	0.7	108.1
South Airport Automated People Mover Complex – Roadway	0.1	0.2	57.6
South Airport Automated People Mover Complex – Guideway	-	-	28.3
Hanger Blvd Sanitary Sewer	-	-	4.7
Airside 4 Improvements	-	11.1	78.4
North Terminal Building System Replacement	-	4.7	-
South Airport Automated People Mover Complex – System	-	1.2	87.6
South Airport Automated People Mover Complex – Station	-	0.8	80.7
HVAC Rehabilitation	-	0.4	10.8
Intermodal Terminal Facility	-	0.3	215.0
South Airport Automated People Mover Complex – Master Site/Civil	-	0.1	50.1
Other Projects (< \$1.0 million in 2019 and 2018)	10.5	1.5	6.8
Total	\$ 67.6	\$ 115.5	\$ 933.2

More detailed information about the Authority's capital assets is presented in Note 6 to the financial statements.

Debt Activities

The Authority has outstanding revenue bonds that are secured by a pledge of and lien on Revenues and Net Revenues as defined in the Bond Resolution. This senior indebtedness is expressly senior and superior to the pledge and lien securing subordinated indebtedness and secondary subordinated indebtedness.

On September 16, 2015, the Aviation Authority Board approved Amendments to the senior bond resolution (Consent Amendments). The primary goals of the amendments were to modernize the Bond Resolution and provide greater flexibility for the Authority in financing and refinancing its debt-financed capital projects. The amendments include, but are not limited to, substantive changes to certain definitions, the additional bonds test, the flow of funds, the rate covenant, the process for adopting supplemental resolutions, the amendment and bondholder consent process, various covenants, treatment and release of certain revenues. These amendments became effective May 1, 2017, when the Authority received all required consents, including positive consent from 51% of the outstanding bondholders. These amendments made changes to the then-existing bond resolution creating a Secondary Subordinated Indebtedness lien category and allowing available PFC Revenues to be used to offset PFC debt service when calculating debt service coverage. Pursuant to the Amended and Restated Bond Resolution, the revisions regarding PFC offset and rate covenant shall be operative for the entire fiscal year in which the effective date of the Consent Amendments occur. Accordingly, those changes are reflected in the notes to the financial statements and statistical information provided herein.

Senior Indebtedness

Pursuant to the Bond Resolution, the Authority has issued various series of Airport Facilities Revenue Bonds to finance additions and improvements at the airport. The aggregate principal amount of such senior bonds outstanding as of September 30, 2020 and 2019 was \$1.9 billion and \$0.9 billion respectively.

Senior Indebtedness - On October 3, 2019, the Authority issued \$1.1 billion in Airport Facilities Revenue Bonds, Series 2019A (AMT) (the Series 2019A Bonds) with a true interest cost of 3.26%. The Series 2019A Bonds were issued for the purpose of providing funds to finance costs of a portion of the South Terminal Complex, fund certain capital projects in the North Terminal Complex, fund other capital improvements, fund a deposit to the Composite Reserve Subaccount of the Debt Service Reserve account, pay capitalized interest, pay the line of credit draws and accrued interest totaling \$323.8 million, and certain costs of issuance. The average life of the Series 2019A Bonds is 18.59 years.

Priority Subordinated Indebtedness

Priority subordinated indebtedness as defined in the Master Indenture of Trust consists of Priority Subordinate Obligations and the Florida Department of Transportation Indebtedness. As of September 30, 2020 and 2019, the aggregate principal amount of priority subordinated indebtedness was \$1.0 billion.

Secondary Subordinated Indebtedness

Lines of Credit - The Authority uses the lines of credit as a source of interim financing for capital projects in anticipation of issuance of long-term bonds and or receipt of grants and PFCs, CFCs, and or other permanent funding sources. As of September 30, 2020 and 2019, the Authority had established lines of credit with Wells Fargo, Bank of America and PNC Bank, with total outstanding balances of \$125.8 million and \$333.3 million respectively on the lines of credit. See the Noncurrent Liabilities Note 11 for additional information.

According to the Revolving Credit Agreements between the Greater Orlando Aviation Authority and Line of Credit provider banks, the banks agreed that upon the effective date of the September 16, 2015 Amended and Restated Bond Resolution, the Lines of Credit shall automatically become Secondary Subordinated Indebtedness. Accordingly, the Line of Credit became Secondary Subordinated Indebtedness effective May 1, 2017.

Special Purpose Facilities Bonds

On March 29, 2018, the Authority issued \$160 million in Taxable Revenue Note (CFC Ground Transportation Project), Series 2018 (the Series 2018 Note) with an interest rate of 3.48%. This debt is structured as a drawdown note, with the full amount to be drawn by October 1, 2019. The Series 2018 Note was issued for the purpose of paying or reimbursing the Authority for a portion of the costs and expenses of financing, designing, constructing, operating, relocating and maintaining the CFC Ground Transportation Project, funding all or a portion of the CFC Stabilization Fund Requirement, and certain costs of issuance. The average life of the Series 2018 Note is 9.01 years. As of September 30, 2020 and 2019, the Authority had an outstanding balance of \$150.6 million and \$160.0 million on this note.

Debt Service Coverage

Airport revenue bond covenants require that revenue available to pay debt service, as defined in the Bond Resolution, be equal to or greater than 1.25 times the debt service on the senior lien airport revenue bonds and 1.00 times the debt service on subordinated bonds. Further, the Master Subordinate Indenture of Trust, provides that the coverage requirement will be equal to or greater than 1.10 times the debt service on Priority Subordinated Obligations. Coverage ratios for the past three years are shown in the following table:

COVERAGE RATIOS

	2020	2019	2018
Senior Lien Debt	3.73	2.95	3.33
Priority Subordinate Obligations	15.69	25.62	29.38
All Indebtedness	3.18	2.74	3.08

More detailed information about the Authority's Noncurrent Liabilities is presented in Note 11 to the financial statements.

Request For Information

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any information provided in this report or request for additional information should be addressed to the Chief Financial Officer, Greater Orlando Aviation Authority, One Jeff Fuqua Boulevard, Orlando, FL 32827-4392.



Kathleen M. Sharman
Chief Financial Officer



Marie Dennis
Director of Finance



GREATER ORLANDO
AVIATION AUTHORITY
Orlando, Florida



BASIC FINANCIAL STATEMENTS

These basic financial statements provide a summary of the financial position and operating results of the Authority that consists of two airports, Orlando International Airport and Orlando Executive Airport. They also serve as an introduction to the more detailed financial statements and supplemental schedules that are in the following subsections.



GREATER ORLANDO
AVIATION AUTHORITY
Orlando, Florida

GREATER ORLANDO AVIATION AUTHORITY
COMBINED STATEMENTS OF NET POSITION
As of September 30, 2020 and 2019
(in thousands)

ASSETS AND DEFERRALS	2020	2019
Current Assets		
Cash and cash equivalents	\$ 202,895	\$ 333,494
Restricted cash and cash equivalents	352,517	299,577
Accounts receivable, less allowance for uncollectibles of \$536 and \$144	37,807	24,264
Investments	501	4,000
Interest receivable	562	675
Due from other governmental agencies	1,333	1,111
Prepaid expenses and inventory	6,114	7,346
Total current assets	<u>601,729</u>	<u>670,467</u>
Noncurrent Assets		
Restricted assets		
Cash and cash equivalents	564,841	1,030,980
Accounts receivable	4,870	13,290
Investments	895,284	251,745
Interest receivable	3,421	3,128
Due from other governmental agencies	60,299	23,150
Prepaid expenses	13,209	10,204
Total restricted assets	<u>1,541,924</u>	<u>1,332,497</u>
Unrestricted assets		
Investments	<u>146,742</u>	<u>83,009</u>
Total unrestricted assets	<u>146,742</u>	<u>83,009</u>
Capital assets, net of accumulated depreciation		
Property and equipment	2,115,510	2,203,819
Property held for lease	219,290	248,388
Construction in progress	2,099,929	1,117,838
Total capital assets, net of accumulated depreciation	<u>4,434,729</u>	<u>3,570,045</u>
Total noncurrent assets	<u>6,123,395</u>	<u>4,985,551</u>
Total assets	<u>6,725,124</u>	<u>5,656,018</u>
Deferred outflows of resources	<u>\$ 21,070</u>	<u>\$ 24,044</u>

See accompanying notes to basic financial statements

GREATER ORLANDO AVIATION AUTHORITY
COMBINED STATEMENTS OF NET POSITION
As of September 30, 2020 and 2019
(in thousands)

LIABILITIES, DEFERRALS, AND NET POSITION	2020	2019
Current Liabilities		
Accounts payable and accrued liabilities	\$ 25,741	\$ 38,341
Unearned revenue	16,951	17,460
Deposits	12,782	8,396
Advance rent from tenants, current	5,560	12,583
Due to other governmental agencies	1,246	1,731
Accrued airline revenue sharing	24,314	90,669
Payable from restricted assets		
Accrued interest	68,816	44,209
Accounts payable and accrued liabilities	194,597	142,278
Revenue bonds payable, current	89,104	104,522
FDOT indebtedness, current	-	8,568
Total current liabilities	<u>439,111</u>	<u>468,757</u>
Noncurrent Liabilities		
Revenue bonds payable, long-term	3,258,241	2,088,706
FDOT indebtedness, long-term	50,241	50,241
Line of credit, long-term	125,794	333,270
Net pension liability	29,603	20,071
Net OPEB liability	3,551	2,139
Advance rent from tenants, long-term	688	792
Other long-term liabilities	2,740	2,261
Total noncurrent liabilities	<u>3,470,858</u>	<u>2,497,480</u>
Total liabilities	<u>3,909,969</u>	<u>2,966,237</u>
Deferred inflows of resources	<u>5,203</u>	<u>14,830</u>
Net Position		
Net investment in capital assets	1,540,116	1,392,214
Restricted for		
Debt service	241,352	215,024
Capital acquisitions and construction	701,186	766,903
Unrestricted	<u>348,368</u>	<u>324,854</u>
Total Net Position	<u>\$ 2,831,022</u>	<u>\$ 2,698,995</u>

See accompanying notes to basic financial statements

GREATER ORLANDO AVIATION AUTHORITY
 COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 For the Years Ended September 30, 2020 and 2019
 (in thousands)

	2020	2019
Operating Revenues		
Airfield area	\$ 56,264	\$ 61,442
Terminal area	182,143	247,285
Ground transportation	143,134	200,477
Other buildings and grounds	25,305	26,696
Hotel	26,816	41,753
Rail station	4,349	4,311
Total operating revenues	<u>438,011</u>	<u>581,964</u>
Operating Expenses		
Operations and facilities	143,787	168,023
Safety and security	49,210	49,479
Administration	69,344	81,341
Hotel	21,969	29,880
Other	3,208	1,964
Total operating expenses before depreciation	<u>287,518</u>	<u>330,687</u>
Operating income before depreciation	150,493	251,277
Depreciation	<u>(190,890)</u>	<u>(183,147)</u>
Operating (loss) income	(40,397)	68,130
Nonoperating Revenues (Expenses)		
Investment income	15,326	22,505
Net increase in the fair value of investments	7,567	8,579
Interest expense	(35,282)	(33,914)
Participating Airline net revenue sharing	(25,575)	(77,111)
Passenger facility charges	52,308	98,415
Customer facility charges	25,136	43,804
Federal and state grants	811	(692)
Other	44,948	4,235
Income before capital contributions	<u>44,842</u>	<u>133,951</u>
Capital Contributions	<u>87,185</u>	<u>36,747</u>
Increase in net position	132,027	170,698
Total Net Position, Beginning of Year	2,698,995	2,528,297
Total Net Position, End of Year	<u><u>\$ 2,831,022</u></u>	<u><u>\$ 2,698,995</u></u>

See accompanying notes to basic financial statements

GREATER ORLANDO AVIATION AUTHORITY
 COMBINED STATEMENTS OF CASH FLOWS
 For the Years Ended September 30, 2020 and 2019
 (in thousands)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Cash received from customers, tenants and governmental agencies	\$ 420,071	\$ 602,542
Cash paid to suppliers and governmental agencies	(215,857)	(251,198)
Cash paid to employees for services	(77,545)	(74,925)
Cash paid to airlines	(90,669)	(69,409)
Other operating cash receipts	1,447	4,194
Net cash provided by operating activities	<u>37,447</u>	<u>211,204</u>
Cash flows from noncapital financing activities		
Operating grants	4,970	(12,011)
Net cash provided by (used for) noncapital financing activities	<u>4,970</u>	<u>(12,011)</u>
Cash flows from capital and related financing activities		
Proceeds from issuance of bonds	1,324,700	146,396
Proceeds from FDOT indebtedness	(8,568)	2,523
Proceeds from line of credit	115,129	337,856
Passenger facility charges	58,365	101,700
Customer facility charges	27,378	44,889
Principal payments - bonds and line of credit	(473,112)	(135,097)
Bond issuance costs	(5,636)	-
Interest paid	(113,103)	(90,775)
Proceeds from sale of assets	47,603	86
Acquisition and construction of capital assets	(941,002)	(683,518)
Capital contributed by federal, state and other agencies	43,827	55,498
Net cash provided by (used for) capital and related financing activities	<u>75,581</u>	<u>(220,442)</u>
Cash flows from investing activities		
Purchase of investments	(1,608,706)	(83,124)
Proceeds from sale and maturity of investments	912,500	628,786
Interest received	34,410	40,275
Net cash (used for) provided by investing activities	<u>(661,796)</u>	<u>585,937</u>
Net (decrease) increase in cash and cash equivalents	(543,798)	564,688
Cash and Cash Equivalents, Beginning of Year	1,664,051	1,099,363
Cash and Cash Equivalents, End of Year (1)	<u>\$ 1,120,253</u>	<u>\$ 1,664,051</u>
(1) Cash and Cash Equivalents - Unrestricted Assets	\$ 202,895	\$ 333,494
Cash and Cash Equivalents - Restricted Assets - Current	352,517	299,577
Cash and Cash Equivalents - Restricted Assets - Noncurrent	564,841	1,030,980
	<u>\$ 1,120,253</u>	<u>\$ 1,664,051</u>

(continued)

GREATER ORLANDO AVIATION AUTHORITY
 COMBINED STATEMENTS OF CASH FLOWS
 For the Years Ended September 30, 2020 and 2019
 (in thousands)

	<u>2020</u>	<u>2019</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating (loss) income	<u>\$ (40,397)</u>	<u>\$ 68,130</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	190,890	183,147
Participating Airline net revenue sharing	(25,575)	(77,111)
Other income	1,447	4,194
(Increase) Decrease in operating assets:		
Accounts receivable	(13,543)	(898)
Due from other governmental agencies	438	264
Prepaid expenses	1,232	130
Deferred outflows of resources	1,434	2,857
Increase (Decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(10,185)	3,777
Due to other governmental agencies	(485)	(61)
Accrued airline revenue sharing	(66,355)	21,258
Unearned revenue	(509)	50
Deposits	4,386	807
Advanced rent from tenants	(7,127)	6,698
Net pension liability	9,532	(605)
Net OPEB liability	1,412	(4,791)
Other liabilities	479	(262)
Deferred inflows of resources	(9,627)	3,620
Total adjustments	<u>77,844</u>	<u>143,074</u>
Net cash provided by operating activities	<u>\$ 37,447</u>	<u>\$ 211,204</u>
Noncash Investing, Capital and Financing Activities		
Increase in fair value of investments	\$ 7,567	\$ 8,579
Capital contributions to/from other governments	\$ 43,358	\$ (18,751)
Capitalized interest	\$ 71,682	\$ 33,985
Amortization of bond premium/discount	\$ 20,076	\$ 9,786
Amortization of bond defeasement loss	\$ (1,540)	\$ (2,024)



NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Practices
2. Operation and Use Agreement – City of Orlando
3. Cash Deposits and Investments
4. Due from Other Governmental Agencies
5. Restricted Assets
6. Capital Assets
7. Lease and Concession Agreements
8. Pension Plans
9. Postemployment Benefits (Other than Pension Benefits)
10. Risk Management – Worker’s Compensation
11. Noncurrent Liabilities
12. Conduit Debt Obligations
13. Deferred Amount on Refunding of Bonds
14. Bond Issuance (Other than Refunding Issues)
15. Deferred Outflows and Inflows of Resources
16. Capital Contributions
17. Airline Rates by Resolution
18. Outstanding Contracts
19. Commitments and Contingencies
20. Environmental Liabilities
21. Subsequent Events

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

Organization and Purpose: The Greater Orlando Aviation Authority (Authority) was established by the Florida State Legislature pursuant to the Greater Orlando Aviation Authority Act, Chapter 57-1658, Special Laws of Florida, 1957, as amended. The Authority operates Orlando International Airport and Orlando Executive Airport. For reporting purposes, these airports are combined into a single enterprise fund.

Reporting Entity: In defining the Greater Orlando Aviation Authority for financial reporting purposes, management applied the requirements of Governmental Accounting Standards Board (GASB) Statements Number 14, *The Financial Reporting Entity* and GASB Statement Number 39, *Determining Whether Certain Organizations Are Component Units*. These statements establish the basis for defining the reporting entity and whether it is considered a component unit of another entity and whether other entities are component units. Based on these criteria, the reporting entity includes only the accounts of the Authority in the reporting entity. The Authority identified no potential component units to include in these basic financial statements nor identified any other entity that should include the Authority in its basic financial statements.

Basis of Presentation and Accounting: The Authority's financial statements are prepared using the flow of economic resources measurement focus using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred.

The principal operating revenues of the Authority are from sources such as airlines, concessions, rental cars and parking. Investment income, passenger and customer facility charges, federal and state operating grants and other revenues not related to the operations of the airport are considered nonoperating revenues. Operating expenses include the cost of airport and related facilities maintenance, administrative expenses, and depreciation on capital assets. Interest expense and Participating Airline net revenue sharing are considered nonoperating expenses.

Cash and Cash Equivalents: Demand deposits, certificates of deposits, cash on hand and repurchase agreements with an original maturity of three months or less from the date of purchase are considered cash and cash equivalents.

Accounts Receivables: Receivables are reported at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectible. The allowance for uncollectible accounts is based on an analysis of past due amounts that are not covered by security deposits, letters of credit or contract bonds. When continued collection activity results in receipts of amounts previously reserved, revenue is recognized in the period collected.

Investments: The Authority's investment policy is determined by the Finance Committee and approved by the Authority Board. Permitted investments are set within the policy and the Finance Committee appoints an Authorized Investment Officer. The Authorized Investment Officer submits a semi-annual report as of March 31 and September 30 to the Finance Committee summarizing the investment portfolio.

The Authority accounts for all investments, regardless of time to maturity or their acquisition date, at fair value on the statement of net position with unrealized gains and losses charged or credited to investment income. The Authority uses quoted market prices to determine these fair values.

Investments consist of commercial paper, corporate securities, local government investment pool, money market funds, and United States government and agency obligations.

Prepaid Expenses and Inventory: Prepaid expenses consist primarily of insurance, employee benefits and any other expenditures expected to benefit future periods. Inventory primarily consists of fuel, repairs and maintenance items and office supplies held for consumption and is valued using the average cost method.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

Noncurrent Assets:

- **Restricted Assets and Liabilities:** Assets restricted to specific purposes by legally enforceable requirements are segregated on the statement of net position. Requirements include: externally imposed requirements by creditors (such as through debt covenants), grantors or contributors; laws and regulations of other governments; and enabling legislation. The Authority's restricted assets are expendable. The Authority's policy is to determine on a case-by-case basis whether to spend restricted assets or unrestricted assets when both are available for the same purpose. Restricted assets necessary to meet current obligations that are payable from the restricted assets are classified as current assets on the statement of net position. Restricted assets that are restricted for disbursements in the acquisition or construction of noncurrent assets or that are segregated for the liquidation of long-term debts are classified as noncurrent assets.

Assets restricted for construction include funds available for the design and construction of capital improvements. Assets restricted for construction include cash, investments and receivables obtained from debt proceeds, grants, and Authority funds restricted by the bond indenture for construction purposes, customer facility charges and passenger facility charges. Assets restricted for debt service include cash and investments required to pay the interest payments, principal for annual bond payments, as well as payments due on the lines of credit. The restricted assets for debt service reserve include cash, investments and interest receivable totaling the maximum amount required by the bond indentures. The debt service reserve accounts are revalued each March 31 and September 30. Any amounts in excess of the debt service reserve requirements may be transferred to the Revenue Account to be used in accordance with the Revenue Account's purposes. If the debt service reserve account is undervalued, the Authority transfers funds into the account.

Restricted assets related to unspent debt proceeds were \$705.7 million and \$515.2 million for the fiscal year ended September 30, 2020 and 2019 respectively. These amounts are included on the Statement of Net Position as Net Position Restricted for Capital Acquisition and Construction. Net investment in capital assets consists of all capital assets, net of accumulated depreciation, and reduced by outstanding debt, net of debt service reserve and unspent proceeds.

- **Unrestricted Assets:** A portion of unrestricted assets is reported as noncurrent. This represents amounts of unrestricted investments with maturities greater than one year.
- **Capital Assets, Net of Accumulated Depreciation:** Capital assets, net of accumulated depreciation is shown as noncurrent assets on the statement of net position.

Lease and Concession Agreements: The Authority's operations consist of agreements for use of land, buildings, terminal space and Minimum Annual Guarantees from concessionaires. The agreements consist of (a) one year, cancelable space and use permits, and (b) non-cancelable agreements for land, buildings, terminal space and concessions, which expire between the years 2021 and 2067. The Authority accounts for revenue from these agreements under the operating method and reports revenue over the terms of the agreements. See Note 7 for additional information.

Property and Equipment and Property Held for Lease: Property and equipment and property held for lease are recorded at cost when purchased or at fair value when donated, with a capitalization threshold of \$1,000. Donated capital assets received in a service concession arrangement are reported at acquisition value, as of September 30, 2020. There were no service concession arrangements. The Authority accounts for intangible assets as required under GASB Statement No. 51.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

Depreciation: Property and equipment is depreciated on the straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the property and equipment are as follows:

Building	10 to 50 years	Equipment	3 to 30 years
Improvements	5 to 50 years	Motor vehicles	5 to 15 years

Deferred Outflows and Inflows of Resources: Deferred outflows of resources represent consumption of net position that is applicable to a future reporting period. Deferred outflows has a positive effect on net position, similar to assets. Deferred inflows of resources represents an acquisition of net position that is applicable to a future reporting period. Deferred inflows has a negative effect on net position, similar to liabilities.

Pension Plans: The Authority's policy is to fund accrued defined benefit pension costs, which include normal costs for regular employees as actuarially determined. The Authority recognizes plan member contributions to the defined contribution plan in the period in which contributions are due, and the Authority has made a formal commitment to provide contributions. Additional information is disclosed in Note 8.

Other Postemployment Benefit Plans: The Authority obtains actuarial valuation reports for its Other Post Employment Benefits (OPEB) plan and records the expenses, assets and liabilities for OPEB as required under Governmental Accounting Standards Board (GASB) Statement No. 75. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB Expense, information about the fiduciary net position of the Authority's Retiree Health Care Plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payment when due and payable in accordance with the benefits terms. Investments are reported at fair value, except for money market investments and participating interest-earning contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The Authority funds its OPEB obligation to a qualifying, irrevocable trust. Additional information is disclosed in Note 9.

Compensated Absences: The Authority recognizes expenses relating to compensated absences as incurred and includes the current portion of the liabilities in accrued expenses and the noncurrent portion in other long-term liabilities.

Passenger Facility Charges: The Federal Aviation Administration (FAA) approved the collection of passenger facility charges (PFCs). The Authority uses PFCs for pre-approved airport projects that meet at least one of the following criteria: preserve or enhance safety, security or capacity of the national air transportation system; reduce noise or mitigate noise impacts resulting from an airport; or furnish opportunities for enhanced competition between or among carriers. The airlines collect and remit this revenue to the Authority and the Authority records PFCs as nonoperating revenues.

Customer Facility Charges: The Authority approved the collection of customer facility charges (CFCs) effective October 1, 2008. Certain rental car companies (RACs) agreed to assess and collect CFCs to pay the costs and expenses of financing, designing, constructing, operating, relocating, and maintaining the rental automobile related facilities and other facilities that benefit RACs. The RACs collect and remit this revenue to the Authority and the Authority records CFCs as nonoperating revenues.

Arbitrage Rebate: The U.S. Treasury issued regulations on calculating the rebate due the federal government on arbitrage profits, calculating arbitrage penalties, and determining compliance with the arbitrage rebate provisions of the Tax Reform Act of 1986. Arbitrage profits arise when the Authority temporarily invests the proceeds of tax-exempt debt in securities with higher yields. The Authority records the rebate payable and reduction in investment income in accordance with the rebate calculation.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

Revenue Classifications: The components of the major operating revenue classifications are as follows:

- Airfield Area – Fees for landings of passenger and cargo aircraft, apron use, and fuel flow system rental and fees.
- Terminal Area – Space rentals, privilege fees for the operation of terminal concessions, baggage fees and other miscellaneous airline fees.
- Ground Transportation – Revenue associated with rental car concessions, taxi, shuttle and bus ground transportation, and public parking.
- Other Buildings and Grounds – Fees associated with fixed base operators, cargo apron use, in-flight catering and other building and land rentals.
- Hotel – Revenue associated with rooms, food and beverage, telecommunications, and other rentals and income.

Capital Contributions: Capital contributions consist primarily of grants and contributions from federal and state governmental agencies, airlines, and tenants. The Authority recognizes contributions as earned as related project costs are incurred. The Authority recognizes donated property at fair value when received.

Interest During Construction: The Authority capitalizes interest during construction to Construction in Progress. Capitalized interest consists of interest cost on certain borrowings in excess of interest earned on related investments acquired with the proceeds of borrowings.

Airline Rates By Resolution: Effective November 1, 2013, the Authority operates under a Resolution Relating to Airline Rates and Charges and Airline Operating Terms and Conditions For the Use Of Facilities And Services At Orlando International Airport, adopted by the Authority Board October 16, 2013 (the “Resolution”) and Amended and Restated as of August 10, 2016, and second amendment and restatement as of August 28, 2019. The Resolution, which has no expiration date, provides for a compensatory rate-making methodology for use of the terminal facilities, including certain activity based charges for use of the baggage system, and a residual rate-making methodology to establish landing fees for the use of the airfield. An airline may also sign a Rate and Revenue Sharing Agreement (“Rate Agreement”), whereby the airline affirmatively agrees to the Resolution and the rate-setting methodology. Airlines that participate are entitled to share in certain revenues remaining after the payment of all Authority debt service and operating expenses. Additional information is disclosed in Note 17.

Advance Rent From Tenants: The current portion of advance rent from tenants primarily represents October revenues received in September. Amounts reported as noncurrent liabilities represent revenues to be recognized in years subsequent to the following fiscal year.

Bond Issue Costs and Bond Discounts and Premiums: The Authority expenses bond issue costs (excluding prepaid bond insurance) at the time of issuance in accordance with generally accepted accounting principles. Bond discounts and premiums are deferred in the year of issuance and amortized using the effective interest method over the life of the issuance. Losses on bond refundings are deferred and amortized over the shorter of the remaining life of the original issue or the life of the new issue.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimated.

Reclassifications: Certain prior year amounts have been reclassified to conform with current year financial reporting and to facilitate comparison of financial data.

Significant Upcoming Pronouncements: In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to establish criteria for identifying fiduciary activities of state and local governments. The focus of the criteria generally is on (1) whether the government is controlling the assets of the

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This statement will become effective for the Authority's fiscal year end September 30, 2021.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement will become effective for the Authority's fiscal year end September 30, 2022.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement will become effective for the Authority's fiscal year end September 30, 2022.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. This standard improves the constancy and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. This standard also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. This statement will become effective for the Authority's fiscal year end September 30, 2021.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This standard clarifies the existing definition of a conduit debt obligation, establishes a conduit obligation is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improving required note disclosures. This standard also addresses arrangements - often characterized as leases - that are associated with debt obligations. This statement will become effective for the Authority's fiscal year end September 30, 2023.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This standard will enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports; (2) Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit ("OPEB") plan; (3) The applicability of Statements 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*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits; (4) The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements; (5) Measurement of liabilities (and assets, if any) related to asset retirement obligations ("AROs") in a government acquisition; (6) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; (7) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; (8) Terminology used to refer to derivative instruments. This statement will become effective for the Authority's fiscal year end September 30, 2022.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (“IBOR”). This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument’s variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended. This standard will become effective for fiscal year end September 30, 2022, with the exception of the removal of LIBOR as an appropriate benchmark interest rate which will become effective September 30, 2023.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Private Partnerships and Available Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (“PPPs”). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (“APAs”). The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This standard will become effective for fiscal year end September 30, 2023.

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement No. 83, *Certain Asset Retirement Obligations*; Statement No. 84, *Fiduciary Activities*; Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*; Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*; Statement No. 90, *Majority Equity Interests*; Statement No. 91, *Conduit Debt Obligations*; Statement No. 92, *Omnibus 2020*; Statement No. 93, *Replacement of Interbank Offered Rates*; Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*; Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*; Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*; Implementation Guide No. 2019-2, *Fiduciary Activities*. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87, *Leases*; Implementation Guide No. 2019-3, *Leases*. This standard will become effective immediately.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (“SBITA”) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This standard will become effective for fiscal year end September 30, 2023.

In June 2020, GASB issued Statement No. 97, *Certain Component Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code ("IRC") Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal year end September 30, 2023, while all other requirements are effective immediately.

The Authority has not determined what impact, if any, these statements will have on its financial statements.

2. OPERATION AND USE AGREEMENT – CITY OF ORLANDO

The City of Orlando and the Authority signed an Operation and Use Agreement, dated September 27, 1976, which grants the Authority the right to occupy, operate, control and use Orlando International Airport and Orlando Executive Airport for a term of fifty years commencing on October 1, 1976.

In 1976, the City of Orlando transferred assets, liabilities and equity to the Authority at the carrying amounts in the accounts of the Aviation Division of the City of Orlando, which reflected historical or estimated historical costs, with accumulated depreciation at September 30, 1976. The property and equipment, net of accumulated depreciation transferred from the Aviation Division of the City of Orlando to the Authority, amounted to approximately \$31.5 million.

Effective October 1, 2015 the Authority entered into an amended Operation and Use Agreement, which extends the term of the original contract through September 30, 2065. At the end of the lease term, unless otherwise extended, the Authority is obligated to return full ownership and control of all its assets to the City of Orlando.

The City of Orlando provides certain police and fire protection services to the Authority. Total charges for these services amounted to approximately \$15.8 million and \$14.5 million for 2020 and 2019, respectively. Approximately, \$1.1 million and \$2.4 million are recorded as liabilities due to the City of Orlando in connection with these services at September 30, 2020 and 2019, respectively.

3. CASH DEPOSITS AND INVESTMENTS

The Authority's cash and cash equivalents balances include amounts deposited with commercial banks in interest-bearing and non-interest bearing demand deposit accounts, as well as the Florida State Board of Administration's (the SBA) Local Government Surplus Investment Pool, referred to as the Florida Prime (the Florida Prime). The commercial bank balances are entirely insured by federal depository insurance or by collateral pursuant to the Florida Security for Public Deposits Act of the State of Florida (the Act).

The Act establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the Authority's deposits in qualified public depositories are considered totally insured. The qualified public depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125%, may be required, if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State of Florida's Chief Financial Officer (State's CFO) or, with the approval of the State's CFO, to a bank, savings association, or trust company provided a power of attorney be delivered to the State's CFO.

In accordance with generally accepted accounting principles, the Authority adjusts the carrying value of investments to fair value to be presented as a component of investment income. The fair value of investments is based on available market values. The Florida Prime operated by the SBA, and the Florida Income Trust are a "2a-7-like" pool and are also presented in accordance with generally accepted accounting principles; therefore, it is not presented at fair value but at its actual pooled share price which approximates fair value.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

3. CASH DEPOSITS AND INVESTMENTS (continued)

At September 30, 2020 and September 30, 2019, the fair value of all securities, regardless of the statement of net position, classification, was as follows (in thousands):

	September 30, 2020	September 30, 2019
Securities:		
U.S. Treasury and government agency securities	\$ 1,001,017	\$ 282,357
Asset Backed Securities	4,260	10,155
Commercial paper	-	4,986
Corporate securities	37,252	41,258
Local government investment pool	6,020	5,945
Investment in money market funds	756,271	1,104,415
Securities total	<u>\$ 1,804,820</u>	<u>\$ 1,449,116</u>

These securities are classified on the statement of net position as follows (in thousands):

	September 30, 2020	September 30, 2019
Current assets		
Unrestricted cash and cash equivalents	\$ 202,895	\$ 333,494
Restricted cash and cash equivalents	352,517	299,577
Investments	501	4,000
Noncurrent Assets	-	-
Restricted assets	-	-
Cash and cash equivalents	564,841	1,030,980
Investments	895,284	251,745
Unrestricted assets	-	-
Investments	146,742	83,009
Total cash, cash equivalents and investments	2,162,780	2,002,805
Less cash on deposit	(357,960)	(553,689)
Total securities, at fair value	<u>\$ 1,804,820</u>	<u>\$ 1,449,116</u>

The Authority is authorized to invest in securities as described in its investment policy and in each bond resolution. As of September 30, 2020, and September 30, 2019, the Authority held the following investments as categorized below in accordance with generally accepted accounting principles:

Investment Maturities at September 30, 2020 (in thousands):

Investment Type	Less than 1 Year	1 to 5 Years	6 to 10 Years	11 to 15 Years	Total	Level
U.S. Treasury and government agency securities	\$ 834,525	\$166,492	\$ -	\$ -	\$1,001,017	1
Commercial paper	-	-	-	-	-	1
Asset Backed Securities	114	2,224	1,777	145	4,260	
Corporate securities	16,465	20,787	-	-	37,252	1
Local government investment pool	6,020	-	-	-	6,020	N/A
Money market funds	756,271	-	-	-	756,271	N/A
	<u>\$1,613,395</u>	<u>\$189,503</u>	<u>\$ 1,777</u>	<u>\$ 145</u>	<u>\$1,804,820</u>	

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

3. CASH DEPOSITS AND INVESTMENTS (continued)

Investment Maturities at September 30, 2019 (in thousands):

Investment Type	Less than 1 Year	1 to 5 Years	6 to 10 Years	11 to 15 Years	Total	Level
U.S. Treasury and government agency securities	\$ 180,587	\$101,770	\$ -	\$ -	\$ 282,357	1
Commercial paper	4,986	-	-	-	4,986	1
Asset Backed Securities	287	7,208	2,455	205	10,155	
Corporate securities	12,427	28,831	-	-	41,258	1
Local government investment pool	5,945	-	-	-	5,945	N/A
Money market funds	1,104,415	-	-	-	1,104,415	N/A
	<u>\$1,308,647</u>	<u>\$137,809</u>	<u>\$ 2,455</u>	<u>\$ 205</u>	<u>\$1,449,116</u>	

The Authority had \$0.7 million invested in the Florida Prime as of September 30, 2020 and 2019.

The Authority had \$5.2 million invested in the Fixed Income Trust as of September 30, 2020 and 2019.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority generally holds investments to maturity except for those portions of the portfolio that are actively managed by the Authority's Investment Advisor. The Authority's investment policy requires the investment portfolio to be structured to provide sufficient liquidity to pay obligations as they become due. To the extent possible, investment maturities match known cash needs and anticipated cash flow requirements. Investments under the Bond Resolution shall mature no later than needed, except for 1) investments in the Debt Service Reserve Account which shall mature not later than fifteen years (unless such investment is redeemable at the option of the holder, in which event the maturity shall not exceed the final maturity date of the Bonds secured by such investment), 2) investments in the Operation and Maintenance Fund and Operation and Maintenance Reserve Account shall mature within twelve months, and 3) investments in the Capital Expenditure Fund, the Renewal and Replacement Fund, Improvement and Development Fund, and the Discretionary Fund shall mature within five years. Investments under the Amended and Restated Master Subordinated Indenture of Trust shall mature no later than needed, except for investments in the Reserve Fund, which shall mature not later than fifteen years from the date of such investment. The Authority portfolio holds a limited number of callable securities. The schedules above represent the maturity data of the securities. According to the SBA, the dollar weighted average days to maturity ("WAM") of the Florida Prime at September 30, 2020 is 48 days. Next interest rate reset dates for floating rate securities are used in calculation of the WAM. The weighted average life of the Florida Prime at September 30, 2020, is 63 days. According to the Florida Fixed Income Trust, the dollar weighted average days to maturity ("WAM") or the Fixed Income Trust at September 30, 2020 is 100 days. Next interest rate reset dates for floating rate securities are used in calculation of the WAM. The weighted average life of the Fixed Income Trust at September 30, 2020, is 127 days.

Credit Risk: The Authority's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. Authority policy limits the purchase of certain investments to specific rating requirements. Investment in commercial paper is limited to A-1, P-1, or F1 for short-term investments by two of the three rating agencies: S&P, Moody's and Fitch (without regard to gradation). Investment in dollar denominated Corporate securities is limited to companies in the United States which are rated "A" or better by two of the three rating agencies (without regard to gradation). Investments held in obligations of U.S. government agencies were rated AAA by Fitch, Aaa by Moody's and AA+ by S&P. Investments held in the portfolio as of September 30, 2020, were rated consistent with the Authority's investment policy and bond resolutions. Funds invested in money market funds and the Florida Prime are rated AAAM by S&P. Funds invested with the Fixed Income Trust are rated AAAf by S&P.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

3. CASH DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk: For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All the Authority's investments are either held in the name of the Authority or held in trust under the Authority's name.

Concentration of Credit Risk: Concentration of credit risk is the inability to recover the value of deposit, investment, or collateral securities in the possession of an outside party caused by a lack of diversification. The authority mitigates its concentration of credit risk by diversifying its investment portfolio. At September 30, 2020 and 2019, the Authority did not hold investments exceeding 5 percent of the total investment portfolio (including cash and cash equivalents) except those expressly permitted pursuant to GASB statement No. 40. The investment policy limits the maximum investment in any one issuer of commercial paper to \$5 million dollars.

Foreign Currency Risk Disclosure: The Authority invests only in securities that are denominated in U.S. dollars. Per the SBA, the Florida Prime was not exposed to any foreign currency risk during the period October 1, 2019 through September 30, 2020.

Valuation of Investments: The Authority utilizes the market approach to mark-to-market the fair value of its investment holdings.

GASB 72 established a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) 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. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgage of a mortgage-backed security.

GASB 72 generally requires investments to be measured at fair value. Investments not measured at fair value continue to include, for example, money market investments, 2a-7-like external investment pools such as the Florida Prime. GASB 72 requires disclosures be made about fair value measurements, the level of fair value hierarchy, and the valuation techniques. The Authority utilizes a third-party pricing service to mark-to-market holdings of U.S. Treasury securities, corporate securities, and government sponsored enterprise securities, such as Federal National Mortgage Association, Federal Home Loan Bank, and Federal Home Loan Mortgage Association. The Authority derives pricing for commercial paper holdings directly from the custody statements for each account that has commercial paper holdings. Regarding fair value hierarchy disclosure, GASB 72 characterizes Level 1 inputs as quoted prices in active markets for identical assets or liabilities therefore; the Authority has denoted Level 1 for each of the various holdings except for money market and Florida Prime investments. Per the SBA, the Florida Prime meets all of the necessary criteria to elect to measure all of the investments in Florida Prime at amortized cost. Therefore, the Authority's participant account balance is considered the fair value of its investment and is considered exempt from the GASB 72 fair value hierarchy disclosures.

GASB 79 states that if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates).

According to the SBA, with regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

3. CASH DEPOSITS AND INVESTMENTS (continued)

for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case, may the time limit set by the Trustees exceed 15 days.” With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

4. DUE FROM OTHER GOVERNMENTAL AGENCIES

The following amounts were due from other governmental agencies as of September 30, 2020 and 2019 (in thousands):

	2020	2019
Unrestricted		
Florida Department of Transportation (FDOT)	\$ 434	\$ 778
Orlando Orange County Expressway Authority (OOCEA)	193	270
Federal Aviation Administration (FAA)	706	63
Total Unrestricted	<u>\$ 1,333</u>	<u>\$ 1,111</u>
Restricted		
Florida Department of Transportation (FDOT)	\$ 51,550	\$ 11,455
Federal Aviation Administration (FAA)	8,749	11,695
Department of Homeland Security	-	-
Transportation and Security Administration (TSA)	-	-
Total Restricted	<u>\$ 60,299</u>	<u>\$ 23,150</u>

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GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

5. RESTRICTED ASSETS

The Bond Resolution and the Amended and Restated Master Subordinated Indenture of Trust authorizing the issuance of the revenue bonds for Orlando International Airport and the Release of Federal Surplus Property Obligations for Orlando Executive Airport require segregation of certain assets into restricted accounts. At September 30, 2020 and 2019, composition of restricted accounts is as follows (in thousands):

	2020	2019
Debt Service Accounts	\$ 358,885	\$ 320,256
Capital Acquisition Accounts	373,383	335,186
Bond Construction Accounts	693,339	380,844
Passenger Facility Charges Account	262,534	349,079
Customer Facility Charges Account	147,920	191,874
Operating Reserve Account	58,380	54,835
Total Restricted Assets	<u>\$ 1,894,441</u>	<u>\$ 1,632,074</u>

Reported in the accompanying financial statements as follows:

	2020	2019
Restricted Cash and Cash Equivalents - Current	\$ 352,517	\$ 299,577
Total Restricted Assets – Non Current	<u>1,541,924</u>	<u>1,332,497</u>
Total Restricted Assets	<u>\$ 1,894,441</u>	<u>\$ 1,632,074</u>

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GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

6. CAPITAL ASSETS

A summary of capital assets activity for the years ended September 30, 2020 and 2019 is as follows (in thousands):

	Balance October 1, 2019	Additions and Reclassifications	Deductions	Balance September 30, 2020
Property and Equipment				
Capital Assets not Depreciated				
Land	\$ 266,567	\$ 300	\$ (3,793)	\$ 263,074
Assets Held for Future Use	35,370	960	-	36,330
	<u>301,937</u>	<u>1,260</u>	<u>(3,793)</u>	<u>299,404</u>
Other Property and Equipment				
Building	1,062,630	37,413	-	1,100,043
Improvements	2,202,449	15,539	(247)	2,217,741
Equipment	427,499	18,840	(1,237)	445,102
Motor Vehicles	102,413	4,463	(700)	106,176
	<u>3,794,991</u>	<u>76,255</u>	<u>(2,184)</u>	<u>3,869,062</u>
Accumulated Depreciation				
Building	(246,604)	(39,793)	-	(286,397)
Improvements	(1,402,985)	(78,563)	63	(1,481,485)
Equipment	(211,789)	(36,537)	1,233	(247,093)
Motor Vehicles	(31,731)	(6,899)	649	(37,981)
	<u>(1,893,109)</u>	<u>(161,792)</u>	<u>1,945</u>	<u>(2,052,956)</u>
Net Property and Equipment	<u>2,203,819</u>	<u>(84,277)</u>	<u>(4,032)</u>	<u>2,115,510</u>
Property and Equipment - Held for Lease				
Capital Assets not Depreciated				
Land	8,131	-	-	8,131
Other Property and Equipment				
Building	912,236	-	-	912,236
Improvements	82,141	-	-	82,141
Equipment	9,300	-	-	9,300
	<u>1,003,677</u>	<u>-</u>	<u>-</u>	<u>1,003,677</u>
Accumulated Depreciation				
Building	(680,583)	(26,661)	-	(707,244)
Improvements	(73,563)	(2,423)	-	(75,986)
Equipment	(9,274)	(14)	-	(9,288)
	<u>(763,420)</u>	<u>(29,098)</u>	<u>-</u>	<u>(792,518)</u>
Net Property and Equipment - Held for Lease	<u>248,388</u>	<u>(29,098)</u>	<u>-</u>	<u>219,290</u>
Construction Work in Progress				
Capital Assets not Depreciated	<u>1,117,838</u>	<u>1,049,667</u>	<u>(67,576)</u>	<u>2,099,929</u>
Net Capital Assets	<u>\$ 3,570,045</u>	<u>\$ 936,292</u>	<u>\$ (71,608)</u>	<u>\$ 4,434,729</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

6. CAPITAL ASSETS (continued)

	Balance October 1, 2018	Additions and Reclassifications	Deductions	Balance September 30, 2019
Property and Equipment				
Capital Assets not Depreciated				
Land	\$ 266,550	\$ 20	\$ (3)	\$ 266,567
Assets Held for Future Use	78,221	4,899	(47,750)	35,370
	<u>344,771</u>	<u>4,919</u>	<u>(47,753)</u>	<u>301,937</u>
Other Property and Equipment				
Building	1,026,971	35,659	-	1,062,630
Improvements	2,110,812	91,637	-	2,202,449
Equipment	394,205	33,842	(548)	427,499
Motor Vehicles	96,452	6,560	(599)	102,413
	<u>3,628,440</u>	<u>167,698</u>	<u>(1,147)</u>	<u>3,794,991</u>
Accumulated Depreciation				
Building	(208,890)	(37,714)	-	(246,604)
Improvements	(1,325,741)	(77,244)	-	(1,402,985)
Equipment	(180,100)	(32,237)	548	(211,789)
Motor Vehicles	(25,699)	(6,631)	599	(31,731)
	<u>(1,740,430)</u>	<u>(153,826)</u>	<u>1,147</u>	<u>(1,893,109)</u>
Net Property and Equipment	<u>2,232,781</u>	<u>18,791</u>	<u>(47,753)</u>	<u>2,203,819</u>
Property and Equipment - Held for Lease				
Capital Assets not Depreciated				
Land	8,131	-	-	8,131
Other Property and Equipment				
Building	911,291	945	-	912,236
Improvements	81,586	555	-	82,141
Equipment	9,300	-	-	9,300
	<u>1,002,177</u>	<u>1,500</u>	<u>-</u>	<u>1,003,677</u>
Accumulated Depreciation				
Building	(653,929)	(26,654)	-	(680,583)
Improvements	(70,980)	(2,583)	-	(73,563)
Equipment	(9,190)	(84)	-	(9,274)
	<u>(734,099)</u>	<u>(29,321)</u>	<u>-</u>	<u>(763,420)</u>
Net Property and Equipment - Held for Lease	<u>276,209</u>	<u>(27,821)</u>	<u>-</u>	<u>248,388</u>
Construction Work in Progress				
Capital Assets not Depreciated	512,380	720,989	(115,531)	1,117,838
Net Capital Assets	<u>\$ 3,021,370</u>	<u>\$ 711,959</u>	<u>\$ (163,284)</u>	<u>\$ 3,570,045</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

6. CAPITAL ASSETS (continued)

During 2020, the Authority capitalized interest in the amount of \$71.7 million to Construction Work in Progress (WIP), representing the excess of interest cost (\$89.5 million) on certain borrowings during the construction period over the interest earned (\$17.8 million) on related interest-bearing investments acquired with the proceeds of the borrowings.

During 2019, the Authority capitalized interest in the amount of \$34.0 million to WIP, representing the excess of interest cost (\$48.3 million) on certain borrowings during the construction period over the interest earned (\$14.3 million) on related interest-bearing investments acquired with the proceeds of the borrowings.

7. LEASE AND CONCESSION AGREEMENTS

The Authority's operations consist of agreements for use of land, buildings, terminal space and Minimum Annual Guarantees from concessionaires. The agreements consist of (a) one year, cancelable space and use permits, and (b) non-cancelable agreements for land, buildings, terminal space and concessions, which expire between the years 2021 and 2067.

The following is a schedule by years of minimum future revenues from non-cancelable agreements as of September 30 (in thousands):

2021*	\$ 227,578
2022	197,736
2023	141,996
2024	133,178
2025	35,643
Later years	275,453
Total minimum future revenues	<u>\$ 1,011,584</u>

Minimum future revenues do not include contingent revenues, which may be received under agreement for use of land and buildings on the basis of revenue or fuel flow fees earned. Contingent revenues amounted to approximately \$22.1 million and \$37.2 million for the years ended September 30, 2020 and 2019 respectively.

The Authority has a 50-year lease with Brightline Trains Florida, LLC, formerly known as Virgin Trains USA Florida, LLC that expires in 2067. The terms of this lease extend beyond the current Operation and Use Agreement with the City of Orlando, expiring in 2065 whereby responsibility for operating the Airport would revert to the City. Upon termination of the Operation and Use Agreement with the City and the Authority, the City shall be deemed to be the lessor and bound by all provisions of the lease.

*In August 2020 the Authority Board approved supplemental relief in the amount of \$47.6 million for certain In-Terminal Concessions and Rental Automobile Companies (RAC). The resolution approved the waiver of 50% of the minimum annual guarantee for October 2020 through March 2021. The resolution also provided for a deferral of the August and September 2020 minimum annual guarantee until April 2021, which is convertible to a waiver upon timely payment of the minimum annual guarantees through March 2021. As of the date of this report it is undermined whether or not the Authority Board will provide additional supplemental relief.

8. PENSION PLANS

The Authority maintains two defined benefit plans for its employees, a single-employer plan covering non-firefighter employees and a multi-employer plan for firefighters. Additionally, the Authority provides two defined contribution plans, a single-employer defined contribution retirement plan for non-firefighter employees and a multi-employer defined contribution plan for firefighters. The Authority authorized all full time employees hired before October 1, 1999, other than firefighters to participate in the Defined Benefit Plan (DB Plan). The Authority authorized employees hired after September 30, 1999 to participate in the single-employer Defined Contribution

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

8. PENSION PLANS (continued)

Retirement Plan (DC Plan), other than firefighters. The Authority allowed employees who were participants of the DB Plan to convert to the DC Plan during the period February 23, 2001 to June 30, 2001.

Single-Employer Defined Benefit Pension Plan

General: The Authority contributes to the Retirement Plan for Employees of the Greater Orlando Aviation Authority (DB Plan), a single-employer retirement plan, a closed plan. The DB Plan provides retirement and death benefits to DB Plan members and beneficiaries. Comerica, Inc. (Comerica) currently holds the assets of the Plan in various managed accounts. Comerica currently distributes the DB Plan benefits. The Authority's actuary prepares an actuarial valuation report which includes required supplementary information for the DB Plan, which may be obtained by writing to Greater Orlando Aviation Authority, One Jeff Fuqua Boulevard, Orlando, Florida 32827, Attention: Human Resources.

Plan Description: Each full-time employee became eligible on the date of completion of 12 months of employment. The Authority credits all service from date of hire. Retirement benefits equal 3% of the average of the three years of highest annual earnings multiplied by years of credited service, for the employees final 10 years, with a maximum of 75% of the average earnings. In the event of early retirement, there is a 3% benefit reduction per year that the benefit commencement date precedes age 65. Normal retirement date is the first day of the month following, or coinciding with, the earliest of a participant's sixty-fifth birthday and seven years of credited service, or twenty-five years of credited service. An employee is 20 % vested after the first year of credited service and achieves 100% vesting after five years of service. A member may elect to retire earlier than the normal retirement eligibility upon attainment of age 55 and seven years of credited service. Benefit provisions are established and may be amended by the Authority Board. The Plan is administered by a Retirement Benefits Committee appointed by the Authority Board.

If a member dies prior to actual retirement, the Beneficiary will receive a monthly benefit beginning on the earliest date on which the member could have retired had death not occurred. The benefit for a spouse Beneficiary is equal to one-half the amount that would have been payable had the member terminated employment a day prior to the date of death and selected the 50% Contingent Annuity Form. If the Beneficiary is not the spouse, then the benefit will be paid in the actuarial equivalent amount over a five-year period commencing within one year of death. If the member dies after actual retirement, payment to the Beneficiary will begin the first day of the month following the date of death.

Funding Policy: The actuarial valuation used for funding determines the annual contribution requirements of the Authority. The Authority does not require plan members to contribute to the DB Plan.

Current plan membership as of October 1, 2018, is as follows:

Inactive Plan members or Beneficiaries currently receiving benefits	334
Inactive Plan members Entitled to but not yet receiving benefits	90
Active Plan members	75
	<u>499</u>

Net Pension Liability

The total pension liability was measured as of September 30, 2019. The total pension liability used to calculate the net pension liability was determined as of that date.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

8. PENSION PLANS (continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019, using the following actuarial assumptions applied to all measurement periods.

Inflation	2.50 %
Salary Increases	4.25%
Investment Rate of Return	7.00%
Mortality	RP-2000 Fully Generational with Scale BB, with collar and annuitant adjustments.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020, are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	45.0 %	7.50 %
International Equity	15.0	8.50
Broad Market Fixed Income	35.0	2.50
Global Tactical Asset Allocation	5.0	3.50
Total	<u>100 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the Authority's contribution will be made at the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

8. PENSION PLANS (continued)

Changes to Net Pension Liability as of September 30, 2020 (in thousands)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2019	\$ 143,978	\$ 142,871	\$ 1,107
Changes for a Year:			
Service Cost	1,030	-	1,030
Interest	9,823	-	9,823
Contribution – Employer	-	2,537	(2,537)
Net Investment Income	-	3,573	(3,573)
Changes in Assumptions	-	-	-
Changes in Benefit Terms	-	-	-
Differences in Expected and Actual Experience	(35)	-	(35)
Benefits Payments Including Refunds of Employee Contributions	(9,359)	(9,359)	-
Administrative Expense	-	(27)	27
Net Changes	1,459	(3,276)	4,735
Balance at September 30, 2020	\$ 145,437	\$ 139,595	\$ 5,842

Changes to Net Pension Liability as of September 30, 2019 (in thousands)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2018	\$ 141,212	\$ 135,935	\$ 5,277
Changes for a Year:			
Service Cost	1,095	-	1,095
Interest	9,648	-	9,648
Contribution – Employer	-	3,071	(3,071)
Net Investment Income	-	12,895	(12,895)
Changes in Assumptions	-	-	-
Changes in Benefit Terms	-	-	-
Differences in Expected and Actual Experience	998	-	998
Benefits Payments Including Refunds of Employee Contributions	(8,975)	(8,975)	-
Administrative Expense	-	(55)	55
Net Changes	2,766	6,936	(4,170)
Balance at September 30, 2019	\$ 143,978	\$ 142,871	\$ 1,107

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

8. PENSION PLANS (continued)

Sensitivity of net pension liability to changes in the discount rate. The following presents the net pension liability of the Authority, calculated using the discount rate of 7.00%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1 percent lower (6.00%) or 1 percent higher (8.00%) than the current rate (in thousands):

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Authority Net Pension Liability 9/30/2020	\$19,899	\$ 5,842	\$ (6,162)
Authority Net Pension Liability 9/30/2019	\$15,282	\$ 1,107	\$ (10,979)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued Plan financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020, the Authority recognized a pension expense of \$2.1 million. On September 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	\$ -
Difference Between Expected and Actual Experience	-	-
Difference Between Projected and Actual Earnings on Pension Plan Investments	-	252
Employer Contributions Subsequent to the Measurement Date	2,216	-
Total	<u>\$ 2,216</u>	<u>\$ 252</u>

For the year ended September 30, 2019, the Authority recognized a pension expense of \$1.9 million. On September 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	\$ -
Difference Between Expected and Actual Experience	-	-
Difference Between Projected and Actual Earnings on Pension Plan Investments	-	5,392
Employer Contributions Subsequent to the Measurement Date	2,537	-
Total	<u>\$ 2,537</u>	<u>\$ 5,392</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

8. PENSION PLANS (continued)

The deferred outflows of resources related to the Pension Plan, totaling \$2.2 million resulting from the Authority's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to the Pension Plan will be recognized in pension expense as follows (in thousands):

Year Ended September 30:	
2020	\$ 1,081
2021	929
2022	(520)
2023	(1,238)
Total	<u>\$ 252</u>

Funded Status and Funding Progress: As of October 1, 2019, the most recent actuarial valuation date, the DB Plan was 96.2% funded. The actuarial accrued liability for benefits was \$144.9 million, and the actuarial value of assets was \$139.3 million resulting in an unfunded actuarial accrued liability (UAAL) of \$5.5 million. The covered payroll was \$6.2 million, and the ratio of the UAAL to the covered payroll was 88.7%.

Other required schedules of Changes in Net Pension Liability and Related Ratios, and Schedule of Contributions are presented as required supplementary information immediately following the notes to the financial statements.

Single-Employer Defined Contribution Retirement Plan

Plan Description: The single-employer Defined Contribution Retirement Plan (DC Plan) provides benefits upon retirement to employees of the Authority. At September 30, 2020 and 2019, there were 686 and 648 active plan members respectively. The plan provides retirement and death benefits to plan participants and beneficiaries.

General: The DC Plan is administered by a Retirement Benefits Committee appointed by the Authority Board. The Authority can modify, alter or amend the DC Plan.

The DC Plan authorizes employees, other than firefighters, hired on or after October 1, 1999, to participate. Eligible employees include regular full-time employees and regular part-time employees who are normally scheduled to work 20 or more hours per week. The DC Plan allows employees to participate after three full months of service. The DC Plan has separate accounts for each employee, and employees can choose between investment options that are provided by the Plan Record-keeper. The Authority contributes 6% of base wages and up to another 4% as a matching contribution. The employee may contribute up to 10%. The DC Plan allows the employee's first 4% contribution to be pre-tax or after-tax. Employee contributions and earnings are 100% vested. The Authority's contributions vest at 20% per year of service, starting at one year of service. Employees hired prior to October 1, 1999, continued in the Authority's DB Plan, or converted at their option from the DB Plan to the DC Plan during the period of February 23, 2001 to June 30, 2001.

The Authority's payroll for employees covered by the DC Plan was \$38.3 million and \$34.4 million for the years ended September 30, 2020 and 2019 respectively. The Authority contributed \$3.8 million and \$3.5 million for the years ended September 30, 2020 and 2019 respectively. Participants contributed \$1.6 million and \$1.4 million for the years ended September 30, 2020 and 2019 respectively.

Multi-Employer Pension Plans

Plan Description: All firefighters employed by the Authority participate in the Florida Retirement System (FRS), a cost-sharing, multiple-employer defined benefit public retirement plan. The FRS provides retirement and disability benefits, cost-of-living adjustments, and death benefits to plan participants and beneficiaries. Florida Statutes establish benefit provisions. The FRS issues a publicly available financial report that includes financial statements

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

8. PENSION PLANS (continued)

and required supplementary information. That report may be obtained by writing to the Florida Retirement System, Division of Retirement, Post Office Box 9000, Tallahassee, Florida 32315-9000, or by calling (877) 377-1737.

Participation in the FRS is compulsory for all firefighters employed by the Authority. The FRS categorizes participants as members of a special risk class. A member receives one-month credit for each month in which any salary is paid for services performed. The FRS authorizes members who meet certain requirements to purchase additional service credits to increase their retirement benefit. The FRS provides vesting of benefits after six years of creditable service (or eight years if enrolled on or after July 1, 2011). Special risk members enrolled in the FRS before July 1, 2011 meet eligibility for normal retirement after: (a) six years of special risk creditable service and attaining age fifty-five, (b) a combined total of twenty-five years of special risk creditable service and military service and attaining age fifty-two, (c) twenty-five years of special risk creditable service, or (d) thirty years of any creditable service, regardless of age. Special risk members enrolled in the FRS on or after July 1, 2011 meet eligibility for normal retirement after: (a) eight years of special risk creditable service and attaining age sixty, (b) a combined total of thirty years of special risk creditable service and military service and attaining age fifty-seven, (c) thirty years of special risk creditable service, or (d) thirty-three years of any creditable service, regardless of age. The FRS allows early retirement any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age or date. Options at retirement include benefits for life or reduced benefits with beneficiary rights.

As a participant in FRS, the Authority is also a participant in the Retiree Health Insurance Subsidy (HIS) Program, which is a cost-sharing, multiple employer defined benefit plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2020 and 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment was \$30 for fiscal year 2020 and 2019 and the maximum is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Funding Policy: Various acts of the Florida Legislature determine the funding methods and benefits. These acts provide employers, such as the Authority, requirements to contribute at the current actuarially determined rate of covered payroll for special risk members. Effective July 1, 2011, all FRS employees, with the exception of Deferred Retirement Option Program (DROP) participants and reemployed retirees who are initially reemployed under covered employment on or after July 1, 2010, are required to make pretax retirement contributions of 3% of their gross salary to the plan.

The Authority's required contribution rates were as follows:

	<u>Special Risk</u>	<u>DROP</u>
July 1, 2020 – June 30, 2021	25.45%	16.98%
July 1, 2019 – June 30, 2020	25.48%	14.60%
July 1, 2018 – June 30, 2019	24.50%	14.03%
July 1, 2017 – June 30, 2018	23.27%	13.26%
July 1, 2016 – June 30, 2017	22.57%	12.99%

The Authority's contributions to the FRS for each of the years ended September 30, 2020, 2019 and 2018 were approximately \$1.8 million, \$1.7 million and \$1.5 million, respectively, which represents the required contributions for each year.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

8. PENSION PLANS (continued)

At September 30, 2020, the Authority reported a liability of \$21.2 million and \$2.6 million for its proportionate share of the net pension liability for the FRS Pension Plan and HIS Program respectively. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the historical contributions made by the Authority. At June 30, 2020, the Authority's proportion was 0.048929779 percent and 0.020916299 percent for the FRS Pension Plan and HIS Program respectively, which was an increase from 0.048389352 percent and 0.020557117 percent respectively from its proportionate share as of June 30, 2019.

For the year ended September 30, 2020 and 2019 the Authority recognized pension expense of \$5.2 million and \$4.6 million related to the FRS and HIS plans.

Actuarial Assumptions

Actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumption Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013 through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long term expected rate of return used for FRS Pension Plan investments is 6.80%. The 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.

Because the HIS program uses a pay-as-you-go funding structure, a municipal bond rate of 2.21% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both the FRS Pension Plan and the HIS Program were based on the PUB-2010 base table.

The following changes in actuarial assumptions occurred in 2020:

- FRS: The long-term expected rate of return was decreased from 6.90% to 6.80%.
- HIS – The municipal rate used to determine total pension liability decreased from 3.50% to 2.21%, and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

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GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

8. PENSION PLANS (continued)

Sensitivity Analysis

The following represents the sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact of the authority's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2020 and 2019 (in thousands).

FRS Net Pension Liability			
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
June 30, 2020	\$33,864	\$21,207	\$10,636
June 30, 2019	\$28,808	\$16,664	\$ 6,523

HIS Net Pension Liability			
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
June 30, 2020	\$2,952	\$2,554	\$2,228
June 30, 2019	\$2,626	\$2,300	\$2,029

Pension Expense and Deferred Outflows/(Inflows) of Resources

In accordance with GASB, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes of assumption or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employee)
- Changes in proportion and differences between contributions and proportionate share of contributions- amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Differences between expected and actual earnings on pension plan investments – amortized over five years

Contributions to the pension plans from the Authority are not included in collective pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2020 was 5.9 years for FRS and 7.2 years for HIS. The components of collective pension expense reported in the pension allocation schedules for the fiscal year ended June 30, 2020, are presented below for each plan (in thousands):

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

8. PENSION PLANS (continued)

Florida Retirement System

	Recognized in Expense Fiscal Year Ending 2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Service Cost	\$ 1,295	\$ -	\$ -
Interest Cost	6,585	-	-
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses (difference between expected and actual experience)	397	813	-
Effect of assumptions changes or inputs	1,339	3,839	-
Member Contributions	(360)	-	-
Projected investment earnings	(5,401)	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	1,226	-
Net difference between projected and actual investment earnings	593	1,263	-
Administrative Expenses	11	-	-
Contributions Subsequent to Measurement Date	-	389	-
Total	<u>\$ 4,459</u>	<u>\$ 7,530</u>	<u>\$ -</u>

Health Insurance Subsidy

	Recognized in Expense Fiscal Year Ending 2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Service Cost	\$ 55	\$ -	\$ -
Interest Cost	84	-	-
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses (difference between expected and actual experience)	18	104	2
Effect of assumptions changes or inputs	54	275	148
Member Contributions	-	-	-
Projected investment earnings	(2)	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	274	-
Net difference between projected and actual investment earnings	1	2	-
Administrative Expenses	-	-	-
Contributions Subsequent to Measurement Date	-	30	-
Total	<u>\$ 210</u>	<u>\$ 685</u>	<u>\$ 150</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

8. PENSION PLANS (continued)

Florida Retirement System

	Recognized in Expense Fiscal Year Ending 2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Service Cost	\$ 1,221	\$ -	\$ -
Interest Cost	6,385	-	-
Effect of plan changes	6	-	-
Effect of economic/demographic gains or losses (difference between expected and actual experience)	332	989	10
Effect of assumptions changes or inputs	1,250	4,280	-
Member Contributions	(364)	-	-
Projected investment earnings	(5,343)	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	1,492	42
Net difference between projected and actual investment earnings	585	-	922
Administrative Expenses	9	-	-
Contributions Subsequent to Measurement Date	-	429	-
Total	<u>\$ 4,081</u>	<u>\$ 7,190</u>	<u>\$ 974</u>

Health Insurance Subsidy

	Recognized in Expense Fiscal Year Ending 2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Service Cost	\$ 48	\$ -	\$ -
Interest Cost	86	-	-
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses (difference between expected and actual experience)	4	28	3
Effect of assumptions changes or inputs	40	266	188
Member Contributions	-	-	-
Projected investment earnings	(2)	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	300	-
Net difference between projected and actual investment earnings	1	1	-
Administrative Expenses	-	-	-
Contributions Subsequent to Measurement Date	-	32	-
Total	<u>\$ 177</u>	<u>\$ 627</u>	<u>\$ 191</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

8. PENSION PLANS (continued)

As of September 30, 2020 and 2019, respectively, the deferred outflows of resources of \$0.4 million and \$0.5 million related to employer contributions paid subsequent to the measurement date and prior to the Authority's fiscal year end for the FRS Pension Plan and HIS Program, will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows (in thousands):

Reporting Period Ending September 30	FRS Expense	HIS Expense
2021	\$ 2,447	\$ 338
2022	1,898	47
2023	1,613	13
2024	964	30
2025	219	41
Thereafter	-	36
Totals	<u>\$ 7,141</u>	<u>\$ 505</u>

The required schedules of Proportionate Share of Net Pension Liability and Schedule of Contributions as required supplementary information are presented immediately following the notes to the financial statements.

Multi-Employer Defined Contribution Retirement Plan

Effective July 2002, the FRS offered its members the Florida Retirement System Investment Plan (Investment Plan) as a second retirement plan option. The Investment Plan is a defined contribution plan funded by employer contributions established by law. Employees that do not elect this plan automatically enroll in the defined benefit plan. Employees vest after one year of service. Participants of the FRS have one lifetime option of transferring the value of their plan to the Investment Plan. The employers' contributions are based on salary and FRS membership class. Effective July 1, 2011, all FRS employees, with the exception of DROP participants and reemployed retirees who are initially reemployed under covered employment on or after July 1, 2010, are required to make pretax retirement contributions of 3% of their gross salary to the plan. As of September 30, 2020 and 2019, the Authority had nine and eight participants in this plan, respectively.

Pension Expense

The combined pension expense across all plans for September 30, 2020 and 2019 was \$11.1 million and \$10.0 million respectively.

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description: The Greater Orlando Aviation Authority Healthcare Plan (GOAAHP) is a single-employer healthcare plan administered by the Authority. The GOAAHP provides postemployment healthcare benefits to those participants who, in accordance with Article 4 of the Retirement Plan for Employees of the Greater Orlando Aviation Authority and Article 5 of the Greater Orlando Aviation Authority Defined Contribution Retirement Plan, retire at a participant's normal retirement date or early retirement date and who receive pension benefits immediately upon termination. The Authorities' actuary issues an actuarial report that includes required supplementary information for GOAAHP, which may be obtained by writing to Greater Orlando Aviation Authority, One Jeff Fuqua Boulevard, Orlando, Florida 32827, Attention: Human Resources.

Funding Policy and Annual Cost: The Authority establishes and amends benefit provisions and contribution obligations. The Authority provides medical, dental, and vision coverage at no cost to employees who retired prior to August 2, 1997.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

For employees that retire after August 2, 1997 and employees hired prior to October 1, 2006, eligibility for retirement healthcare benefits will be determined by the years of credited service, and whether the employee immediately begins to receive pension benefits. Employees who do not elect to receive pension benefits immediately upon termination of employment forfeit eligibility for any healthcare coverage under this policy. The Authority's premium contribution for employees retiring after August 2, 1997 and for employees hired prior to October 1, 2006 is as follows:

<u>Credited Service</u>	<u>Contribution</u>
20 or more years	100%
15 but less than 20 years	75%
10 but less than 15 years	50%
Less than 10 years	0%

The premiums for employees hired on or after October 1, 2006, will be paid by the employee at 100%. Dependent coverage is available at the retiree's expense provided the retiree is eligible to receive health benefits under this policy. The Authority is not required to fund the GOAAHP. However, on September 30, 2011, the Authority funded its OPEB obligation to a qualifying, irrevocable trust in the amount of \$26.3 million. The annual contribution of the employer, an amount actuarially determined in accordance with GASB, 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 (or funding excess) over a closed twenty year period.

As of September 30, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members, Covered Spouses, or Beneficiaries currently Receiving Benefits	384
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	738
	<u>1,122</u>

Net OPEB Liability: The Authority's net OPEB Liability was measured as of September 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total OPEB liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	4.25%
Discount Rate	6.50%
Investment Rate of Return	6.50%
Health cost trend rates	4.00% - 8.00%

For all Authority employees, mortality rates were based on the RP-2000 mortality tables. For female lives, 100% of the white-collar table was used. For male lives, a 50% white-collar table, 50% blue-collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB. For disabled lives, mortality rates were based on the RP-2000 sex-distinct disabled mortality tables with female lives set forward two (2) years, male lives set back for (4) years. Disabled mortality has not been adjusted for mortality improvements.

The other significant actuarial assumptions used in the October 1, 2018 valuation were based on the results of an experience study dated September 29, 2016.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

The long-term investment objective of the OPEB trust is the preservation of principal and to meet the actuarial return assumptions as revised with each annual actuarial report. The RBC shall review and monitor this rate upon receipt of the annual actuarial report. On an annual basis, the RBC shall determine the total expected annual rate of return for the current year. The RBC shall use this determination only to notify the Aviation Authority Board, the plan's sponsor, and the consulting actuary of material differences between the total expected annual rate of return and the actuarial assumed rate of return.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
US Equity	50%	7.50%
International Equity	15%	8.50%
US Fixed Income	25%	2.50%
Int'l Fixed Income	10%	3.50%
	<u>100%</u>	

Discount Rate: The projection of cash flows used to determine the Discount Rate assumed that current Authority contributions will be made at the current contribution rate (100%). Based on this assumption, the OPEB Plans' Fiduciary Net Position was projected to provide all future benefit payments. Therefore, the single equivalent discount rate was set equal to the investment rate of return assumption, 6.50%.

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GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Changes in Net OPEB Liability as of September 30, 2020 (in thousands)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at September 30, 2019	\$ 67,864	\$ 65,725	\$ 2,139
Changes for a Year:			
Service Cost	1,363	-	1,363
Interest	4,405	-	4,405
Differences in Expected and Actual Experience	1,650	-	1,650
Changes of Assumptions	(2,006)	-	(2,006)
Changes of benefit terms	-	-	-
Contributions – Employer	-	1,933	(1,933)
Net Investment Income	-	2,278	(2,278)
Benefits Payments	(2,236)	(2,236)	-
Administrative Expense	-	(15)	15
Other Changes	-	(196)	196
Net Changes	3,176	1,764	1,412
Balance at September 30, 2020	\$ 71,040	\$ 67,489	\$ 3,551

Changes in Net OPEB Liability as of September 30, 2019 (in thousands)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at September 30, 2018	\$ 67,552	\$ 60,622	\$ 6,930
Changes for a Year:			
Service Cost	1,377	-	1,377
Interest	4,206	-	4,206
Differences in Expected and Actual Experience	(688)	-	(688)
Changes of Assumptions	(2,503)	-	(2,503)
Changes of benefit terms	-	-	-
Contributions – Employer	-	1,855	(1,855)
Net Investment Income	-	5,328	(5,328)
Benefits Payments	(2,080)	(2,080)	-
Other Income	-	-	-
Net Changes	312	5,103	(4,791)
Balance at September 30, 2019	\$ 67,864	\$ 65,725	\$ 2,139

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Sensitivity of the Net OPEB Liability to the changes in the Discount Rate: The following present the Net OPEB Liability of the Authority, as well as what the Authority's Net OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate (in thousands):

	Net OPEB Liability (Asset)		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
September 30, 2020	\$ 11,880	\$ 3,551	\$ (3,368)
September 30, 2019	\$ 10,280	\$ 2,139	\$ (4,614)

The following present the Net OPEB Liability of the Authority, as well as what the Authority's Net OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates (in thousands):

	Net OPEB Liability		
	1% Decrease 3.00% - 7.50%	Healthcare Cost Trend Rate 4.00% - 8.50%	1% Increase 5.00% - 9.50%
September 30, 2020	\$ (4,887)	\$ 3,551	\$ 13,844
September 30, 2019	\$ (6,085)	\$ 2,139	\$ 12,194

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2020 and 2019, the Authority recognized OPEB Expense of \$1.0 million and \$0.7 million respectively.

As of September 30, 2020, the Authority reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 1,444	\$ 517
Changes of Assumptions	-	3,633
Net difference between Projected and Actual	-	-
Earnings on Plan investments	-	651
Employer contributions subsequent to the measurement date	1,748	-
	<u>\$ 3,192</u>	<u>\$ 4,801</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ended September 30:

2021	\$ 1,171
2022	877
2023	328
2024	49
2025	443
Thereafter	489
Total	<u>\$ 3,357</u>

As of September 30, 2019, the Authority reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ -	\$ 603
Changes of Assumptions	-	2,191
Net difference between Projected and Actual	-	-
Earnings on Plan investments	-	2,709
Employer contributions subsequent to the measurement date	1,933	-
	<u>\$ 1,933</u>	<u>\$ 5,503</u>

The required schedule of contributions and changes in Net OPEB Liability and related ratios is presented as required supplementary information immediately following the notes to the financial statements.

10. RISK MANAGEMENT – WORKER’S COMPENSATION

Effective October 1, 2000, the Authority became self-insured for workers compensation and employer’s liability insurance up to \$150,000 per occurrence. The Authority purchases excess coverage for workers compensation and employer’s liability claims to provide stop loss coverage for claims in excess of \$150,000 per occurrence with limits that are consistent with statutory requirements. The Authority uses a third party administrator to provide claims administration and associated reporting services. The Authority records workers compensation liabilities when it is probable that a loss occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for the claims that have been incurred but not reported (IBNR). The Authority includes liabilities for unpaid claims at year-end in accrued expenses as current liabilities.

The Authority has a third party actuary perform a review of claim history for all claim years in which open claims are outstanding. The actuary projects the ultimate claim payment obligation (including IBNR) for each year’s claim experience. The Authority recorded this estimate as a liability. No settlements exceeded excess insurance coverage in the past three years.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

10. RISK MANAGEMENT – WORKER’S COMPENSATION (continued)

Changes in the Authority’s workers compensation claims liability are as follows as of September 30, 2020 and 2019 (in thousands):

	<u>2020</u>	<u>2019</u>
Beginning Balance	\$ 573	\$ 445
Incurring claims and claims adjustment expenses:		
Provisions for insured events of the current fiscal year	231	285
Increase (Decrease) in provision for insured events of prior years	<u>(121)</u>	<u>11</u>
Total incurred claims and claims adjustment expenses	<u>110</u>	<u>296</u>
Payments:		
Claims and claims adjustment expenses attributable to insured events of current year	(74)	(131)
Claims and claims adjustment expenses attributable to insured events of prior year	<u>(138)</u>	<u>(97)</u>
Total payments	<u>(212)</u>	<u>(228)</u>
Expected Recoveries of prior year claims	<u>(11)</u>	<u>60</u>
Ending Balance	<u>\$ 460</u>	<u>\$ 573</u>

This liability is reported in the accompanying financial statements as accounts payable and accrued liabilities payable from restricted assets.

	<u>2020</u>	<u>2019</u>
Orlando International Airport	\$ 418	\$ 519
Orlando Executive Airport	42	54
Total	<u>\$ 460</u>	<u>\$ 573</u>

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GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

11. NONCURRENT LIABILITIES

A summary of noncurrent liability activity for the year ended September 30, 2020 is as follows (in thousands):

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020	Amounts Due Within One Year	Amounts Due After One Year
Airport Facilities Revenue Bonds						
Public Offerings						
Senior Lien Bonds						
Series 2009A (AMT)	\$ 58,190	\$ -	\$ (58,190)	\$ -	\$ -	\$ -
Series 2009C (NON-AMT)	9,280	-	(2,050)	7,230	2,150	5,080
Series 2010A (NON-AMT)	71,145	-	(2,285)	68,860	2,375	66,485
Series 2011B (AMT)	70,040	-	(1,360)	68,680	1,430	67,250
Series 2011C (NON-AMT)	32,025	-	(2,080)	29,945	2,180	27,765
Series 2011D (Taxable)	62,250	-	(28,920)	33,330	29,925	3,405
Series 2012A (AMT)	37,065	-	-	37,065	-	37,065
Series 2015A (AMT)	207,265	-	(3,920)	203,345	4,120	199,225
Series 2016A (AMT)	80,200	-	(1,470)	78,730	1,540	77,190
Series 2016B (NON-AMT)	98,640	-	(1,750)	96,890	1,830	95,060
Series 2016C (Taxable)	70,035	-	(640)	69,395	650	68,745
Series 2019A (AMT)	-	1,135,370	-	1,135,370	9,915	1,125,455
Priority Subordinated Indebtedness						
Series 2016 Priority Subordinated (AMT)	53,705	-	(4,870)	48,835	5,115	43,720
Series 2017A Priority Subordinated (AMT)	923,830	-	-	923,830	-	923,830
Total Bonds from Public Offerings	1,773,670	1,135,370	(107,535)	2,801,505	61,230	2,740,275
Direct Placement						
Senior Lien Bonds						
Series 2013 A (AMT)	35,725	-	(3,045)	32,680	3,150	29,530
Series 2016D (Taxable)	63,198	-	(30,500)	32,698	5,375	27,323
Total Bonds from Direct Placement	98,923	-	(33,545)	65,378	8,525	56,853
Total Revenue Bonds	1,872,593	1,135,370	(141,080)	2,866,883	69,755	2,797,128
Add unamortized premiums and (discounts)	160,635	189,330	(20,076)	329,889	-	329,889
Net Revenue Bonds	2,033,228	1,324,700	(161,156)	3,196,772	69,755	3,127,017
Special Purpose Facilities Bonds						
Series 2018CFC (Taxable) (Direct Placement)	160,000	-	(9,427)	150,573	19,349	131,224
Total Outstanding Bonds	2,193,228	1,324,700	(170,583)	3,347,345	89,104	3,258,241
FDOT Indebtedness (Direct Borrowing)	58,809	-	(8,568)	50,241	-	50,241
Lines of Credit (Direct Borrowing)	333,270	115,129	(322,605)	125,794	-	125,794
Net Pension Liability	20,071	35,951	(26,419)	29,603	-	29,603
Net OPEB Liability	2,139	9,600	(8,188)	3,551	-	3,551
Advanced rent from tenants	13,375	80,797	(87,924)	6,248	5,560	688
Other Liabilities						
Compensated Absences (1)	5,363	6,054	(4,940)	6,477	5,351	1,126
Pollution Remediation Liability (1)	2,273	91	(41)	2,323	709	1,614
Total Other Liabilities	7,636	6,145	(4,981)	8,800	6,060	2,740
Total Noncurrent Liabilities	\$ 2,628,528	\$ 1,572,322	\$ (629,268)	\$ 3,571,582	\$ 100,724	\$ 3,470,858

(1) Compensated absences and the pollution remediation liability due within one year are included in current accounts payable and accrued liabilities on the statement of net position.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

11. NONCURRENT LIABILITIES (continued)

A summary of noncurrent liability activity for the year ended September 30, 2019 is as follows (in thousands):

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019	Amounts Due Within One Year	Amounts Due After One Year
Airport Facilities Revenue Bonds						
Public Offerings						
Senior Lien Bonds						
Series 2007A (AMT)	\$ 3,405	\$ -	\$ (3,405)	\$ -	\$ -	\$ -
Series 2008A (AMT)	26,315	-	(26,315)	-	-	-
Series 2009A (AMT)	69,705	-	(11,515)	58,190	12,205	45,985
Series 2009C (NON-AMT)	11,240	-	(1,960)	9,280	2,050	7,230
Series 2010A (NON-AMT)	73,350	-	(2,205)	71,145	2,285	68,860
Series 2010B (AMT)	13,480	-	(13,480)	-	-	-
Series 2011B (AMT)	70,040	-	-	70,040	1,360	68,680
Series 2011C (NON-AMT)	33,530	-	(1,505)	32,025	2,080	29,945
Series 2011D (Taxable)	63,190	-	(940)	62,250	28,920	33,330
Series 2012A (AMT)	37,065	-	-	37,065	-	37,065
Series 2015A (AMT)	209,780	-	(2,515)	207,265	3,920	203,345
Series 2016A (AMT)	80,200	-	-	80,200	1,470	78,730
Series 2016B (NON-AMT)	100,150	-	(1,510)	98,640	1,750	96,890
Series 2016C (Taxable)	70,670	-	(635)	70,035	640	69,395
Priority Subordinated Indebtedness						
Series 2016 Priority Subordinated (AMT)	58,345	-	(4,640)	53,705	4,870	48,835
Series 2017A Priority Subordinated (AMT)	923,830	-	-	923,830	-	923,830
Total Bonds from Public Offerings	1,844,295	-	(70,625)	1,773,670	61,550	1,712,120
Direct Placement						
Senior Lien Bonds						
Series 2013 A (AMT)	38,670	-	(2,945)	35,725	3,045	32,680
Series 2013 B (AMT)	4,975	-	(4,975)	-	-	-
Series 2016D (Taxable)	73,984	-	(10,786)	63,198	30,500	32,698
Total Bonds from Direct Placement	117,629	-	(18,706)	98,923	33,545	65,378
Total Revenue Bonds	1,961,924	-	(89,331)	1,872,593	95,095	1,777,498
Add unamortized premiums and (discounts)	170,421	-	(9,786)	160,635	-	160,635
Net Revenue Bonds	2,132,345	-	(99,117)	2,033,228	95,095	1,938,133
Special Purpose Facilities Bonds						
Series 2018CFC (Taxable) (Direct Placement)	13,604	146,396	-	160,000	9,427	150,573
Total Outstanding Bonds	2,145,949	146,396	(99,117)	2,193,228	104,522	2,088,706
FDOT Indebtedness (Direct Borrowing)	56,286	4,402	(1,879)	58,809	8,568	50,241
Lines of Credit (Direct Borrowing)	41,180	337,856	(45,766)	333,270	-	333,270
Net Pension Liability	20,676	22,579	(23,184)	20,071	-	20,071
Net OPEB Liability	6,930	5,584	(10,375)	2,139	-	2,139
Advanced rent from tenants	6,677	125,953	(119,255)	13,375	12,583	792
Other Liabilities						
Compensated Absences (1)	5,394	6,033	(6,064)	5,363	4,725	638
Pollution Remediation Liability (1)	2,272	1,119	(1,118)	2,273	650	1,623
Total Other Liabilities	7,666	7,152	(7,182)	7,636	5,375	2,261
Total Noncurrent Liabilities	\$ 2,285,364	\$ 649,922	\$ (306,758)	\$ 2,628,528	\$ 131,048	\$ 2,497,480

(2) Compensated absences and the pollution remediation liability due within one year are included in current accounts payable and accrued liabilities on the statement of net position.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

11. NONCURRENT LIABILITIES (continued)

Principal and Interest Requirements to Maturity:

The debt service requirements to maturity for the bonded indebtedness as of September 30, 2020 (in thousands):

Public Offerings				
	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Revenue Bonds				
	2021	\$ 61,230	\$ 129,182	\$ 190,412
	2022	61,330	126,379	187,709
	2023	56,830	123,531	180,361
	2024	73,420	120,457	193,877
	2025	76,870	116,862	193,732
	2026-2030	410,415	523,983	934,398
	2031-2035	358,730	432,546	791,276
	2036-2040	434,270	339,026	773,296
	2041-2045	490,890	230,759	721,649
	2046-2050	519,665	109,896	629,561
	2051-2053	257,855	19,845	277,700
Total Revenue Bonds		2,801,505	\$ 2,272,466	\$ 5,073,971
Add unamortized premiums and discounts		329,889		
Net Revenue Bonds-Public Offerings		<u>\$ 3,131,394</u>		
Direct Placement				
	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Revenue Bonds				
	2021	\$ 27,874	\$ 6,840	\$ 34,714
	2022	31,343	5,897	37,240
	2023	39,705	4,810	44,515
	2024	28,629	3,745	32,374
	2025	25,828	2,825	28,653
	2026-2029	62,572	3,181	65,753
Total Revenue Bonds		215,951	\$ 27,298	\$ 243,249
Add unamortized premiums and discounts		-		
Net Revenue Bonds-Direct Placement		<u>\$ 215,951</u>		
Total All Revenue Bonds		\$ 3,017,456	\$ 2,299,764	\$ 5,317,220
Add unamortized premiums and discounts		329,889		
Total All Net Revenue Bonds		<u>\$ 3,347,345</u>		

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

11. NONCURRENT LIABILITIES (continued)

Direct Borrowing		
FDOT Indebtedness	2021*	\$ -
	2022*	-
	2023	2,510
	2024	2,565
	2025	2,622
	2026-2039	<u>42,544</u>
Total FDOT Indebtedness		<u>\$ 50,241</u>
Lines of Credit	2021**	\$ 80,014
	2022	<u>45,780</u>
	Total Lines of Credit	<u>\$ 125,794</u>

*The FDOT Indebtedness payments originally due in fiscal years 2021 and 2022 have been deferred as a result of an amendment to the joint participation agreement.

**The Lines of Credit due in fiscal year 2021 were excluded from current liabilities, as these can be repaid with other long-term credit lines. Additionally it is the Authority's intention to repay this debt with proceeds from a future Bond issue.

Airport Facilities Revenue Bonds (Senior Lien Bonds)

The Authority issues Airport Facilities Revenue Bonds under and pursuant to the Amended and Restated Airport Facilities Revenue Bond Resolution, authorizing Airport Facilities Revenue Bonds of the City of Orlando, Florida adopted by the governing board of the Authority, on September 16, 2015, having an effective date of May 1, 2017 (the "Bond Resolution"). As of September 30, 2020, the Authority has outstanding \$2.9 billion in Airport Facilities Revenue Bonds issued from 2009 to 2019, and payable through October 1, 2054. Proceeds from the Airport Facilities Revenue Bonds provided financing for various airport capital projects and refunding for previously issued debt.

The Airport Facilities Revenue Bonds are secured by a senior lien on and pledge of airport revenues, net of specified operating expenses, along with certain other revenues to the extent they are expressly pledged by the Authority (e.g. Available PFC Revenues). The Authority has agreed to maintain rates and charges each year to provide (i) Net Revenues plus any Transfers (each as defined in the Bond Resolution), equal to at least 1.25 times the sum of the aggregate debt service on all outstanding senior lien Airport Facilities Revenue Bonds each fiscal year, and (ii) Net Revenues plus any Transfers and Subordinated Pledged Revenues (as defined in the Bond Resolution), equal to at least 1.00 time on all debt outstanding under the Bond Resolution.

Events of default for bonds issued under the Bond Resolution include nonpayment events, bankruptcy events, and noncompliance with covenants. No assets have been pledged as collateral and no rights of acceleration exist under the Bond Resolution. In the event of default, the Authority shall, if demanded by the trustee, account for all Revenues, moneys, securities, and funds pledged by the Resolution, pay over to the Trustee all moneys, securities and Funds held in any Fund or account under the Resolution and, as received, all Revenues which the Trustee shall first apply to Operation and Maintenance expenses, including payment of reasonable charges of expenses of the Trustee and reasonable fees and disbursements to counsel, and then to payment of interest and principal and redemption price due on the Bonds in order of priority.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

11. NONCURRENT LIABILITIES (continued)

Total principal and interest remaining on the Airport Facilities Revenue Bonds as of September 30, 2020, is \$5.1 billion with annual requirements ranging from \$200.7 million due in the fiscal year 2021 to \$20.0 million in the final year, with the highest requirement of \$201.8 million in the fiscal year 2024. For the twelve-months, ended September 30, 2020, principal and interest requirements were \$176.3 million. The revenues pledged for the year were \$285.8 million. This represents \$215.4 million in Net Revenues as calculated per the Bond Resolution and \$70.6 of Available PFC Revenues as a direct offset of PFC debt service as authorized under the Bond Resolution.

	<u>2020</u>	<u>2019</u>
Rate Covenants per Bond Resolution (in thousands)		
Net Revenues for debt service	\$ 215,472	\$ 292,653
Aggregate Debt Service on senior lien bonds	\$ 128,389	\$ 129,996
Less PFC Supported Bonds	<u>(70,635)</u>	<u>(30,934)</u>
Net debt service on senior lien bonds	57,754	99,062
Debt Service on subordinated bonds and other parity indebtedness	<u>10,050</u>	<u>7,555</u>
Total debt service on senior lien bonds and other subordinated indebtedness And other parity indebtedness	<u>\$ 67,804</u>	<u>\$ 106,617</u>
Coverage Ratio for senior lien debt	3.73	2.95
Coverage Ratio for all indebtedness	3.18	2.74
Available Net Revenues for Subordinated debt service	\$ 157,718	\$ 193,591
Coverage Ratio for Subordinated Debt Service	15.69	25.62

Public Offerings

Senior Lien Bonds:

\$141,485,000 Airport Facilities Refunding Revenue Bonds, Series 2007A (AMT), dated August 9, 2007, of which a portion was due October 1 of each year beginning in 2012 through 2023. Coupon interest rate range from 4.00% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2020 and 2019, the unamortized premium is \$0. These bonds, along with Authority funds, refunded \$143,800,000 of the Airport Facilities Revenue Bonds, Series 1997. The Airport Facilities Refunding Revenue Bonds, Series 2007A, were paid off as of October 1, 2018.

\$248,070,000 Airport Facilities Refunding Revenue Bonds, Series 2008A (AMT), dated March 31, 2008, of which a portion was due October 1 of each year beginning in 2009 through 2018. Coupon interest rate range from 5.00% to 5.25% due semi-annually on April 1 and October 1. As of September 30, 2020 and 2019, the unamortized premium of \$0. These bonds, along with Authority funds, refunded \$282,325,000 of the Airport Facilities Variable Rate Subordinated Revenue Refunding Bonds, Series 1998 A, B, C and D. The Airport Facilities Refunding Revenue Bonds, Series 2008A, were paid off as of October 1, 2018.

\$98,550,000 Airport Facilities Refunding Revenue Bonds, Series 2009A (AMT), dated June 16, 2009, of which \$79,130,000 was due October 1 of each year beginning in 2015 through 2021; \$19,420,000 in Term Bonds due October 1, 2023. Coupon interest rate range from 5.50% to 6.25% due semi-annually on April 1 and October 1. As of September 30, 2020 and 2019, respectively, the unamortized premium is \$0 and \$110,000. These bonds, along with Authority funds, refunded \$113,450,000 of the Airport Facilities Variable Rate Revenue Refunding Bonds, Series 2002E. The Airport Facilitates Refunding Revenue Bonds, Series 2009A were paid off as of October 2, 2019.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

11. NONCURRENT LIABILITIES (continued)

\$87,110,000 Airport Facilities Revenue Bonds, Series 2009C, dated December 17, 2009 of which \$43,630,000 Serial Bonds due October 1 of each year beginning in 2010 through 2029; \$19,095,000 Term Bonds due October 1, 2034; and \$24,385,000 Term Bonds due October 1, 2039. Coupon interest rate range from 2.00% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2020 and 2019, respectively, the unamortized premium is \$4,000 and \$7,000.

\$79,705,000 Airport Facilities Revenue Bonds, Series 2010A (NON-AMT), dated April 15, 2010, of which \$26,885,000 Serial Bonds due October 1 of each year beginning in 2014 through 2025; \$25,515,000 in Term Bonds due October 1, 2032; and \$27,305,000 in Term Bonds due October 1, 2039. Coupon interest rate range from 4.00% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2020 and 2019, respectively, the unamortized premium is \$576,000 and \$630,000.

\$84,105,000 Airport Facilities Refunding Revenue Bonds, Series 2010B (AMT), dated April 15, 2010, of which a portion was due October 1 of each year beginning in 2011 through 2018. Coupon interest rate range from 4.00% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2020 and 2019, the unamortized premium is \$0. These bonds, along with an associated premium, refunded \$85,725,000 of the Airport Facilities Revenue Bonds, Series 1999A. The Airport Facilities Refunding Revenue Bonds, Series 2010B, were paid off as of October 1, 2018.

\$70,040,000 Airport Facilities Refunding Revenue Bonds, Series 2011B (AMT), dated September 20, 2011, of which a portion is due October 1 of each year beginning in 2019 through 2028. Coupon interest rate range from 3.25% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2020 and 2019, respectively, the unamortized discount is \$39,000 and \$46,000. These bonds refunded \$69,525,000 of the outstanding Airport Facilities Revenue Bonds, Series 1999A.

\$40,425,000 Airport Facilities Refunding Revenue Bonds, Series 2011C (NON-AMT), dated October 12, 2011, of which \$24,880,000 Serial Bonds due October 1 of each year beginning in 2013 through 2026; \$14,505,000 and \$1,140,000 Term Bonds due October 1, 2032. Coupon interest rate range from 3.00% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2020 and 2019, respectively, the unamortized premium of \$1,288,000 and \$1,488,000. These bonds, along with Authority funds, refunded \$42,710,000 of the outstanding Airport Facilities Revenue Bonds, Series 2002A.

\$67,945,000 Airport Facilities Taxable Refunding Revenue Bonds, Series 2011D, dated October 12, 2011, of which a portion is due October 1 of each year beginning in 2012 through 2024. Coupon interest rate range from 0.84% to 4.33% due semi-annually on April 1 and October 1. These bonds, along with Authority funds, refunded \$66,260,000 of the outstanding Airport Facilities Revenue Bonds, Series 2002B.

\$37,065,000 Airport Facilities Refunding Revenue Bonds, Series 2012A (AMT), dated July 3, 2012, of which a portion is due October 1 of each year beginning in 2021 through 2032. Coupon interest rate at 5.00% due semi-annually on April 1 and October 1. As of September 30, 2020 and 2019, respectively, the unamortized premium of \$1,130,000 and \$1,511,000. These bonds, along with Authority funds, refunded \$40,725,000 of the outstanding Airport Facilities Revenue Bonds, Series 2002B.

\$214,450,000 Airport Facilities Revenue Bonds, Series 2015A (AMT), dated October 20, 2015, of which \$106,170,000 Serial Bonds due October 1 of each year beginning in 2016 through 2035; \$20,000,000 and \$27,880,000 Term Bonds due October 1, 2040 and \$60,400,000 Term Bond due October 1, 2045. Coupon interest rate range from 2.00% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2020 and 2019, respectively, the unamortized premium of \$16,944,000 and \$18,058,000.

\$80,200,000 Airport Facilities Revenue Bonds, Series 2016A (AMT), dated October 13, 2016, of which \$56,495,000 of Serial Bonds due October 1 of each year beginning in 2019 through 2041; and \$23,705,000 of Term Bonds due October 1, 2046. Coupon interest rate at 5.00% due semi-annually on April 1 and October 1. As of September 30, 2020 and 2019, respectively, the unamortized premium is \$12,309,000 and \$13,079,000.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

11. NONCURRENT LIABILITIES (continued)

\$101,570,000 Airport Facilities Revenue Bonds, Series 2016B (NON-AMT), dated October 13, 2016, of which \$54,890,000 of Serial Bonds due October 1 of each year beginning in 2017 through 2037; \$2,500,000 and \$6,205,000 of Term Bonds due October 1, 2039, \$14,705,000 due October 1, 2042; and \$23,270,000 due October 1, 2046. Coupon interest rate range from 3.00% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2020 and 2019, respectively, the unamortized premium of \$16,392,000 and \$17,421,000.

\$71,120,000 Airport Facilities Taxable Refunding Revenue Bonds, Series 2016C, dated October 13, 2016, of which \$50,290,000 of Serial Bonds are due October 1 of each year beginning in 2017 through 2036; and \$20,830,000 in Term Bond due October 1, 2039. Coupon interest rate range from 1.07% to 3.59% due semi-annually on April 1 and October 1. These bonds, along with Authority funds, refunded \$63,065,000 of the outstanding Airport Facilities Revenue Bonds, Series 2009C.

\$1,135,370,000 Airport Facilities Revenue Bonds, Series 2019A (AMT), dated October 3, 2019, of which a portion is due October 1 of each year beginning in 2020 through 2054. Coupon interest rates range from 3.25% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2020, the unamortized premium is \$178,879,000.

Direct Placement

\$46,915,000 Airport Facilities Revenue Bonds, Series 2013A (AMT), dated September 19, 2013, of which a portion is due October 1 of each year beginning in 2015 through 2028. Coupon interest rate at 3.50% due semi-annually on April 1 and October 1.

\$35,895,000 Airport Facilities Refunding Revenue Bonds, Series 2013B (NON-AMT), dated September 4, 2013, of which a portion was due October 1 of each year beginning in 2014 through 2018. Coupon interest rate range from 0.63% to 2.27% due semi-annually on April 1 and October 1. These bonds, along with Authority funds, refunded \$37,965,000 of the outstanding Airport Facilities Refunding Revenue Bonds, Series 2003A. The Airport Facilities Refunding Revenue Bonds, Series 2013B, were paid off as of October 1, 2018.

\$75,000,000 Airport Facilities Taxable Refunding Revenue Bonds, Series 2016D, dated December 19, 2016, of which a portion is due October 1 of each year beginning in 2017 through 2023. Coupon interest rate at 2.26% due semi-annually on April 1 and October 1. These bonds, along with Authority funds, refunded \$72,345,000 of the outstanding Airport Facilities Refunding Revenue Bonds, 2007A.

Priority Subordinated Indebtedness

The Bond Resolution authorizes the Authority to issue Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness. To date, the Authority has issued and has outstanding under the Amended and Restated Master Subordinated Indenture of Trust, dated as of July 1, 2016 (the "Master Subordinated Indenture") both Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness. As of September 30, 2020, the Authority's outstanding Priority Subordinated Indebtedness is comprised of (i) the outstanding Priority Subordinated Airport Facilities Revenue Refunding Bonds, Series 2016A and (ii) the FDOT Indebtedness. As of September 30, 2020, the Authority's outstanding Secondary Subordinated Indebtedness is comprised of the Lines of Credit.

Priority Subordinated Indebtedness is secured by a lien on and pledge of Pledged Subordinated Revenues (as defined in the Master Subordinated Indenture) that is subordinate to the pledge of senior lien Airport Facilities Revenue Bonds, and senior to the lien of Secondary Subordinated Indebtedness. The Authority has agreed to maintain rates and charges each year to provide (i) Net Revenues plus any Transfers (each as defined in the Bond Resolution), equal to at least 1.10 times the sum of the aggregate debt service on all aggregate annual subordinated debt each fiscal year, under the Bond Resolution.

Events of default for bonds issued under the Master Subordinated Indenture include nonpayment events, bankruptcy events, and noncompliance with covenants. No assets have been pledged as collateral and no rights of acceleration exist under the Master Subordinated Indenture.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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11. NONCURRENT LIABILITIES (continued)

Public Offerings

\$76,930,000 Priority Subordinated Airport Facilities Revenue Refunding Bonds, Series 2016 (AMT), dated July 12, 2016, of which a portion is due October 1 of each year beginning in 2016 through 2027. Coupon interest rate range from 1.00% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2020 and 2019, respectively, the unamortized premium is \$5,191,000 and \$6,574,000.

\$923,830,000 Priority Subordinated Airport Facilities Revenue Refunding Bonds, Series 2017A (AMT), dated October 3, 2017, of which a portion is due October 1 of each year beginning in 2023 through 2052. Coupon interest rates range from 3.50% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2020 and 2019, respectively, the unamortized premium is \$97,218,000 and \$101,805,000.

Direct Borrowing

FDOT Indebtedness:

On November 5, 2014, the Authority entered into a Joint Participation Agreement (JPA), as amended between the Authority and the Florida Department of Transportation (FDOT), under which FDOT, combined with other FDOT grants will provide total funding of approximately \$211.0 million of which the Authority is required to reimburse FDOT for \$52.7 million of the funds provided by FDOT under the JPA, and the balance will be a grant. The proceeds of the loan will be used to pay for portions of the Intermodal Terminal Facility (ITF) that are related to the construction of the passenger rail terminal being developed as part of the ITF adjacent to the Automated People Mover system. Under the JPA, the Authority is obligated to repay the FDOT Loan with no interest commencing January 30, 2020 through 2039. On December 30, 2020, the Florida Department of Transportation (FDOT) executed an amendment agreeing to defer the principal payments due on the FDOT loan for fiscal years 2021 and 2022 as a result of the effects of the COVID-19 pandemic. The final payment has now been extended to January 30, 2039 due to the two year deferral. As of September 30, 2020 and 2019, respectively, the Authority had an outstanding balance of \$50.2 million and \$52.7 million.

Pursuant to the agreement, FDOT advanced \$30 million for approximately three months of cash flow needs. As of September 30, 2020 and 2019, respectively, the Authority had an outstanding balance of \$0 and \$6.1 million.

Based on the JPA, upon any event of default, FDOT may cause the Authority to remit to FDOT funds sufficient to enable the Authority to satisfy its obligations.

Secondary Subordinated Indebtedness:

Direct Borrowing

Lines of Credit:

On July 31, 2019, the Authority entered into a new revolving credit agreement with Wells Fargo to provide the Authority with a \$50 million line of credit. The line of credit is to be used as interim financing for capital projects in anticipation of the issuance of long-term bonds and/or receipt of grants, PFCs, CFCs, Authority funds and other permanent funding sources. The initial term of the line of credit was three years, with an expiration date of July 29, 2022. As of September 30, 2020 and 2019, respectively, the Authority has drawn \$3,402,000 and \$634,000 on this line of credit. As of September 30, 2020 and 2019, respectively, the unused portion of this line of credit was \$46,598,000 and \$49,355,000.

On July 31, 2019, the Authority entered into a new revolving credit agreement with Bank of America N.A. to provide the Authority with a \$150 million line of credit. The line of credit is to be used as interim financing for capital projects in anticipation of the issuance of long-term bonds and/or receipt of grants, PFCs, CFC, Authority funds and other permanent funding sources. The initial term of the line of credit was for three years, with an

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

11. NONCURRENT LIABILITIES (continued)

expiration date of July 29, 2022. As of September 30, 2020 and 2019, respectively, the Authority has drawn \$42,378,000 and \$96,042,000 on this line of credit. As of September 30, 2020 and 2019, respectively, the unused portion of this line of credit was \$107,622,000 and \$53,958,000.

On June 29, 2018, the Authority entered into a revolving credit agreement with Wells Fargo to provide the Authority with a \$175 million line of credit. The line of credit is to be used as interim financing for capital projects in anticipation of the issuance of long-term bonds and/or receipt of grants, PFCs, CFCs, Authority funds and other permanent funding sources. The initial term of the line of credit was three years, with an expiration date of June 29, 2021. As of September 30, 2020 and 2019, respectively, the Authority has drawn \$25,101,000 and \$126,418,000 on this line of credit. As of September 30, 2020 and 2019, respectively, the unused portion of this line of credit was \$149,899,000 and \$48,582,000.

On June 29, 2018, the Authority entered into a new revolving credit agreement with Bank of America, N.A., to provide the Authority with a \$75 million line of credit. The line of credit is to be used as interim financing for capital projects in anticipation of the issuance of long-term bonds and/or receipt of grants, PFCs, CFCs, Authority funds and other permanent funding sources. The initial term of the line of credit was for three years, with an expiration date of June 29, 2021. As of September 30, 2020 and 2019, respectively, the Authority has drawn \$17,625,000 and \$62,170,000 on this line of credit. As of September 30, 2020 and 2019, respectively, the unused portion of this line of credit was \$57,375,000 and \$12,830,000.

On November 6, 2015, the Authority entered into a revolving credit agreement with PNC Bank, N.A., to provide the Authority with a \$100 million line of credit. The line of credit is to be used as interim financing for capital projects in anticipation of the issuance of long-term bonds and/or receipt of grants, PFCs, CFCs, Authority funds and other permanent funding sources. The initial term of the line of credit was for one year. Effective October 25, 2019, the expiration date was extended to November 6, 2020. As of September 30, 2020 and 2019, respectively, the Authority has drawn \$37,288,000 and \$48,006,000 on this line of credit. As of September 30, 2020 and 2019, respectively, the unused portion of this line of credit was \$62,712,000 and \$51,994,000.

In the event of a default, these lines of credit shall bear interest at a rate per annum equal to three percent (3%) plus the greatest of (1) the U.S. prime rate of interest published in the “Money Rates” section of the Wall Street Journal for the last day of the calendar month immediately preceding the calendar month in which the default occurred; (2) the LIBOR Daily Floating Rate plus one hundred (100) basis points (1.0%); or (3) the Federal Funds Rate published by the U.S. Federal Reserve Bank for the last day of the calendar month immediately preceding the calendar month in which the default occurred plus fifty (50) basis points (0.50%). Once such default is cured to the reasonable satisfaction of the bank, this line of credit shall bear interest at the rate otherwise payable. The default rate shall also apply from acceleration until the amounts payable hereunder or any judgment thereon is paid in full.

The default rate shall also apply from acceleration until the amounts payable under the credit agreement or any judgement thereon is paid in full.

Special Purpose Facilities Bonds:

Direct Placement

Customer Facility Charge Taxable Revenue Note:

The Authority authorized the \$160,000,000 Taxable Revenue Note (CFC Ground Transportation Project) Series 2018, dated March 29, 2018 (the “Series 2018 Note”), of which a portion is due April 1 and October 1 of each year beginning in 2020 through 2027. The coupon interest rate is 3.48% due semi-annually on April 1 and October 1.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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11. NONCURRENT LIABILITIES (continued)

The \$160.0 million proceeds were drawn over 18 months, by September 30, 2019. Total principal and interest remaining on the note as of September 30, 2020 is \$171.0 million. For the 12 months, ended September 30, 2020, principal and interest requirements were \$13.0 million. As of September 30, 2020 and 2019, respectively, the outstanding balance is \$150,572,836 and \$160,000,000.

The repayment of the Series 2018 Note is payable solely from customer facility charges revenue. Proceeds from the Series 2018 Note provided financing for the purpose of paying or reimbursing the Authority for a portion of the costs and expenses of financing, designing, constructing, operating, relocating and maintaining the CFC Ground Transportation Project, funding all or a portion of the CFC Stabilization Fund Requirement, and certain costs of issuance. Any bonds issued pursuant to the CFC Indenture including the Series 2018 Note are not issued under, and are not subject to the Bond Resolution, and are not secured by the Revenues as defined by the Bond Resolution.

In the event of default, the applicable default rate shall apply to the outstanding principal balance of the note and any additional bonds or refunding bonds for which a default rate is provided, until the event of default no longer exists. No assets have been pledged as collateral and no rights of acceleration exist for this issue.

12. CONDUIT DEBT OBLIGATIONS

As of September 30, 2020 and 2019, the Authority has outstanding the following series of conduit debt obligations (in thousands):

	<u>2020</u>	<u>2019</u>
Special Purpose Facilities Revenue Bonds issued to provide for the acquisition, construction and equipping of a corporate training facility and an aircraft maintenance hangar facility; payable solely from a pledge of lease payments to be received from the lease agreement and secured by the Leasehold Mortgage. The Bonds are scheduled to mature November 15, 2026 (\$12,665) and November 15, 2036 (\$29,655).	\$ 42,320	\$ 42,320

These bonds are special limited obligations of the Authority, payable as described above. The bonds do not constitute a debt, liability or obligation of the Authority, the City of Orlando, or the State of Florida or any political subdivisions thereof and accordingly have not been reported in the accompanying financial statements.

13. DEFERRED AMOUNT ON REFUNDING OF BONDS

At September 30, 2020 and 2019, the Authority reported long-term debt deferred loss from the following bonds (in thousands):

	<u>2020</u>	<u>2019</u>
Long Term Debt Deferred Loss (Gain):		
Series 2009B	\$ 333	\$ 814
Series 2011B	134	157
Series 2011C	781	902
Series 2011D	59	263
Series 2012A	136	183
Series 2016C	5,697	6,162
Series 2016D	307	506
Total Long Term Debt Net Deferred Loss	<u>\$ 7,447</u>	<u>\$ 8,987</u>

GREATER ORLANDO AVIATION AUTHORITY
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Years Ended September 30, 2020 and 2019

14. BOND ISSUANCE (OTHER THAN REFUNDING ISSUES)

On October 3, 2019, the Authority issued \$1.1 billion in Airport Facilities Revenue Bonds, Series 2019A (AMT) (the "Series 2019A Bonds") with a true interest cost of 3.26%. The Series 2019A Bonds were issued for the purpose of providing funds to finance costs for Phase 1 of South Terminal C and Phase 1 Expansion of the South Terminal Complex, fund certain capital projects in the North Terminal Complex, fund other capital improvements, fund a deposit to the Composite Reserve Subaccount of the Debt Service Reserve Account, pay capitalized interest, pay the line of credit draws and accrued interest totaling \$323.8 million, and pay certain costs of issuance. The average life of the Series 2019A Bonds is 18.59 years.

15. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets and liabilities, the Authority separately reports deferred outflows of resources and deferred inflows of resources, respectively. Deferred outflows of resources represent consumption of net position that is applicable to a future reporting period. Deferred outflows has a positive effect on net position, similar to assets. Deferred inflows of resources represents an acquisition of net position that is applicable to a future reporting period. Deferred inflows has a negative effect on net position, similar to liabilities.

At September 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources from the following (in thousands):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
GOAA Defined Benefit Pension Plan	\$ 2,216	\$ 252
Florida Retirement System Defined Benefit Plan	7,530	-
Florida Retirement System Health Insurance Subsidy Plan	685	150
Other Post-Employment Benefits	3,192	4,801
Long Term Debt Deferred Loss	7,447	-
Total Deferred Outflows and Inflows of Resources	\$ 21,070	\$ 5,203

At September 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources from the following (in thousands):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
GOAA Defined Benefit Pension Plan	\$ 4,667	\$ 7,522
Florida Retirement System Defined Benefit Plan	7,190	974
Florida Retirement System Health Insurance Subsidy Plan	627	191
Other Post-Employment Benefits	2,573	6,143
Long Term Debt Deferred Loss	8,987	-
Total Deferred Outflows and Inflows of Resources	\$ 24,044	\$ 14,830

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

16. CAPITAL CONTRIBUTIONS

Grants and other contributions used to acquire capital assets are classified as capital contributions in the Statements of Revenues, Expenses, and Changes in Net Position. Capital contributions consisted of the following at September 30, 2020 and 2019 (in thousands):

	2020	2019
Federal Grants	\$ 31,729	\$ 25,023
State of Florida Grants/Other Grants	55,456	11,724
Total Capital Contributions	<u>\$ 87,185</u>	<u>\$ 36,747</u>

17. AIRLINE RATES BY RESOLUTION

Effective November 1, 2013, the Authority began operating under a Resolution Relating to Airline Rates and Charges and Airline Operating Terms and Conditions For the Use Of Facilities And Services At Orlando International Airport, adopted by the Authority Board October 16, 2013 and amended and restated as of August 10, 2016 and subsequently amended and restated as of August 28, 2019 (the “Resolution”).

The Resolution, which has no expiration date, provides for a compensatory rate-making methodology for use of the terminal facilities, including certain activity based charges for use of the baggage system, and a residual rate-making methodology to establish landing fees for the use of the airfield. Any airline may commit to use certain terminal space on an exclusive or preferential basis and, as a result, pay a fixed monthly charge for such space. Otherwise, airlines pay for terminal space assigned by the Authority on a per use basis.

Effective November 1, 2013, airlines had the option to sign a Rate and Revenue Sharing Agreement (“Rate Agreement”), whereby the airline affirmatively agreed to the Resolution and the rate-setting methodology therein, and further agreed not to challenge the rates and charges calculated under the Resolution’s rate-setting methodology through any judicial or regulatory process throughout the term of the agreement which expired on September 30, 2016. Airlines that sign, and comply with the terms of a Rate Agreement with the Authority are entitled to share in certain revenues remaining after the payment of all Authority debt service and operating expenses, including fund deposit requirements (“Net Remaining Revenue”).

Effective October 1, 2016 the Authority entered into a three-year agreement with Participating airlines, which expired on September 30, 2019. For this agreement, the Authority received the first \$65 million of Net Remaining Revenues, with participating airlines sharing in a pool of 65% of all Net Remaining Revenues in excess of the first \$65 million up to \$58 million, 100% of the next \$10 million of remaining revenues and the 65% of all remaining revenues.

Effective October 1, 2019 the Authority entered into a five year Rate and Revenue Sharing Agreement that expires on September 30, 2024. For this agreement the Authority receives the first \$55 million of Net Remaining Revenues for all five years, with participating airlines sharing in a pool of the next \$10 million of all Net Remaining Revenues. Net Remaining Revenue after the first \$65 million, will be split 50/50 between The Authority and the participating airlines.

18. OUTSTANDING CONTRACTS

As of September 30, 2020, the Authority had entered into construction contracts totaling approximately \$4.5 billion for construction, engineering services and equipment, approximately \$0.9 billion of which remains unincurred. Grants, passenger facility charges and customer facility charges will be utilized to fund a portion of these projects.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

19. COMMITMENTS AND CONTINGENCIES

Grants: The Authority receives grants from federal and state assistance programs. Amounts received or receivable under these programs are subject to audit and adjustment. The amount, if any, of disallowed claims, including amounts already collected, cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

City of Orlando: The Operation and Use Agreement with the City of Orlando (Note 2) provided for certain future payments by the Authority to the City of Orlando in the amount of \$2.0 million in total plus 6% interest. The Agreement provides that all principal payments will be deferred and interest payments will be abated during the full term of airport revenue bonds issued for the construction of major new terminal facilities, runways or appurtenances at Orlando International Airport. It is improbable that this liability and related interest will be paid since the term of the revenue bonds issued for such items and the outstanding revenue bonds balance will extend beyond the terms of the Agreement. As of September 30, 2020, this contingent liability of the Authority amounted to approximately \$1.7 million.

Wetland Mitigation: Pursuant to environmental permits issued by the U. S. Army Corps of Engineers, the FDEP and the South Florida Water Management District (collectively, the Environmental Agencies), the Authority has been required to provide mitigation for impacts which Authority projects had on existing wetlands. Wetland mitigation includes the preservation of both upland and wetland land in their natural state, the enhancement of existing wetlands, and the creation of new wetland areas. Wetland mitigation may also include funding the acquisition of environmentally sensitive lands by third parties.

The Authority has completed the wetland mitigation activities for mitigation enhancements projects at the site of the Disney Wilderness Preserve and Heintzelman Boulevard Extension. The mitigation was for wetland impacts to areas associated with the future South Terminal and Fourth Runway and related development areas. The mandated agency success criteria has been achieved and long-term maintenance endowments have been fully funded. In 2011, the Authority completed the purchase of approximately \$11.5 million in mitigation credits from approved mitigation banks to offset proposed impacts to the East Airfield development area. On May 21, 2018, the Authority purchased \$195.0 thousand in mitigation credits from approved mitigation banks to offset proposed impacts to the Heintzelman Boulevard Extension. Unlike the mitigation projects discussed previously, such purchases satisfy permit requirements and do not require ongoing endowments. The mitigation banks assume the full responsibility to complete the off-site mitigation improvements. No such purchases were made in 2020.

Construction Disputes: The Authority is aware of a dispute with a contractor arising from the construction of improvements at Orlando International Airport. The contractor has filed a lawsuit resulting from a delay and impact claim against the Authority in the aggregate amount of approximately \$20,000,000 in addition to a separate delay claim in the amount of approximately \$1,100,000. The Authority vigorously contests both claims. Additionally, it is too early to evaluate any potential loss arising from the claims. As a result, no amounts have been recognized in the financial statements arising from these claims.

Concentration of Revenues: The Authority leases facilities to the airlines pursuant to the Resolution (see Note 17) and to other businesses to operate concessions at the Authority. For fiscal years ended September 30, 2020 and 2019, revenues realized from the following sources exceeded 5% of the Authority's total operating revenues:

	2020	2019
Southwest Airlines Co.	8.92 %	7.62 %
Enterprise Leasing Co. of Orlando	7.39	7.21
Delta Air Lines	5.13	5.20

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

20. ENVIRONMENTAL LIABILITIES

The Authority has certain polluted sites primarily from chemical and fuel spills, asbestos, and former landfills whereas the Authority is named or will be named a responsible or potentially responsible party or where pollution remediation has already commenced with monitoring being completed as necessary. The Authority recorded a pollution remediation liability as of October 1, 2008, measured at \$4.1 million, using the expected cash flow technique. Under this technique, the Authority estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurring. This liability could change over time due to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation efforts. The possibility of recovery of some of these costs from outside governmental funding or other parties exists; however, the Authority only recognizes these recoveries in the financial statements as they become probable. A summary of the changes in liability for the year ended September 30, 2020 and 2019, is as follows (in thousands):

	Balance October 1, 2019	Additions or Adjustments	Payments Current Year	Balance September 30, 2020
Pollution remediation liability	\$ 2,273	\$ 97	\$ (47)	\$ 2,323
Unrealized recoveries	-	-	-	-
Net Pollution Remediation Liability	<u>\$ 2,273</u>	<u>\$ 97</u>	<u>\$ (47)</u>	<u>\$ 2,323</u>

Reported as follows (shown in Current
Accrued Liabilities and Other
Long-Term Liabilities):

Due within one year	\$ 650	\$ 106	\$ (47)	\$ 709
Due after one year	1,623	(9)	-	1,614
Net Pollution Remediation Liability	<u>\$ 2,273</u>	<u>\$ 97</u>	<u>\$ (47)</u>	<u>\$ 2,323</u>

Realized Recoveries (shown in Cash
and Cash Equivalents)

	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>
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	Balance October 1, 2018	Additions or Adjustments	Payments Current Year	Balance September 30, 2019
Pollution remediation liability	\$ 2,272	\$ 1,119	\$ (1,118)	\$ 2,273
Unrealized recoveries	-	-	-	-
Net Pollution Remediation Liability	<u>\$ 2,272</u>	<u>\$ 1,119</u>	<u>\$ (1,118)</u>	<u>\$ 2,273</u>

Reported as follows (shown in Current
Accrued Liabilities and Other
Long-Term Liabilities):

Due within one year	\$ 641	\$ 1,127	\$ (1,118)	\$ 650
Due after one year	1,631	(8)	-	1,623
Net Pollution Remediation Liability	<u>\$ 2,272</u>	<u>\$ 1,119</u>	<u>\$ (1,118)</u>	<u>\$ 2,273</u>

Realized Recoveries (shown in Cash
and Cash Equivalents)

	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>
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GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2020 and 2019

20. ENVIRONMENTAL LIABILITIES (continued)

The Authority has certain land sites that are being evaluated for potential remediation, in accordance with GASB 49, or are in the post-remediation stage with monitoring being completed as necessary.

In addition, the Authority has a polluted site from chemical and fuel spills, whereas the Authority is involved in litigation at Orlando International Airport. The liabilities associated with these sites are not reasonably estimable and, as such are not recorded in the financial statements.

21. SUBSEQUENT EVENTS

On October 15, 2020, the Greater Orlando Aviation Authority (GOAA) and the City of Orlando conveyed land near the 7-11 convenience store on the East Airfield and drainage easements along the Beachline (528) to the Central Florida Expressway Authority for approximately \$0.6 million. The land will be used for the development of the Brightline project.

On October 28, 2020, the Greater Orlando Aviation Authority (GOAA) received \$5.1 million from the Tavistock Development Company due to an agreement that was made at the time of original sales in May 2018 on the conservation easement located on the Poitras East property. According to the agreement, any portion of the easement would be valued and, therefore, sold at a higher per acre price if it could be release and used for development purposes. On September 10, 2020, 94.22 acres of the easement was released and was able to be sold at the higher per acre price (\$55,000 per acre).

On November 4, 2020, the Authority paid off the PNC Bank, N.A. line of credit that was due to expire on November 6, 2020. As of September 30, 2020, the Authority has a \$37.3 million outstanding balance that was paid off by a draw against the Bank of America, N.A. (2018) line of credit.

On December 30, 2020, the Florida Department of Transportation (FDOT) executed an amendment agreeing to defer the principal payments due on the FDOT loan for fiscal years 2021 and 2022 as a result of the effects of the COVID-19 pandemic. The final payment has now been extended to January 30, 2039 due to the two year deferral.

The COVID-19 pandemic is ongoing and the Airport cannot predict: (i) the duration of the pandemic; (ii) actions that may be taken by governmental authorities to contain the outbreak or to recover from its impact; (iii) the length of any current, or further imposition of, travel restrictions or the impact on demand for air travel at the Airport; (iv) the impact on the general airport revenues, customer facility charges, passenger facility charges, fund balances or cash reserves; (v) the impact on the airlines, automobile rental companies, retailers or concessionaires at the Airport; (vi) whether and to what extent the Authority provides or continues deferrals, forbearances, adjustments or other changes to arrangements with airlines, tenants or concessionaires or (vii) the impact on tourism industries in the state or on the local, state, domestic or global economy in general and its further effect on the travel industry.

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SINGLE-EMPLOYER PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years ⁽¹⁾
(in thousands)

Fiscal Year Measurement Date	9/30/2020 <u>9/30/2019</u>	9/30/2019 <u>9/30/2018</u>	9/30/2018 <u>9/30/2017</u>	9/30/2017 <u>9/30/2016</u>
Total Pension Liability				
Service Cost	\$ 1,030	\$ 1,095	\$ 1,234	\$ 1,405
Interest	9,823	9,648	9,541	9,210
Changes of benefit terms	-	-	-	465
Difference in Expected versus Actual Experience	(35)	998	(534)	1,789
Changes of assumptions	-	-	-	4,868
Benefit Payments, Including Refunds of Employee Contributions	(9,359)	(8,975)	(8,207)	(7,440)
Net Change in Pension Liability	<u>1,459</u>	<u>2,766</u>	<u>2,034</u>	<u>10,297</u>
Total Pension Liability Beginning	<u>143,978</u>	<u>141,212</u>	<u>139,178</u>	<u>128,881</u>
Total Pension Liability Ending (a)	<u>\$ 145,437</u>	<u>\$ 143,978</u>	<u>\$ 141,212</u>	<u>\$ 139,178</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 2,537	\$ 3,071	\$ 5,446	\$ 6,198
Contributions - Other	-	-	-	-
Contributions - Employee	-	-	-	-
Net Investment Income	3,573	12,895	15,754	9,033
Benefit Payments, Including Refunds of Employee Contributions	(9,359)	(8,975)	(8,207)	(7,440)
Administrative Expense	(27)	(55)	(22)	(40)
Net Change in Plan Fiduciary Net Position	<u>(3,276)</u>	<u>6,936</u>	<u>12,971</u>	<u>7,751</u>
Plan Fiduciary Net Position - Beginning	<u>142,871</u>	<u>135,935</u>	<u>122,964</u>	<u>115,213</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 139,595</u>	<u>\$ 142,871</u>	<u>\$ 135,935</u>	<u>\$ 122,964</u>
Net Pension Liability	<u>\$ 5,842</u>	<u>\$ 1,107</u>	<u>\$ 5,277</u>	<u>\$ 16,214</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.98 %	99.23 %	96.26 %	88.35 %
Covered Payroll	\$ 6,179	\$ 6,425	\$ 7,150	\$ 8,080
Net Pension Liability as a Percentage of Covered Payroll	94.55 %	17.23 %	73.80 %	200.67 %

(1) This schedule is intended to present 10 years of data, currently, only those years with information available are presented.

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SINGLE-EMPLOYER PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years ⁽¹⁾
(in thousands)

Fiscal Year	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Measurement Date	9/30/2015	9/30/2014	9/30/2013	9/30/2012
Total Pension Liability				
Service Cost	\$ 1,606	\$ 1,675	\$ 1,562	\$ 1,456
Interest	8,964	8,642	8,296	7,934
Changes of benefit terms	-	-	-	-
Difference in Expected versus Actual Experience	(651)	-	-	-
Changes of assumptions	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(6,162)	(5,436)	(4,962)	(4,044)
Net Change in Pension Liability	3,757	4,881	4,896	5,346
Total Pension Liability Beginning	125,124	120,243	115,347	110,001
Total Pension Liability Ending (a)	<u>\$ 128,881</u>	<u>\$ 125,124</u>	<u>\$ 120,243</u>	<u>\$ 115,347</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 6,970	\$ 7,565	\$ 7,366	\$ 5,314
Contributions - Other	-	-	4	-
Contributions - Employee	-	-	113	-
Net Investment Income	(2,200)	9,698	12,221	13,828
Benefit Payments, Including Refunds of Employee Contributions	(6,162)	(5,436)	(4,962)	(4,044)
Administrative Expense	(37)	(24)	(47)	(45)
Net Change in Plan Fiduciary Net Position	(1,429)	11,803	14,695	15,053
Plan Fiduciary Net Position - Beginning	116,642	104,839	90,144	75,091
Plan Fiduciary Net Position - Ending (b)	<u>\$ 115,213</u>	<u>\$ 116,642</u>	<u>\$ 104,839</u>	<u>\$ 90,144</u>
Net Pension Liability	<u>\$ 13,668</u>	<u>\$ 8,482</u>	<u>\$ 15,404</u>	<u>\$ 25,203</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.39 %	93.22 %	87.19 %	78.15 %
Covered Payroll	\$ 11,587	\$ 10,709	\$ 10,828	\$ 11,443
Net Pension Liability as a Percentage of Covered Payroll	117.96 %	79.20 %	142.26 %	220.25 %

(1) This schedule is intended to present 10 years of data, currently, only those years with information available are presented.

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SINGLE-EMPLOYER PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years
(in thousands)

	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>
Actuarially Determined Contribution	\$ 2,216	\$ 2,537	\$ 3,071	\$ 4,446	\$ 5,197
Contributions in Relation to the Actuarially Determined Contributions	<u>(2,216)</u>	<u>(2,537)</u>	<u>(3,071)</u>	<u>(5,446)</u>	<u>(6,197)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>
Covered Payroll	\$ 5,024	\$ 6,179	\$ 6,425	\$ 7,150	\$ 8,080
Contributions as a percentage of covered payroll	44.11 %	41.06 %	47.80 %	76.17 %	76.70 %

Notes to Schedule

Valuation Date: 10/1/2017

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method: Entry Age Normal

Actuarial Asset Method: All assets are valued at fair value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair value investment return) over a five years period.

Mortality: RP-2000 Combined Healthy Table (sex distinct) with fully generational mortality

Interest Rate: 7.00% per year compounded annually, net of investment related expenses.

Normal Retirement Age: Below are the rates assumed once the Member has attained normal retirement eligibility:

Net Pension Liability as a Percentage of Covered Payroll:	<u>Number of Years Following NR</u>	<u>Age 65 with 7 Years Service</u>	<u>25 Years of Service</u>
	0	20%	60%
	1	20%	30%
	2	20%	10%
	3	20%	10%
	4	20%	10%
	5	100%	100%

(continued)

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GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SINGLE-EMPLOYER PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years
(in thousands)

	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>	<u>9/30/2012</u>	<u>9/30/2011</u>
Actuarially Determined Contribution	\$ 5,969	\$ 6,565	\$ 6,470	\$ 5,314	\$ 5,347
Contributions in Relation to the Actuarially Determined Contribution	(6,969)	(7,565)	(7,366)	(5,314)	(5,347)
Contribution Deficiency (Excess)	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>	<u>\$ (896)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 11,587	\$ 10,709	\$ 10,828	\$ 11,443	\$ 11,913
Contributions as a percentage of covered payroll	60.14 %	70.64 %	68.03 %	46.44 %	44.88 %

Early Retirement Age:

Below are the rates assumed once the Member has attained
Early retirement eligibility:

Number of Years Following NR	Rate
0	2.00%
1	2.00%
2	5.00%
3	5.00%
4	5.00%
5	5.00%
6	5.00%
7	10.00%
8	15.00%
9	15.00%

The assumed rates of early retirement were approved in
conjunction with an actuarial experience study dated
September 26, 2016.

Termination Rate:

Service	Rate
<15	2.5%
15-19	2.0%
20-24	0.5%

The assumed rates of termination were approved in
conjunction with an actuarial experience study dated
September 26, 2016.

Salary Increases:

4.25% per year until the assumed retirement age. This was approved in conjunction
with an actuarial study dated September 29, 2016.

Payroll Growth:

N/A

Marital Status:

100% of active members are assumed married. Additionally, male
spouses are assumed to be three years older than female spouses

Funding Method:

Entry Age Normal Actuarial Cost Method.

Actuarial Asset Method:

All assets are valued at fair value with an adjustment made to uniformly spread
actuarial investment gains and losses (as measured by actual fair value investment
return against expected fair value investment return) over a five-year period.

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
MULTI-EMPLOYER PENSION PLAN
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last 10 Fiscal Years ⁽¹⁾
(in thousands)

FRS Plan

	2020	2019	2018	2017
Proportion of the net pension liability (asset)	0.048929779 %	0.048389352 %	0.044420507 %	0.040634130 %
Proportionate share of the net pension liability (asset)	\$ 21,207	\$ 16,665	\$ 13,380	\$ 12,019
Covered payroll	\$ 6,875	\$ 6,243	\$ 5,495	\$ 5,263
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	308.46 %	266.93 %	243.49 %	228.45 %
Plan fiduciary net position as a percentage of the total	78.85 %	82.61 %	84.26 %	83.89 %

- (1) GASB 68 requires information for 10 years. However, only the information currently available is presented.
(2) The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the FRS Comprehensive Annual Financial Report.

Multi-Employer Pension Plan
Schedule of Proportionate Share of Net Pension Liability
Last 10 Fiscal Years ⁽¹⁾
(in thousands)

HIS Plan

	2020	2019	2018	2017
Proportion of the net pension liability (asset)	2.091629900 %	0.020557117 %	0.019114604 %	0.017240683 %
Proportionate share of the net pension liability (asset)	\$ 2,554	\$ 2,300	\$ 2,023	\$ 1,843
Covered payroll	\$ 6,875	\$ 6,243	\$ 5,495	\$ 5,263
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.15 %	36.84 %	36.82 %	35.03 %
Plan fiduciary net position as a percentage of the total	3.00 %	2.63 %	2.15 %	1.64 %

- (1) GASB 68 requires information for 10 years. However, only the information currently available is presented.
(2) The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the FRS Comprehensive Annual Financial Report.

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
MULTI-EMPLOYER PENSION PLAN
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last 10 Fiscal Years ⁽¹⁾
(in thousands)

FRS Plan			
	2016	2015	2014
Proportion of the net pension liability (asset)	0.039587447 %	0.035205549 %	0.034121231 %
Proportionate share of the net pension liability (asset)	\$ 9,996	\$ 4,547	\$ 2,082
Covered payroll	\$ 5,130	\$ 4,857	\$ 4,646
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	194.85 %	93.62 %	44.81 %
Plan fiduciary net position as a percentage of the total	84.88 %	92.00 %	96.09 %

- (1) GASB 68 requires information for 10 years. However, only the information currently available is presented.
(2) The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the FRS Comprehensive Annual Financial Report.

Multi-Employer Pension Plan
Schedule of Proportionate Share of Net Pension Liability
Last 10 Fiscal Years ⁽¹⁾
(in thousands)

HIS Plan			
	2016	2015	2014
Proportion of the net pension liability (asset)	0.016983689 %	0.016908717 %	0.016348268 %
Proportionate share of the net pension liability (asset)	\$ 1,979	\$ 1,724	\$ 1,528
Covered payroll	\$ 5,130	\$ 4,857	\$ 4,646
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	38.58 %	35.50 %	32.90 %
Plan fiduciary net position as a percentage of the total	0.97 %	0.50 %	0.99 %

- (1) GASB 68 requires information for 10 years. However, only the information currently available is presented.
(2) The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the FRS Comprehensive Annual Financial Report.

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
MULTI-EMPLOYER PENSION PLAN
SCHEDULE OF CONTRIBUTIONS ⁽¹⁾
Last 10 Fiscal Years
(in thousands)

FRS Plan

	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 1,626	\$ 1,500	\$ 1,266	\$ 1,058
Contributions in Relation to the Actuarially Determined Contributions	(1,626)	(1,500)	(1,266)	(1,058)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,240	\$ 6,875	\$ 6,243	\$ 5,495
Contributions as a percentage of covered payroll	22.46 %	21.82 %	20.28 %	19.25 %

(1) GASB 68 requires information for 10 years. However, only the information currently available is presented.

Multi-Employer Pension Plan - FRS
Schedule of Contributions
Last 10 Fiscal Years ⁽¹⁾
(in thousands)

HIS Plan

	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 121	\$ 114	\$ 104	\$ 91
Contributions in Relation to the Actuarially Determined Contributions	(121)	(114)	(104)	(91)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,240	\$ 6,875	\$ 6,243	\$ 5,495
Contributions as a percentage of covered payroll	1.67 %	1.66 %	1.67 %	1.66 %

(1) GASB 68 requires information for 10 years. However, only the information currently available is presented.

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
MULTI-EMPLOYER PENSION PLAN
SCHEDULE OF CONTRIBUTIONS ⁽¹⁾
Last 10 Fiscal Years
(in thousands)

FRS Plan

	2016	2015	2014
Actuarially Determined Contribution	\$ 965	\$ 858	\$ 747
Contributions in Relation to the Actuarially Determined Contributions	(965)	(858)	(747)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 5,263	\$ 5,130	\$ 4,857
Contributions as a percentage of covered payroll	18.34 %	16.73 %	15.38 %

(1) GASB 68 requires information for 10 years. However, only the information currently available is presented.

Multi-Employer Pension Plan - FRS
Schedule of Contributions
Last 10 Fiscal Years ⁽¹⁾
(in thousands)

HIS Plan

	2016	2015	2014
Actuarially Determined Contribution	\$ 87	\$ 64	\$ 56
Contributions in Relation to the Actuarially Determined Contributions	(87)	(64)	(56)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 5,263	\$ 5,130	\$ 4,857
Contributions as a percentage of covered payroll	1.65 %	1.25 %	1.15 %

(1) GASB 68 requires information for 10 years. However, only the information currently available is presented.

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SINGLE-EMPLOYER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years
(in thousands)

	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Actuarially Determined Contribution	\$ 1,748	\$ 1,933	\$ 1,855	\$ 2,440	\$ 1,571
Contributions in Relation to the Actuarially Determined Contribution	1,748	(1,933)	(1,855)	(2,440)	(2,216)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (645)</u>
Covered Payroll	\$ 52,215	\$ 46,623	\$ 43,723	\$ 41,412	\$ 38,901
Contributions as a percentage of covered payroll	3.35 %	4.15 %	4.24 %	5.89 %	5.70 %

Notes to Schedule

Valuation Date: 10/1/2017

Actuarially determined contribution rates shown above are calculated as of October 1, 2017 for the plan/fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Plan/Fiscal Year End: 9/30/2019

Funding Method: Entry Age Cost Method (Level Percentage of Pay)

Actuarial Value of Assets: Fair Value

Mortality Rate: Healthy Lives
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB
Male: RP2000 Generational, 50% Annuitant White Collar/50% Annuitant Blue Collar, Scale BB

Disabled Lives:
Female: 100% RP2000 Disabled Female set forward two years
Male: 100% RP2000 Disabled Male setback for years, White Collar with no setback, no projection scale.

Discount Rate: 6.50% per year

20 Years Municipal Bond Rate: N/A

Assumed Investment Return: 6.50% per year, net of investment expenses

(continued)

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SINGLE-EMPLOYER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years
(in thousands)

	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>	<u>9/30/2012</u>	<u>9/30/2011</u>
Actuarially Determined Contribution	\$ 1,773	\$ 2,073	\$ 2,877	\$ 3,889	\$ 5,580
Contributions in Relation to the Actuarially					
Determined Contribution	<u>(3,024)</u>	<u>(3,890)</u>	<u>(5,640)</u>	<u>(5,640)</u>	<u>(27,312)</u>
Contribution Deficiency (Excess)	<u>\$ (1,251)</u>	<u>\$ (1,817)</u>	<u>\$ (2,763)</u>	<u>\$ (1,751)</u>	<u>\$ (21,732)</u>
Covered Payroll	\$ 36,934	\$ 35,067	\$ 34,028	\$ 32,957	\$ 31,866
Contributions as a percentage of covered payroll	8.19 %	11.09 %	16.57 %	17.11 %	85.71 %

Retirement Rates:

<u>Age</u>	<u>Retirement Rate</u>
55-60	15%
61-64	10%
65-69	20%
70	100%

Termination Rates:

<u>Age</u>	<u>Retirement Rate</u>
25	5.29%
30	5.07%
35	4.70%
40	3.50%
45	1.77%
50	0.41%
55+	0.00%

Payroll Growth:

0.00% per year

Inflation:

2.50% per year

Salary Increase:

4.25% per year

Administrative Expenses:

Included in medical claims

Marital Status:

80% assumed married, with male spouses 3 years older than female spouses.

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SINGLE-EMPLOYER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF CHANGES IN LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years ⁽¹⁾
(in thousands)

Fiscal Year	9/30/2020	9/30/2019	9/30/2018
Measurement Date	9/30/2019	9/30/2018	9/30/2017
Total OPEB Liability			
Service Cost	\$ 1,363	\$ 1,377	\$ 1,424
Interest	4,405	4,206	4,180
Change of benefit terms	-	-	-
Difference in Expected versus Actual Experience	1,650	(688)	-
Changes of assumptions	(2,006)	(2,503)	-
Benefit Payments, Including Refunds of Employee Contributions	(2,236)	(2,080)	(1,864)
Net Change in Pension Liability	3,176	312	3,740
Total OPEB Liability Beginning	67,864	67,552	63,812
Total OPEB Liability Ending (a)	<u>\$ 71,040</u>	<u>\$ 67,864</u>	<u>\$ 67,552</u>
Plan Fiduciary Net Position			
Contributions – Employer	\$ 1,933	\$ 1,855	\$ 2,440
Net Investment Income	2,278	5,328	6,258
Benefit Payments	(2,236)	(2,080)	(1,882)
Other Income	(196)	-	18
Administrative Expense	(15)	-	-
Net Change in Plan Fiduciary Net Position	1,764	5,103	6,834
Plan Fiduciary Net Position – Beginning	65,725	60,622	53,788
Plan Fiduciary Net Position – Ending (b)	<u>\$ 67,489</u>	<u>\$ 65,725</u>	<u>\$ 60,622</u>
Net OPEB Liability	<u>\$ 3,551</u>	<u>\$ 2,139</u>	<u>\$ 6,930</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	95.00%	96.85%	89.74%
Covered Payroll	\$ 46,623	\$ 43,723	\$ 41,412
Net Pension Liability as a Percentage of Covered Payroll	7.62%	4.89%	16.73%

(1) This schedule is intended to present 10 years of data. Currently only those years with information available are presented.

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SINGLE-EMPLOYER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF CHANGES IN LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years
(in thousands)

Fiscal Year Measurement Date	9/30/2017 9/30/2016	9/30/2016 9/30/2015
Total OPEB Liability		
Service Cost	\$ 1,366	\$ 1,310
Interest	3,948	3,719
Change of benefit terms	-	-
Difference in Expected versus Actual Experience	-	-
Changes of assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,702)	(1,447)
Net Change in Pension Liability	3,612	3,582
Total OPEB Liability Beginning	60,200	56,618
Total OPEB Liability Ending (a)	\$ 63,812	\$ 60,200
Plan Fiduciary Net Position		
Contributions – Employer	\$ 2,216	\$ 3,024
Net Investment Income	4,609	(87)
Benefit Payments	(1,702)	(1,447)
Other Income	38	-
Administrative Expense	-	-
Net Change in Plan Fiduciary Net Position	5,161	1,490
Plan Fiduciary Net Position – Beginning	48,627	47,137
Plan Fiduciary Net Position – Ending (b)	\$ 53,788	\$ 48,627
Net OPEB Liability	\$ 10,024	\$ 11,573
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	84.29%	80.78%
Covered Payroll	\$ 38,901	\$ 36,934
Net Pension Liability as a Percentage of Covered Payroll	25.77%	31.33%

APPENDIX E

FORM OF CO-BOND COUNSEL OPINIONS

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APPENDIX E

FORM OF OPINIONS OF NABORS, GIBLIN & NICKERSON, P.A. AND D. SEATON AND ASSOCIATES, P.A. WITH RESPECT TO THE SERIES 2022 BONDS

Upon delivery of the Series 2022 Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, and D. Seaton and Associates, P.A., Orlando, Florida, Co-Bond Counsel, propose to render their respective opinions in relation to such Series 2022 Bonds in substantially the following form:

February 22, 2022

Greater Orlando Aviation Authority
Orlando, Florida

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$183,100,000 Greater Orlando Aviation Authority Airport Facilities Revenue Bonds, Series 2022A (AMT) of the City of Orlando, Florida (the "Series 2022A Bonds"), \$64,050,000 Greater Orlando Aviation Authority Airport Facilities Revenue Bonds, Series 2022B (Taxable) of the City of Orlando, Florida (the "Series 2022B Bonds"), \$8,665,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2022C (AMT) of the City of Orlando, Florida (the "Series 2022C Bonds"), \$19,735,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2022D (Non-AMT) of the City of Orlando, Florida (the "Series 2022D Bonds"), and \$11,490,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2022E (Taxable) of the City of Orlando, Florida (the "Series 2022E Bonds" and collectively with the Series 2022A Bonds, the Series 2022B Bonds, the Series 2022C Bonds and the Series 2022D Bonds, the "Series 2022 Bonds").

The Series 2022 Bonds are issued under and pursuant to the Greater Orlando Aviation Authority Act, Chapter 98-492, Laws of Florida, as amended (the "Act"), and the Amended and Restated Airport Facilities Revenue Bond Resolution, adopted by the governing board of the Greater Orlando Aviation Authority (the "Authority") on September 16, 2015, and effective on May 1, 2017, as amended and supplemented from time to time, particularly as supplemented by the Authority's Supplemental Airport Facilities Revenue Bond Resolution Authorizing the Issuance of Airport Facilities

Revenue Bonds, Series 2022A (AMT), Airport Facilities Revenue Bonds, Series 2022B (Taxable), Airport Facilities Refunding Revenue Bonds, Series 2022C (AMT), Airport Facilities Refunding Revenue Bonds, Series 2022D (Non-AMT), Airport Facilities Refunding Revenue Bonds, Series 2022E (Taxable) adopted on January 19, 2022 (collectively, the "Bond Resolution"), and approved by the City Council of the City of Orlando, Florida (the "City") on January 24, 2022. Capitalized but undefined terms used herein shall have the meanings assigned thereto in the Bond Resolution.

The Series 2022 Bonds are dated and shall bear interest from the date hereof, except as otherwise provided in the Bond Resolution. The Series 2022 Bonds will mature on the dates and in the principal amounts, and will bear interest at the respective rates per annum, as provided in the Bond Resolution and the Bond Purchase Agreement, dated February 9, 2022, relating to the sale of the Series 2022 Bonds (the "Bond Purchase Agreement"). Interest on the Series 2022 Bonds shall be payable on April 1 and October 1 of each year, commencing on October 1, 2022. The Series 2022 Bonds are subject to redemption prior to maturity in accordance with the terms of the Bond Resolution and the Bond Purchase Agreement.

The Series 2022A Bonds and the Series 2022B Bonds are being issued for the principal purposes of providing funds to: (a) finance the Costs of construction of the Project; (b) refinance certain draws on various Lines of Credit; (c) fund a deposit to the Composite Reserve Subaccount of the Debt Service Reserve Account to bring the balance therein equal the Composite Reserve Requirement; and (d) pay certain costs of issuance with respect to the Series 2022A Bonds and Series 2022B Bonds.

The Series 2022C Bonds, the Series 2022D Bonds and the Series 2022E Bonds (collectively, the "2022 Refunding Bonds") are being issued for the principal purposes of providing funds to (a) refinance those maturities of the Authority's Airport Facilities Refunding Revenue Bonds, Series 2011B (AMT) of the City of Orlando, Florida (the "Series 2011B Bonds"); the Authority's Airport Facilities Refunding Revenue Bonds, Series 2011C (Non-AMT) of the City of Orlando, Florida (the "Series 2011C Bonds"); the Authority's Airport Facilities Refunding Revenue Bonds, Series 2011D (Taxable) of the City of Orlando, Florida (the "Series 2011D Bonds") and the Authority's Airport Facilities Refunding Revenue Bonds, Series 2012A (AMT) of the City of Orlando, Florida (the "Series 2012A Bonds"), which the Authority determines to refund, collectively the "Refunded Bonds", and (b) pay certain costs of issuance with respect to each Series of the 2022 Refunding Bonds.

Certain proceeds of the Series 2022C Bonds, the Series 2022D Bonds and the Series 2022E Bonds, together with other moneys of the Authority, shall be used on the date hereof to redeem the Series 2011B Bonds, Series 2011C Bonds and Series 2011D Bonds that are Refunded Bonds.

Certain proceeds of the Series 2022E Bonds, together with other moneys of the Authority, shall be deposited into an escrow trust fund (the "Escrow Fund") established pursuant to an Escrow Deposit Agreement between the Authority and The Bank of New York Mellon Trust Company, as Escrow Agent (the "Escrow Deposit Agreement"). Such proceeds and other moneys, together with investment earnings thereon, shall be sufficient to pay the principal of, redemption premium, if any, and interest on the Series 2012A Bonds that are Refunded Bonds, as the same become due or are redeemed prior to maturity.

As to questions of fact material to our opinion, we have relied upon the representations of the Authority contained in the Bond Resolution and the Escrow Deposit Agreement and in the certified proceedings relating thereto and to the issuance of the Series 2022 Bonds and other certifications of public officials furnished to us in connection therewith without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in any agreements, documents, certificates, representations and opinions relating to the Series 2022 Bonds, and have relied solely on the facts, estimates and circumstances described and set forth therein. In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies. We have also relied upon the opinion of Nelson Mullins Riley & Scarborough LLP as to the due creation and valid existence of the Authority and the opinion of the Office of Legal Affairs of the City as to the due adoption by the City of its approving resolution.

Based on the foregoing, under existing law, we are of the opinion that:

1. The Authority is a duly created and validly existing agency of the City under the provisions of the Act.
2. The Authority has the right and power under the Act and the Constitution and Laws of the State of Florida to adopt the Bond Resolution, and the Bond Resolution has been duly and lawfully adopted by the Authority and approved by the City, is in full force and effect in accordance with its terms and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for the Bond Resolution is required. The Bond Resolution creates the valid pledge which it purports to create of the Pledged Funds (as such term is defined in the Bond Resolution), subject to the provisions of the Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Resolution.
3. The Authority is duly authorized and entitled to issue the Series 2022 Bonds, and the Series 2022 Bonds have been duly and validly authorized and issued by

the Authority in accordance with the Act and the Constitution and Laws of the State of Florida and the Bond Resolution. The Series 2022 Bonds constitute valid and binding obligations of the Authority as provided in the Bond Resolution, are enforceable in accordance with their terms and the terms of the Bond Resolution and are entitled to the benefits of the Bond Resolution and the laws pursuant to which they are issued. The Series 2022 Bonds are issued on parity with certain other obligations of the Authority pursuant to the terms of the Bond Resolution. The Series 2022 Bonds do not constitute a general indebtedness of the Authority, the City, the State of Florida or any agency, department or political subdivision thereof, or a pledge of the faith and credit of such entities, but are payable solely from the Pledged Funds in the manner and to the extent provided in the Bond Resolution. The Authority has no taxing power. The Series 2022 Bonds are not secured by a lien on the Airport System (as defined in the Bond Resolution), or any other real or tangible property.

4. Under existing statutes, regulations, rulings and court decisions, interest on the Series 2022A Bonds, the Series 2022C Bonds and the Series 2022D Bonds is excluded from the gross income of the holders thereof for federal income tax purposes, except that such exclusion shall not apply, in the case of the Series 2022A Bonds and the Series 2022C Bonds, during any period while such Bond is held by a "substantial user" of the facilities financed or refinanced by such Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Such interest on the Series 2022A Bonds and the Series 2022C Bonds is an item of tax preference for purposes of the federal alternative minimum tax. The interest on the Series 2022D Bonds is not an item of tax preference for the purposes of the alternative minimum tax. The opinions set forth above are subject to the condition that the Authority comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2022A Bonds, the Series 2022C Bonds and the Series 2022D Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Series 2022A Bonds, the Series 2022C Bonds and the Series 2022D Bonds to be so included in gross income retroactive to the date of issuance of the Series 2022A Bonds, the Series 2022C Bonds and the Series 2022D Bonds. The Authority has covenanted in the Bond Resolution to comply with all such requirements. Ownership of the Series 2022A Bonds, the Series 2022C Bonds and the Series 2022D Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to Series 2022A Bonds, the Series 2022C Bonds and the Series 2022D Bonds.

5. Interest on the Series 2022B Bonds and the Series 2022E Bonds is not excludable from gross income of the holders thereof for federal income tax purposes.

In rendering the opinions set forth above, we are relying upon (a) the arithmetical accuracy of certain computations included in schedules provided by Wells Fargo Bank, N.A. relating to the adequacy of proceeds of the Series 2022E Bonds and other moneys of the Authority deposited in the Escrow Fund established pursuant to the Escrow Deposit Agreement, including any investment proceeds thereon, to pay the principal of, redemption premium, if any, and interest on the Series 2012A Bonds that are Refunded Bonds, and of certain yield computations, and (b) the verification of arithmetical accuracy of such computations by Precision Analytics Inc. We are also relying upon the arithmetical accuracy of certain computations included in schedules provided by Wells Fargo Bank, N.A. relating to amounts necessary to pay the principal and interest coming due on the Series 2011B Bonds, Series 2011C Bonds and Series 2011D Bonds that are Refunded Bonds being redeemed on the date hereof.

It should be noted that (1) except as may expressly be set forth in an opinion delivered by us to the underwriters (on which opinion only they may rely) for the Series 2022 Bonds on the date hereof, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2022 Bonds and we express no opinion relating thereto, and (2) we have not been engaged or undertaken to review the compliance with any federal or state law with regard to the sale or distribution of the Series 2022 Bonds and we express no opinion relating thereto.

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that the enforceability of the Bond Resolution and the Series 2022 Bonds may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

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 federal income tax laws of 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 or omitted herein.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the forms of the Series 2022 Bonds and, in our opinion, the forms of the Series 2022 Bonds are regular and proper.

Respectfully submitted,

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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FORM OF
CONTINUING DISCLOSURE AGREEMENT

by and between

GREATER ORLANDO AVIATION AUTHORITY

and

DIGITAL ASSURANCE CERTIFICATION L.L.C.

relating to:

\$183,100,000		\$64,050,000
GREATER ORLANDO		GREATER ORLANDO
AVIATION AUTHORITY		AVIATION AUTHORITY
AIRPORT FACILITIES		AIRPORT FACILITIES
REVENUE BONDS,		REVENUE BONDS,
SERIES 2022A (AMT)		SERIES 2022B (TAXABLE)
OF THE		OF THE
CITY OF ORLANDO, FLORIDA		CITY OF ORLANDO, FLORIDA
\$8,665,000	\$19,735,000	\$11,490,000
GREATER ORLANDO	GREATER ORLANDO	GREATER ORLANDO
AVIATION AUTHORITY	AVIATION AUTHORITY	AVIATION AUTHORITY
AIRPORT FACILITIES	AIRPORT FACILITIES	AIRPORT FACILITIES
REFUNDING REVENUE	REFUNDING REVENUE	REFUNDING REVENUE
BONDS,	BONDS,	BONDS,
SERIES 2022C (AMT)	SERIES 2022D (NON-AMT)	SERIES 2022E (TAXABLE)
OF THE	OF THE	OF THE
CITY OF ORLANDO, FLORIDA	CITY OF ORLANDO, FLORIDA	CITY OF ORLANDO, FLORIDA

Dated February 22, 2022

This **CONTINUING DISCLOSURE AGREEMENT** (this “Disclosure Agreement”) dated February 22, 2022, is executed and delivered by the **GREATER ORLANDO AVIATION AUTHORITY**, an agency of the City of Orlando, Florida (the “Authority”) and **DIGITAL ASSURANCE CERTIFICATION, L.L.C.**, a limited liability company duly organized and existing under the laws of the State of Florida, and any successor dissemination agent serving hereunder pursuant to Section 11 hereof (the “Dissemination Agent” or “DAC”).

RECITALS:

A. Contemporaneously with the execution and delivery of this Disclosure Agreement, the Authority issued its \$183,100,000 Greater Orlando Aviation Authority Airport Facilities Revenue Bonds, Series 2022A (AMT) of the City of Orlando, Florida (the “Series 2022A Bonds”), \$64,050,000 Greater Orlando Aviation Authority Airport Facilities Revenue Bonds, Series 2022B (TAXABLE) of the City of Orlando, Florida (the “Series 2022B Bonds”), \$8,665,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2022C (AMT) of the City of Orlando, Florida (the “Series 2022C Bonds”), \$19,735,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2022D (Non-AMT) of the City of Orlando, Florida (the “Series 2022D Bonds”) and \$11,490,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2022E (TAXABLE) of the City of Orlando, Florida (the “Series 2022E Bonds” and together with the Series 2022A Bonds, the Series 2022B Bonds, the Series 2022C Bonds, the Series 2022D Bonds, the “Series 2022 Bonds”), pursuant to Chapter 57-1658, Special Laws of Florida 1957 which was subsequently repealed, re-codified and amended by Chapter 98-492, Special Laws of Florida 1998, as amended, and pursuant to the Amended and Restated Airport Facilities Revenue Bond Resolution, authorizing Airport Facilities Revenue Bonds of the City of Orlando, Florida adopted by the governing board of the Authority (the “Board”), on September 16, 2015, having an effective date of May 1, 2017 as may be further restated, supplemented and amended, from time to time (the “Amended and Restated Bond Resolution”), and as specifically supplemented by that certain Supplemental Airport Facilities Revenue Bond Resolution authorizing the issuance of the Series 2022 Bonds, adopted by the Authority on January 19, 2022 (the “2022 Supplemental Resolution” and together with the Amended and Restated Bond Resolution, the “Bond Resolution”).

B. (i) The Series 2022A Bonds and the Series 2022B Bonds are being issued for the purpose of providing funds to: (a) finance improvements to the Airport System to be financed in whole or in part from proceeds of the Series 2022A Bonds and Series 2022B Bonds, including the acquisition, design, construction and equipping of (i) the new South Terminal Complex, and (ii) certain capital projects in the North Terminal Complex and other Airport facilities and associated infrastructure, all as more particularly described in the plans and specifications on file with the Authority; (b) refinance certain draws made on certain of the Existing Lines of Credit (as defined in the Official Statement), the proceeds of which were used to finance a portion of the cost of the 2022 Project and associated interest; (c) fund a deposit to the Composite Reserve Subaccount of the Debt Service Reserve Account to bring the balance therein equal to the Composite Reserve Requirement; and (d) pay certain costs of issuance of the Series 2022A Bonds and the Series 2022B Bonds.

(ii) The Series 2022C Bonds, Series 2022D Bonds and Series 2022E Bonds are being issued, together with other available funds of the Authority, if any, for the purpose of providing funds to: (a) refinance all or a portion of the \$70,040,000 Airport Facilities Refunding Revenue Bonds, Series 2011B (AMT) of the City of Orlando, Florida; the \$40,425,000 Airport Facilities Refunding Revenue Bonds, Series 2011C (Non-AMT) of the City of Orlando, Florida; the \$67,945,000 Airport Facilities Refunding Revenue Bonds, Series 2011D (Taxable) of the City of Orlando, Florida; and the \$37,065,000 Airport Facilities Refunding Revenue Bonds, Series 2012A (AMT) of the City of Orlando, Florida; and (b) pay certain costs of issuance of the Series 2022C Bonds, Series 2022D Bonds and Series 2022E Bonds.

C. The Authority has authorized the preparation and distribution of the Preliminary Official Statement dated January 27, 2022, as supplemented on February 7, 2022, with respect to the Series 2022 Bonds (collectively, the "Preliminary Official Statement") and, on or before the date of the Preliminary Official Statement, the Authority deemed that the Preliminary Official Statement was final within the meaning of the Rule (as defined herein).

D. Upon the initial sale of the Series 2022 Bonds to the Participating Underwriter (as defined herein), the Authority authorized the preparation and distribution of the Official Statement dated February 9, 2022 with respect to the Series 2022 Bonds (the "Official Statement").

E. As a condition precedent to the initial purchase of the Series 2022 Bonds by the Participating Underwriter in accordance with the terms of the Bond Purchase Agreement dated February 9, 2022 by and between the Authority and the Participating Underwriter, and in compliance with the Participating Underwriter's obligations under the Rule, the Authority has agreed to undertake, for the benefit of the holders of the Series 2022 Bonds, to provide certain annual financial and operating information and notice of the occurrence of certain events on an ongoing basis for so long as the Series 2022 Bonds remain outstanding as set forth herein.

NOW THEREFORE, in consideration of the purchase of the Series 2022 Bonds by the Participating Underwriter and the mutual promises and agreements made herein, the receipt and sufficiency of which consideration is hereby mutually acknowledged, the Authority and the Dissemination Agent do hereby certify and agree as follows:

Section 1. **Incorporation of Recitals.** The above recitals are true and correct and are incorporated into and made a part hereof.

Section 2. **Definitions.**

(a) For the purposes of this Disclosure Agreement, all capitalized terms used, but not otherwise defined herein shall have the meanings ascribed thereto in the Bond Resolution and the Official Statement, as applicable.

(b) In addition to the terms defined elsewhere herein, the following terms shall have the following meanings for the purposes of this Disclosure Agreement:

“Annual Filing” means any annual report provided by the Authority, pursuant to and as described in Sections 4 and 6 hereof.

“Annual Filing Date” means the date, set forth in Sections 4(a) and 4(e) hereof, by which the Annual Filing is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (f)(9) of the Rule and specified in Section 6(a) hereof.

“Audited Financial Statements” means the financial statements of the Authority for the prior Fiscal Year, certified by an independent auditor and prepared in accordance with generally accepted accounting principles, as in effect from time to time, and audited by an independent certified public accountant in conformity with generally accepted accounting principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Government Accounting Standards Board.

“Beneficial Owner” means any beneficial owner of the Series 2022 Bonds. Beneficial ownership is to be determined consistent with the definition thereof contained in Rule 13d-3 of the SEC, or, in the event such provisions do not adequately address the situation at hand (in the opinion of nationally recognized bond counsel), beneficial ownership is to be determined based upon ownership for federal income tax purposes.

“Business Day” means a day other than (a) a Saturday or a Sunday; (b) a day on which the City is authorized or required to be closed; or (c) a day on which banks are authorized or required by law to close.

“Disclosure Representative” means the Chief Financial Officer of the Authority or his or her designee, or such other person as the Authority shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing Information to the Dissemination Agent.

“Dissemination Agent” or “DAC” means Digital Assurance Certification, L.L.C., acting in its capacity as initial dissemination agent hereunder, or any successor dissemination Agent designated in writing by the Authority pursuant to Section 11 hereof.

“EMMA” means the Electronic Municipal Market Access system, a service of the MSRB, or any successor thereto.

“Filing” means, as applicable, any Annual Filing, Notice Event Filing, Voluntary Filing or any other notice, report, or information made public under this Disclosure Agreement.

“Financial Obligation” as used in the Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii)

guarantee of (i) and (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the fiscal year of the Authority, which currently is the twelve-month period beginning October 1 and ending on September 30 of the following year or any such other twelve-month period designated by the Authority, from time to time, to be its fiscal year.

“Information” means the Annual Financial Information, the Audited Financial Statements (if any), the Notice Event Filings, and the Voluntary Filings.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

“Notice Event” means an event listed in Sections 5(a) and 5(b) hereof. “Notice Event Filing” shall have the meaning specified in Section 5(c) hereof.

“Obligated Person” means the Authority and any person 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 Series 2022 Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

The Authority confirms that, as of the date hereof, it is the only Obligated Person with respect to the Series 2022 Bonds.

“Participating Underwriter” means, collectively, the original purchasers of the Series 2022 Bonds required to comply with the Rule in connection with the offering of the Series 2022 Bonds.

“Repository” means each entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule. The repositories currently approved by the SEC may be found by visiting the SEC's website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the only Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure filings through its EMMA website at <http://emma.msrb.org>.

“Rule” means Rule 15c2-12 of the SEC promulgated pursuant to the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” means the United States Securities and Exchange Commission. “Third-Party Beneficiary” shall have the meaning specified in Section 3(b) hereof.

“Unaudited Financial Statements” means the financial statements of the Authority for the prior Fiscal Year which have not been certified by an independent certified public accountant.

“Voluntary Filing” means the information provided to the Dissemination Agent by the Authority pursuant to Section 8 hereof.

Section 3. Scope of this Disclosure Agreement.

(a) The Authority has agreed to enter into this Disclosure Agreement and undertake the disclosure obligations hereunder, at the request of the Participating Underwriter and as a condition precedent to the Participating Underwriter's original purchase of the Series 2022 Bonds, in order to assist the Participating Underwriter with compliance with the Rule. The disclosure obligations of the Authority under this Disclosure Agreement relate solely to the Series 2022 Bonds. Such disclosure obligations are not applicable to any other securities issued or to be issued by the Authority, nor to any other securities issued by or on behalf of the Authority.

(b) Neither this Disclosure Agreement, nor the performance by the Authority or the Dissemination Agent of their respective obligations hereunder, shall create any third-party beneficiary rights, shall be directly enforceable by any third-party, or shall constitute a basis for a claim by any person except as expressly provided herein and except as required by law, including, without limitation, the Rule; provided, however, the Participating Underwriter and each Beneficial Owner are hereby made third-party beneficiaries hereof (collectively, and each respectively, a "Third-Party Beneficiary") and shall have the right to enforce the obligations of the parties hereunder pursuant to Section 9 hereof.

(c) This Disclosure Agreement shall terminate upon: (i) the defeasance, redemption or payment in full of all Series 2022 Bonds, in accordance with the Bond Resolution or (ii) the delivery of an opinion of counsel expert in federal securities laws retained by the Authority to the effect that continuing disclosure is no longer required under the Rule as to the Series 2022 Bonds.

Section 4. Annual Filings.

(a) The Authority shall provide, annually, an electronic copy of the Annual Filing to the Dissemination Agent on or before the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Filing, the Dissemination Agent shall provide the Annual Filing to the Repository, in an electronic format as prescribed by the MSRB. The April 30th immediately following the preceding Fiscal Year ended September 30, commencing April 30, 2022, shall be the Annual Filing Date. If April 30th falls on a day that is not a Business Day, the Annual Filing will be due on the first Business Day thereafter. Such date and each anniversary thereof is the Annual Filing Date. The Annual Filing may be submitted as a single document or as separate documents composing a package, and may cross-reference other information as provided in Section 6 hereof.

(b) If on the second Business Day prior to the Annual Filing Date, the Dissemination Agent has not received a copy of the Annual Filing, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by email) to remind the Authority of its undertaking to provide the Annual Filing pursuant to Section 4(a) hereof. Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Filing no later than 6:00 p.m. Eastern Time on the Annual Filing Date (or if such Annual Filing Date is not a Business Day, then the first Business Day thereafter), or (ii) instruct the Dissemination Agent in writing as to the status of the Annual Filing

within the time required under this Disclosure Agreement, and state the date by which the Annual Filing for such year is expected to be provided. If the Dissemination Agent has not received either (i) the Annual Filing by 6:00 p.m. Eastern Time on the Annual Filing Date, or (ii) evidence from the Authority that it has delivered the Annual Filing to the Repository by 11:59 p.m. Eastern Time on the Annual Filing Date, the Authority hereby irrevocably directs the Dissemination Agent, and the Dissemination Agent agrees, to immediately send a notice to the Repository the Business Day following the Annual Filing Date in substantially the form attached to this Disclosure Agreement as Exhibit A without reference to the anticipated filing date for the Annual Filing, and stating only that the "Notice Event" is that the Authority has failed to file the Annual Report by the deadline imposed by this Agreement, without any additional information or commentary.

(c) If the Audited Financial Statements are not available prior to the Annual Filing Date, the Authority shall provide the Unaudited Financial Statements and when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Dissemination Agent for filing with the Repository.

(d) The Dissemination Agent shall:

(i) upon receipt, and no later than the Annual Filing Date, promptly file each Annual Filing received under Section 4(a) hereof with the Repository in an electronic format as prescribed by the MSRB;

(ii) upon receipt, and no later than the Annual Filing Date, promptly file each Audited Financial Statement or Unaudited Financial Statement received under Sections 4(a) (and, upon receipt, promptly file any Audited Financial Statements received under Section 4(c)) hereof with the Repository in an electronic format as prescribed by the MSRB;

(iii) provide the Authority evidence of the filings of each of the above when made, which shall be made by means of the DAC system, for so long as DAC is the Dissemination Agent under this Disclosure Agreement.

(e) The Authority 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 Dissemination Agent and the Repository, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(f) Each Annual Filing shall contain the information set forth in Section 6 hereof for such preceding Fiscal Year.

Section 5. **Reporting of Notice Events.**

(a) In accordance with the Rule, the Authority or the Dissemination Agent shall file a Notice Event Filing with the Repository, in the appropriate format required by the MSRB and in

a timely manner not in excess of ten (10) Business Days after the occurrence of any of the following Notice Events with respect to the Series 2022 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 or liquidity 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 2022 Bonds, or other material events affecting the tax status of the Series 2022 Bonds;
- (vii) Modifications to rights of Holders if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Series 2022 Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership, or a similar proceeding on the part of an Obligated Person. Such an event is considered to have occurred when there is an appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person;
- (xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person, or the sale of all or substantially all of the assets of an 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;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) The incurrence of a Financial Obligation of the Obligated Person, if material, or an agreement to covenants, events of default, remedies, priority rights, or other similar items of a Financial Obligation of the Obligated Person, any of which affect bond holders, if material; and

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

(b) In accordance with the Rule, the Authority or the Dissemination Agent shall file a Notice Event Filing with the Repository, in the appropriate format required by the MSRB and in a timely manner, after the occurrence of a failure of the Authority to provide the Annual Filing on or before the Annual Filing Date.

(c) The Authority shall promptly notify the Dissemination Agent in writing of the occurrence of a Notice Event; provided, however, to the extent any such Notice Event has been previously and properly disclosed on the Repository by or on behalf of the Authority, the Authority shall not be required to provide such additional notice of such Notice Event in accordance with this subsection. Such notice shall instruct the Dissemination Agent to immediately report the occurrence pursuant to Section 5(e) hereof. Such notice shall be accompanied with the text of the disclosure that the Authority desires to make (each a "Notice Event Filing"), the written authorization of the Authority for the Dissemination Agent to disseminate such information, and the date on which the Authority desires for the Dissemination Agent to disseminate the information.

(d) The Dissemination Agent is under no obligation to notify the Authority or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will instruct the Dissemination Agent that: (i) a Notice Event has not occurred and no filing is to be made, or (ii) a Notice Event has occurred and provide the Dissemination Agent with the Notice Event Filing and the date the Dissemination Agent should file the Notice Event Filing.

(e) The Dissemination Agent shall upon receipt, and no later than the required filing date, promptly file each Notice Event Filing received under Sections 5(a) and 5(b) hereof with the Repository in an electronic format as prescribed by the MSRB;

Section 6. **Content of Annual Filings.** Each Annual Filing shall contain the following:

(a) Updates to the following tables set forth in the Official Statement:

(i) the table entitled, "Airlines Serving Orlando International Airport" under the heading "THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM-Airlines Serving Orlando International Airport";

(ii) the table entitled, "Historical Airline Market Shares Percentage of Total Passengers" under the heading "THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM-Airline Market Shares";

(iii) the table entitled, "Greater Orlando Aviation Authority Orlando International Airport Historical Domestic, International and Total Enplaned Passengers" under the heading "THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM-Enplaned Passengers at the Airport";

(iv) the table entitled, "Passenger Facility Charges" under the heading "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES-Passenger Facility Charges";

(v) the table entitled, "Greater Orlando Aviation Authority Orlando International Airport Statement of Revenues, Expenses and Changes in Net Position" under the heading "AUTHORITY FINANCIAL INFORMATION-Historical Statement of Revenues and Expenses";

(vi) the table entitled, "Greater Orlando Aviation Authority Orlando International Airport Historical Debt Service Coverage Per Amended and Restated Bond Resolution" under the heading "AUTHORITY FINANCIAL INFORMATION-Historical Debt Service Coverage"; and

(vii) the table entitled, "Greater Orlando Aviation Authority Orlando International Airport Available Net Revenues Available for Payment of Outstanding Priority Subordinated Indebtedness Per Amended and Restated Bond Resolution under the heading "AUTHORITY FINANCIAL INFORMATION-Historical Debt Service Coverage."

(b) If available at the time of such filing, the Audited Financial Statements for the prior Fiscal Year. If the Audited Financial Statements are not available by the time the Annual Filing is required to be filed pursuant to Section 4(a) hereof, the Annual Filing shall contain Unaudited Financial Statements of the Authority prepared in accordance with generally accepted accounting principles, as in effect from time to time, and the Audited Financial Statements shall be filed in the same manner as the Annual Filing when they become available. The Audited Financial Statements (if any) will be provided pursuant to Section 4(c) hereof.

Any or all of the items listed above may be included by specific reference to documents previously filed with the Repository or the SEC, including official statements for debt issues with respect to which the Authority is an Obligated Person. If the document incorporated by reference

is a final official statement, it must be available from the Repository. The Authority will clearly identify each such document so incorporated by reference.

Section 7. Responsibility for Content of Reports and Notices.

(a) The Authority shall be solely responsible for the content of each Filing (or any portion thereof) provided to the Dissemination Agent pursuant to this Disclosure Agreement and such other identifying information prescribed by the MSRB from time to time

(b) Each Filing distributed by the Dissemination Agent pursuant to Section 4 or 5 hereof shall be in a form suitable for distributing publicly and shall contain the CUSIP numbers of the Series 2022 Bonds and such other identifying information prescribed by the MSRB from time to time. Each Notice Event Filing shall be in substantially the form set forth in Exhibit A attached hereto. If an item of information contained in any Filing pursuant to this Disclosure Agreement would be misleading without additional information, the Authority shall include such additional information as a part of such Filing as may be necessary in order that the Filing will not be misleading in light of the circumstances under which it is made.

(c) Any report, notice or other filing to be made public pursuant to this Disclosure Agreement may consist of a single document or separate documents composing a package and may incorporate by reference other clearly identified documents or specified portions thereof previously filed with the Repository or the SEC; provided that any final official statement incorporated by reference must be available from the Repository.

(d) Notwithstanding any provision herein to the contrary, nothing in this Disclosure Agreement shall be construed to require the Authority or the Dissemination Agent to interpret or provide an opinion concerning information made public pursuant to this Disclosure Agreement.

Section 8. Voluntary Filings.

(a) The Authority may instruct the Dissemination Agent to file information with the Repository, from time to time (a "Voluntary Filing").

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information through the Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Filing, in addition to that required by this Disclosure Agreement. If the Authority chooses to include any information in any Filing in addition to that which is specifically required by this Disclosure Agreement, the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Filing.

(c) Notwithstanding the foregoing provisions of this Section 8, the Authority is under no obligation to provide any Voluntary Filing.

(d) The Dissemination Agent shall upon receipt promptly file each Voluntary Filing received under Section 8 hereof with the Repository in an electronic format as prescribed by the MSRB.

Section 9. **Defaults; Remedies.**

(a) A party shall be in default of its obligations hereunder if it fails or refuses to carry out or perform its obligations hereunder for a period of five (5) Business Days following notice of default given in writing to such party by any other party hereto or by any Third-Party Beneficiary hereof, unless such default is cured within such five (5) Business Day notice period. An extension of such five (5) Business Day cure period may be granted for good cause (in the reasonable judgment of the party granting the extension) by written notice from the party who gave the default notice.

(b) If a default occurs and continues beyond the cure period specified above, any nondefaulting party or any Third-Party Beneficiary may seek specific performance of the defaulting party's obligations hereunder as the sole and exclusive remedy available upon any such default; excepting, however, that the party seeking such specific performance may recover from the defaulting party any reasonable attorneys' fees and expenses incurred in the course of enforcing this Disclosure Agreement as a consequence of such default. Each of the parties hereby acknowledges that monetary damages will not be an adequate remedy at law for any default hereunder, and therefore agrees that the exclusive remedy of specific performance shall be available in proceedings to enforce this Disclosure Agreement.

(c) Notwithstanding any provision of this Disclosure Agreement or the Bond Resolution to the contrary, no default under this Disclosure Agreement shall constitute a default or event of default under the Bond Resolution.

Section 10. **Amendment or Modification.**

(a) This Disclosure Agreement shall not be amended or modified except as provided in this Section 10. No modification, amendment, alteration or termination of all or any part of this Disclosure Agreement shall be construed to be, or operate as, altering or amending in any way the provisions of the Bond Resolution.

(b) Notwithstanding any other provision of this Disclosure Agreement, the Authority may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if: (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Obligated Person, or type of business conducted by such Obligated Person; (ii) such amendment or waiver would have complied with the requirements of the Rule at the time of the primary offering of the Series 2022 Bonds after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) such amendment or waiver does not materially impair the interests of the Beneficial Owners of the Series 2022 Bonds, as determined either by parties unaffiliated with the Authority or the Obligated Person, or by the

approving vote of a majority of the Beneficial Owners of the Series 2022 Bonds pursuant to the terms of the governing instrument at the time of the amendment.

(c) If any provision of Section 6 hereof is amended or waived, the first Annual Filing containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

(d) If the provisions of this Disclosure Agreement specifying the accounting principles to be followed in preparing the Authority's financial statements are amended or waived, the Annual Filing 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. The comparison shall include a qualitative 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, in order to provide information to the Beneficial Owners of the Series 2022 Bonds to enable them to evaluate the ability of the Authority to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative.

(e) Notwithstanding the foregoing, the Dissemination Agent shall not be obligated to agree to any amendment expanding its duties or obligations hereunder without its consent thereto.

(f) The Authority shall prepare or cause to be prepared a notice of any such amendment or modification and shall direct the Dissemination Agent to make such notice public in accordance with Section 8 hereof.

Section 11. **Agency Relationship.**

(a) The Dissemination Agent agrees to perform such duties, but only such duties, as are specifically set forth in this Disclosure Agreement, and no implied duties or obligations of any kind shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Dissemination Agent may conclusively rely, as to the truth, accuracy and completeness of the statements set forth therein, upon all notices, reports, certificates or other materials furnished to the Dissemination Agent pursuant to this Disclosure Agreement, and in the case of notices and reports required to be furnished to the Dissemination Agent pursuant to this Disclosure Agreement, the Dissemination Agent shall have no duty whatsoever to examine the same to determine whether they conform to the requirements of this Disclosure Agreement.

(b) The Dissemination Agent shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Dissemination Agent unless it shall be proven that the Dissemination Agent engaged in negligent conduct or willful misconduct in ascertaining the pertinent facts related thereto.

(c) The Dissemination Agent shall perform its rights and duties under this Disclosure Agreement using the same standard of care as a prudent person would exercise under the circumstances, and the Dissemination Agent shall not be liable for any action taken or failure to act in good faith under this Disclosure Agreement unless it shall be proven that the Dissemination Agent was negligent or engaged in willful misconduct.

(d) The Dissemination Agent may perform any of its duties hereunder by or through attorneys or agents selected by it with reasonable care, and shall be entitled to the advice of counsel concerning all matters arising hereunder, and may in all cases pay, at its sole expense such reasonable compensation as it may deem proper to all such attorneys and agents. The Dissemination Agent shall be responsible for the acts or negligence of any such attorneys, agents or counsel.

(e) None of the provisions of this Disclosure Agreement or any notice or other document delivered in connection herewith shall require the Dissemination Agent to advance, expend or risk its own funds or otherwise incur financial liability in the performance of any of the Dissemination Agent's duties or rights under this Disclosure Agreement.

(f) Except as expressly provided herein, the Dissemination Agent shall not be required to monitor the compliance of the Authority with the provisions of this Disclosure Agreement or to exercise any remedy, institute a suit or take any action of any kind without indemnification satisfactory to the Dissemination Agent.

(g) The Dissemination Agent may resign at any time by giving at least ninety (90) days prior written notice thereof to the Authority. The Dissemination Agent may be removed for good cause at any time by written notice to the Dissemination Agent from the Authority, provided that such removal shall not become effective until a successor dissemination agent has been appointed by the Authority under this Disclosure Agreement.

(h) In the event the Dissemination Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Dissemination Agent for any reason, the Authority shall promptly appoint a successor. Notwithstanding any provision to the contrary in this Disclosure Agreement or elsewhere, the Authority may appoint itself to serve as Dissemination Agent hereunder.

(i) company or other legal entity into which the Dissemination Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Dissemination Agent may be a party or any company to whom the Dissemination Agent may sell or transfer all or substantially all of its agency business shall be the successor dissemination agent hereunder without the execution or filing of any paper or the performance of any further act and shall be authorized to perform all rights and duties imposed upon the Dissemination Agent by this Disclosure Agreement, anything herein to the contrary notwithstanding.

Section 12. **Miscellaneous.**

(a) Each of the parties hereto represents and warrants to each other party that it has (i) duly authorized the execution and delivery of this Disclosure Agreement by the officers of such party whose signatures appear on the execution pages hereto, (ii) that it has all requisite power and authority to execute, deliver and perform this Disclosure Agreement under applicable law and any resolutions, ordinances, or other actions of such party now in effect, (iii) that the execution and delivery of this Disclosure Agreement, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement or instrument by which such party or its property or assets is bound, and (iv) such party is not aware of any litigation or proceeding pending, or, to the best of such party's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Disclosure Agreement, or its due authorization, execution and delivery of this Disclosure Agreement, or otherwise contesting or questioning the issuance of the Series 2022 Bonds.

(b) This Disclosure Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida and applicable federal law.

(c) If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

(d) This Disclosure Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

Section 13. **Identifying Information.** All documents provided to the Repository pursuant to this Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 14. **Severability.** In case any part of this Disclosure Agreement is held to be illegal or invalid, such illegality or invalidity shall not affect the remainder or any other section of this Disclosure Agreement. This Disclosure Agreement shall be construed or enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application of this Disclosure Agreement affect any legal and valid application.

[SIGNATURE PAGES TO FOLLOW]

**SIGNATURE PAGE TO
CONTINUING DISCLOSURE AGREEMENT**

<p>\$183,100,000 GREATER ORLANDO AVIATION AUTHORITY AIRPORT FACILITIES REVENUE BONDS, SERIES 2022A (AMT) OF THE CITY OF ORLANDO, FLORIDA</p>	<p>\$64,050,000 GREATER ORLANDO AVIATION AUTHORITY AIRPORT FACILITIES REVENUE BONDS, SERIES 2022B (TAXABLE) OF THE CITY OF ORLANDO, FLORIDA</p>	<p>\$19,735,000 GREATER ORLANDO AVIATION AUTHORITY AIRPORT FACILITIES REFUNDING REVENUE BONDS, SERIES 2022D (NON-AMT) OF THE CITY OF ORLANDO, FLORIDA</p>
<p>\$8,665,000 GREATER ORLANDO AVIATION AUTHORITY AIRPORT FACILITIES REFUNDING REVENUE BONDS, SERIES 2022C (AMT) OF THE CITY OF ORLANDO, FLORIDA</p>	<p>\$11,490,000 GREATER ORLANDO AVIATION AUTHORITY AIRPORT FACILITIES REFUNDING REVENUE BONDS, SERIES 2022E (TAXABLE) OF THE CITY OF ORLANDO, FLORIDA</p>	

IN WITNESS WHEREOF, the Authority and the Dissemination Agent have each caused this Disclosure Agreement to be executed, on the date first written above, by their respective duly authorized officers.

(SEAL)

**GREATER ORLANDO AVIATION
AUTHORITY**

By: _____
M. Carson Good, Chairman

ATTEST:

By: _____
Assistant Secretary

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

**SIGNATURE PAGE TO
CONTINUING DISCLOSURE AGREEMENT**

**\$183,100,000
GREATER ORLANDO
AVIATION AUTHORITY
AIRPORT FACILITIES
REVENUE BONDS,
SERIES 2022A (AMT)
OF THE
CITY OF ORLANDO, FLORIDA**

**\$64,055,000
GREATER ORLANDO
AVIATION AUTHORITY
AIRPORT FACILITIES
REVENUE BONDS,
SERIES 2022B (TAXABLE)
OF THE
CITY OF ORLANDO, FLORIDA**

\$8,665,000 GREATER ORLANDO AVIATION AUTHORITY AIRPORT FACILITIES REFUNDING REVENUE BONDS, SERIES 2022C (AMT) OF THE CITY OF ORLANDO, FLORIDA	\$19,735,000 GREATER ORLANDO AVIATION AUTHORITY AIRPORT FACILITIES REFUNDING REVENUE BONDS, SERIES 2022D (NON-AMT) OF THE CITY OF ORLANDO, FLORIDA	\$11,490,000 GREATER ORLANDO AVIATION AUTHORITY AIRPORT FACILITIES REFUNDING REVENUE BONDS, SERIES 2022E (TAXABLE) OF THE CITY OF ORLANDO, FLORIDA
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IN WITNESS WHEREOF, the Authority and the Dissemination Agent have each caused this Disclosure Agreement to be executed, on the date first above written by their respective duly authorized officers.

**DIGITAL ASSURANCE CERTIFICATION,
L.L.C., as Dissemination Agent**

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A
NOTICE TO REPOSITORY OF THE OCCURRENCE OF
[INSERT THE NOTICE EVENT]
Relating to

\$183,100,000
GREATER ORLANDO
AVIATION AUTHORITY
AIRPORT FACILITIES
REVENUE BONDS,
SERIES 2022A (AMT)
OF THE
CITY OF ORLANDO, FLORIDA

\$64,050,000
GREATER ORLANDO
AVIATION AUTHORITY
AIRPORT FACILITIES
REVENUE BONDS,
SERIES 2022B (TAXABLE)
OF THE
CITY OF ORLANDO, FLORIDA

\$8,665,000	\$19,735,000	\$11,490,000
GREATER ORLANDO	GREATER ORLANDO	GREATER ORLANDO
AVIATION AUTHORITY	AVIATION AUTHORITY	AVIATION AUTHORITY
AIRPORT FACILITIES	AIRPORT FACILITIES	AIRPORT FACILITIES
REFUNDING REVENUE	REFUNDING REVENUE	REFUNDING REVENUE
BONDS,	BONDS,	BONDS,
SERIES 2022C (AMT)	SERIES 2022D (NON-AMT)	SERIES 2022E (TAXABLE)
OF THE	OF THE	OF THE
CITY OF ORLANDO, FLORIDA	CITY OF ORLANDO, FLORIDA	CITY OF ORLANDO, FLORIDA

Originally Issued on February 22, 2022

[INSERT CUSIP NUMBERS]

Notice is hereby given by the Greater Orlando Aviation Authority (the "Authority"), as obligated person with respect to the above-referenced Series 2022 Bonds issued by the Authority, under the Securities and Exchange Commission's Rule 15c2-12, that **[**INSERT THE NOTICE EVENT**]** has occurred. **[**DESCRIBE NOTICE EVENT AND MATERIAL CIRCUMSTANCES RELATED THERETO**]**.

This Notice is based on the best information available to the Authority at the time of dissemination hereof and is not guaranteed by the Authority as to the accuracy or completeness of such information. The Authority will disseminate additional information concerning **[**NOTICE EVENT**]**, as and when such information becomes available to the Authority, to the extent that the dissemination of such information would be consistent with the requirements of Rule 15c2-12 and the Authority's obligation under that certain Continuing Disclosure Agreement dated February 22, 2022. **[**Any questions regarding this notice should be directed in writing only to the Authority. However, the Authority will not provide additional information or answer questions concerning [**NOTICE EVENT**] except in future written notices, if any, disseminated by the Authority in the same manner and to the same recipients as this Notice**]**.

DISCLAIMER: All information contained in this Notice has been obtained by the Authority from sources believed to be reliable as of the date hereof. Due to the possibility of human or mechanical error as well as other factors, however, such information is not guaranteed as to the accuracy, timeliness or completeness. Under no circumstances shall the Authority have any liability to any person or entity for (a) any loss, damage, cost, liability or expense in whole or in part caused by, resulting from or relating to this Notice, including, without limitation, any error (negligent or otherwise) or other circumstances involved in procuring, collecting, compiling, interpreting, analyzing, editing, transcribing, transmitting, communicating or delivering any information contained in this Notice, or (b) any direct, indirect, special, consequential or incidental damages whatsoever related thereto.

Dated: _____

**GREATER ORLANDO AVIATION
AUTHORITY**

By: _____

Name: _____

Title: _____

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