

In the opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel, under existing statutes, regulations, rulings and court decisions, and subject to the conditions described herein under "TAX MATTERS," interest on the 2009A Bonds (as hereinafter defined) is excluded from gross income of the holders of such 2009A Bonds for federal income tax purposes, except that such exclusion shall not apply during any period such 2009A Bonds are held by a "substantial user" of the facilities financed or refinanced with proceeds of the 2009A Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. However, interest on the 2009A Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Such interest may be subject to other federal income tax consequences referred to herein under "TAX MATTERS." Interest on the 2009B Bonds is not excluded from gross income of holders thereof for federal income tax purposes.

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: See "RATINGS" herein

GREATER ORLANDO AVIATION AUTHORITY

\$98,550,000

\$11,275,000

**Airport Facilities Refunding Revenue Bonds,
Series 2009A (AMT)
of the City of Orlando, Florida**

**Airport Facilities Refunding Revenue Bonds,
Series 2009B (Taxable)
of the City of Orlando, Florida**



Dated: Date of Delivery

Due: As shown on inside cover

The \$98,550,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2009A (AMT) of the City of Orlando, Florida (the "2009A Bonds") and the \$11,275,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2009B (Taxable) of the City of Orlando, Florida (the "2009B Bonds") and together with the 2009A Bonds, the "2009 Bonds") are revenue bonds issued by the Greater Orlando Aviation Authority (the "Authority"), an agency of the City of Orlando, Florida (the "City"), under and pursuant to the Constitution and laws of Florida, including particularly, the Act (as defined herein), and other applicable provisions of law, and pursuant to the Airport Facilities Revenue Bond Resolution, the codified version of which was adopted by the Authority on September 17, 2008, as amended and supplemented from time to time (the "Airport Facilities Revenue Bond Resolution"), and as specifically supplemented by the Supplemental Airport Facilities Revenue Bond Resolution, adopted by the Authority on May 20, 2009 (the "2009 Supplemental Resolution," and together with the Airport Facilities Revenue Bond Resolution, the "Bond Resolution"). See "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION" attached hereto as APPENDIX A.

The 2009A Bonds are being issued for the purpose of providing funds sufficient, together with other available funds of the Authority, to: (a) currently refund and redeem all of the outstanding Greater Orlando Aviation Authority Airport Facilities Variable Rate Refunding Revenue Bonds, Series 2002E of the City of Orlando, Florida (the "Refunded Bonds"), and (b) pay certain costs of issuance of the 2009A Bonds.

The 2009B Bonds are being issued for the purpose of providing funds sufficient, together with other available funds of the Authority, to: (a) pay a swap termination payment with respect to an interest rate exchange agreement related to the Refunded Bonds, and (b) pay certain costs of issuance of the 2009B Bonds.

See "THE REFUNDING PROGRAM" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The 2009 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 2009 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 2009 Bonds will accrue from their dated date and will be payable on April 1 and October 1 of each year commencing on October 1, 2009. Purchasers of beneficial interests in the 2009 Bonds will not receive physical delivery of certificates. Transfers of beneficial interests in the 2009 Bonds will be effected through the DTC book-entry system as described herein. The 2009 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 price, if any, with respect to the 2009 Bonds will be payable by The Bank of New York Mellon Trust Company, N.A., as paying agent in Jacksonville, Florida for the 2009 Bonds to Cede & Co., as nominee of DTC. See "BOOK-ENTRY ONLY SYSTEM" herein.

The 2009A Bonds are subject to redemption prior to maturity as more fully described herein.

The 2009B Bonds are not subject to redemption prior to maturity.

See "DESCRIPTION OF 2009 BONDS" herein.

The 2009 Bonds are limited obligations, payable solely from and secured by a pledge of certain Revenues (as defined herein) derived by the Authority from the operation of the Airport System (as defined herein) and other funds as described herein. The pledge and lien of the 2009 Bonds upon the Revenues is on a parity as to payment with the Outstanding Airport Facilities Revenue Bonds and any Additional Bonds (as each is defined herein) hereafter issued under the Bond Resolution. See "SECURITY FOR THE 2009 BONDS" herein. The Authority has entered into Lease and Use Agreements (as defined herein) with certain airlines serving the Orlando International Airport that provide for the payment of fees and charges by such airlines as more fully described herein. See "AIRLINE REVENUES AND OTHER REVENUE SOURCES" herein.

THE 2009 BONDS ARE NOT OBLIGATIONS OF THE STATE OF FLORIDA OR GENERAL OBLIGATIONS OF THE AUTHORITY, THE CITY OR ANY POLITICAL SUBDIVISION OF THE STATE OF FLORIDA. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE 2009 BONDS, OR THE INTEREST OR PREMIUM, IF ANY, THEREON. THE AUTHORITY HAS NO TAXING POWER. THE PRINCIPAL OF AND INTEREST ON THE 2009 BONDS SHALL NOT BE PAYABLE FROM OR BE A CHARGE OR LIEN ON ANY FUNDS OF THE CITY OR THE AUTHORITY OTHER THAN THOSE PLEDGED UNDER THE BOND RESOLUTION TO THE PAYMENT THEREOF.

This cover page contains certain information for quick reference only. It is not a summary of the 2009 Bonds. Investors should read this entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2009 Bonds are offered when, as and if issued, and subject to the approval of legality by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Bond Counsel. Certain legal matters will be passed on for the Authority by Broad and Cassel, Issuer's Counsel to the Authority. Marchena and Graham, P.A., Orlando, Florida and Ruye H. Hawkins, P.A., Orlando, Florida, have served as Co-Disclosure Counsel. Certain legal matters in connection with the 2009 Bonds will be passed upon for the Underwriters by Robert P. Saltsman, P.A., Winter Park, Florida, counsel to the Underwriters. Morgan Keegan and Company, Inc., Winter Park, Florida and National Minority Consultants, Inc., Winter Park, Florida are Co-Financial Advisors to the Authority. It is expected that the 2009 Bonds in definitive form will be available for delivery through DTC on or about June 16, 2009.

DAC Bond

Merrill Lynch & Co.

**J.P. Morgan
Citi
Gardnry Michael Capital
M. R. Beal & Company**

**Morgan Stanley
Estrada Hinojosa & Company, Inc.
Jefferies & Company, Inc.
RBC Capital Markets**

**Raymond James
First Southwest Company
Loop Capital Markets, LLC
SunTrust Robinson Humphrey**

Dated: June 3, 2009

GREATER ORLANDO AVIATION AUTHORITY

\$98,550,000

**Airport Facilities Refunding Revenue Bonds,
Series 2009A (AMT)
of the City of Orlando, Florida**

Maturities, Principal Amounts, Interest Rates, Prices or Yields and Initial CUSIP Numbers

\$79,130,000 Serial Bonds

Maturity <u>October 1</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	Price/ <u>Yield</u>	Initial CUSIP <u>Number</u> ¹
2015	7,730,000	5.500%	5.070%	392274WX0
2016	10,250,000	6.000%	5.250%	392274WY8
2017	10,865,000	6.000%	5.420%	392274WZ5
2018	11,515,000	6.000%	5.520%	392274XA9
2019	12,205,000	5.500%	5.620%	392274XB7
2020	12,880,000	6.250%	104.385%*	392274XC5
2021	13,685,000	5.375%	5.690%	392274XD3

\$19,420,000 5.50% Series 2009A Term Bonds, Due October 1, 2023
Yield: 5.71% CUSIP: 392274XE1

*Priced to first optional call date of October 1, 2019.

GREATER ORLANDO AVIATION AUTHORITY

\$11,275,000

**Airport Facilities Refunding Revenue Bonds,
Series 2009B (Taxable)
of the City of Orlando, Florida**

Maturities, Principal Amounts, Interest Rates, Prices or Yields and Initial CUSIP Numbers

\$11,275,000 Serial Bonds

Maturity <u>October 1</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Price</u>	Initial CUSIP <u>Number</u> ¹
2014	9,280,000	4.780%	100.000%	392274XF8
2015	1,995,000	5.130%	100.000%	392274XG6

1. CUSIP Numbers are included solely for the convenience of the reader of this Official Statement. The Authority takes no responsibility for the accuracy or use of the CUSIP numbers in this Official Statement.

Greater Orlando Aviation Authority
One Airport Boulevard
Orlando, Florida 32827-4399
(407) 825-2001

Authority Board Members

<u>Name</u>	<u>Position</u>
Jeffrey Fuqua	Chairman
Jacqueline Bradley	Vice-Chairperson
Cesar Calvet	Treasurer
The Honorable Buddy Dyer	Mayor, City of Orlando
The Honorable Richard T. Crotty	Mayor, Orange County
Joseph L. Colon	Member
James Palmer	Member

City Council Commissioners

Buddy Dyer, Mayor	Phil Diamond
Daisy W. Lynum	Tony Ortiz
Patty Sheehan	Robert F. Stuart
	Samuel B. Ings

Authority Management

<u>Name</u>	<u>Position</u>
G. Steve Gardner	Executive Director
Phillip N. Brown	Deputy Executive Director-Administration
Robert L. Gilbert	Deputy Executive Director-Facilities
C. Christian Schmidt	Deputy Executive Director-Airport Operations
Dayci S. Burnette-Snyder	Assistant Secretary and Manager of Board Services
Jacki M. Churchill	Chief Financial Officer

Issuer's Counsel

BROAD AND CASSEL
Orlando, Florida

Bond Counsel

NABORS, GIBLIN AND NICKERSON, P.A.
Tampa, Florida

Co-Disclosure Counsel

MARCHENA AND GRAHAM, P.A.
Orlando, Florida

RUYE H. HAWKINS, P.A.
Orlando, Florida

Co-Financial Advisors

MORGAN KEEGAN & COMPANY, INC.
Winter Park, Florida

NATIONAL MINORITY CONSULTANTS, INC
Winter Park, Florida

Airport Consultant

RICONDO & ASSOCIATES, INC.
Cincinnati, Ohio

Independent Auditors

ERNST & YOUNG LLP
Orlando, Florida

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 2009 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 2009 BONDS AND THERE SHALL BE NO SALE OF THE 2009 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 2009 BONDS. STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT WHICH INVOLVE ESTIMATES, FORECASTS 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.

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 2009 BONDS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE FORM THEREOF INCLUDED IN THE AFORESAID DOCUMENTS AND AGREEMENTS.

IN CONNECTION WITH THE OFFERING OF THE 2009 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2009 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE 2009 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THE 2009 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 2009 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE 2009 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 2009 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

TABLE OF CONTENTS

(The Table of Contents for this Official Statement is for convenience of reference only and is not intended to define, limit or describe the scope or intent of any provisions of this Official Statement or the Appendices attached hereto.)

	<u>Page</u>
INTRODUCTION	1
THE AUTHORITY	2
AUTHORIZATION AND PURPOSE OF THE 2009 BONDS.....	3
THE REFUNDING PROGRAM.....	3
ESTIMATED SOURCES AND USES OF FUNDS	4
DESCRIPTION OF THE 2009 BONDS	5
General.....	5
Optional Redemption	5
Mandatory Sinking Fund Installments	6
Selection of 2009 Bonds to be Redeemed	7
Notice of Redemption	7
Payment of Redeemed 2009 Bonds	8
Purchase in lieu of Redemption	8
BOOK-ENTRY ONLY SYSTEM	8
SECURITY FOR THE 2009 BONDS	12
General.....	12
Pledge Under the Bond Resolution	12
Flow of Funds	13
APPLICATION OF REVENUES	15
Debt Service Reserve Account	17
Application of Supplemental Revenues	18
Rate Covenant.....	18
Additional Bonds	19
Refunding Bonds	19
SUBORDINATED INDEBTEDNESS	19
Commercial Paper Program.....	20
INTEREST RATE SWAPS	21
THE AIRLINE INDUSTRY	22
Airlines Reports	22
Global Events.....	22
Cost of Jet Fuel	23
Seat Capacity Cuts and Other Airline Cost-Cutting Reductions.....	23
Northwest Merger with Delta	24
Proposed FAA Legislation.....	25

Federal Security Measures	25
Economic Conditions.....	26
Uncertainties of the Airline Industry	26
THE GREATER ORLANDO AVIATION AUTHORITY AIRPORT SYSTEM	27
General.....	27
Authority Management	27
Description of the Airport Facilities	29
Enplaned Passengers at the Airport	32
Recent Passenger Traffic	33
Airlines Serving Orlando International Airport	34
Airline Market Shares	35
International Airline Traffic.....	37
Airline Activity at the Airport.....	38
Recent Events at the Airport	39
Cost Saving Measures.....	39
The Effects of the Northwest Merger with Delta at the Airport	39
Commercial Property Development at the Airport	40
Taxation of Facilities, Rentals and Services	41
Insurance.....	42
AIRLINE REVENUES AND OTHER REVENUE SOURCES	43
Payments By Airlines Pursuant to Lease and Use Agreements	43
Extraordinary Coverage Protection.....	44
Effect of Bankruptcy on Lease and Use Agreements	44
Passenger Facility Charges	44
Concessions and Other Consumer Revenue Sources.....	48
Registered Traveler Program	49
Other Terminal Area Revenue Sources	49
Airfield Area Revenue Sources	50
Other Buildings and Grounds	50
AUTHORITY FINANCIAL INFORMATION	51
Debt Service Requirements.....	51
Historical Financial Results	52
Analysis of Airport Operations	54
THE CAPITAL IMPROVEMENT PROGRAM.....	55
The 2009-2013 Capital Improvement Program	55
Other Future Projects	57
AIRPORT CONSULTANT'S REPORT	57
Projected Debt Service Coverage	58
LITIGATION AND REGULATORY MATTERS.....	60
Litigation.....	60
Regulatory Matters	61
TAX MATTERS	63
General.....	63
Taxable 2009B Bonds.....	64
Internal Revenue Code of 1986	64
Collateral Tax Consequences.....	64
Other Tax Matters	64

Tax Treatment of Original Issue Discount.....	65
Tax Treatment of Bond Premium	65
LEGAL MATTERS	66
RATINGS.....	66
UNDERWRITING	66
FINANCIAL ADVISORS	67
AIRPORT CONSULTANT	67
FINANCIAL STATEMENTS	68
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS.....	68
CONTINUING DISCLOSURE	68
VERIFICATION OF MATHEMATICAL ACCURACY.....	69
FORWARD LOOKING STATEMENTS	69
MISCELLANEOUS	70
AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFICIAL STATEMENT	71
 APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION	
APPENDIX B – FORM OF THE LEASE AND USE AGREEMENTS	
APPENDIX C – AUDITED FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT AUDITORS THEREON FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2007 AND 2008	
APPENDIX D – AIRPORT CONSULTANT’S REPORT	
APPENDIX E – FORM OF BOND COUNSEL OPINION	
APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT	

OFFICIAL STATEMENT
relating to

GREATER ORLANDO AVIATION AUTHORITY

\$98,550,000

**Airport Facilities Refunding Revenue Bonds,
Series 2009A (AMT)
of the City of Orlando, Florida**

\$11,275,000

**Airport Facilities Refunding Revenue Bonds,
Series 2009B (Taxable)
of the City of Orlando, Florida**

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the inside cover and Appendices attached hereto, is to set forth information concerning the Greater Orlando Aviation Authority (the "Authority"), the Airport System (as defined herein), the City of Orlando, Florida ("City"), and certain other information in connection with the sale of the \$98,550,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2009A (AMT) of the City of Orlando, Florida (the "2009A Bonds") and the \$11,275,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2009B (Taxable) of the City of Orlando, Florida (the "2009B Bonds" and together with the 2009A Bonds the "2009 Bonds"). Unless otherwise defined herein, capitalized terms used in this Official Statement shall have the meanings set forth in "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION" attached hereto as APPENDIX A.

The Authority has previously issued various series of Airport Facilities Revenue Bonds pursuant to the Bond Resolution (as defined herein), \$1,040,226,726 aggregate principal amount of which were outstanding, including the Refunded Bonds, as of May 1, 2009, (the "Outstanding Airport Facilities Revenue Bonds"). The 2009 Bonds are being issued pursuant to the Bond Resolution and will be secured on a parity with the Outstanding Airport Facilities Revenue Bonds as to the pledge of, lien on and source of payment from Revenues. Subject to certain conditions, Additional Bonds and Refunding Bonds may be issued under the Bond Resolution on a parity with the Outstanding Airport Facilities Revenue Bonds and the 2009 Bonds. See "SECURITY FOR THE 2009 BONDS – Additional Bonds – Refunding Bonds" herein. The Outstanding Airport Facilities Revenue Bonds, the 2009 Bonds and any Additional Bonds and Refunding Bonds hereafter issued are collectively referred to as the "Bonds."

The Authority also has incurred, and may continue to incur, indebtedness and other obligations that are junior and subordinate to the Bonds. See "SUBORDINATED INDEBTEDNESS" and "INTEREST RATE SWAPS" herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

THE AUTHORITY

The Authority was established as an agency of the City pursuant to Chapter 57-1658, Special Laws of Florida 1957 which was subsequently repealed, recodified and amended by Chapter 98-492, Special Laws of Florida 1998, as amended (the "Act"). The Orlando International Airport (the "Airport") is owned by the City. Pursuant to an Operation and Use Agreement dated September 27, 1976, by and between the City and the Authority, as amended (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, 2026, subject to 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 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, which are outstanding on and after the expiration of the Transfer Agreement, shall continue to be payable solely from their respective identified sources, including Revenues, Discretionary Revenues and other amounts pledged pursuant to the Bond Resolution. Any such obligations or liabilities of the Authority which extend beyond the term of the Transfer Agreement 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 Airport System for the accommodation of air commerce and transportation. 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 or the interest or the premium, if any, thereon. However, the Authority may include the Orlando Executive Airport within the definition of the Airport System by future Supplemental Resolution and (a) delivery to The Bank of New York Mellon Trust Company, N.A., or its successor, in its capacity as trustee under the Bond Resolution (the "Trustee"), of an opinion of counsel that such inclusion will not violate or cause a breach or default under the Lease and Use Agreements (as defined herein), (b) confirmation from each Rating Agency that such action will not result in a reduction or withdrawal of current ratings on the Bonds, and (c) written consent of any applicable bond insurer or credit enhancer. The Authority has no current plans to include the Orlando Executive Airport within the Airport System. See "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION" attached hereto as APPENDIX A.

The Authority is governed by a seven-member board (the "Board"). Five members are appointed by the Governor of the State of Florida, 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. Members appointed by the Governor are appointed for four-year terms and the elected government officials serving as Board members are elected for two-year terms. All Authority 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 Authority elects its own officers and appoints the Executive Director. The Authority management serves at the pleasure of the Executive Director.

AUTHORIZATION AND PURPOSE OF THE 2009 BONDS

Under the Act, the Authority is authorized to issue revenue bonds to finance airport facilities and to refund outstanding bonds or other indebtedness of the Authority. The 2009 Bonds are being authorized and issued under and pursuant to the Act and the Airport Facilities Revenue Bond Resolution, the codified version of which was adopted by the Authority on September 17, 2008, as amended and supplemented from time to time (the "Airport Facilities Revenue Bond Resolution") and as specifically supplemented by that certain Supplemental Airport Facilities Revenue Bond Resolution, adopted by the Authority on May 20, 2009 (the "2009 Supplemental Resolution," and together with the Airport Facilities Revenue Bond Resolution, the "Bond Resolution"). A summary of certain provisions of the Bond Resolution is set forth under the caption "SECURITY FOR THE 2009 BONDS" herein and in "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION" attached hereto as APPENDIX A.

The 2009A Bonds are being issued for the purpose of providing funds sufficient, together with other available funds of the Authority, to: (a) currently refund and redeem all of the outstanding Greater Orlando Aviation Authority Airport Facilities Variable Rate Refunding Revenue Bonds, Series 2002E of the City of Orlando, Florida (the "Refunded Bonds"), and (b) pay certain costs of issuance of the 2009A Bonds.

The 2009B Bonds are being issued for the purpose of providing funds sufficient, together with other available funds of the Authority, to: (a) pay a swap termination payment with respect to an interest rate exchange agreement related to the Refunded Bonds, and (b) pay certain costs of issuance of the 2009B Bonds.

THE REFUNDING PROGRAM

The Refunded Bonds will be called for redemption on July 1, 2009 at a redemption price equal to 100 percent of the principal amount thereof, plus accrued interest to the redemption date thereof. To effect the refunding and redemption of the Refunded Bonds, a portion of the proceeds of the 2009A Bonds, together with other available funds of the Authority, will be deposited with The Bank of New York Mellon Trust Company, N.A. (the "Escrow Agent") in an escrow deposit trust fund created under and pursuant to the Escrow Deposit Agreement to be dated June 16, 2009 between the Authority and the Escrow Agent (the "Escrow Deposit Agent"). The proceeds of the 2009A Bonds, together with other available funds of the Authority deposited with the Trustee will be used to pay the principal of and accrued interest, if any on the Refunded Bonds on their redemption date. The portion of the proceeds of the 2009A Bonds held by the Escrow Agent will be held in trust for the sole benefit of the holders of the Refunded Bonds. Such amounts will not be available to pay the principal of or interest on the 2009A 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 shall be verified by Grant Thornton LLP as Verification Agent. See "VERIFICATION OF MATHEMATICAL ACCURACY" herein.

Upon the deposit of such funds with the Escrow Agent, the purchase of such Investment Securities, if any, and the giving of certain notices and instructions required under the Bond

Resolution, in the opinion of Bond Counsel, rendered in reliance on certain schedules provided by Merrill Lynch, Pierce, Fenner & Smith, Inc., and the Verification Report of Grant Thornton LLP described under “VERIFICATION OF MATHEMATICAL ACCURACY” herein, the Refunded Bonds will be deemed paid and shall cease to be entitled to any lien, benefit or security under the Bond Resolution and all covenants, agreements and obligations of the Authority to the holders of the Refunded Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the 2009 Bonds are expected to be applied as follows:

Sources:	<u>2009A</u>	<u>2009B</u>
Par Amount of 2009 Bonds	\$98,550,000.00	\$11,275,000.00
Net Original Issue Premium	1,122,759.85	-
Authority Held Funds	<u>16,356,250.00</u>	<u>-</u>
Total Sources	<u>\$116,029,009.85</u>	<u>\$11,275,000.00</u>
 Uses:		
Redemption of Refunded Bonds	\$114,568,958.90	\$-
Swap Termination Payment	-	11,096,000.00
Costs of Issuance ⁽¹⁾	<u>1,460,050.95</u>	<u>179,000.00</u>
Total Uses	<u>\$116,029,009.85</u>	<u>\$11,275,000.00</u>

⁽¹⁾ Includes, but is not limited to the Underwriters' Discount.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

DESCRIPTION OF THE 2009 BONDS

General

The 2009 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 page of this Official Statement. Interest on the 2009 Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as registrar, paying agent and trustee for the 2009 Bonds (the "Trustee") on April 1 and October 1 of each year commencing on October 1, 2009, 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 offices 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 Trustee, as Bond Registrar, at the close of business on the 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 2009 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 2009 Bonds will be payable at the corporate trust operations office of the Trustee as set forth on the front cover page of this Official Statement. Registered owners of \$1,000,000 or more in principal amount of 2009 Bonds may arrange for the payment of principal and interest with respect to the 2009 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.

The 2009 Bonds are being issued as Refunding Bonds solely in the form of fully registered bonds in denominations of \$5,000 and any integral multiple thereof. See "APPLICATION OF REVENUES— Refunding Bonds" herein. For every exchange or transfer of the 2009 Bonds, the Authority, the City and the Trustee, as Bond Registrar, may charge the registered owner an amount sufficient to reimburse them for any tax, fee or 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 amount be paid before any such new 2009 Bonds are delivered.

The City, the Authority, the Bond Registrar and the Paying Agent may deem and treat the registered owner of any 2009 Bond as the absolute owner of such 2009 Bond for the purpose of receiving payment of the principal thereof and the interest thereon. Subject to the provisions of the Bond Resolution, a 2009 Bond may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of 2009 Bonds of other authorized denominations of the same series and maturity.

Optional Redemption

The 2009A Bonds maturing before October 1, 2020 are not subject to optional redemption prior to maturity. The 2009A Bonds maturing on or after October 1, 2020 are

subject to redemption prior to maturity, at the option of the Authority, in whole or in part, on October 1, 2019 and any date thereafter, at the Redemption Price equal to the principal amount of the 2009A Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

An optional redemption shall be a conditional redemption and the notice of redemption shall state that the redemption is conditional upon the conditions set forth therein and upon receipt by the Trustee or escrow agent named by the Authority of sufficient moneys to redeem the 2009A Bonds and pay any redemption premium in full, and such notice and optional redemption shall be of no effect (i) if by no later than the scheduled redemption date, the conditions set forth therein have not been satisfied and sufficient moneys to redeem the 2009A Bonds and pay in full any redemption premium in connection with such redemption have not been deposited with the Trustee or escrow agent named by the Authority, or (ii) 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 2009A Bonds and any redemption premium and 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 2009A 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.

The 2009B Bonds are not subject to optional or mandatory redemption prior to maturity.

Mandatory Sinking Fund Installments

The 2009A Bonds maturing on October 1, 2023 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 percent 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.

<u>Year</u>	<u>Principal Amount</u>
2022	\$14,420,000
2023*	5,000,000
*Maturity	

Subject to certain requirements in the Bond Resolution, amounts accumulated in the Debt Service Account with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to the interest on the 2009A 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 40th day preceding such Sinking Fund Installment to the purchase of the 2009A Bonds for which such Sinking Fund Installment was established, or to the

redemption of such 2009A Bonds if they are then redeemable by their terms. Any such purchase or early redemption shall reduce the amount of 2009A Bonds to be redeemed on the scheduled sinking fund redemption date.

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 \$5,000, or such other authorized denomination as may be 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.

Selection of 2009 Bonds to be Redeemed

In the event less than all of the 2009 Bonds of an entire maturity of a series thereof are redeemed, the 2009 Bonds to be selected for redemption shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate. However, in selecting for redemption portions of any 2009 Bonds of a denomination of more than \$5,000, the Trustee shall treat each such 2009 Bond as representing that number of 2009 Bonds of \$5,000 denomination, which is obtained by dividing the principal amount of such 2009 Bond to be redeemed in part by \$5,000 and the Trustee shall redeem only that portion of such 2009 Bonds that is in the principal amount of \$5,000 or any integral multiple thereof.

Notice of Redemption

Notice of redemption meeting the requirements set forth in the Bond Resolution shall be mailed at least 30 days and not more than 60 days before the redemption date to the registered owners of any 2009 Bonds or portions of 2009 Bonds to be redeemed at their last addresses appearing upon the registration books maintained by the Trustee. Failure to mail such notice to a registered owner of a 2009 Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any 2009 Bond or portion thereof with respect to which no such failure or defect occurred. Any notice mailed as provided in the Bond Resolution shall be conclusively presumed to have been duly given, whether or not the owner of such 2009 Bond receives such notice.

As described under "BOOK-ENTRY ONLY SYSTEM" herein, for so long as the 2009 Bonds are registered in the name of DTC, Cede & Co., or any other nominee of DTC, notice of redemption of any 2009 Bond will be given by the Trustee only to Cede & Co., or such other nominee, as registered owner thereof. Cede & Co. will be solely responsible for selecting and notifying those Direct Participants who will in turn be solely responsible to notify Indirect Participants and Beneficial Owners to be affected by such redemption.

Payment of Redeemed 2009 Bonds

Notice having been given in the manner required as described above, the 2009 Bonds or portions thereof so called for redemption shall become due and payable on the redemption date at the Redemption Price, plus accrued interest to the redemption date. If less than all of a 2009 Bond shall be selected for redemption, the Paying Agent will deliver, upon the surrender of such 2009 Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the 2009 Bond so surrendered, 2009 Bonds of such series of like maturity in any authorized denomination. If on the redemption date moneys for the redemption for the 2009 Bonds to be redeemed, together with interest to the redemption date, shall be held by the Paying Agent, and if notice of redemption shall have been given in the manner required as described above, then interest on the 2009 Bonds so called for redemption shall cease to accrue from and after the redemption date. If moneys shall not be so available, such 2009 Bonds shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Purchase in Lieu of Redemption

At any time the 2009 Bonds are subject to optional redemption, all or a portion of the 2009 Bonds to be redeemed pursuant to an optional redemption may be purchased in lieu of being redeemed by the Trustee at the direction of the Authority on the date on which such 2009 Bonds would otherwise have been redeemed. The purchase price for 2009 Bonds purchased in lieu of redemption will be equal to the redemption price that would have been applicable to the 2009 Bonds on such date. No notice to the owners of the 2009 Bonds to be purchased (other than the notice of redemption otherwise required by the Bond Resolution) is required. All 2009 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.

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning The Depository Trust Company ("DTC"), New York, NY, and DTC's book-entry system has been obtained from DTC and neither the Authority nor the Underwriters makes any representation or warranty or takes any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the 2009 Bonds. The 2009 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 2009 Bond certificate will be issued for each maturity of the 2009 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation"

within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("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. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of 2009 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2009 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2009 Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2009 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 2009 Bonds, except in the event that use of the book-entry system for the 2009 Bonds is discontinued.

To facilitate subsequent transfers, all 2009 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 2009 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 2009 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2009 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 2009 Bonds may wish to take certain steps to augment the transmission to them of notices of

significant events with respect to the 2009 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2009 Bond documents. For example, Beneficial Owners of 2009 Bonds may wish to ascertain that the nominee holding the 2009 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 2009 Bonds within a series or maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2009 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 2009 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal, premium, if any, and interest payments on the 2009 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 redemption proceeds, principal, premium, if any, and interest payments 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 shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2009 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, 2009 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 (or a successor securities depository). In that event, 2009 Bond certificates will be printed and delivered to DTC.

In either of the situations described in the two immediately preceding paragraphs, definitive replacement 2009 Bonds shall be issued only upon surrender to the Bond Registrar of the 2009 Bonds of each maturity of each series by DTC, accompanied by registration instructions for the definitive replacement 2009 Bonds for such maturity and series from DTC. The Authority shall not be liable for any delay in delivery of such instructions and conclusively may rely on and shall be protected in relying on such instruction of DTC.

The Authority, the City, and the Paying Agent and Bond Registrar do not have any responsibility or obligations to the Direct Participants, Indirect Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (b) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the 2009 Bonds; (c) the delivery or timeliness of delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner, which is required or permitted under the terms of the Bond Resolution, as the case may be, to be given to Bondholders; or (d) any consent given or other action taken by DTC, or its nominee, Cede & Co., as Bondholders.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

SECURITY FOR THE 2009 BONDS

Brief descriptions of the source of payment of the 2009 Bonds, the flow of funds under the Bond Resolution, the Authority's rate covenant set forth in the Bond Resolution 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 Bond Resolution. See "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION" attached hereto as APPENDIX A.

General

The 2009 Bonds are being issued as Refunding Bonds pursuant to the Bond Resolution. As such, the 2009 Bonds are "Bonds" as such term is used in the Bond Resolution and are on a parity with the Outstanding Airport Facilities Revenue Bonds as to the pledge of, lien on and source of payment from Revenues. 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 a parity with the Outstanding Airport Facilities Revenue Bonds and the 2009 Bonds.

THE 2009 BONDS ARE LIMITED OBLIGATIONS PAYABLE SOLELY FROM THE REVENUES OF THE AUTHORITY, AS PROVIDED IN THE BOND RESOLUTION AND ARE NOT OBLIGATIONS OF THE STATE OF FLORIDA OR GENERAL OBLIGATIONS OF THE AUTHORITY, THE CITY OR ANY POLITICAL SUBDIVISION OF THE STATE OF FLORIDA. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE 2009 BONDS, OR THE INTEREST OR PREMIUM, IF ANY, THEREON. THE AUTHORITY HAS NO TAXING POWER. THE PRINCIPAL OF AND INTEREST ON THE 2009 BONDS SHALL NOT BE PAYABLE FROM OR BE A CHARGE OR LIEN ON ANY FUNDS OF THE CITY OR THE AUTHORITY OTHER THAN THOSE PLEDGED UNDER THE BOND RESOLUTION TO THE PAYMENT THEREOF.

Pledge Under the Bond Resolution

Pursuant to the Bond Resolution, the Bonds, including the 2009 Bonds, and the interest and premium, if any, thereon, will be payable from and secured by, among other things, a pledge of, and first lien on, Revenues. The Bonds are also secured by the proceeds of the sale of such Bonds and all funds, and investment earnings thereon, held pursuant to the Bond Resolution. The Composite Reserve Subaccount secures those Bonds designated to be secured by the Composite Reserve Subaccount, and individual series specific debt service reserve subaccounts secure only those series of Bonds designated to be secured by each such subaccount. The 2009 Bonds are secured by the Composite Reserve Subaccount of the Debt Service Reserve Account. The Bond Resolution requires an amount equal to the Composite Reserve Requirement to be maintained in the Composite Reserve of the Debt Service Reserve Account. The amount on deposit in the Composite Reserve Subaccount of the Debt Service Reserve Account after issuance of the 2009 Bonds will equal the Composite Reserve Requirement.

Under the Bond Resolution, the term "Revenues" includes, among other things, all income and revenues from all sources collected or received by the Authority in the operation of

the Airport System the revenue or income from Special Purpose Facilities, which are not pledged to the payment of obligations of the Authority issued to finance such Special Purpose Facilities and also includes PFC Revenues only to the extent that they constitute "Available PFC Revenues" for the applicable period. PFC Revenues in excess of Available PFC Revenues may be expended by the Authority on a pay-as-you-go basis pursuant to approvals received from the Federal Aviation Administration ("FAA"). See "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION" attached hereto as APPENDIX A for a complete definition of "Revenues".

Flow of Funds

The Bond Resolution requires that all Revenues shall be deposited into the Revenue Fund. Revenues deposited into the Revenue Fund shall be applied monthly to the following funds and accounts, in the following order of priority:

(a) to the Airport Facilities 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 current Annual Budget;

(b) to the Bond Fund for credit to the Debt Service Account, the amount, if and to the extent required so that the balance therein shall equal the Accrued Aggregate Debt Service; provided that, for purposes of computing the amount in said Account, there shall be excluded the amount, if any, set aside therein which was deposited from 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 Capital Appreciation Bonds, to the last day of the then-current month for the payment of Debt Service on the Bonds;

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

(d) 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 the Operation and Maintenance Reserve Account at the beginning of the then-current Fiscal Year and one-sixth of the Operation and Maintenance Expenses set forth in the current Annual Budget;

(e) 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 amount appropriated therefor in the current Annual Budget, plus any deficiencies from deposits in prior months;

(f) 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 amount appropriated therefor in the current Annual Budget, provided that no further deposits are required so long as the uncommitted moneys therein are equal to or greater

than \$1,000,000 or such larger amount as the Airport Consultant shall certify as necessary plus any deficiencies from deposits in prior months; and

(g) to the Discretionary Fund, an amount determined by the Authority from time to time, in its discretion, plus all amounts required to be deposited into such Fund in such month by the terms of any agreements relating to indebtedness issued by the Authority to finance improvements to the Airport System, plus all amounts required to pay in a timely manner all payments the Authority is required to make to any third party under any interest rate swap agreement or other derivative financial product agreement between the Authority and a third party, plus, for deposit in the PFC Account, an amount equal to the difference between (a) the amount of Available PFC Revenues deposited in the Revenue Fund, plus amounts withdrawn from the PFC Account pursuant to the Bond Resolution (to the extent not previously replenished), and (b) the Accrued Aggregate Debt Service with respect to that portion of the Bonds issued to finance PFC Projects, as allocated by a certificate of an Authorized Officer of the Authority, or such lesser amount which will not cause the amount on deposit in such Fund to exceed the Discretionary Fund Maximum Balance; provided that, if any such monthly allocation to said Fund shall be less than the required amount, the amount of the next succeeding monthly payment shall be increased by the amount of such deficiency to the extent that the amount on deposit in such Fund shall not exceed the Discretionary Fund Maximum Balance. The amount of the monthly deposit to the Discretionary Fund and the amount of the Discretionary Fund Maximum Balance may be adjusted by Authority at any time.

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 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 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. In no event shall the use of such Reserve Product be permitted if it would cause any existing rating on the Bonds or any Series thereof to be lowered, suspended or withdrawn. 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

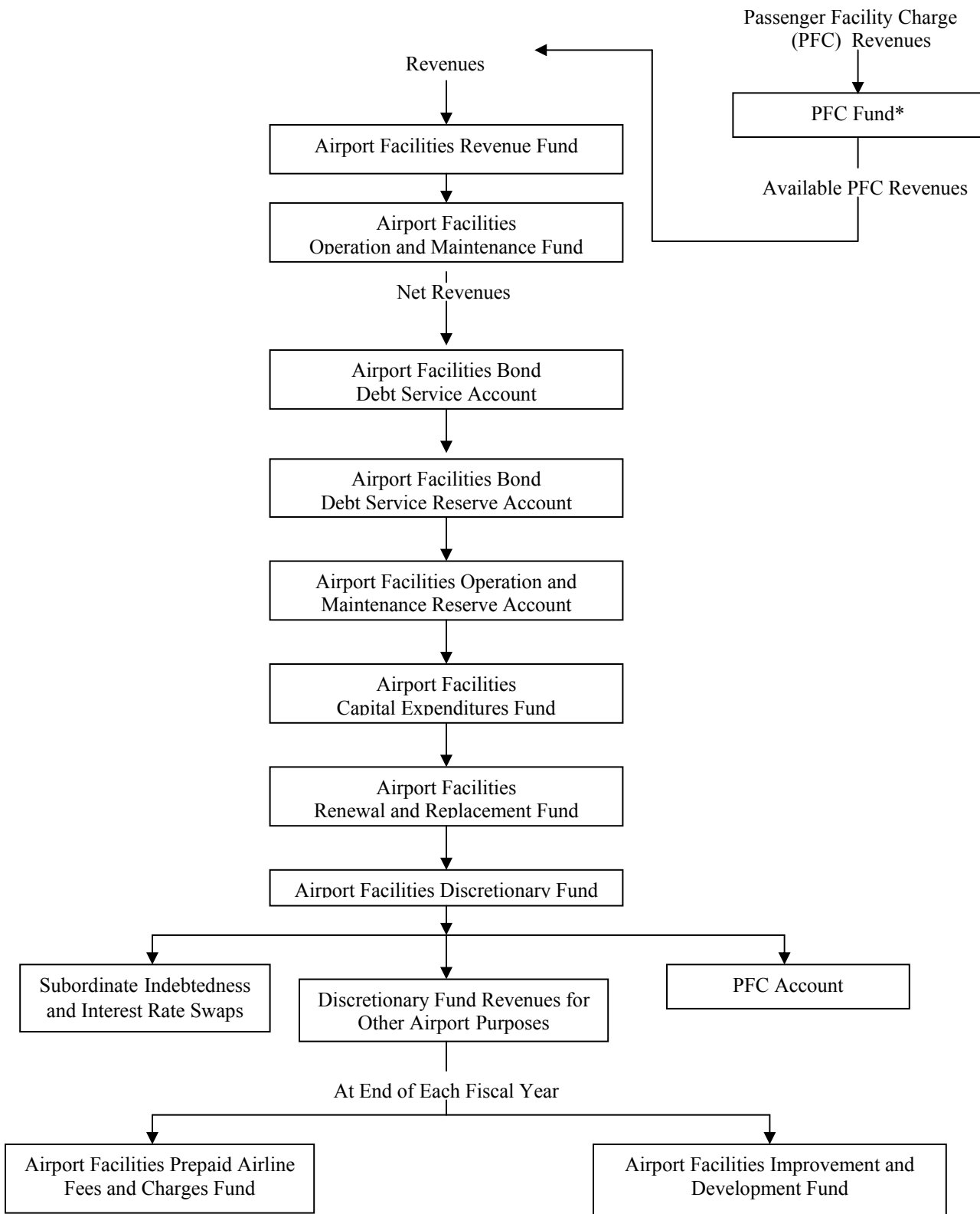
following such disbursement or to replace such Reserve Product by depositing into the applicable subaccount in the Debt Service Reserve Account from the first Available Revenues available for deposit pursuant to subparagraph (c) above after the deposits required by subparagraphs (a) and (b) above, funds 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 subparagraph (c) above, 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 Reserve Account, but shall be used by the Authority to satisfy its obligations to the Reserve Product Provider.

Also notwithstanding anything to the contrary in the Bond Resolution, 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 under the Bond Resolution, if it elects by Supplemental Resolution adopted prior to the issuance of any Series of Bonds and subject to the limits described under the Bond Resolution, to fully fund the applicable subaccount over a period specified in such Supplemental Resolution not to exceed 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 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 percent of the 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.

At the end of each Fiscal Year, after all deposits required to be made into each of the aforesaid funds and accounts have been made, the moneys remaining in the Revenue Fund and not required to make up any deficiencies, shall be transferred in equal amounts (50 percent each) to the Improvement and Development Fund and the Prepaid Airline Fees and Charges Fund. Any deposits made into the Prepaid Airline Fees and Charges Fund are transferred to the Revenue Fund in the next subsequent Fiscal Year. As a result of the new Lease and Use Agreement with the Signatory Airlines operating at the Airport, which agreement was effective October 1, 2008, the Authority is no longer required to make any deposits into the Prepaid Airline Fees and Charges Fund and, to the extent any deposits into such Fund are made, they are not credited to the benefit of the airlines.

APPLICATION OF REVENUES

The following diagram presents a summary of the application of Revenues to various funds and accounts as governed by the provisions of the Bond Resolution. A more complete description of the application of Revenues is included in "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION-Application of Revenues" attached hereto as APPENDIX A. See "SECURITY FOR THE 2009 BONDS – Revenues" herein for a description of the types of income and revenues of the Authority included in the definition of "Revenues".



*PFC Revenues in excess of Available PFC Revenues are not subject to the lien of the Bond Resolution and may be expended by the Authority subject to approvals received from the FAA.

Debt Service Reserve Account

The Bond Resolution creates the Debt Service Reserve Account as an account within the Airport Facilities Bond Fund. An amount equal to the Debt Service Reserve Requirement is required to be maintained in the Debt Service Reserve Account. The Authority maintains an aggregate Debt Service Reserve Requirement. Amounts on deposit in the applicable subaccounts of the Debt Service Reserve Account are required to be applied monthly to cure any deficiencies in the applicable subaccounts of the Debt Service Account established under the Bond Resolution.

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. As of the date hereof, the Debt Service Reserve Account secures all of the Outstanding Bonds and no Series of Bonds is secured by its own separate subaccount. As of the date hereof, the Debt Service Reserve Requirement is \$64,142,636, (such amount includes the requirement with respect to the Refunded Bonds, but not necessarily any requirement with respect to the 2009 Bonds). Such requirement is fully funded with Investment Securities. 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 applicable to such subaccount, 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 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 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.

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 Revenue Fund so long as (a) the same does not adversely affect any rating by a Rating Agency then in effect for the applicable Series of Outstanding Bonds, and (b) 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 Debt Service Reserve Account for the Outstanding Airport Facilities Revenue Bonds shall be fully funded upon the issuance of the 2009 Bonds.

Application of Supplemental Revenues

Each month, all Supplemental Revenues, up to the Accrued Aggregate Debt Service with respect to the Series of Bonds secured by such Supplemental Revenues, shall be deposited to the Bond Fund for the credit of the Debt Service Account and, anything provided herein to the contrary notwithstanding, shall be used solely to pay debt service on the Series of Bonds secured by such Supplemental Revenues. Supplemental Revenues deposited in the Debt Service Account shall be used to pay debt service on the Series of Bonds secured thereby prior to the use of any Revenues or Available Revenues. No Supplemental Revenues are pledged to the repayment of the 2009 Bonds or any Outstanding Bonds.

Rate Covenant

The Authority has covenanted in the Bond Resolution that it will establish, fix, prescribe and collect rates, fees, rentals and other charges for the use of the Airport System as shall be required in order that, in each Fiscal Year, Net Revenues less the amounts, if any, required to be deposited from Revenues into the Operation and Maintenance Reserve Account, the Capital Expenditures Fund and the Renewal and Replacement Fund established under the Bond Resolution, plus Supplemental Revenues in an amount not to exceed 1.25 times the Aggregate Debt Service on each series of Bonds secured by such Supplemental Revenues for such Fiscal Year, shall equal at least 1.25 times the Aggregate Debt Service for such Fiscal Year and, in any event, as shall be required to pay or discharge all indebtedness, charges and liens whatsoever payable out of Revenues under the Bond Resolution (including the Refunding Bonds, Other Parity Indebtedness and other Subordinated Indebtedness).

The Authority remains 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 Bonds Outstanding, notwithstanding the expiration or termination of the Lease and Use Agreements. See "AIRLINE REVENUES AND OTHER REVENUE SOURCES – Payments by Airlines Pursuant to Lease And Use Agreements" herein.

Additional Bonds

The Bond Resolution provides that one or more series of Additional Bonds, constituting Bonds, may be authenticated and delivered upon original issuance at any time, for the purpose of paying the cost of any Additional Projects, subject to the conditions and tests set forth therein. See "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION-Additional Bonds" attached hereto as APPENDIX A.

Refunding Bonds

The Bond Resolution provides that Refunding Bonds may be issued to refund Outstanding Bonds or Subordinated Indebtedness. The 2009 Bonds are being issued as Refunding Bonds under the Bond Resolution to refund Outstanding Bonds, upon satisfaction of the following conditions, among others:

(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 then Outstanding (A) with respect to the Bonds Outstanding immediately prior to the date of authentication and delivery of such Refunding Bonds, and (B) with respect to the Bonds 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) a report of the Airport Consultant demonstrating that estimates of Net Revenues less amounts, if any, required to be deposited from Revenues into the Operation and Maintenance Reserve Account, the Capital Expenditure Fund and the Renewal and Replacement Fund, shall equal at least 1.25 times Aggregate Debt Service on (1) Outstanding Bonds and (2) the proposed Refunding Bonds. The estimates of Net Revenues must satisfy these obligations for each of the three Fiscal Years following the Fiscal Year in which the Refunding Bonds are issued.

See "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION– Refunding Bonds" attached hereto as APPENDIX A.

SUBORDINATED INDEBTEDNESS

The Bond Resolution permits the Authority to issue, without limit as to amount, Subordinated Indebtedness or other obligations payable from the Discretionary Fund that are subordinate, in all respects, to the Bonds as to the pledge of, lien on, and payment from Revenues (the "Subordinated Indebtedness"). The Authority has outstanding, and may issue in the future, certain Subordinated Bonds and certain Other Parity Indebtedness, each being Subordinated Indebtedness within the meaning of the Subordinated Indenture, which Subordinated Bonds and Other Parity Indebtedness are payable on a parity basis with from Revenues deposited in the Discretionary Fund after payment of such amounts as necessary to pay Bonds. The principal amount of certain components of Other Parity Indebtedness that may be issued is not limited by the Subordinated Indenture. The Authority also has outstanding, and

may enter into in the future, certain interest rate swaps and other financial products. The Authority's obligations under such interest rate swaps and financial products, as well as under the 1998 Gulf Breeze Loan referred to below, constitute Subordinated Indebtedness secured by a lien on Revenues deposited in the Discretionary Fund that is subordinated to the lien securing the Subordinated Bonds and Other Parity Indebtedness. The Authority's outstanding Subordinated Indebtedness is described below and in the section entitled "INTEREST RATE SWAPS" herein.

**Outstanding Subordinated and Secondary Subordinated Indebtedness
as of May 1, 2009¹**

Type of Subordinated Indebtedness	Date Originated	Original Principal Amount	Current Outstanding Principal
Gulf Breeze Loans	June 1998	\$33,990,000	\$17,880,000
2002A Taxable Subordinated Bonds	June 28, 2002	\$30,015,000	\$13,875,000
Series 1997 Secondary Subordinated Indebtedness	December 1997	\$90,055,000	\$90,055,000

1. Excludes Interest Rate Swaps which are described in the following table.

Commercial Paper Program

The Authority has provided for the interim financing of certain Airport capital improvements from the proceeds of certain Airport Facilities Subordinated Commercial Paper Notes (the "Commercial Paper Notes"), the initial tranche of which originally was issued on October 26, 1994. The Commercial Paper Notes constitute Subordinated Indebtedness under the Bond Resolution and Other Parity Indebtedness as Line of Credit Indebtedness under the Subordinated Indenture. The Commercial Paper Notes were authorized under and pursuant to the terms of an Indenture of Trust, dated as of October 1, 1994, as supplemented and amended (collectively, the "CP Indenture"), by and between the Authority and Deutsche Bank Trust Company Americas (f/k/a Bankers Trust Company) (the "CP Trustee"). There exists a Commercial Paper Program A, which is not to exceed \$250,000,000 and Program B, which is not to exceed \$150,000,000. At any one time the aggregate principal amount of Commercial Paper Notes of all programs and all series may not exceed \$400,000,000.

Payment of the principal amount and interest on the Commercial Paper Notes is currently supported by a Letter of Credit provided by a syndicate of banks (the "CP Banks"). Program A is supported by Bayerische Landesbank, WestLB AG and State Street Bank and Trust Company, while Program B is supported by Bayerische Landesbank and State Street Bank and Trust Company. The Authority's obligation to reimburse the CP Banks for draws made under each Letter of Credit is set forth in each of the Letter of Credit Reimbursement Agreements dated as of February 4, 2003, and November 1, 2006 respectively made by and among the Authority and the CP Banks (the "Reimbursement Agreements"). The Letters of Credit expire on February 3, 2015 and November 5, 2009 respectively. The Letter of Credit Reimbursement Agreement for Program A contains an optional termination date of February 3, 2010. The CP Banks' obligations to honor draw requests under the Letter of Credit are subject to the satisfaction by the Authority of certain conditions and the non-existence of certain events or circumstances specified in the Reimbursement Agreements. The CP Banks are also permitted under the Reimbursement Agreements to issue No Issuance Instructions under certain circumstances. As

of May 1, 2009, \$46,771,000 aggregate principal amount of Commercial Paper Notes remained outstanding.

INTEREST RATE SWAPS

The Authority has entered into the transactions described below and may enter into additional interest rate swap agreements, forward purchase agreements or other synthetic financial instruments 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. The Authority's obligations under the transactions described below are payable from the Discretionary Fund and are subordinate to the Bonds and the Subordinated Bonds and Other Parity Indebtedness.

Authority's Swaps as of May 1, 2009¹

Associated Debt Issue	Notional Amount	Effective Date	Authority Pays	Authority Receives	Swap Expiration
1997 Secondary Subordinated Indebtedness	\$90,055,000	January 1, 2003	4.45%	SIFMA ²	October 1, 2027
Series 2002E Bonds*	\$113,450,000	October 1, 2002	4.31%	SIFMA ²	October 1, 2021

1. For a thorough discussion of the Authority's swaps please refer to Note 15 of the Audited Financial Statements And Report Of The Independent Auditors Thereon For The Fiscal Years Ended September 30, 2007 And 2008 attached hereto as APPENDIX C.

2. The Securities Industry and Financial Markets Association Swap Index formerly the Bond Market Association Swap Index ("BMA").

*This interest rate swap will be terminated upon the issuance of the 2009A and 2009B Bonds.

Source: The Greater Orlando Aviation Authority.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

THE AIRLINE INDUSTRY

Airline Reports

Certain of the Airlines (or their respective parent corporations) are subject to the information reporting requirements of the Securities Exchange Act of 1934 and in accordance therewith file reports and other information with the Securities and Exchange Commission (the "Commission"). Only companies with securities listed on the national securities exchange, with securities traded over the counter, which are registered under the Securities Exchange Act of 1934, or which are required to file with the Commission pursuant to the information-reporting requirements will have information on file. Certain information, including financial information as of particular dates concerning such Signatory Airlines or their respective parent corporations, is disclosed in reports and statements filed with the Commission. Such reports and statements can be inspected in the Public Reference Section at the SEC Headquarters, 450 Fifth Street, N.W., Washington, DC 20549, and copies of such reports and statements can be obtained from the Public Reference Section at prescribed rates. Copies of such reports and statements may be obtained from the Public Reference Section of the Commission, Washington, D.C. 20549, at prescribed rates. The Commission also maintains a website that contains reports, proxy and information statements and other written information regarding companies that file electronically with the Commission. The address of the website is <http://www.sec.gov>. The Commission does not require foreign companies to file electronically. Foreign companies' reports may be obtained by writing the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. In addition, the domestic Signatory Airlines are required to file periodic reports of financial and operating statistics with the United States Department of Transportation. Such reports may be inspected at the Office of Aviation Information Management, Data Requirements and Public Reports Division, Research and Special Programs Administration, United States Department of Transportation, 400 7th Street, N.W., Washington, D.C. 20590, and copies of such reports may be obtained from the Department of Transportation at prescribed rates.

Global Events

The slowing national and global economy, the fluctuation in the price of jet fuel and certain other global events, including the on-going war in Iraq, have seriously disrupted the air transportation industry, resulting in severe financial instability in the airline industry. Numerous airlines have filed for bankruptcy protection and overall, the airline industry has continued to struggle with higher costs for fuel and depressed passenger revenue. The airlines have responded to the changing nature of the industry by instituting initiatives including but not limited to, furloughing employees, reducing flights, negotiating significant wage reductions, deferring aircraft deliveries, streamlining operations, and improving productivity. While the aviation industry was generally profitable in 2006 and 2007, the Air Transport Association ("ATA") has reported that U.S. airlines may have seen 2008 losses nearing \$5 billion. As a result of the global recession, the ATA is forecasting a 3 percent decline in passenger traffic for 2009. In 1991, the last major downturn in air traffic driven by recession, global passenger traffic fell 2.6 percent. The ATA reported that passenger revenue fell 19% in February 2009 versus the

same month in 2008. Additionally, the ATA reported that February, 2009 was the fourth consecutive month in which revenue has decreased from the previous year.

Fluctuation in aviation fuel prices, the slowing national economy, large debt levels, large unfunded pension obligations of some airlines and the age of aircraft fleets have hindered the airline industry's financial recovery, and the industry continues to be vulnerable to an economic recession and other external factors or events beyond the airlines' control.

On April 25, 2009, the Director-General of the World Health Organization convened the Emergency Committee in compliance with International Health Regulations (2005) to assess an outbreak of influenza A (H1N1) or the "Swine Flu" in the United States and Mexico. Since that time, the Director-General has increased the level of influenza pandemic alert several times. The Director-General recommended against restricting international travel and advocated mitigation measures against the virus rather than attempts at containment. Current conditions relating to the Swine Flu, however, may contribute to a reluctance to travel on a discretionary or non-business basis, including for vacations.

Cost of Jet Fuel

The price paid for jet fuel is a function of long-term contracts, spot market prices and point of sale, among other factors. Fluctuations in the price of jet fuel are highly correlated with movements in the price of heating oil. Historically, fuel expenses have ranged from 10 percent to 15 percent of U.S. passenger airline operating costs, but averaged about 33 percent in the fourth quarter of 2008. The ATA further reports that U.S. airline fuel expense increased from \$16.4 billion in 2000 to \$41.2 billion in 2007. Oil prices began to increase significantly commencing in February 2008 and continued to rise during the months of June and July. On Friday July 18, 2008, oil prices reached a record high of \$147 per barrel. Oil prices have declined since the peak and as of May 18, 2009 crude oil was \$59 per barrel. This large decline in the price of oil is in part a result of a global economic slowdown. Continued uncertainty and fluctuation in the price of jet fuel will lead to continued uncertainty in the airline industry.

Seat Capacity Cuts and Other Airline Cost-Cutting Reductions

The United States Government Accountability Office reports that the U.S. passenger airline industry reduced domestic capacity in 2008 by the largest percentage since the 2001 terrorist attacks in response to high fuel prices and a weakening economy. Compared with the same quarter in 2007, the industry reduced domestic capacity by 9 percent in the fourth quarter 2008.

Airlines including Northwest, Delta, American and United have announced substantial reductions in nationwide capacity, including removing numerous aircraft from their fleets, as well as job eliminations. Northwest cut 8.5 percent to 9.5 percent of its nationwide flights in the fourth quarter of 2008 and cut 2,500 jobs in such quarter. Delta announced that it would cut 3 percent of its domestic flights, in addition to the 10 percent it previously cut in the spring of 2008. In January 2009, United announced it would cut an additional 1,000 jobs resulting in 2,500

total salaried and management staff positions cut. In March, 2009 American announced that it planned to cut 9% of domestic capacity and 2.5% international capacity.

On May 31, 2008, Spirit Airlines issued notices under the Worker Adjustment and Retraining Notification Act (WARN) notifying its pilot and flight attendant unions of possible closures and reductions of flight bases resulting in employee reductions if unprecedented fuel price levels continue to increase. Spirit Airlines management indicated that such notices were necessary in order to maintain flexibility as it evaluates potential steps in response to the current economic and fuel price environment. In addition to seat capacity reductions, the airlines are taking various actions including reducing flights, instituting baggage fees, ticket-change fees, in-flight catering fees, and frequent flyer reservation surcharges.

On October 16, 2008 Southwest Airlines announced that it would cut nationwide capacity in the first quarter of 2009. This was the first time in 23 years that Southwest has cut capacity on a company-wide basis in any quarter. Southwest Airlines said first quarter 2009 capacity will drop 5 percent to 6 percent nationwide versus the first quarter of 2008. Southwest Airlines also announced that additional capacity cuts nationwide may be necessary in 2009, but no decision has been made as to the remainder of 2009. In fiscal year 2008, Southwest Airlines provided 21.4 percent of the passenger traffic at the Airport, representing the largest market share for the Airport. The Authority makes no assurance that the nationwide reduction in capacity announced by Southwest Airlines will not significantly impact future airline activity levels at the Airport.

Northwest Merger with Delta

On April 14, 2008, Northwest and Delta announced an agreement in which the two airlines will combine to create the world's largest airline under the name "Delta". The merger announcement stated that the airlines expect the merger process to take approximately six to eight months, during which they will continue to operate independently.

Recently, Northwest Airlines Corporation and the Delta pilots approved a joint collective bargaining agreement which covers approximately 12,000 pilots of both the airlines. Ratification of this agreement is a key element in the smooth transition of the integration of the two airlines.

On September 22, 2008, the FAA announced that it had accepted the interim operating plans submitted by Northwest and Delta setting forth the day-to-day operations of the combining airlines following the merger and their plan to achieve a single operating certificate from the FAA over the following 15 to 18 months. In addition, on September 25, 2008, the airlines announced that their respective shareholders had approved the pending merger. On October 29, 2008 the merger received approval from the U.S. Department of Justice. The all-stock transaction closed on the same day resulting in Northwest being combined with Delta creating a new, larger Delta. The full integration of these two airlines is expected to occur over the course of 12-24 months from the date of closing. The Authority does not expect any financial impact resulting from the combination of Northwest and Delta at the Airport, but makes no assurance that the combination of Northwest and Delta would not significantly impact the operation of the Airport, or the Airport's future activity levels.

Proposed FAA Legislation

Long-term funding authorization for the FAA expired on September 30, 2007. To date, Congress has been unable to pass a bill reauthorizing long-term funding for the FAA. However, a number of short-term extensions were enacted for the FAA, the latest of which is set to expire on September 30, 2009. On June 30, 2008, the President signed H.R. 6327, Federal Aviation Administration Extension Act of 2008, which extended funding through September 30, 2008. On September 30, 2008, the President signed H.R. 6984, Federal Aviation Administration Extension Act of 2008, Part II, extending funding through March 31, 2009. On March 30, 2009 the President signed H.R. 1512 which extends funding through September 30, 2009.

In February, 2009, the US House of Representatives subcommittee on aviation met to hear testimony regarding FAA reauthorization. The FAA Reauthorization Act of 2009 (H.R. 915) is a reintroduction of H.R. 2881 from 2007 for the 111th Congress. H.R. 915 increases the PFC cap from the current maximum of \$4.50 to \$7.00. The FAA estimates that if every airport currently charging the maximum \$4.50 PFC (plus two airports that are charging \$4.00) increased to \$7.00 it would generate an additional \$1.089 billion in local airport revenues annually. Because of the uncertainty of the legislative outcome, the Authority has not evaluated the effect that the proposed legislation may have on the funding of future projects or whether it would consider raising the PFC level charged if the FAA reauthorization is adopted.

Federal Security Measures

The Aviation and Transportation Security Act (the "ATSA") was enacted on November 19, 2001. This federal legislation placed airport security under the jurisdiction of the newly created Transportation Security Administration ("TSA"). The ATSA calls for, among other things, all passenger and property screening at all airports to be handled by employees of the TSA, all checked baggage to be screened by explosive detection systems ("EDS"), all persons, vehicles and other equipment to be screened or inspected before entry into a secured area, employee criminal history records check requirements, stronger cockpit doors on planes, provisions for arming pilots and an increased presence of armed federal marshals on flights.

Pursuant to the ATSA, all security screeners became federal employees, except at airports participating in a TSA program providing for passengers and property screening by personnel of a qualified private screening company under contract with the TSA and under the supervision of federal government supervisors. The Authority continues to use federal employees for its screening personnel.

Explosive Detection Technology purchased by the federal government has been deployed and installed to screen all checked baggage, employee criminal history checks, vehicle and other equipment screening for access to the secure areas, and all regulatory requirements set forth by the TSA have been met by the Authority. The Authority is currently in compliance with all federally mandated security requirements.

For an analysis of possible effect on the Airport traffic, Revenues and operating expenses resulting from recent events, see "AUTHORITY FINANCIAL INFORMATION – Analysis of Airport Operations" herein.

Economic Conditions

Historically, the financial performance of the air transportation industry has correlated with the state of the national economy. Future increases in passenger traffic will depend largely on the ability of the U.S. to sustain growth in economic output and income. Since 2006, the rate of economic growth in the U.S. has slowed considerably, primarily due to losses in real estate values and tightening of credit in financial markets. Starting in September 2008 and continuing thereafter, there have been significant and dramatic changes in the financial markets. The Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac") were taken over by the federal government to prevent their collapse. Several U.S. commercial and investment banks declared bankruptcy, were acquired by other financial institutions, combined with other financial institutions or sought huge infusions of capital. The volatility in the capital markets led the U.S. government to intervene by making funds available to certain institutions, taking over the ownership of others and assuming large amounts of troubled financial instruments in exchange for imposing greater regulation over certain institutions in order to restore consumer confidence in the nation's financial markets. The short and long term effects of these developments on the broader economy are not known at this time. There can be no assurances that such developments will not have an adverse effect on the air transportation industry.

Uncertainties of the Airline Industry

Since the economic deregulation of the airline industry in 1978, the industry has undergone significant changes. The financial results of the airline industry periodically have been subject to volatility and accumulation of substantial losses. Recent events have had a significant, negative impact on airline industry profitability. See "Global Events" and "Economic Conditions" herein.

The financial strength and stability of airlines serving the Airport are key determinants of future airline traffic. In addition, individual airline decisions regarding level of service at the Airport, together with the inability or unwillingness of certain potential passengers to fly in light of current factors affecting air travel may affect total enplanements. No assurance can be given as to the levels of aviation activity that will be achieved by the Airport. There is no assurance that the Airport, despite a demonstrated level of airline service and operations, will continue to maintain such levels in the future. The continued presence of airlines serving the Airport and the levels at which that service will be provided are a function of a variety of factors. Future airline traffic may be affected by, among other things, the growth or decline in the population and the economy of the Airport service region and by national and international economic conditions, acts of war and terrorism, federal regulatory actions, airline service, air fare levels and the operation of the air traffic control system.

THE GREATER ORLANDO AVIATION AUTHORITY AIRPORT SYSTEM

General

The Airport is located in central Florida, nine miles southeast of downtown Orlando in Orange County, Florida. The Airport occupies approximately 13,756 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 in the market. The primary metropolitan area within the Airport service region is the Orlando Metropolitan Statistical Area, which comprises Lake, Orange, Osceola and Seminole Counties. With a population of 1,707,150 in 2001, the Orlando Metropolitan Statistical Area accounted for approximately 10.7 percent of the population of the State of Florida according to the University of Florida Bureau of Economic and Business Research.

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 specifically excludes the Orlando Executive Airport. However, the Authority may include the Orlando Executive Airport within the definition of the Airport System by Supplemental Resolution and (i) delivery to the Trustee of an opinion of counsel that such inclusion will not violate or cause a breach or default under the Lease and Use Agreements, (ii) confirmation from each Rating Agency that such action will not result in a reduction or withdrawal of current ratings on the Bonds, and (iii) written consent of any applicable bond insurer or credit enhancer. The Authority has no current plans to include the Orlando Executive Airport within the Airport System. See "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION" attached hereto as APPENDIX A.

Authority Management

The Airport System is managed by an Executive Director who is appointed by the Authority's Board and oversees a staff of approximately 676 full-time employees. Biographical data concerning the Executive Director and certain other key officials of the Authority is set forth below.

G. Steve Gardner. Mr. Gardner is the Executive Director for the Authority. Mr. Gardner has thirty-five years experience in project management, including responsibility for numerous projects for the Aviation Authority, the Orlando Orange County Expressway Authority, and Orange County Public Schools. From 1977–1983, he served as Assistant Project Director for design and construction of the 48-gate terminal and airfield facilities at Orlando International Airport. Subsequently, as Resident Engineer for the Authority, Mr. Gardner was responsible for managing numerous construction contracts, including roadways, parking facilities, the Automated People Mover, airfields, runway and parallel/cross-field taxiway construction. Mr. Gardner served as Director of Engineering for the Authority from 1989 through 1991, and from 1992 through 1994, he was the owner's representative for the Authority's

general consultant in the planning, design and construction of the Hyatt Regency Hotel at Orlando International Airport. Prior to rejoining the Authority in June 2001, Mr. Gardner served as the Area Construction Manager for a \$500 million building renovation program for Orange County Public Schools in Orlando. He received a Bachelor of Science degree in Civil Engineering from the University of Virginia and a Master of Science in Civil Engineering from George Washington University. He is a Certified Florida Professional Engineer.

Phillip N. Brown. Mr. Brown is the Deputy Executive Director-Administration for the Authority. He has oversight responsibility for the management of the administration/risk management, commercial properties, human resources, marketing, and purchasing departments. Prior to his current employment with the Authority, Mr. Brown served in a variety of public and private sector positions during his thirty years as a business professional. The positions include a previous stint as Deputy Executive Director-Administration for the Authority in the early 1990s as well as County Administrator for Orange County Florida. For the past fourteen years Mr. Brown was employed in the public finance arena including four years as an independent financial advisor and ten years as an investment banker for a major Wall Street firm. Mr. Brown is a certified public accountant licensed in Florida and holds a Master Degree in Business Administration from the University of Tennessee.

Robert L. Gilbert. Mr. Gilbert is Deputy Executive Director-Facilities for the Authority. He is responsible for all planning, engineering, construction, environmental affairs, and infrastructure maintenance as well as information technology, risk management and small business management activities at the Airport. Mr. Gilbert is an aviation professional with over thirty-three years experience in airport related activities including aviation operations, master planning and infrastructure development, construction, maintenance and operations, in addition to community relations, and airport tenant relations. After graduating from the United States Air Force Academy in 1973 and pilot training in 1974, Mr. Gilbert served for over 20 years as a pilot and Air Force civil engineering officer. He culminated his military career in 1996 as the commander of a combat engineering squadron as it conducted multi-million dollar engineering design – build activities in Asia, Europe, the Middle East, Central and South America and the United States. Upon retirement from the military, Mr. Gilbert continued working in numerous aviation venues. Most notably was his successful tenure as Program Manager leading a group of 17 diverse consultant firms that developed the \$13 billion LAX Master Plan and its associated Environmental Impact Statement & Environmental Impact Report. In 2005, he was awarded the City of Los Angeles' Commendation Award for Exemplary Service. He is the only consultant ever to receive this honor. Prior to coming to Orlando, he served as Deputy Program Manager for a consultant to the Transportation Security Administration's (TSA) Program Management Office responsible for the deployment of TSA's explosive detection equipment. Mr. Gilbert holds a Masters Degree in Public Administration with post-graduate studies in engineering and program management.

C. Christian Schmidt. Mr. Schmidt is the Deputy Executive Director-Airport Operations. He is responsible for the day-to-day activity and management of operations, concessions, security and governmental affairs at the Airport. Prior to the Authority, Mr. Schmidt served as Chief of Staff for the Mayor of Orange County, in which the Airport is located. At that time, Orange County provided complete urban services to more than 950,000 citizens, employed over 6,000 employees and had an annual budget of over 2 billion dollars. Mr. Schmidt entered government service following a thirty-five year career in senior management

roles in private business, including Fortune 500 companies. Mr. Schmidt retired from the private sector where he served as vice president of a business unit of McGraw-Hill Companies. Mr. Schmidt has served on the Board of Directors for the Orlando Orange County Convention and Visitors Bureau and Valencia Community College Foundation. Mr. Schmidt holds a Masters Degree in Public Policy awarded by the University of Central Florida in 1975 as well as a Bachelor's Degree in Communications from the same institution.

Dayci S. Burnette-Snyder. Ms. Burnette-Snyder is the Manager of Board Services for the Authority and serves as an ex-officio officer on the Authority's Board as Assistant Secretary. Ms. Burnette-Snyder has complete responsibility for documenting and maintaining the official records of the Authority as prescribed by law. Ms. Burnette-Snyder joined the Authority in September 1982 and has been in her current position since 1994. Ms. Burnette-Snyder is a Certified Municipal Clerk.

Jacki M. Churchill. Ms. Churchill is the Chief Financial Officer for the Authority. She has over 20 years of experience in the finance industry. She directs all of the Authority's fiscal activities that include financial reporting, investments, construction finance, debt management and the administration of a \$344 million annual budget, and all financial and regulatory reporting requirements with a staff of 38 employees. Ms. Churchill holds a Bachelor of Science Degree and worked for the CPA firm of Coopers & Lybrand prior to joining the Authority in 1993. Ms. Churchill is a member of the American Institute of Certified Public Accountants and the Government Finance Officers Association. She also serves as a member on several Authority committees, including the Construction Committee, Professional Services Committee, Concessions/Procurement Committee, and Chairperson for the Construction Finance Oversight Committee. Ms. Churchill is also a member of the Airports Council International Finance Subcommittee.

Description of the Airport Facilities

The Airport has four north-south parallel runways designated as 18L/36R, 18R/36L, 17R/35L and 17L/35R. The runways are interconnected by a system of taxiways. All four runways have full instrumentation and lighting to permit all weather operations and are capable of handling the largest commercial aircraft currently in use.

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

The Airport facilities include the North Terminal Complex, consisting of a multilevel landside terminal connected by Automated People Movers ("APM") to four airside terminals, aircraft parking aprons, along with a terminal roadway system, ground level and structural parking for automobiles, staging and parking areas for buses, limousines and taxis, connecting

taxiways, a hydrant fueling storage and distribution system, a flood control bypass canal, associated terminal and roadway signage, landscaping, rental car facilities, utilities and drainage.

Access to the Airport is provided by a divided highway system, which connects the Airport with the Orlando metropolitan area and the interstate highway network. The road system provides direct access to automobile parking adjacent to and above the landside terminal.

Construction of the landside terminal was completed in 1981. The landside terminal was expanded in 1990 and in 2000. Airside terminals 1 and 3 were constructed concurrently with the initial construction of the landside terminal. Airside terminal 4 was built in conjunction with the 1990 expansion of the landside terminal. In August 2000, the Authority completed airside terminal 2.

The landside terminal accommodates passenger ticketing, baggage check-in, and baggage claim facilities; baggage handling and other facilities for airline operations; and space for rental car counters, food and beverage concessions, retail merchandise concessions, and other passenger services; and a 445-room hotel with restaurants and conference facilities. It is served by a three-level roadway system that provides access to separate enplaning, deplaning, and commercial vehicle curbsides. Rental car and public automobile parking spaces are provided in garages that are an integral part of or adjacent to the landside terminal. Passengers travel between the landside terminal and the airside terminals using the APM system. The airside terminals and aprons provide 96 aircraft gates for jet aircraft and associated passenger waiting areas, concessions, and airline operations space. Federal Inspection Services facilities in two of the four airside terminals provide the capability to accommodate arriving international passengers at 16 of the 96 gates. The combined capacity of the Federal Inspection Services facilities is approximately 2,600 passengers per hour.

There are currently 40 gates used by the Authority for charter airline activity, new airlines serving the Airport and for expansion by airlines already serving the Airport.

There is no provision in the Lease and Use Agreements permitting a unilateral relinquishment of gates by a Signatory Airline, although in some instances, the Authority accepts relinquished gates under bankruptcy situations. For a more thorough discussion the Lease and Use Agreements see "AIRLINE REVENUES AND OTHER REVENUE SOURCES- Payments by Airlines Pursuant to Lease and Use Agreements" herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The following table sets forth the distribution of aircraft gates among the airlines at the Airport as of May 1, 2009:

Number of Aircraft Airline Gates as of May 1, 2009	
Air Canada	1
AirTran Airways	8
American Airlines	4
British Airways	1
Continental Airlines	4
Delta Air Lines	5
jetBlue Airways	6
Northwest Airlines	3
Southwest Airlines	12
Spirit Airlines	2
United Airlines	4
US Airways	4
Virgin Atlantic	1
Westjet	1
Authority Gates	40
Total	96

Source: The Greater Orlando Aviation Authority.

Enplaned Passengers at the Airport

The following table sets forth the historical number of enplaned passengers at the Airport for Fiscal Years 1998 to 2008, as well as the annual percentage change in enplaned passengers during such periods.

Historical Enplaned Passengers Fiscal Years 1998 through 2008				
<u>Fiscal Year</u>	<u>Domestic Enplaned Passengers</u>	<u>International Enplaned Passengers</u>	<u>Total Enplaned Passengers</u>	<u>Percent Change from Previous Year</u>
1998	12,739,315	996,137	13,735,452	2.4
1999	13,217,719	1,107,586	14,325,305	4.3
2000	13,921,552	1,235,879	15,157,431	5.8
2001	13,820,578	1,113,135	14,933,713	(1.5)
2002	12,188,801	836,430	13,025,231	(12.8)
2003	12,675,396	856,784	13,532,180	3.9
2004	14,260,609	973,205	15,233,814	12.6
2005	15,760,855	1,072,644	16,833,499	10.5
2006	16,258,674	1,058,199	17,316,873	2.9
2007	16,747,601	1,084,217	17,831,818	3.0
2008	16,920,447	1,317,831	18,238,278	2.3

Source: The Greater Orlando Aviation Authority.

For the six-month period ended March 31, 2009, total enplaned passengers were 8,245,014, down 11.3 percent from 9,295,092 during fiscal year to date March 31, 2008. When broken down between domestic and international enplaned passengers, the international enplaned passengers were 685,438, up 2.4 percent for the six-month period ended March 31, 2009 as compared to 669,054 for the six-month period ended March 31, 2008, while the domestic enplaned passengers were 7,559,576, down 12.4 percent for the six-month period ended March 31, 2009 as compared to 8,626,038 for the six-month period ended March 31, 2008.

During the first three months of calendar year 2008 the Authority experienced increases in domestic enplaned passengers ranging from 4.96 percent to 9.60 percent month over month when compared to the same months in calendar year 2007. Starting in April 2008 the Authority experienced its first decline in domestic enplaned passengers in calendar year 2008. In April 2008 domestic enplaned passengers were down 0.57 percent as compared to April 2007. Since then, the Authority has experienced decreases in domestic enplaned passengers ranging from 0.57 percent with the maximum decline in domestic enplaned passengers occurring in September 2008 with a 14.91 percent decrease from September 2007. The Authority has continued to experience a decline in traffic through March 2009, at which time the month-to-month comparison of domestic enplanements were down 12.41 percent when compared to March 2008. For a complete review of enplanements at the Airport and forecasting future enplanements, see the "AIRPORT CONSULTANT'S REPORT" attached hereto as APPENDIX D. See also, "THE AIRLINE INDUSTRY" and "Recent Events at the Airport" herein.

Recent Passenger Traffic

For calendar year 2008, the Authority reported total passenger traffic (enplanements combined with deplanements) of 35,660,742 comprised of 32,973,829 domestic passengers and 2,686,913 international passengers. The number of passengers reported for calendar year 2008 was 2.2 percent less than the number reported for calendar year 2007.

Most recently, the total passenger traffic decreased 7.45 percent for the twelve-month period ending March 31, 2009 as compared the twelve-month period ending March 31, 2008. The total passengers reported for the twelve-month period ending March 31, 2009 was 34,416,375 comprised of 31,735,901 domestic passengers and 2,680,474 international passengers.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Airlines Serving Orlando International Airport

As of March 31, 2009, the following airlines served the Airport:

U.S. Passenger Airlines

Signatory

AirTran Airways
American Airlines
Continental Airlines
Delta Air Lines
jetBlue Airways
Northwest Airlines*
Southwest Airlines
Spirit Airlines
United Airlines
US Airways

Nonsignatory

Scheduled Service

Domestic

Alaska Airlines
Frontier Airlines
Midwest Airlines
Sun Country Airlines

Regional/Commuter

Continental Connection/Gulfstream
Continental Connection/ExpressJet
Delta Connection/Comair
Delta Connection/Freedom Airlines
Delta Connection/Pinnacle Airlines
Delta Connection/Shuttle America
Northwest Airlines/Compass Airlines
US Airways Express/Air Wisconsin
US Airways Express/Republic Airlines

Foreign-Flag Passenger Airlines

Signatory

Air Canada
British Airways
Virgin Atlantic
WestJet Airlines

Nonsignatory

Scheduled Service

Foreign

Aer Lingus
Aeromexico
Air Jamaica
Air Transat
Bahamasair
COPA Airlines
Lufthansa Airlines
Mexicana
TAM Airlines

Nonsignatory Charter

Domestic

Miami Air International
Pace Airlines**
SkyKing Inc.**

Foreign Charter

CanJet Airlines
SkyService Airlines
TACA International Airlines**
Sunwing Airlines

Airlines Providing Cargo Service

Air Transport International
ASTAR Air Cargo
FedEx
Mountain Air Cargo
United Parcel Service

*Although Northwest Airlines is remaining a Signatory Airline at least through the end of 2009, it is uncertain how the merger with Delta will affect its Signatory status in the future.

** Service at the Airport varies from month to month. For certain months, this carrier may not serve the Airport.

Source: The Greater Orlando Aviation Authority.

Airline Market Shares

A diverse group of airlines provide passenger service at the Airport including 32 U.S. airlines and 22 foreign-flag airlines in Fiscal Year 2008. Passenger traffic at the Airport is fairly evenly distributed among several airlines with no one carrier dominating passenger traffic. As of March 31, 2009, the largest market shares were held by (a) Southwest Airlines (22.3 percent), (b) AirTran Airways (12.5 percent), and (c) Delta Air Lines (11.5 percent). Major network airlines like American Airlines, jetBlue Airways, US Airways, Continental Airlines and United Airlines accounted for most of the remaining passenger traffic; however, none of these other airlines held more than a 10 percent share. As a group, the Signatory Airlines (excluding Comair) accounted for approximately 93.6 percent of total passengers at the Airport in Fiscal Year 2008. The following table sets forth comparative passenger market share and 6 months ended March 31 information for air carriers serving the Airport during Fiscal Years 2004 through 2008.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**Historical Airline Market Shares
Orlando International Airport
Percentage of Total Passengers
Fiscal Years 2004-2008 and Six-months ended March 31**

	Fiscal Years 2004-2008					Six-months ended March 31		
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<i>Signatory Airlines</i>								
Southwest Airlines	14.69%	16.52%	18.91%	20.70%	21.38%	19.86%	21.13%	22.29%
AirTran Airways	5.70	6.16	7.89	9.70	11.03	9.02	10.37	12.48
Delta Air Lines ⁽¹⁾	17.78	16.01	9.31	11.70	10.84	12.21	10.87	11.50
American Airlines	10.49	10.14	10.31	9.50	9.05	9.60	8.99	7.55
jetBlue Airways	3.65	4.37	5.94	7.40	8.80	7.04	8.26	9.90
US Airways ⁽²⁾	2.83	8.33	7.34	6.80	7.46	6.99	7.35	7.51
Continental Airlines	5.65	5.62	6.50	6.70	6.18	6.76	6.43	6.22
United Airlines ⁽³⁾	6.06	6.28	6.14	6.00	5.36	6.21	5.30	5.50
Northwest Airlines	5.66	5.59	5.40	5.20	4.88	5.75	5.06	5.21
Spirit Airlines	2.91	2.91	2.64	2.80	3.15	2.37	3.19	2.24
Virgin Atlantic	2.56	2.33	2.13	2.30	2.45	2.08	2.32	2.54
Air Canada ⁽⁴⁾	—	—	0.04	0.90	0.93	1.16	1.10	1.14
Midwest Airlines ⁽⁵⁾	—	—	0.41	1.00	0.83	0.97	0.89	0.15
WestJet ⁽⁶⁾	—	—	—	0.50	0.64	0.70	0.83	0.96
British Airways	0.70	0.56	0.50	0.50	0.57	0.48	0.45	0.51
Brendan Airways ⁽⁷⁾	—	0.05	0.19	0.10	0.01	0.06	0.03	—
Subtotal Signatory Airlines	<u>82.12%</u>	<u>87.05%</u>	<u>83.84%</u>	<u>91.80%</u>	<u>93.57%</u>	<u>91.26%</u>	<u>92.58%</u>	<u>95.75%</u>
Nonsignatory Airlines	<u>9.04%</u>	<u>3.98%</u>	<u>9.8%</u>	<u>2.70%</u>	<u>1.78%</u>	<u>2.74%</u>	<u>2.04%</u>	<u>1.30%</u>
Foreign Flag Airlines	<u>3.33%</u>	<u>3.13%</u>	<u>3.02%</u>	<u>1.40%</u>	<u>2.22%</u>	<u>1.48%</u>	<u>2.25%</u>	<u>2.74%</u>
Commuter Airlines	<u>5.51%</u>	<u>5.84%</u>	<u>3.34%</u>	<u>4.10%</u>	<u>2.43%</u>	<u>4.52%</u>	<u>3.13%</u>	<u>0.22%</u>
TOTAL	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

- (1) Delta Airlines filed for bankruptcy on September 14, 2005. Delta Airlines rejected its Lease and Use Agreement with the Authority and ceased being a Signatory Airline as of January 19, 2006. Delta Airlines became a new Signatory Airline on May 1, 2006.
- (2) US Airways filed for bankruptcy in August 2002. US Airways rejected its Lease and Use Agreement with the Authority and ceased being a Signatory Airline as of January 16, 2003. US Airways became a new Signatory Airline on June 1, 2004.
- (3) United filed for bankruptcy in December 2002. United has remained a Signatory Airline.
- (4) Air Canada became a Signatory Airline on September 1, 2006.
- (5) Midwest Airlines became a Signatory Airline on April 1, 2006, but returned to non-signatory status on October 1, 2008.
- (6) WestJet became a Signatory Airline on November 1, 2006.
- (7) Brendan Airways became a Signatory Airline on September 1, 2005.

Source: The Greater Orlando Aviation Authority.

International Airline Traffic

Orlando International Airport. The Airport is linked by scheduled passenger air service to international destinations in five geographical regions in the world, North America, Central America, South America, the Caribbean and Europe. As of April 30, 2009, a total of 16 air carriers operated non-stop passenger flights to 21 international destinations. The number of scheduled international flights at the Airport has increased for the last six fiscal years (FY 2003 to FY 2008).

The Authority continues to focus on attracting additional international air service to support the growing Central Florida economy, with recent notable additions including Aer Lingus starting service to Dublin, Lufthansa to Frankfurt, Delta to Cancun, jetBlue to Santo Domingo, Cancun, Bogota and San Jose, TAM to Sao Paulo, Mexicana to Mexico City, and Air Comet with seasonal service to Madrid. International service increases included British Airways increasing from 7 to 10 weekly flights and Virgin Atlantic adding a 15th weekly flight to London/Gatwick for the summer season, and Lufthansa increasing to daily service and upgauging by 124 seats per flight for the winter season. Additions scheduled for 2009 include WestJet seasonally to London, Ontario and Winnipeg, Manitoba, and US Airways resuming summer service to Bermuda. These additions continue to expand Orlando's outbound international routes, which is in contrast to the traditional view of Orlando as an inbound market, as well as expanding the U.S.-flag carrier international services in contrast to the historically foreign-flag dominated international market at Orlando. The number of international passenger flights at the Airport has increased by 35 percent over the last 4 years. The Authority anticipates increases in international airline service with international enplanements forecast to outpace domestic passenger growth for the next several years.

Orlando-Sanford International Airport. The Orlando-Sanford International Airport (the "Sanford Airport"), which is not part of the Airport System, is located 24 miles northeast of downtown Orlando and accommodates both scheduled and chartered international flights. The main runway at Sanford Airport is 9,600 feet long and is capable of accommodating operations by large air carrier aircraft. Sanford Airport also has two additional parallel 3,500 foot runways for general aviation traffic and a 6,000 foot crosswind runway for air carrier aircraft. The Sanford Airport has a five-gate terminal designed for international charter operations and a seven-gate terminal designed to accommodate domestic operations and overflow international operations. The Sanford Airport primarily serves international chartered leisure flights, mostly from the United Kingdom; although this market has been in decline for the last two years, and suffered a large drop in 2008 with the bankruptcy of XL Airways. For the 12 months ended February 28, 2009, 21.5 percent of international enplanements in the Orlando area occurred at the Sanford Airport compared to 27.7 percent in the previous year.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The table that follows presents historical data regarding international enplaned passengers at the Airport during Fiscal Years 1999 through 2008.

**Orlando International Airport
International Enplaned Passengers
Fiscal Years 1999-2008**

Fiscal Year	International Passengers <u>Scheduled Airlines</u>	International Passengers Charter <u>Airlines</u>	International Passengers <u>Total</u>	Average Annual Increase (Decrease)	Percent of <u>Total Passengers</u>
1999	934,627	172,959	1,107,586	11.2	7.7
2000	1,029,077	206,802	1,235,879	11.6	8.2
2001	951,977	161,158	1,113,135	(9.9)	7.5
2002	798,979	37,451	836,430	(24.9)	6.4
2003	815,860	40,924	856,784	2.4	6.3
2004	923,282	49,923	973,205	13.6	6.4
2005	1,064,732	7,912	1,072,644	10.2	6.4
2006	1,052,617	5,582	1,058,199	(1.4)	6.1
2007	1,056,401	25,704	1,084,217	2.5	6.1
2008	1,282,982	34,849	1,317,831	21.6	7.2

Source: Authority records.

During the first three quarters of calendar year 2008 the Authority experienced increases in international enplaned passengers ranging from 6.95 percent to 37.19 percent month over month when compared to the same months in calendar year 2007. During the fourth quarter of 2008 the Authority experienced a slowing of the international enplanement growth. In November 2008 the Authority experienced only a 1.05 percent increase over November 2007 while the enplanements reported in March 2009 were 4.8 percent lower than the international enplanements reported in March 2008. For a complete review of enplanements at the Airport and forecasting future enplanements, see the "AIRPORT CONSULTANT'S REPORT" attached hereto as APPENDIX D. See also, "THE AIRLINE INDUSTRY" and "Recent Events at the Airport" herein.

Airline Activity at the Airport

In calendar year 2008, the airport was the 3rd largest domestic origin and destination market in the United States according the United States Department of Transportation and 10th busiest in the United States and 20th in the world in terms of total passengers according to the Airports Council International-North America. The Airport was the 5th fastest growing major airport in the United States and the 11th fastest growing in the world in calendar year 2007.

Orlando has a diverse mix of legacy and low-cost carriers creating a competitive environment to encourage passenger traffic and support local economic activities. Most notable

of the increases in seat capacity from new or increased air service in 2008 were jetBlue (domestic and international), Lufthansa (international), Aer Lingus (international), TAM (international), Mexicana (international), Copa (international), British Airways (international) and Air Jamaica (international). The seat capacity outlook for FY2009 is trending lower; particularly in the first half of 2009, although some airlines are already increasing capacity that was previously cut, or are adding capacity in markets vacated by other airlines. Air service additions in the second quarter of 2009 include Westjet (international), jetBlue (international), and AirTran (domestic). International capacity has been much stronger than domestic, a trend which is likely to continue with the upcoming new international services. See the "AIRPORT CONSULTANT'S REPORT" attached hereto as APPENDIX D for more detailed information.

Recent Events at the Airport

Although the Authority has experienced declines in growth in domestic enplanements, recently, many airlines have announced that they will add new service to the Airport in March–June 2009. A sample of these include: jetBlue adding approximately 28 flights per week; AirTran adding approximately 14 flights per week, Virgin Atlantic adding approximately 3 flights per week; Continental Airlines adding 16 flights per week; Delta Airlines adding 12 flights per week; British Airways adding approximately 3 flights per week; and Southwest Airlines adding approximately 60 flights per week. For a complete review of enplanements at the Airport and forecasting future enplanements, see the "AIRPORT CONSULTANT'S REPORT" attached hereto as APPENDIX D. See also, "THE AIRLINE INDUSTRY" herein.

Cost Saving Measures

As a result of the downturn in passenger traffic, the executive director advised the Authority Board in March 2009 that he was going to implement reductions in payroll costs to achieve a target savings of \$4-\$5 million per year. Pursuant to the applicable provisions of the Authority's collective bargaining agreement and pertinent statutes, affected employees were notified of the reduction in force in early May. The executive director expects this reduction in force to be completed in late June.

The Effects of the Northwest Merger with Delta at the Airport

Northwest and Delta are currently both Signatory Airlines. To date, it is anticipated that both airlines will remain Signatory Airlines at least through the end of fiscal year 2009. The eventual outcome of the merger on the Signatory status of Northwest is unknown at this time. The Authority has given preliminary consent to the termination by Northwest of its Signatory Agreement on the condition that Delta assume the rental of all terminal space leased by Northwest under the Delta Signatory Agreement. As a result of the ongoing integration of Northwest and Delta, the Northwest gates have been moved to a location adjacent to Delta, although the number of gates has not been reduced. The Authority does not expect any financial impact resulting from the combination of Northwest and Delta, but makes no assurance that the

combination of Northwest and Delta would not significantly impact the operation of the Airport, or the Airport's future activity levels.

Commercial Property Development at the Airport

The Authority has the ability to pursue both aviation and commercial development of both the Tradeport Drive corridor on the west of the Airport and the Heintzelman Boulevard corridor on the east side of Airport property. The Tradeport area comprises approximately 1,000 acres and the Heintzelman Boulevard corridor comprises approximately 440 acres.

Signature Flight Support and Galaxy Aviation are the two fixed base operators at the Airport. Both have extensive facilities near Tradeport Drive for the handling, storage and servicing of corporate aircraft. Galaxy recently completed construction of a new 24,000 square foot aircraft storage hangar and 4,000 square foot executive terminal. The United States Postal Service operates a 290,000 square foot regional center on approximately 27 acres of land at the south end of the Tradeport corridor. This activity serves nine counties and employs approximately 1,440 people. The United States Department of Agriculture leases an inspection station facility in the mid-Tradeport area. Foreign Trade Zone, which began operation in September 1979, is also situated around the Tradeport area under special grant from the U.S. Department of Commerce to provide import duty and excise tax incentives for manufacturers and distributors in the Central Florida region.

Cessna Aircraft Company operates a Citation Service Center in the north Tradeport area. The Citation Service Center opened in 2003 and included a 148,000 square foot hangar with offices and shops with a 200,000 square foot aircraft apron. The Service Center immediately initiated an expansion of an additional 24,000 square feet of hangar space to accommodate the demand for service. The expansion was completed in 2004. FlightSafety International, an aviation training company, completed construction of an eight-bay pilot training simulation center in the north Tradeport area to support the new Cessna Citation Service Center in February 2003. This facility was expanded to allow for 12-full motion aircraft simulators in 2006.

Continental Airlines operates a major maintenance facility in two 100,000 square feet hangars on Tradeport Drive. Continental currently employs more than 600 mechanics whose average wage is over \$50,000 annually. These mechanics provide maintenance to Continental's fleet of Boeing jets.

jetBlue Airways operates a flight support campus in the Heintzelman corridor which offers initial and recurrent training for specialties including Flight Operations, Flight Attendant, Technical Operations and Customer Service crewmembers. The 107,000 square feet facility includes an auditorium, classrooms, briefing rooms, offices and an indoor/outdoor training pool. The facility houses four Airbus A320 full-flight simulators and two Embraer E190 full-motion simulators. Additionally, the airline opened a \$24 million dollar 100,000 square foot three aircraft bay hangar for installation of airline in-seat digital entertainment systems by LiveTV into jetBlue aircraft and aircraft owned by other airlines. In addition, jetBlue Airways performs FAA-mandated maintenance and inspections on their aircraft from this hangar.

The Authority approved four rental automobile concession (RAC) agreements with Avis Budget Car Rental, LLC (Avis and Budget brands), DTG Operations, Inc. (Dollar and Thrifty brands), EAN-Orlando, LLC (Enterprise, Alamo and National brands), and The Hertz Corporation (Hertz and Simply Wheelz brands) to streamline processing for rental car customers. The rental car agreements will cause some of the current onsite brands (Avis, Budget, Dollar, Alamo and National) to team with some of the current offsite brands (Thrifty, Enterprise, Hertz and Simply Wheelz) to maintain vehicles and operations on Authority property and serve around 95 percent of rental car customers upon completion of several rental car facility improvement projects to accommodate the higher demand. By resolution approved August 17, 2008, the Authority authorized collection of a customer facility charge ("CFC") assessed on each rental car transaction. The CFCs collected are expected to be used to finance in whole or in part the rental car projects. The Authority began collecting the CFCs in October 2008.

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 such taxes are not paid by the lessee, the Authority is obligated to 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. However, to the extent the Authority reimburses the City for these taxes, the Authority expects that such taxes will be provided for in the Authority's Annual Budget and paid by rates, fees, rentals and other charges for use of the Airport System. No provision was made for the payment of any such amounts in the "AUDITED FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT AUDITORS THEREON FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2007 AND 2008" attached hereto as APPENDIX C.

All tangible personal property owned by private enterprises, including that owned by airlines, which is located on municipally owned airports, is currently subject to Orange County tangible personal property taxation.

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.

Insurance

The Authority currently maintains property insurance for property not insured by others with per occurrence limits totaling \$400 million. The property insurance policies contain certain specific sub-limits, and the primary layer contains a self-insured retention of \$100,000 and a maintenance deductible of \$25,000 per occurrence for causes of loss other than named windstorm. It is common and ordinary in Florida for property insurance policies for structures comparable in size and value to the Airport, to include a larger deductible for losses arising from a named windstorm. The Authority's deductible for a named windstorm is 2 percent of the value of each building damaged, which currently compares favorably with similar properties in Florida. The policy provides open-perils protection as opposed to specifically named-perils protection on a replacement cost basis and includes coverage for loss of business income up to \$170 million per occurrence resulting from a covered property loss, including covered terrorism losses. The Authority currently maintains property insurance with per occurrence limits of \$300 million for both certified and non-certified terrorism events whether caused by international or domestic persons or organizations. Renovations to existing facilities are included as covered losses under the Authority's current property insurance. It is expected that property insurance limits may be adjusted in the future, as is prudent in the airport industry and as insurance markets continue to evolve.

The Authority also maintains builders' risk insurance, when required for construction projects not covered by others and that are not attached to existing structures and therefore not covered by property insurance discussed above. The Authority also maintains fiduciary liability, public official's liability, auto liability, storage tank liability, boiler and machinery, crime and airport owners and operators liability insurance. The Authority's airport liability insurance has a limit of \$300 million annually and a sub-limit of \$50 million annually for war and terrorism exposures. The Authority maintains workers compensation insurance with statutory limits, which includes a self-insured retention of \$150,000 per occurrence and associated employers' liability insurance.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

AIRLINE REVENUES AND OTHER REVENUE SOURCES

Payments by Airlines Pursuant to Lease and Use Agreements

Effective as of October 1, 2008 the Authority entered into its new Lease and Use Agreements relating to the use of the Airport, the rental of space, and the establishment of landing fees (collectively referred to herein as the "Lease and Use Agreements") with each of the following airlines: Air Canada, AirTran Airways, Inc. ("AirTran"), American Airlines, British Airways, PLC ("British Airways"), Continental Airlines, Inc. ("Continental"), Delta Air Lines, Inc. ("Delta"), jetBlue Airways, Corp. ("jetBlue"), Northwest Airlines, Inc. ("Northwest"), Southwest Airlines, Co. ("Southwest"), Spirit Airlines, Inc. ("Spirit"), United, US Airways, Virgin Atlantic Airways, Ltd. ("Virgin") and WestJet (collectively, the "Signatory Airlines").

The new Lease and Use Agreements will be effective through September 30, 2013. The projections of airline rates and charges incorporated in APPENDIX D- "Airport Consultant's Report" are based on the terms and provisions specified in the Lease and Use Agreements. The key provisions of the Lease and Use Agreement, as summarized in the Airline Agreement section of Appendix D, include a compensatory rate-making methodology for use of the terminal facilities, a residual rate making methodology to establish landing fees for the use of the airfield, revenue sharing between the Authority and the Signatory Airlines, and an Extraordinary Coverage Protection provision.

Signatory Airline payments to the Authority represent approximately 27 percent of the total airport revenues for Fiscal Year 2009 budget. Under its Lease and Use Agreement, each Signatory Airline is required to pay in monthly installments (a) a specified annual rental with respect to space assigned on an exclusive or preferential basis to such Signatory Airline, (b) a charge with respect to space used in common with others, based on the number of Signatory Airlines and a proportionate share based on passenger activity, (c) a landing fee, based on maximum gross landed weight, the number of landings, and the applicable landing fee rate (d) an annual charge for tenant improvements financed by the Authority, and (e) an annual charge for preferential use of aircraft parking aprons.

Payments made to the Authority by the Signatory Airlines in Fiscal Year 2008 under the prior lease and use agreements with terms and provisions substantially different from the current Lease and Use Agreements totaled approximately \$97,584,000 before the application of prepaid airline fees and charges. These Signatory Airline payments, before the application of prepaid airline fees and charges, accounted for approximately 28 percent of total Revenues in Fiscal Year 2008.

Subject to federal regulatory requirements regarding reasonableness of rates and charges, the Authority is authorized under the Act to fix, regulate and collect rates and charges for the services and facilities of the Airport. See "FORM OF THE LEASE AND USE AGREEMENTS" attached hereto as APPENDIX B.

For a discussion of the airlines' present situation and the relative presence of each airline at the Airport, see the sources outlined in "THE GREATER ORLANDO AVIATION AUTHORITY AIRPORT SYSTEM" and "THE AIRLINE INDUSTRY" herein.

Extraordinary Coverage Protection

Under the Lease and Use Agreements, fees and charges are reviewed at least annually so that for each Fiscal Year, Revenues (as defined in the Bond Resolution) less Operation and Maintenance Expenses, amounts required to be deposited into the Operation and Maintenance Reserve Account, the Capital Expenditures Fund and the Renewal and Replacement Fund established under the Bond Resolution shall be equal to or greater than 1.25 times the aggregate principal (including Sinking Fund Installments) and interest (other than capitalized interest) to become due and payable in such Fiscal Year on the Outstanding Airport Facilities Revenue Bonds, the 2009 Bonds and any Additional Bonds or Refunding Bonds hereafter issued under the Bond Resolution. In the event the yearly analysis of Revenue as detailed herein shall be less than the requirement, the Authority shall recover additional rates and charges, pursuant to an Extraordinary Coverage Protection provision from each Signatory Airline to cover any shortfall of the Authority's rate covenant.

Effect of Bankruptcy on Lease and Use Agreements

When a Signatory Airline seeks protection under the bankruptcy laws, such airline or its bankruptcy trustee must determine whether to assume or reject its agreements with the Authority (1) within 60 days or later, if ordered by the court, with respect to its Lease and Use Agreement or other leases of real property, or (2) prior to the confirmation of a plan or reorganization with respect to any other agreement. In the event of assumption, the Signatory Airline would be required to cure any prior defaults and to provide adequate assurance of future performance under the applicable Lease and Use Agreement or other agreements. Rejection of a Lease and Use Agreement or other agreement or executory contract would give rise to an unsecured claim of the Authority for damages, the amount of which in the case of a Lease and Use Agreement or other agreement is limited by the Bankruptcy Code generally to the amounts unpaid prior to bankruptcy plus the greater of (1) one year of rent or (2) 15 percent of the total remaining lease payments, not to exceed three years. However, the amount ultimately received in the event of a rejection of a Lease and Use Agreement or other agreement could be considerably less than the maximum amounts allowed under the Bankruptcy Code. Additionally, during the pendency of a bankruptcy proceeding, a debtor airline may not, absent a court order, make any payments to the Authority on account of goods and services provided prior to the bankruptcy. Thus, the Authority's stream of payments from a debtor airline would be interrupted to the extent of pre-petition goods and services, including accrued rent and landing fees.

Passenger Facility Charges

As part of the Aviation Safety and Capacity Expansion Act of 1990, as amended (the "PFC Act"), as implemented by the FAA pursuant to published regulations (the "PFC

Regulations"), the United States Congress has authorized commercial service airports such as the Airport to collect passenger facility charges ("Passenger Facility Charge" or "PFC") from each paying passenger enplaned at such airport in the amount of \$1.00, \$2.00, \$3.00, \$4.00 or \$4.50, subject to certain limitations. Airport-related projects eligible for PFC's 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) eleven 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. Notwithstanding provisions of the PFC Act and the FAA Regulations requiring Collecting Carriers to account for PFC collections separately and indicating that those PFC collections are to be regarded as funds held in trust by the Collecting Carriers for the beneficial interest of the public agency imposing the PFC, recent bankruptcy decisions suggest that in a bankruptcy proceeding involving a Collecting Carrier, the PFC collections in the Collecting Carrier's custody may not be treated as trust funds and that the Authority may not be entitled to any priority over other creditors of the collecting airline to such funds. In 2005 the PFC program was amended to incorporate certain changes as set forth in the Vision 100-Century of Aviation Reauthorization Act (Vision 100). One of these changes was a streamlined process for submitting and reviewing amendments to existing PFC Application as well as approvals of new PFC applications.

PFC applications for specific 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 Airport has imposed the Passenger Facility Charge since February 1993. On February 21, 2007, the Authority received approval from the FAA to increase the level of collection for the Passenger Facility Charge from \$3.00 to \$4.50 per eligible enplaned passenger and such increase was imposed on April 1, 2007. These PFCs may be used, subject to applicable regulations, either to pay debt service on bonds secured by PFCs or to pay for eligible capital improvements on a year-to-year basis, as specified in the applicable approval. As further described below, PFCs are included in the definition of Revenues for purposes of the Bond

Resolution, only to the extent that PFC Revenues constitute Available PFC Revenues for the applicable period.

To allow the Authority to leverage PFC Revenues and comply with the requirements limiting their use for permitted purposes, the Bond Resolution limits the amount of PFC Revenues included as a component of Revenues to "Available PFC Revenues." The term "Available PFC Revenues" is defined to mean PFC Revenues received by the Authority in an amount for each relevant period not to exceed 1.25 times Debt Service accruing during such period with respect to that portion of the Bonds issued to finance PFC Projects, as allocated by a certificate of an Authorized Officer of the Authority. This permits the Authority to satisfy debt service and coverage requirements with respect to the portions of the Bonds allocated to financing PFC Projects with PFC Revenues received in the relevant period. To ensure that an amount equal to the amount of Available PFC Revenues deposited in the Revenue Fund is used for permitted uses of PFC Revenues, the Bond Resolution requires the Authority to deposit in the PFC Account established in the Discretionary Fund an amount equal to the difference between (a) the amount of Available PFC Revenues deposited in the Revenue Fund, plus amounts withdrawn from the PFC Account to cure Debt Service deficiencies and Operation and Maintenance Expense deficiencies, and (b) the Accrued Aggregate Debt Service with respect to that portion of the Bonds issued to finance PFC Projects, as allocated by an Authorized Officer of the Authority. Amounts in the PFC Account not required to cure such deficiencies or to pay such Accrued Aggregate Debt Service may be withdrawn by the Authority at any time and applied by the Authority, in its discretion, for permitted purposes in accordance with the applicable approvals and authorization of the FAA and applicable regulations. PFC Revenues received in any period in excess of Available PFC Revenues for such period, and PFC Revenues accumulated from earlier periods not constituting Available PFC Revenues for such earlier period, do not constitute Revenues and are not subject to the pledge and lien established by the Bond Resolution.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**Passenger Facility Charges
March 31, 2009
Orlando International Airport**

Application Number	Collection Authority	Collections	Expenditures¹
92-01-C-05-MCO (Closed)	\$ 34,099,841	\$ 34,099,841	\$ 34,099,841
93-02-C-00-MCO	12,957,000	12,957,000	8,140,005
95-03-C-02-MCO (Closed)	18,637,986	18,637,986	18,637,986
96-04-C-06-MCO	94,799,455	94,799,455	56,568,866
98-05-C-04-MCO	119,178,876	119,178,876	115,418,759
99-06-C-02-MCO	86,619,348	86,619,348	58,000,904
00-07-C-03-MCO	181,271,854	181,271,854	51,866,117
00-08-C-01-MCO	253,632,770	136,254,124	26,496,748
02-09-C-04-MCO	165,358,198	-	94,646,162
05-10-C-04-MCO	610,887,236	-	197,021,960
07-11-C-00-MCO	48,580,000	-	8,336,824
Total Authority:	\$ 1,626,022,564	\$ 683,818,484	\$669,234,172

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.

Source: The Greater Orlando Aviation Authority.

The Authority provided written notice to all known air carriers at the Airport of its intent to amend an existing PFC application. The proposed amendment would increase the Existing Use Authority on PFC Application #10 in the amount of \$155,651,775. Additionally, the Authority has proposed a new PFC Application #12 to combine PFC Application #8 through PFC Application #11, which will not have any impact on the Existing Use Authority. The Authority has also proposed a new PFC Application #13 that would increase the Existing Use Authority by \$229,763,000. If approved, these amendments and new applications will result in a total Collection Authority of \$2,011,437,339.

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 CIP 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 levels of qualified enplaned passengers at the Airport.

In addition, the FAA may terminate the Authority's ability to impose PFC's subject to informal and formal procedural safeguards, if (a) the Authority fails to use its PFC Revenues as approved by the FAA, the PFC Act or the implementing regulations, or (b) the Authority otherwise violates the PFC Act or regulations. The Authority's ability to impose PFC's may also be terminated if the Authority violates certain provisions of the Airport Noise and Capacity Act of 1990 and its implementing regulations. In the Bond Resolution, the Authority has covenanted to file such applications, submit such reports and take any and all such actions as shall be necessary or desirable to preserve its rights to impose and collect PFCs 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 in the Bond Resolution.

There is no assurance that the legislation authorizing the imposition of PFCs or the implementing regulations will not be amended or repealed so as to adversely affect the ability of the Authority to collect PFCs or to apply them as described herein.

The occurrence of any of these events could reduce the amount of PFC Revenues. Reductions in the receipt of PFC Revenues could reduce the amount of funds available to finance portions of the Authority's CIP, as well as reducing Available PFC Revenues. If PFC Revenues received in any applicable period are less than 1.25 times Debt Service accruing in such period on Bonds allocated to financing PFC Projects, the shortfall will have to be provided from other sources of Revenues.

Concessions and Other Consumer Revenue Sources

The principal concessions and consumer services at the Airport are the Hotel, automobile parking, rental cars and other ground transportation, food and beverage, and merchandise. The Authority also derives revenues from advertising, telephones, a bank and other concessions and consumer services. The Authority has a written statement of policy for awarding concession and consumer service privileges at the Airport. 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. Automobile parking and the Hotel are operated under management agreements.

Revenues received by the Authority in connection with rental car services for Airport passengers are the largest source of nonairline revenue 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. On site Airport rental car brands currently include Avis, Budget, Dollar, L & M and Alamo/National.

In October 2008, the Authority implemented a CFC related to on-site rental car activity on a \$2.50 per transaction day basis, not to exceed a CFC charged for five transaction days. The CFC will be collected from customers by the on-site rental car companies and will fund on-site rental car improvements.

Food and beverage facilities in the Landside Terminal and Airside Terminals 1 and 4 are operated under a 10-year concession agreement effective December 2002, with a minimum annual concession fee of \$5,253,000. An amendment is in process to extend this agreement for five years due to the Airside 1 build-out of a new food court, sit-down restaurant and specialty beverage restaurant.

The food and beverage concession agreement at Airside 2 has a minimum annual concession fee of \$1,086,683 and was recently amended to extend the agreement until September 2015. Recently, the food and beverage concession at Airside 3 was awarded with an initial minimum annual concession fee of \$1,100,000 that increased to a minimum annual concession fee of \$2,200,000 effective with the opening of the new sit-down restaurant on April 1, 2009.

Amounts derived from concessions and consumer services, including automobile parking and the Hotel, totaled approximately \$198,128,000 in Fiscal Year 2008, and represented approximately 60 percent of total Revenues received by the Authority during such period. For the six-month period ended March 31, 2009, such concession and consumer services revenues totaled approximately \$93,453,500 compared with \$101,071,700 for the six-month period ended March 31, 2008. The concession and consumer services revenue represented approximately 57 percent and 61 percent of total Revenues received for the six-month period ending March 31, 2009 and March 31, 2008 respectively. The majority of the decrease relates to reduction in revenues from ground transportation and the hotel.

Registered Traveler Program

On June 6, 2005, the Authority entered into an agreement with a joint venture team led by Verified Identity Pass, Inc. (the "contractor") for the operation at the Airport of a federal program under the authority of the TSA, now known as the Registered Traveler Program. The initial term of the agreement is five (5) years, with the Authority having options to renew the agreement for three (3) additional periods of five (5) years each on the same terms and conditions. Under the agreement, the contractor pays the Authority a percentage of the contractor's revenue, including in particular revenue from nationwide enrollments into the program. These revenues amounted to approximately \$1,529,984 for the Fiscal Year 2008, and approximately \$1,004,012 for the six-months ended March 31, 2009 compared with approximately \$442,069 for the six-months ended March 31, 2008. As the number of airports in which the contractor operates increases, enrollment into the Registered Traveler Program and corresponding contractor revenues are also expected to increase, resulting in increasing payments to the Authority.

Other Terminal Area Revenue Sources

Sources of other terminal area revenues include: (a) Federal Inspection Station and common facility fees and (b) space rentals paid by rental car operators, non-signatory and other non-airline tenants in the terminal. Other terminal area revenue sources amounted to approximately \$11,618,000 for Fiscal Year 2008, and approximately \$11,127,451 for the six-months ended March 31, 2009, compared with approximately \$6,851,383 for the six-months

ended March 31, 2008. The majority of the increase in Other Terminal Area Revenue is attributed to an increase in revenue received for common facility usage.

Airfield Area Revenue Sources

Sources of airfield area revenues (other than those paid by the Signatory Airlines) include: (a) apron use fees paid by international and domestic non-signatory passenger airlines, (b) landing fees paid by non-signatory passenger and cargo airlines, (c) in-flight catering fees, (d) fueling system rentals and (e) fuel flowage and other aviation fees. Airfield area revenue sources amounted to approximately \$12,683,000 for Fiscal Year 2008 and approximately \$4,556,646 for the six-months ended March 31, 2009, compared with approximately \$5,826,413 for the six-months ended March 31, 2008.

Other Buildings and Grounds

Tenants of buildings and sites at the Tradeport and other airport areas pay rentals and fees for the use of such buildings and sites. Revenues from these areas amounted to approximately \$10,950,000 for Fiscal Year 2008 and approximately \$6,927,252 for the six-months ended March 31, 2009, compared with approximately \$5,382,823 for the six-months ended March 31, 2008. A majority of the increase relates to revenues incurred from the jetBlue Training Facility.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

AUTHORITY FINANCIAL INFORMATION

Debt Service Requirements

The following table sets forth the Debt Service Requirements for the Outstanding Bonds.
Total Debt Service Requirements for Bonds⁽¹⁾

Fiscal Year Ending September 30,	Outstanding Bonds Debt Service	2009A Bonds Principal	2009A Bonds Interest	2009B Bonds Principal	2009 Bonds Interest	Total 2009 Bonds Debt Service	Total Bonds Debt Service
2009	\$109,940,373		\$1,651,677		\$159,229	\$1,810,906	\$111,751,279
2010	106,191,012		5,662,894		545,928	6,208,821	112,399,833
2011	106,210,949		5,662,894		545,928	6,208,821	112,419,771
2012	106,246,834		5,662,894		545,928	6,208,821	112,455,656
2013	148,330,403		5,662,894		545,928	6,208,821	154,539,225
2014	79,235,829		5,662,894	\$9,280,000	545,928	15,488,821	94,724,650
2015	79,231,168	\$7,730,000	5,662,894	1,995,000	102,344	15,490,237	94,721,405
2016	79,227,243	10,250,000	5,237,744			15,487,744	94,714,986
2017	79,219,224	10,865,000	4,622,744			15,487,744	94,706,968
2018	79,210,924	11,515,000	3,970,844			15,485,844	94,696,768
2019	60,423,243	12,205,000	3,279,944			15,484,944	75,908,186
2020	60,424,161	12,880,000	2,608,669			15,488,669	75,912,830
2021	60,422,193	13,685,000	1,803,669			15,488,669	75,910,861
2022	31,948,099	14,420,000	1,068,100			15,488,100	47,436,199
2023	19,312,563	5,000,000	275,000			5,275,000	24,587,563
2024	14,844,550						14,844,550
2025	14,799,106						14,799,106
2026	14,759,475						14,759,475
2027	14,719,106						14,719,106
2028	36,251,725						36,251,725
2029	4,831,594						4,831,594
2030	4,832,594						4,832,594
2031	4,833,006						4,833,006
2032	<u>4,832,313</u>						<u>4,832,313</u>
Totals	\$1,320,277,684	\$98,550,000	\$58,495,752	\$11,275,000	\$2,991,210	\$171,311,962	\$1,491,589,647

- (1) The Debt Service Requirements are shown for the period in which they accrue and not for the period in which they are paid. Such Debt Service Requirements have not been reduced by payments to be made out of capitalized interest or out of interest income on Bond Resolution funds deposited into the Debt Service Account under the Bond Resolution. The Debt Service Requirements shown do not include debt service on Subordinated Indebtedness. See "SUBORDINATED INDEBTEDNESS" herein.

Historical Financial Results

The following table presents the historical debt service coverage for the Outstanding Airport Facilities Revenue Bonds pursuant to the Bond Resolution for Fiscal Years 2002-2008.

Orlando International Airport Historical Debt Service Coverage Per Bond Resolution Fiscal Years 2002-2008 (in thousands)							
	Fiscal Year						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues Per Bond Resolution ⁽¹⁾	\$266,926	\$266,507	\$285,834	\$309,290	\$330,800	\$346,916	\$356,263
Less: Operations and Maintenance Expenses per Bond Resolution ⁽²⁾	<u>(110,904)</u>	<u>(122,070)</u>	<u>(127,292)</u>	<u>(134,775)</u>	<u>(148,803)</u>	<u>(172,217)</u>	<u>(182,868)</u>
Net Revenues	<u>\$156,022</u>	<u>\$144,437</u>	<u>\$158,542</u>	<u>\$174,515</u>	<u>\$181,997</u>	<u>\$174,699</u>	<u>\$173,395</u>
Less: Required Account Deposits							
Airport Facilities Operations and Maintenance Reserve Fund	—	—	605	1,117	2,339	3,903	3,365
Airport Facilities Capital Expenditure Fund	7,676	4,232	3,620	4,103	5,533	7,180	19,918
Airport Facilities Renewal and Replacement Fund	<u>—</u>	<u>700</u>	<u>371</u>	<u>204</u>	<u>5,420</u>	<u>420</u>	<u>0</u>
Total Required Account Deposits	<u>\$7,676</u>	<u>\$4,932</u>	<u>\$4,596</u>	<u>\$5,424</u>	<u>\$13,292</u>	<u>\$11,503</u>	<u>\$23,283</u>
Net Revenues available for Debt Service on Bonds	<u>\$148,346</u>	<u>\$139,505</u>	<u>\$153,946</u>	<u>\$169,091</u>	<u>\$168,705</u>	<u>\$163,196</u>	<u>\$150,112</u>
Net Debt Service on Bonds ⁽³⁾	<u>\$72,225</u>	<u>\$66,397</u>	<u>\$71,721</u>	<u>\$74,901</u>	<u>\$81,484</u>	<u>\$73,960</u>	<u>\$88,514</u>
Coverage Ratio for Bonds	2.05	2.10	2.15	2.26	2.07	2.21	1.70

Source: The Greater Orlando Aviation Authority.

⁽¹⁾ Revenues as deposited to the Airport Facilities Revenue Fund before adjustment for year-end transfers to Prepaid Airline Fees and Charges Fund and Improvement and Development Fund, plus miscellaneous receipts in the Operations and Maintenance Fund.

⁽²⁾ Expenses and encumbrances are paid from amounts on deposit in the Airport Facilities Operations and Maintenance Fund.

⁽³⁾ Debt service is net of applicable capitalized interest.

The following table presents historical amounts of Revenues and Expenses of the Airport for Fiscal Years 2002 through 2008. These historical amounts relate solely to the Orlando International Airport and do not include revenues and expenses for the Orlando Executive Airport; however, the “AUDITED FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT AUDITORS THEREON FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2007 AND 2008” included in APPENDIX C attached hereto present the combined financial position, results of operations and cash flows of Orlando International Airport and Orlando Executive Airport.

**Orlando International Airport
Statement of Revenues and Expenses
Fiscal Years 2004-2008 and Six-Month Periods Ended March 31
(in thousands)**

	Audited Fiscal Year Ended September 30					Unaudited Six-Months Ended March 31	
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008</u>	<u>2009</u>
Operating Revenues:							
Airfield Area ⁽¹⁾	\$37,035	\$34,438	\$31,731	\$34,814	\$65,124	\$21,788	\$18,316
Terminal Area	180,807	194,207	205,621	219,276	230,145	54,065	62,148
Hotel	27,546	27,974	33,941	34,565	36,723	22,201	17,507
Other Bldgs. and Site Rentals	<u>9,201</u>	<u>9,402</u>	<u>9,671</u>	<u>10,310</u>	<u>10,950</u>	<u>6,923</u>	<u>8,195</u>
Ground Transportation						<u>61,407</u>	<u>56,934</u>
Total Operating Revenues	<u>254,589</u>	<u>266,021</u>	<u>280,964</u>	<u>298,965</u>	<u>342,942</u>	<u>166,384</u>	<u>163,100</u>
Operating Expenses							
Operation and Maintenance	(102,247)	(114,927)	(114,435)	(123,029)	(131,537)	(65,995)	(64,729)
General and Administrative	(25,322)	(25,506)	(30,405)	(30,795)	(38,538)	(20,404)	(19,344)
Hotel	(21,235)	(22,140)	(24,995)	(26,505)	(28,008)	(15,054)	(13,846)
Depreciation and Amortization	<u>(81,692)</u>	<u>(90,644)</u>	<u>(92,416)</u>	<u>(91,535)</u>	<u>(94,480)</u>	<u>(46,826)</u>	<u>(49,051)</u>
Total Operating Expenses	<u>(230,496)</u>	<u>(253,217)</u>	<u>(262,251)</u>	<u>(271,864)</u>	<u>(292,563)</u>	<u>(148,279)</u>	<u>(146,970)</u>
Operating Income	24,093	12,804	18,713	27,101	50,379	18,105	16,130
Non-Operating Revenues (Expenses):							
Investment Income	8,813	14,101	24,874	30,006	18,983	12,943	7,839
Interest Expense	(72,021)	(71,556)	(68,790)	(67,150)	(64,130)	(31,378)	(33,514)
Signatory Airline Revenue Sharing						0	(10,156)
Passenger Facility Charges	41,287	43,436	45,933	59,302	70,657	37,710	33,554
Customer Facility Charges						0	11,419
Federal and State Grants	4,168	10,115	11,693	1,964	1,796	586	339
Other	<u>7,131</u>	<u>29,878</u>	<u>2,188</u>	<u>957</u>	<u>4,083</u>	<u>560</u>	<u>(150)</u>
Income Before Capital Contributions	\$13,471	\$38,778	\$34,611	\$52,180	\$81,767	\$38,526	\$25,461
Capital Contributions	44,272	35,672	46,740	44,245	68,486	43,115	46,205
Net Income	<u>\$57,743</u>	<u>\$74,450</u>	<u>\$81,351</u>	<u>\$96,425</u>	<u>\$150,253</u>	<u>\$81,641</u>	<u>\$71,666</u>

1. Airfield area revenues may fluctuate depending upon operations and the adjustment for Signatory Airline prepaid credits. During fiscal year 2008 and in connection with the expiration of the airline agreement on September 30th, airfield related revenue increased over the prior year as a result of previously deferred revenues recognized as revenue.

Source: The Greater Orlando Aviation Authority

Analysis of Airport Operations

Fiscal Year Ended September 30, 2007. The Airport reported operating income of \$27,101,000 and net income of \$96,425,000.

As the growth in travel returns to a more normal pattern, enplanements increased 3 percent over the prior fiscal year, and the Airport closed its Fiscal Year with operating revenue increasing \$18,001,000 or 6.4 percent primarily from increased airfield related revenue, terminal rent, concession, rental car, parking and hotel revenues. Terminal revenues reflected the largest increase of \$13,655,000 or 6.6 percent; with substantial portions attributable to general merchandise, food and beverage, public parking and rental car concessions. Airfield Area Revenues increased \$3,100,000 over the prior year and is attributable to a reduction in the revenue available to share with the Signatory Airlines for FY 2007. The hotel experienced an increase in revenue earnings over the prior year as a result of occupancy level and rate increases. This increase in non-airline rentals reflects the Authority's continued effort to market and develop the Airport.

Operating expenses, before depreciation increased \$10,494,000 or 6.2 percent compared to the prior fiscal year, primarily due to the increase in Operation and Maintenance. Maintenance contracts increased \$5,600,000 and other contractual services including janitorial and utility services increased as well. These increases in costs are partially offset by direct reimbursement payments received from the users of these services.

Fiscal Year Ended September 30, 2008. The Airport reported operating income of \$50,379,000 and net income of \$150,253,000.

The operating revenues of the Authority increased \$43.9 million in FY 2008, or 14.7 percent over the previous year primarily from increased airfield related revenue, terminal rent, concession, rental car parking and hotel revenues. Airfield Area Revenues increased over the prior year due primarily to the expiration of the Lease and Use Agreement on September 30, 2008, resulting in previously deferred revenues being recognized as airfield revenues in the current year. The increase of \$10,900,000 million or 4.9 percent in terminal area revenue included concession revenue increases as well as increases in rental car, parking and other terminal area revenue. The hotel experienced an increase in revenue earnings of \$2.2 million over the prior year as a result of a slight increase in occupancy and a 2.7 percent increase in rates.

Operating expenses, before depreciation increased \$17,754,000 or 9.9 percent compared to the prior fiscal year as a result of maintenance on the new in-line baggage system, safety and security, various expenses associated with the negotiation of the Lease and Use Agreement as well as higher hotel expenses associated with increased occupancy.

Six-Month Period Ended March 31, 2009 and 2008. The Authority reported operating income of \$16,130,000 and net income of \$71,666,000 for the six-month period ended March 31, 2009, compared to operating income of \$18,105,000 and net income of \$82,201,000 for the six-month period ended March 31, 2008.

Operating revenues decreased approximately \$3,284,000 or 1.98 percent with the primary decrease due to landing fees, parking, ground transportation, and the hotel; offset with increases in terminal area rents.

Operating expenses excluding depreciation decreased approximately \$3,534,000 or 3.5 percent primarily because of reduction of expenses associated with reduced revenues.

Non-operating revenues increased approximately \$1,202,000 primarily as a result of the implementation of the Customer Facility Charge for rental car transactions effective October 1, 2008 that has offset a decrease in Passenger Facility Charges and investment income.

THE CAPITAL IMPROVEMENT PROGRAM

The 2009-2013 Capital Improvement Program

In FY 2008, the Airport presented a \$977 million capital improvement program (the “Capital Improvement Program” or “CIP”) for FY 2009 through FY 2013 to airlines serving the Airport. The CIP was incorporated into the Lease and Use Agreement. However, as a result of the downturn in the economy and airline announcements regarding capacity cuts, the Authority has reviewed the CIP and deferred projects that are capacity driven beyond FY 2013. This has resulted in a reduction of the estimated cost of the CIP to \$667 million for FY 2009 – FY 2013.

The CIP includes improvements in the terminal, airfield, ground transportation and other areas. Of the total \$667 million estimated CIP cost, the Authority plans to fund approximately \$116 million from federal and state grants, approximately \$15 million from future Authority funds, approximately \$60 million from passenger facility charges on a pay-as-you-go basis, approximately \$251 million from future revenue bond proceeds to be paid with PFC revenues, approximately \$104 million from future revenue bond proceeds, and approximately \$122 million from other funds including existing bond proceeds, Authority funds, or CFCs.

Estimated future debt service and operating expenses associated with the CIP projects are incorporated in the financial analysis reflected in the Airport Consultant’s Report attached hereto as APPENDIX D. Key components of the Authority’s FY 2009-FY 2013 CIP include:

Terminal

Rehabilitation of Airside 1. This program includes various improvements to building infrastructure and to bring the level of finish in Airside 1 to the same level as in Airsides 2 and 4, including rehabilitating the transfer level of the three airside wings, the hub area and people mover station. The hub area will include an expansion to accommodate additional concession, public seating, and circulation areas.

Security Improvements. The Explosion Detection System (“EDS”) program includes the third and final phase of the in-line EDS program in the North Terminal. The EDS central system will

serve the central ticketing areas of Terminals A and B and the southeast area of the terminal located on Terminal B.

North Terminal Capacity Program - Bag System Improvements. This program includes improvements to the existing landside terminal baggage claim and make-up systems, including replace bag claim devices, replace slope plate carousels, replace sort piers, electrical system upgrades, replace bag pushers, install dynamic merging, and baggage reporting/tracking system project.

Vertical Circulation and Central Plant Improvements. This program includes replacement of eight (8) escalators in the landside terminal as well as adding one escalator. This program will also make central plant improvements for the north terminal complex.

North Terminal Capacity Program - Ticket Lobby Improvements. This program includes a new common use passenger processing system, computer system replacement, and allowance for airline relocations to balance terminal capacity.

Emergency Electrical System Improvements. This program will segregate discretionary electrical loads from critical or life safety requirements throughout the north terminal complex. This program excludes additional emergency power for the terminal chillers and baggage systems.

Information Technology Improvements. This program includes a variety of IT projects such as the replacement of the voice communications switches and local area network switches. Projects will also include additional funding to complete the computerized maintenance management system project and the airport systems integration project.

Terminal Infrastructure Improvements. This project is to renovate landside terminal restrooms.

Other Terminal Improvements. This program includes AGT System renovations, and access control improvements.

Airfield

Airfield Pavement Rehabilitation. This program includes rehabilitation to airfield pavement areas including: Runways, Taxiways and Associated Intersections, and Aprons & Holding Pads. It includes improvements to shoulders and fillets for various taxiways.

Taxiway Rehabilitation Projects. This program includes rehabilitation associated with various Taxiways.

High-Speed Taxiways E & J. This program includes pavement strengthening and fillet improvements for various Taxiways.

Other Airfield Improvements. This program includes taxiway widening and rehabilitation associated with the Airside 1 and 3 apron.

Ground Transportation

North Terminal Capacity Program – Rental Car Improvements. This program includes the expansion and reconfiguration of the Terminal A Quick Turnaround Area (“QTA”), construction of a new Terminal B QTA and associated relocation of the bus and taxi hold facilities, addition of ready return spaces at Terminal A, and associated terminal roadway and signage improvements.

North Terminal Capacity Program – Roadway, Curb, and Cell Lot Improvements. This program includes an extended return to terminal road and associated cell phone lot for Terminal A,

improvements to both Terminal A and B commercial curb areas to improve pedestrian and vehicular movements, and minor modifications for use of the fourth curb.

Other Ground Transportation Improvements. This program includes utility/infrastructure improvements and South Tradeport Drive resurfacing.

Other

These programs include environmental mitigation, drainage improvements, Hyatt lobby and public area improvements, long term planning and Noise Program continuation.

Other Future Projects

In addition to the FY 2009- FY 2013 Capital Improvement Program, the Authority is also contemplating other longer-term projects (generally to be undertaken and/or completed after the projection period through FY 2014) as demand warrants and to comply with new or changing requirements regarding security, mitigation of wildlife attractants, and future terminal capacity. Because the timing of these projects is expected to be beyond the projection period for this financing, and because the scope, timing, cost, and approval of these future projects are uncertain, the financial impacts from developing and implementing them are not reflected in Airport Consultant's Report. Such future projects include: Future South Terminal Program, Future Airside and Hotel Renovations, Future Taxiways, Connectors, and Existing Airfield Improvements and Future Roadway Improvements.

The Authority will continually evaluate construction on such future projects based on demand, cost and funding, as well as other factors.

Among the sources of funds that the Authority may consider for the future projects is the future issuance of Airport Facilities Revenue Bonds. A number of factors, including the demand for the projects and the availability of other funds, will affect the timing and amount of such future bond issuance. At this time, the Authority has not determined the amount of or timeframe for any such future financings.

AIRPORT CONSULTANT'S REPORT

The following is a summary of certain information contained in the Letter Report of the Airport Consultant (the "Airport Consultant's Report") dated May 19, 2009, prepared by Ricondo & Associates, Inc. (the "Airport Consultant") that was commissioned by the Authority to study the historical and projected airline traffic, expenses, and revenues of the Airport and the Authority's FY 2009 - FY 2013 Capital Improvement Program. The Airport Consultant's Report is attached hereto as APPENDIX D, should be read in its entirety to obtain information essential to understanding the projections and assumptions therein.

Projected Debt Service Coverage

The projections of debt service coverage were developed by the Airport Consultant and are included in the Airport Consultant's Report. In the preparation of the projections in its report, the Airport Consultant has made certain assumptions with respect to conditions that may occur in the future, including the issuance of Additional Airport Facilities Revenue Bonds. For example, the Airport Consultant assumes, for purposes of the financial projections in the Airport Consultant's Report, that airlines currently serving the Airport would continue to operate at the Airport under their current agreement status (e.g., Signatory or Non-Signatory) through FY 2014 and that the current Signatory Airline Agreement would be extended one Fiscal Year beyond the FY 2013 expiration (through FY 2014).

The assumptions made by the Airport Consultant in projecting debt service coverage are set forth in the Airport Consultant's report. The Airport Consultant's Report should be read in its entirety for an understanding of the projections and underlying assumptions contained therein. While the Authority and the Airport Consultant believe these assumptions to be reasonable for the purpose of the projections, they are dependent on future events, and actual conditions may differ from those assumed. To the extent actual future factors differ from those assumed by the Airport Consultant or provided to the Airport Consultant by others, the actual results will vary (possibly materially) from projections.

The Airport Consultant is of the opinion that Net Revenues less required fund deposits will be sufficient to meet the rate covenant of the Bond Resolution for each year of the projection period of FY 2009 through FY 2014. Additionally, the projects included in the Capital Improvement Program are expected to provide Airport facilities necessary to satisfy the future airline and air passenger needs through the same projection period, at a cost that will produce reasonable levels of rates and charges to the users of the Airport facilities.

The following table presents projections of debt service coverage ratios for the Authority's Bonds, Subordinated Indebtedness and total indebtedness.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**Projected Debt Service Coverage
Fiscal Years 2009-2014**

Debt Service Coverage							
		Projected					
		2009	2010	2011	2012	2013	2014
Net Revenues	[A]	\$155,272,000	\$160,340,000	\$187,625,000	\$204,777,000	\$274,082,000 ¹	\$226,821,000
Less: Required Fund Deposits							
Operation and Maintenance Reserve Fund	[B]	0	(1,294,000)	(1,681,000)	(1,765,000)	(1,853,000)	(1,946,000)
Net Revenue Available for Airport Facilities Revenue Bonds Debt Service	[C]=[A]+[B]	\$155,272,000	\$159,046,000	\$185,944,000	\$203,012,000	\$272,229,000	\$224,875,000
Aggregate Debt service on Airport Facilities Revenue Bonds (including Series 2009 Bonds) ¹	[D]	\$111,177,000	\$113,920,000	\$128,459,000	\$137,638,000	\$187,023,000	\$130,903,000
Debt Service on Subordinate Indebtedness		\$12,522,000	\$13,716,000	\$12,115,000	\$10,210,000	\$7,681,000	\$7,677,000
Less: Interest earnings –Subordinate Indebtedness Reserve Fund		(113,000)	(113,000)	(113,000)	(113,000)	(113,000)	(113,000)
Net Debt Service on Subordinated Indebtedness	[E]	\$12,409,000	\$13,603,000	\$12,002,000	\$10,097,000	\$7,568,000	\$7,564,000
Total Debt Service	[F]=[D]+[E]	\$123,586,000	\$127,523,000	\$140,461,000	\$147,735,000	\$194,591,000	\$138,467,000
Debt Service Coverage Ratios:							
Airport Facilities Revenue Bond Debt	[C]/[D]	1.40	1.40	1.45	1.47	1.46	1.72
All Indebtedness	[C]/[F]	1.26	1.25	1.32	1.37	1.40	1.62

Note:

1 Net Revenues and debt service in 2013 are substantially higher as a result of Available PFC Revenues included in the Net Revenues in order to pay debt service on the 2008C Bonds. – See Tables 18 and 27 of the Airport Consultant's Report attached hereto as APPENDIX D.

Source: The Greater Orlando Aviation Authority and Ricondo & Associates, Inc.
Prepared by: Ricondo & Associates, Inc.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

LITIGATION AND REGULATORY MATTERS

Litigation

There is not now any litigation pending or, to the knowledge of the Authority, threatened, which if successful would have the effect of restraining or enjoining the issuance or delivery of the 2009 Bonds or questioning or affecting the validity of the 2009 Bonds or the proceedings and authority under which they are issued. The Authority is currently engaged in certain litigation, the outcome of which would not be expected to have any material adverse effect on the issuance and delivery of the 2009 Bonds. Also see "THE AIRPORT SYSTEM - Recent Airline Bankruptcies" and "AIRLINE REVENUES AND OTHER REVENUE SOURCES – Concessions and Other Consumer Revenue Sources" for a complete discussion of all bankruptcy litigation in which the Authority is currently involved as a creditor.

The following actions and claims, which alone or in the aggregate, if decided adversely, could have a material adverse affect on the Revenues available to pay debt service on the 2009 Bonds, are pending against the Authority:

Claim by Viad Corp., Aircraft Service International, Inc., and Asig Miami, Inc. This action was filed on April 6, 2007. Only 1 of the 4 counts pertain to the Authority. The Complaint contends that on January 17, 2001, based upon the site assessment, the Authority recognized that the Maintenance facility, which is leased to ASII (predecessor to Viad), may require remediation, additional site studies and a penalty of \$10,000.00 per day for failure to comply with spill investigation requirements. Viad alleges that it sent notice to Royal and Lloyds of its claims under the respective policies. The Complaint alleges that the Authority is included as a defendant in the action because it claims to be an injured party from the matters involving the Airport, as a potential co-insured or additional insured under the Lloyd's and Royal's insurance policies, and as a party that may be affected by the outcome of the action as it relates to the Airport matter. In Count III of the Complaint, Viad seeks a declaratory judgment against Lloyds, the Authority and others as to whether Lloyds is required under any of its policies to provide coverage for the environmental contamination at OIA and whether the Authority is a covered insured under the Lloyd's policies that insured Viad (or its predecessors), ASII, and other former Viad subsidiaries, and award attorneys' fees to Viad. The Authority has filed counterclaims seeking reimbursement for any unreimbursed expenses to the Authority as a result of the ongoing assessment and any required clean up and alleging that the Viad, ASII and the insurance companies are required to clean up all contamination. Discovery and investigation of the extent and costs of the environmental clean up is ongoing.

Discrimination Actions.

From time to time discrimination related charges have been filed against the Authority with the City and the EEOC. In each instance the Authority has filed its position statement denying the allegations and provided documentation supporting its position. The Authority intends to contest each matter, if necessary. After a preliminary analysis of the legal and factual

issues regarding these matters, the Authority believes that it is probable that the Authority will obtain favorable outcomes with respect to each of the matters. There have been 14 discrimination charges filed against the Authority with the City and the EEOC within the last five (5) years. At this time the Authority is not aware of any suit being filed by any of the complainants.

General Liability Claims.

From time to time bodily injury related claims have been filed against the Authority, the defense of which claims has been undertaken by counsel retained by insurance carriers for the Authority. As of January 02, 2009, there are 54 open claims being managed by the Authority's insurance carrier. Total amounts reserved by the insurance carrier for these claims are \$179,000.

Lawsuits have been filed in six of the claims. None of these lawsuits is expected to have a material financial impact on the Authority.

Other Liability Claims.

In May of 2003 an employee of a tenant claimed a valve failure at a warehouse owned by the Authority and being rented by Mixon Family Farms occurred causing an ammonia leak in which the employee was allegedly injured. She was treated through workers compensation and reached some settlement with her employer in the amount of \$16,125 plus legal fees. She has not filed a lawsuit against the Authority at this time but if she does, the Authority's insurance coverage may not be available because of the environmental component of this claim.

Worker's Compensation Claims.

As of September 30, 2008, there are 13 open workers compensation claims reserved by the Authority's third party administrator at a total of \$207,764.

The Authority is unable at this time to predict the ultimate resolution of the above listed personal injury claims.

Other.

In addition to the foregoing, the Authority is also engaged in other routine litigation, none of which, in the judgment of the Authority, is expected to materially adversely impact the Authority's financial condition.

Regulatory Matters

Contamination Assessment and Rehabilitation or Abatement.

The Authority has undertaken contamination assessment and site rehabilitation at a number of locations at the Airport and the Orlando Executive Airport. In addition to the

identified areas of environmental contamination, the Authority may be obligated to conduct contamination assessment, site rehabilitation or abatement as the result of the past discharge of certain petroleum based pollutants or hazardous substances at the Airport and the Orlando Executive Airport, or because of the presence of asbestos, lead based paint or other indoor air contaminants in certain buildings located thereon, either as the party primarily responsible or as the party responsible in the event other parties who are liable are unable to do so. Where soil, groundwater or surface water contamination is present, site rehabilitation has been or will be undertaken upon approval by the Orange County Environmental Protection Department ("EPD") or the Florida Department of Environmental Protection ("FDEP").

The Authority is presently unable to estimate the potential cost to the Authority of such site rehabilitation or abatement activities, but such cost has the potential to be significant. Cost to the Authority for contamination assessment and site rehabilitation depends on a variety of factors including the extent and location of contamination, the type(s) of contaminants, source of the contamination, hydrogeology, and the ability of the tenant or operator who caused the discharge to pay for such site rehabilitation. Cost to the Authority for abatement also depends on a variety of factors including the amount of the indoor air contaminants present, the type of contaminants and the conditions of contaminant-containing materials, the use of the space being abated, and the legal liability and financial capability of the tenant or operator to pay for such abatement. Although it is difficult to quantify the potential impact of compliance with environmental protection issues, the Authority believes that the ultimate aggregate cost of environmental remediation will not result in a material adverse effect on its financial condition or results of operations. The Authority expects to recover any costs expended on environmental remediation through rates, fees, rentals and other charges for the use of the Airport. No provision has been made for payment of these amounts in the "AUDITED FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT AUDITORS THEREON FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2007 AND 2008" attached hereto as APPENDIX C.

Wetland Mitigation.

Pursuant to environmental permits issued by the United States 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 lands 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 implemented wetland mitigation activities through the acquisition of necessary land, construction of wetland creation projects, and granting of conservation easements. The Authority is currently in negotiations with the Environmental Agencies concerning mitigation activities at the Airport. Although it is difficult to quantify the potential cost of compliance with the conditions contained in the existing environmental permits, the Authority expects to include any costs of compliance in the CIP.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code"), contains a number of requirements and restrictions which apply to the 2009A 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 2009A 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 2009A Bonds to be included in gross income retroactive to the date of issuance of the 2009A Bonds.

THE PROVISIONS OF THE AMERICAN RECOVERY AND REINVESTMENT TAX ACT OF 2009 RELATING TO TREATMENT IF INTEREST ON CERTAIN TAX-EXEMPT BONDS DO NOT APPLY TO THE 2009A BONDS.

Subject to the condition that the Authority will comply with the pertinent requirements of the Code, in the opinion of Bond Counsel, under present law, interest on the 2009A Bonds (1) is not included in the gross income of the holders thereof for federal income tax purposes, except during any period while a 2009A Bond is held by a "substantial user" of the facilities financed or refinanced by the 2009A Bonds or a "related person" within the meaning of Section 147(a) of the Code, and (2) is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

As to questions of fact material to the opinion of Bond Counsel, 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 2009A 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 2009A Bonds to certain 2009A Bondholders. Prospective 2009A Bondholders, however, should consult their own tax advisors with respect to the impact of such provisions on their own tax situations.

The 2009A Bonds will not be "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code. Interest or indebtedness incurred or continued to purchase or carry the 2009A Bonds, or in the case of banks and certain other financial institutions, interest expense allocated to interest on the 2009A Bonds, will not be deductible for federal income tax purposes.

Taxable 2009B Bonds

Interest on the 2009B Bonds is not excluded from gross income of holders thereof for federal income tax purposes.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the 2009A Bonds, including, among other things, restrictions relating to the use or investment of the proceeds of the 2009A Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the 2009A Bonds to the Treasury of the United States of America. Noncompliance with such provisions may result in interest on the 2009A Bonds being included in gross income for federal income tax purposes retroactive to their date of issuance.

Collateral Tax Consequences

Except as described above, 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 2009A Bonds. Prospective purchasers of 2009A Bonds should be aware that the ownership of 2009A Bonds may result in other collateral federal tax consequences. For example, ownership of the 2009A Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such 2009A Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the 2009A Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the 2009A Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE 2009A 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 2009A Bonds may be subject to state or local income taxation under applicable state or local laws in some jurisdictions. Purchasers of the 2009A Bonds should consult their own tax advisors as to the income tax status of interest on the 2009A 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 the 2009A Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alterations of federal tax consequences may have affected the market value of obligations similar to the 2009A 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 2009A 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 2009A Bonds.

Tax Treatment of Original Issue Discount

Bond Counsel is further of the opinion that the difference between the principal amount of the 2009A Bonds maturing on October 1, 2019, 2021 and 2023 (collectively, the "2009A Discount Bonds") and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such 2009A Discount Bonds of the same maturity was sold constitutes original issue discount which is excludable from gross income for federal income tax purposes to the same extent as interest on the 2009A Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each 2009A Discount Bond and the basis of each 2009A Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the 2009A Discount Bonds, even though there will not be a corresponding cash payment. Owners of the 2009A Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such 2009A Discount Bonds.

Tax Treatment of Bond Premium

The difference between the principal amount of the 2009A Bonds maturing on October 1, 2015 through and including October 1, 2018 (the "Non-Callable Premium Bonds") and on October 1, 2020 (the "Callable Premium Bonds" and together with the Non-Callable Premium Bonds the "Premium Bonds") and the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Non-Callable Premium Bond and to the first call date in the case of the Callable Premium Bonds. For the purposes of determining gain and 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

the purposes of determining various other tax consequences of owning such Premium Bonds. Owners of 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.

LEGAL MATTERS

Certain legal matters incident to the validity of the 2009 Bonds and the issuance thereof by the Authority are subject to the approval of Nabors, Giblin and Nickerson, P.A., Tampa, Florida, P.A., Bond Counsel. The proposed form of the opinion of Bond Counsel is attached hereto as APPENDIX E. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date. Certain legal matters will be passed on for the Authority by Broad and Cassel, Issuer's Counsel to the Authority and Marchena and Graham, P.A., Orlando, Florida, and Ruye H. Hawkins, P.A., Orlando, Florida, Co-Disclosure Counsel. Certain legal matters in connection with the 2009 Bonds will be passed on for the Underwriters by their counsel, Robert P. Saltsman, P.A., Winter Park, Florida.

Bond Counsel has not been engaged to, nor has it undertaken to review (1) the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the 2009 Bonds except as may be provided in the supplemental opinion of Bond Counsel to the Underwriters and the Authority, upon which only they may rely, or (2) the compliance with any federal or state law with regard to the sale or distribution of the 2009 Bonds.

RATINGS

The 2009 Bonds have been assigned long-term ratings of "AA-" with a stable outlook by Fitch, "Aa3" with a negative outlook by Moody's and "A+" with a stable outlook by S&P.

Such ratings express only the views of the rating agencies. An explanation of the significance of such ratings may be obtained from the rating agencies furnishing the same. 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 the rating agencies if, in the judgment of the rating agencies, circumstances so warrant.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith, Inc., on behalf of itself and the other Underwriters (collectively the "Underwriters") has agreed, subject to certain conditions to closing, to purchase the 2009A Bonds at an aggregate purchase price of \$98,899,065.90, which represents the initial aggregate principal amount of the 2009A Bonds plus a net original issue premium of \$1,122,759.85 and less an Underwriters' discount of \$773,693.95. The Underwriters

have agreed, subject to certain conditions to closing, to purchase the 2009B Bonds at an aggregate purchase price of \$11,177,813.95, which represents the initial aggregate principal amount of the 2009B Bonds less an Underwriters' discount of \$97,186.05. The Underwriters will be obligated to purchase all of the 2009 Bonds if any 2009 Bonds are not purchased. The 2009 Bonds may be offered and sold to the Underwriters and certain dealers (including the Underwriters and other dealers depositing such 2009 Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

J.P. Morgan Securities Inc., one of the underwriters of the Bonds, has entered into an agreement (the "Distribution Agreement") with UBS Financial Services Inc. for the retail distribution of certain municipal securities offerings at the original issue prices. Pursuant to the Distribution Agreement (if applicable for this transaction), J.P. Morgan Securities Inc. will share a portion of its underwriting compensation with respect to the Bonds with UBS Financial Services Inc.

Morgan Stanley and Citigroup Inc., the respective parent companies of Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc., each an underwriter of the Bonds, have entered into a retail brokerage joint venture. As part of the joint venture each of Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc. will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, each of Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc. will compensate Morgan Stanley Smith Barney LLC. for its selling efforts in connection with their respective allocations of Bonds.

FINANCIAL ADVISORS

Morgan Keegan and Company, Inc., Winter Park, Florida, and National Minority Consultants, Inc., Winter Park, Florida, serve as co-financial advisors to the Authority. Although the co-financial advisors assisted the Authority in the preparation of this Official Statement, and in other matters relating to the planning, structuring and issuance of the 2009 Bonds and provided other advice, the Co-Financial 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-Financial Advisors did not engage in any underwriting activities with regard to the sale of the 2009 Bonds.

AIRPORT CONSULTANT

Ricondo & Associates, Inc., Cincinnati, Ohio has served as the consultant to the Authority. See "AIRPORT CONSULTANT'S REPORT" herein and attached hereto as APPENDIX D. References to and excerpts herein from such report do not purport to be an adequate summary of such report or complete in all respects. Such report is an integral part of

this Official Statement and should be read in its entirety for complete information with respect to the subjects discussed herein.

FINANCIAL STATEMENTS

The Authority's financial statements for the year ended September 30, 2007 and 2008, included in APPENDIX C attached hereto, have been audited by Ernst & Young LLP, independent auditors, as stated in their report included in APPENDIX C attached hereto. Ernst & Young LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included in APPENDIX C any procedures on the financial statements addressed in that report. Ernst & Young LLP also has not performed any procedures relating to this Official Statement.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes and the regulations promulgated thereunder require that the Authority and the City make full and fair disclosure of any bonds or other debt obligations of such entities that have been in default as to payment of principal or interest at any time after December 31, 1975. Neither the Authority nor the City are presently and, since December 31, 1975, neither the Authority nor the City have been in default as to payment of principal or interest on any bonds or other debt obligations.

CONTINUING DISCLOSURE

In order to provide certain continuing disclosure with respect to the 2009 Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Rule 15c2-12"), the Authority has entered into a Continuing Disclosure Agreement ("Continuing Disclosure Agreement") for the benefit of the Holders of the 2009 Bonds with Digital Assurance Certification, L.L.C. ("DAC"), under which the Authority has designated DAC as Disclosure Dissemination Agent. The form of Continuing Disclosure Agreement is attached as APPENDIX F.

DAC has only the duties specifically set forth in the Continuing Disclosure Agreement. DAC's obligation to deliver the information at the times and with the contents described in the Continuing Disclosure Agreement is limited to the extent the Authority has provided such information to DAC as required by this Continuing Disclosure Agreement. DAC has no duty with respect to the content of any disclosures or notice made pursuant to the terms of the Continuing Disclosure Agreement. DAC has no duty or obligation to review or verify any information in the Annual Report, Audited Financial Statements, notice of Notice Event or Voluntary Report, or any other information, disclosures or notices provided to it by the Authority and shall not be deemed to be acting in any fiduciary capacity for the Authority, the Holders of the 2009 Bonds or any other party. DAC has no responsibility for the Authority's failure to

report to DAC a Notice Event or a duty to determine the materiality thereof. DAC shall have no duty to determine or liability for failing to determine whether the Authority has complied with the Continuing Disclosure Agreement. DAC may conclusively rely upon certifications of the Authority at all times.

The Annual Information will be filed on behalf of the Authority with each Nationally Recognized Municipal Securities Information Repository (the “NRMSIRS”) and as of July 1, 2009 with the Municipal Securities Rulemaking Board (“MSRB”) and with a state depository, if one then exists. Notices of certain enumerated events will be filed by or on behalf of the Authority with the NRMSIRS or the MSRB and with a state depository, if one then exists. The nature of the information to be provided in the Annual Information and the notices of such enumerated events is set forth in “FORM OF CONTINUING DISCLOSURE AGREEMENT” attached hereto as APPENDIX F. A default under the Continuing Disclosure Agreement shall not constitute an Event of Default under the Bond Resolution.

The Authority has not failed to comply with any previous continuing disclosure undertakings.

VERIFICATION OF MATHEMATICAL ACCURACY

The accuracy of the mathematical computations of the adequacy of the maturing principal amount and interest on escrow securities and initial cash balances to pay all principal of, interest on, and redemption premium on the Refunded Bonds through their redemption date will be verified by Grant Thornton LLP. Such verification will be based upon information provided by the Underwriters.

FORWARD LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by the Authority, that are not purely historical, are forward-looking statements, including statements regarding the Authority's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward looking statements included in this Official Statement are based on information available to the Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. It is important to note that the Authority's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve

judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Authority. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

MISCELLANEOUS

There are appended to this Official Statement the Summary of Certain Provisions of the Airport Facilities Bond Resolution (APPENDIX A), the Form of the Lease and Use Agreements (APPENDIX B), the Audited Financial Statements and Report of Independent Auditors thereon for the Fiscal Years ended September 30, 2007 and 2008 (APPENDIX C), the Airport Consultant's Report (APPENDIX D), the proposed Form of opinion of Bond Counsel (APPENDIX E), 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.

The references herein to the Bond Resolution, the Lease and Use Agreements, the Transfer Agreement and the Act and the other documents referenced herein are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference is made to such documents for full and complete statements of their provisions. Copies of such documents are available from the Office of the Chief Financial Officer, One Airport Boulevard, Orlando, Florida 32827-4399.

Any statements made in this Official Statement involving matters of opinion or of estimates or forecasts, 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 forecasts will be realized.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**AUTHORIZATION OF AND CERTIFICATION CONCERNING
OFFICIAL STATEMENT**

This Official Statement has been authorized and approved by the Authority. Upon the delivery of the 2009 Bonds, the undersigned will furnish his certificate to the effect that, to the best of his knowledge, this Official Statement did not, as of its date, and does not as of the date of delivery of the 2009 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: _____
Jeffry B. Fuqua, Chairman

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION. The following is a summary of certain provisions of the Airport Facilities Bond Resolution. The Summary is subject in all respects to the detailed provisions of the Airport Facilities Bond Resolution, copies of which are available from the Finance Department, One Airport Boulevard, Orlando, Florida 32827-4399.

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES REVENUE BOND RESOLUTION.

The following is a summary of certain provisions of the Airport Facilities Revenue Bond Resolution. The Summary is subject in all respects to the detailed provisions of the Airport Facilities Revenue Bond Resolution, copies of which are available from the Finance Department, One Airport Boulevard, Orlando, Florida 32827-4399.

Certain Definitions

The following are definitions in summary form of certain terms contained in the Airport Facilities Revenue Bond Resolution (as amended and supplemented, the "Resolution" or "Bond Resolution") and used herein and certain other terms defined for purposes of this summary:

Accreted Value. 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. 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.

Additional Bonds. Additional parity Bonds issued under the Bond Resolution and Bonds issued in lieu of or in substitution for Outstanding Bonds pursuant to the Bond Resolution.

Additional Project. 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.

Aggregate Debt Service. As of any 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. The airport consultant at the time retained by the Authority to perform the acts and carry out the duties provided for the Airport Consultant under the Bond Resolution. The Airport Consultant is required to 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.

Airport System. The Orlando International Airport owned by the City and operated by the Authority, including (i) 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 (formerly known as Herndon 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, (b) shall deliver to the Trustee (1) a Counsel's Opinion to the effect that adding Orlando Executive Airport to the Airport System will not violate or cause a breach or default under the Lease and Use Agreements, (2) 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 (3) the written consent of any bond insurers or other credit enhancer having in effect a municipal bond insurance policy insuring, or other credit enhancement securing, payment of any Bonds outstanding hereunder, and (c) the Retirement Date of the Prior Lien Bonds shall have occurred. "Airport System" shall include Special Purpose Facilities no part of the revenue and income from which is pledged to the payment of Authority obligations, but "Airport System" shall not include any airport or aviation facility thereafter acquired or constructed by the Authority with funds other than the proceeds of Bonds issued under the Resolution or revenues generated by the Airport System.

Annual Budget. The annual budget of the Authority, as amended or supplemented, adopted or in effect for a particular Fiscal Year, as provided in the Bond Resolution.

Authority. 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 Officer of the Authority. The Chairman, the Vice-Chairman, the Treasurer or the Secretary of the Authority, 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.

Available PFC Revenues. PFC Revenues received by the Authority in an amount for each relevant period not to exceed 1.25 times the Debt Service accruing during such period with respect to that portion on the Bonds issued to finance PFC Projects, as allocated by a Certificate of an Authorized Officer of the Authority.

Bond or Bonds. Any bond or bonds, as the case may be, authenticated and delivered under and pursuant to the Resolution.

Bond Obligation. 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.

Bondholder or Holder of Bonds, or any similar term. Any person who shall be the bearer of any coupon Bond or Bonds or the registered owner of any Bond or Bonds without coupons.

Capital Appreciation Bonds. 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.

City. The City of Orlando, Florida, a municipal corporation in the County of Orange, State of Florida.

Composite Reserve Requirement. 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 under the Resolution 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 under the Resolution that are secured by the Composite Reserve Subaccount, or (iii) 10% of the aggregate stated principal amount of all Series of Bonds Outstanding under the Resolution that are secured by the Composite Reserve Subaccount; provided, however, that in determining the aggregate stated original principal amount of all Bonds Outstanding under the Resolution 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. The subaccount in the Debt Service Reserve Account established pursuant to Section 402 of the Bond Resolution.

Consulting Engineers. The engineer or engineering firm or corporation at the time retained by the Authority pursuant to the Bond Resolution to perform the acts and carry out the duties provided for such Consulting Engineers under the Bond Resolution. Such Consulting Engineers are required to have a wide and favorable reputation for skill and experience in the construction and operation of airport facilities.

Cost of Construction. The Authority's costs properly attributable to the construction or acquisition of an Additional Project 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 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 Project, costs of machinery, equipment and supplies and initial working capital and reserves required by the Authority for the commencement of operation of such 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.

Debt Service. For any period, 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 in the Bond Resolution, 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 Bonds that are Taxable Bonds shall be assumed to bear interest at the Taxable Variable Rate Index as of the date of calculation.

If a Series of Variable Rate 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 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 of the Bond Resolution, 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.

Debt Service Reserve Requirement. With respect to the Composite Reserve Subaccount, the Composite Reserve Requirement; and with respect to each Series of Bonds issued under the Bond Resolution 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 Reserve Account with respect to such Series of Bonds pursuant to the Bond Resolution, which will not cause any existing rating on any Bonds or Series of Bonds outstanding under the

Bond Resolution to be lowered, suspended or withdrawn, and which amount shall be available for use only with respect to such Series of Bonds.

Designated Maturity Bonds. 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 Maximum Balance. The sum of (a) an amount equal to \$3,000,000, and (b) any amount or amounts required to repay, in accordance with the terms of any agreements securing the same, indebtedness issued by the Authority to finance improvements to the Airport System, plus (c) all amounts required to pay in a timely manner all payments the Authority is required to make to any third party under any interest rate swap agreement or other derivative financial product agreement between the Authority and a third party, and (d) any amounts required to be deposited to the credit the PFC Account in the Discretionary Fund pursuant to the Resolution; provided that, said amount set forth in (a) above shall be increased or decreased in direct proportion to the changes in the Producer Price Index, formerly designated as the Wholesale Price Index, issued by the United States Department of Labor, Bureau of Labor Statistics, using 1986 as the base year; and provided further that, said amounts set forth in (a), (b), (c) and (d) above may be adjusted by the Authority at any time if not prohibited under the terms of the Lease and Use Agreements.

FAA. The Federal Aviation Administration, or any successor agency of the Federal Government performing the same or similar functions.

FAA Regulations. 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. The Trustee, Special Trustee and any Paying Agent, or any or all of them as may be appropriate.

Fiscal Year. The then-current annual accounting period of the Authority for its general accounting purposes. Currently, the 12-month period ending September 30.

Fitch. 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.

Investment Securities. 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 Project 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 in the highest category by S&P and Moody's;

(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.

Lease and Use Agreements. The Airline-Airport Lease and Use Agreements between the Authority and various airlines, as amended or as the same may be amended and in effect from time to time.

Maturity Amount. 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. 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. 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. Revenues less Operation and Maintenance Expenses.

Operation and Maintenance Expenses. The Authority's expenses for operation, maintenance, repairs, ordinary replacement and ordinary reconstruction of the Airport System which shall include, without limiting the generality of the foregoing, administrative expenses, insurance premiums, legal and engineering expenses, payments to pension, retirement, 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 the Bond 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 the Bond Resolution, and all to the extent properly attributable to the Airport System. "Operation and Maintenance Expenses" shall not include any capital cost or any allowance for depreciation or any operation or maintenance costs for Special Purpose Facilities; provided, however, that "Operation and Maintenance Expenses" shall include operation and maintenance costs incurred by the Authority with respect to any Special Purpose Facilities no part of the revenue and income from which is pledged to the payment of Authority obligations.

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 Bond 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 the Bond Resolution 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 the Bond Resolution, and (d) any Bond deemed to have been paid as provided in the Bond Resolution.

Paying Agent. Any bank or trust company designated by the Authority as paying agent for the Bonds of any Series, and its successor or successors appointed in the manner provided in the Bond Resolution.

PFC Account. The PFC Account established in the Discretionary Fund by Section 402 of the Bond Resolution.

PFCs or Passenger Facility Charges. 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. Additional Projects for which the Authority is authorized to impose and use PFC's, as confirmed by a Counsel's Opinion.

PFC Revenues. 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).

Principal Installment. As of any date of calculation and with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, means (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 the Bond Resolution) 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.

Qualified Derivative Agreement. 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 the 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 of the Bond Resolution.

Qualified Derivative Payment. 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.

Rating Agency. Fitch, Moody's and S&P, to the extent then maintaining a rating on Bonds outstanding at the request of the Authority.

Redemption Price. 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 the Resolution.

Reserve Product. 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 Reserve Account and meeting the terms and conditions of the Bond Resolution, as applicable.

Reserve Product Provider. 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 the Bond Resolution.

Revenues. (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 expressly provided in the 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; (ii) all gifts, grants, reimbursements or payments received from governmental units or public agencies for the Airport System's benefit which are: (a) not restricted in application to a special purpose, and (b) otherwise lawfully available for the payment of charges with respect to the Prior Lien Bonds and the Bonds; (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) income received on any investment of moneys held pursuant to the Trust Agreements and paid into the revenue fund established under the Trust Agreements; (v) amounts deposited in the revenue fund established under the Trust Agreements or into the Revenue Fund from the Prepaid Airlines Fees and Charges Fund pursuant to the terms of the Resolution; and (vi) Available PFC Revenues for the applicable period.

The term "Revenues" shall not include any revenue or income from any Special Purpose Facilities, except ground rentals therefor, or revenue or income from Orlando Executive Airport (formerly known as Herndon 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"; provided, however, that "Revenues" shall include the revenue or income from Special Purpose Facilities which are not pledged to the payment of obligations of the Authority issued to finance such Facilities. The term "Revenues" shall include PFC Revenues only to the extent they constitute Available PFC Revenues for the applicable period.

Series. All Bonds, including Additional Bonds, authenticated and delivered on the original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds, pursuant to the Bond Resolution, regardless of variations in maturity, interest rate, Sinking Fund Installments, or other provisions.

Series 2009 Bonds. Means, collectively, the Series 2009A Bonds and the Series 2009B Bonds.

Series 2009 Bond Insurance Policy. Means with respect to the Series 2009 Bonds, the municipal bond insurance policy issued by the Series 2009 Bond Insurer insuring the payment when due of the principal of and interest on the Series 2009 Bonds.

Series 2009 Bond Insurer. Means with respect to the Series 2009 Bonds,
_____.

Series 2009A Bonds. Means the not to exceed \$_____ Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2009A (AMT) of the City of Orlando, Florida issued pursuant to the terms of the Airport Facilities Revenue Bond Resolution.

Series 2009B Bonds. Means the not to exceed \$_____ Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2009B (Taxable) of the City of Orlando, Florida issued pursuant to the terms of the Airport Facilities Revenue Bond Resolution.

Sinking Fund Installment. An amount so designated by Supplemental Resolution for a particular Series of Bonds, as required by the Bond Resolution.

Special Purpose Facilities. Any capital improvements or facilities acquired or constructed by the Authority from funds other than Revenues or obligations payable from Revenues and located or to be located on any property included under the definition of Airport System.

Special Trustee. The Special Trustee appointed pursuant to the Resolution, 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. 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. Any evidence of indebtedness of the Authority payable out of and which may be secured by a pledge of amounts available in the Discretionary Fund established under the Bond Resolution.

Supplemental Resolution. Any resolution of the Authority amending or supplementing the Bond Resolution and adopted and becoming effective in accordance with the terms of Article X of the Bond Resolution.

Supplemental Revenues. Any source of funds not constituting Available Revenues or Revenues under the Bond Resolution irrevocably pledged to the payment of debt service on one or more series of Bonds outstanding thereunder by Supplemental Resolution and with respect to which there has been delivered to the Trustee (a) an opinion of Bond Counsel to the effect that the pledging of such source of Supplemental Revenues shall not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds outstanding under the Bond Resolution that are not Taxable Bonds, (b) the written consent of any bond insurer or other credit enhancer having in effect a bond insurance policy insuring, or other credit enhancement securing, payment of any Bonds outstanding under the Bond Resolution, and (c) confirmation from the Rating Agencies that the pledging of such source of Supplemental Revenues will not result in the reduction or withdrawal of the credit ratings assigned to the Bonds, or, if unrated and non-credit enhanced, then consent of the owners of not less than a majority of such unrated, non-credit enhanced Bond Obligation.

Tax Exempt Variable Rate Index. 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 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. Bonds the interest on which is not intended at the time of the issuance thereof to be excluded from the gross income of the owners thereof for federal income tax purposes.

Taxable Variable Rate Index. 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.

Variable Rate Bonds. Bonds issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage for the remaining term thereof.

Pledge Under Resolution

Payment of the principal and redemption price of, and interest on, the Bonds is secured, subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms of the Resolution, by (i) the proceeds of the sale of the Bonds, (ii) all Revenues, and (iii) all funds established by the Resolution, including the investments thereof, if any, provided, however, that each of the separate subaccounts in the Reserve Account shall secure only those Series of Bonds designated by Supplemental Resolution to be secured by such separate subaccount and provided further that any Supplemental Revenues deposited in the Debt Service Account shall only be available and used to pay the principal of and interest on the Bonds of the Series to which such Supplemental Revenues are pledged.

General Provisions for the Issuance of Bonds

Bonds may be issued with various interest rate determination mechanisms in addition to fixed interest rate or Capital Appreciation Bonds, including variable, adjustable, convertible, auction reset or other rates, original issue discounts and zero coupon bonds.

The Authority must specify, among others, the following in connection with the issuance of a Series of Bonds: (i) a designation as to whether such Series of Bonds shall be secured by the Composite Reserve Subaccount, a separate subaccount in the Reserve Account, or no debt service reserve, and, if secured by a separate subaccount in the Reserve Account, the Debt Service Reserve Requirement with respect thereto; (ii) the redemption terms for the Bonds of such Series; and (iii) 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.

Additional Bonds

One or more Series of Additional Bonds may be issued for the purpose of paying the cost of construction of any Additional Project, subject to the following conditions and tests, among others:

1. Receipt by the Trustee of a certificate of an Authorized Officer of the Authority demonstrating that Net Revenues for any consecutive 12-month period out of the preceding 30 months equaled at least 1.25 times the sum of Aggregate Debt Service and Prior Lien Debt Service;
2. Receipt by the Trustee of a report of the Consulting Engineers setting forth (i) the estimated substantial completion and placed in service date for the Additional Project for which such Series of Additional Bonds is being issued and for any other uncompleted Project, and (ii) an estimate of the Cost of Construction of such Additional Project and of any other uncompleted Project and any other Additional Project

(an "Anticipated Additional Project") as to which the Authority expresses, by a certificate of an Authorized Officer of the Authority, its intention and reasonable expectation to undertake prior to the end of the Fiscal Year following the Fiscal Year in which the completion date described in clause (i) is estimated to occur by the Consulting Engineers; and

3. Receipt by the Trustee of a report of the Airport Consultant demonstrating that the estimated (taking into account the effect of any Anticipated Additional Projects) Net Revenues and Supplemental Revenues, if any, for each of the three Fiscal Years following the Fiscal Year in which the Additional Project is estimated to be substantially completed and placed into service, less the sum of the amounts estimated to be deposited from Revenues or Available Revenues in each such Fiscal Year into the renewal and replacement fund and operating reserve account established under the Trust Agreements and into the Operation and Maintenance Reserve Account, the Capital Expenditures Fund and the Renewal and Replacement Fund established under the Resolution, plus the estimated Supplemental Revenues in each such Fiscal Year (not to exceed in any such Fiscal Year an amount equal to 1.25 times the Aggregate Debt Service in such Fiscal Year with respect to each Series of Bonds secured by such Supplemental Revenues), shall be at least equal to 1.25 times the sum of Aggregate Debt Service (including the Aggregate Debt Service for each Series of Bonds secured by Supplemental Revenues and the Aggregate Debt Service estimated by the Authority with respect to future Series of Bonds estimated to be required to complete such Additional Project and any other uncompleted Project) plus Prior Lien Debt Service for each such Fiscal Year.

Refunding Bonds

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 as follows:

1. 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 of, among others:

(a) 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, shall be held by the Trustee or one or more of the Paying Agents or (ii) Investment Securities and moneys, sufficient to satisfy the defeasance requirements of the Bond Resolution, shall be held in trust. See "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES REVENUE BOND RESOLUTION — Defeasance" for a summary of the defeasance requirements of the Bond Resolution; and

(b) Receipt by the Trustee of either of the following: 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 the Bond Resolution for the issuance of Additional Bonds demonstrating that the tests set forth in the Bond Resolution for such issuance have been met in connection with the issuance of the Refunding Bonds, treating the Refunding Bonds as Additional Bonds for all purposes of such certificate and tests. See "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES REVENUE BOND RESOLUTION — Additional Bonds" for a summary of certain conditions and tests applicable to Additional Bonds.

2. Refunding Bonds may be issued to refund Subordinated Indebtedness upon satisfaction of the following conditions, among others:

(a) Receipt by the Trustee of the documents required by the Bond Resolution for the issuance of Additional Bonds; and

(b) Receipt by the Trustee of a certificate of an Authorized Officer of the Authority (or of the trustee under the instrument authorizing such Subordinated Indebtedness, if there be such a trustee) stating, among other things, that provision has been duly made for the redemption or payment at maturity of such Refunding Indebtedness.

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 under the Resolution; 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 a report of the Airport Consultant such as is required in connection with the issuance of Additional Bonds, 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.

Subordinated Indebtedness

The Authority may, from time to time, issue indebtedness payable out of amounts in its Discretionary Fund provided (i) that such indebtedness may be incurred only for (a) the purchase or redemption of any Bonds, and expenses in connection with the purchase or redemption of any such Bonds, (b) payments of principal or redemption

price of and interest on any 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 corporate purpose of the Authority in connection with the Airport System; and (ii) that any pledge granted in connection therewith shall be subordinate in all respects to the pledge created by the Bond Resolution.

Rate Covenant

The Authority covenants in the Resolution that it will, at all times while any Bonds are Outstanding, establish, fix, prescribe and collect rates, fees, rentals and other charges for the use of the Airport System as shall be required in order that in each Fiscal Year the Net Revenues, less the amounts, if any, required to be deposited from Revenues into the Capital Expenditures Fund, the Operation and Maintenance Reserve Account and the Renewal and Replacement Fund established under the Resolution, plus Supplemental Revenues in an amount not to exceed 1.25 times the Aggregate Debt Service on each Series of Bonds secured by such Supplemental Revenues for such Fiscal Year, shall equal at least 1.25 times the sum of the Aggregate Debt Service for such Fiscal Year, and, in any event, as shall be required to pay or discharge all indebtedness, charges and liens whatsoever payable out of Revenues or Available Revenues under the Resolution.

[Remainder of page intentionally left blank]

Application of Revenues

The Resolution establishes the following funds and accounts for the application of Revenues:

<u>Fund</u>	<u>Held By</u>
Airport Facilities Construction Fund	Special Trustee
Airport Facilities Revenue Fund	Special Trustee
Airport Facilities Bond Fund (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)	Trustee
Airport Facilities Operation and Maintenance Fund (which includes an Operation and Maintenance Reserve Account)	Authority
Airport Facilities Capital Expenditures Fund	Authority
Airport Facilities Renewal and Replacement Fund	Authority
Airport Facilities Improvement and Development Fund	Authority
Airport Facilities Discretionary Fund (which includes the PFC Account)	Authority
Airport Facilities Prepaid Airline Fees and Charges Fund	Authority

The Authority shall promptly deposit all Revenues (including Available PFC Revenues) into the Airport Facilities Revenue Fund established under the Resolution. Amounts in the Airport Facilities Revenue Fund shall be applied monthly to the following funds and accounts established under the Resolution, in the following order of priority, as follows:

1. To the Airport Facilities Operation and Maintenance Fund, an amount equal to one-twelfth (1/12) (or such greater fraction if the period is less than 12 months as may be appropriate) of the amount provided for Operation and Maintenance Expenses for the then current Fiscal Year in the then-current Annual Budget.

2. To the Airport Facilities Bond Fund, for credit to the Debt Service Account therein, if and to the extent required so that the balance in such Account shall equal Accrued Aggregate Debt Service; provided that, for purposes of computing the amount in the Debt Service Account, there shall be excluded the amount, if any, set aside 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 Airport Facilities Bond Fund, for credit to the applicable subaccount in the Debt Service Reserve Account therein, if and to the extent necessary so that the balance in each subaccount equals the Debt Service Reserve Requirement with respect thereto.

4. To the Airport Facilities Operation and Maintenance Fund for credit to the Operation and Maintenance Reserve Account therein, an amount equal to one-twelfth (1/12) (or such greater fraction if the period is less than 12 months as may be appropriate) of the difference between the sum on deposit in said Account at the beginning of the then-current Fiscal Year and one-sixth (1/6) of the Operation and Maintenance Expenses set forth in the then-current Annual Budget.

5. To the Airport Facilities Capital Expenditures Fund, a sum equal to one-twelfth (1/12) (or such greater fraction if the period is less than 12 months as may be appropriate) of the amount provided therefor in the then-current Annual Budget; provided that, if any such monthly allocation shall be less than the required amount, the amount of the next succeeding monthly payment shall be increased by the amount of such deficiency.

6. To the Airport Facilities Renewal and Replacement Fund, a sum equal to one-twelfth (1/12) (or such greater fraction if the period is less than 12 months as may be appropriate) of the amount provided therefor in the then-current Annual Budget; provided that no deposit shall be required whenever and as long as uncommitted moneys in said Fund are equal to or greater than \$1,000,000 or such larger amount as the Airport Consultant shall certify as necessary for the purposes of said Fund; and provided further that, if any such monthly allocation shall be less than the required amount, the amount of the next monthly payment shall be increased by the amount of such deficiency.

7. To the Discretionary Fund, the amount of \$166,666.66¹ plus all amounts required to be deposited into such Fund in such month by the terms of any agreements relating to indebtedness issued by the Authority to finance improvements to the Airport System, plus all amounts required to pay in a timely manner all payments the Authority is required to make to any third party under any interest rate swap agreement or other derivative financial product agreement between the Authority and a third party, plus, for deposit in the PFC Account, an amount equal to the difference between (a) the amount of Available PFC Revenues deposited in the Revenue Fund, plus amounts withdrawn from the PFC Account to pay principal and interest or to make up any deficiency in the Operation and Maintenance Fund pursuant to the Bond Resolution (to the extent not previously replenished), and (b) the Accrued Aggregate Debt Service with respect to that portion of the Bonds issued to finance PFC Projects, as allocated by a certificate of an Authorized Officer of the Authority, or such lesser amount which will

¹ The Lease and Use Agreements permit adjustments from time to time by agreement between the Authority and a Majority-In-Interest of such airlines. See "AIRLINE REVENUES AND OTHER REVENUE SOURCES-Payments by Airlines Pursuant to Lease and Use Agreements" herein.

not cause the amount on deposit in such Fund to exceed the Discretionary Fund Maximum Balance; provided that, if any such monthly allocation to said Fund shall be less than the required amount, the amount of the next succeeding monthly payment shall be increased by the amount of such deficiency to the extent that the amount on deposit in such Fund shall not exceed the Discretionary Fund Maximum Balance. The amount of the monthly deposit to the Discretionary Fund may be adjusted by Authority at any time if not prohibited under the terms of the Lease and Use Agreements.

8. At the end of each Fiscal Year, after all deposits required to be made into each of the aforesaid funds and accounts have been made, the Special Trustee shall transfer from the remaining moneys on deposit in the Airport Facilities Revenue Fund a sum equal to the estimated amount of moneys which are not required to make up deficiencies in any of the aforesaid funds and accounts as follows: (i) an amount equal to fifty percent (50%) of such remaining moneys shall be deposited into the Airport Facilities Improvement and Development Fund, and (ii) an amount equal to fifty percent (50%) of such remaining moneys shall be deposited into the Prepaid Airline Fees and Charges Fund. When it has been determined by audit what actual amounts were on deposit in the Airport Facilities Revenue Fund at the end of a Fiscal Year which were not required to make up deficiencies as aforesaid, an adjustment shall be made, as follows:

(a) If such amounts were overestimated, there shall be deposited into the Airport Facilities Revenue Fund from each of the Airport Facilities Improvement and Development Fund and the Airport Facilities Prepaid Airline Fees and Charges Fund, respectively, fifty percent (50%) of the overestimated amount.

(b) If such amounts were underestimated, there shall be deposited from the Airport Facilities Revenue Fund into each of the Airport Facilities Improvement and Development Fund and the Airport Facilities Prepaid Airline Fees and Charges Fund, respectively, fifty percent (50%) of the underestimated amount.

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.

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 Reserve Requirement for the applicable Series of Bonds, there shall be deposited in each such subaccount an amount equal to the lesser of the 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 in the 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 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 Reserve Requirement and the sums then on deposit in the applicable subaccount in the Reserve Account. Such Reserve Product must provide for payment on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held under the 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 Resolution and available for such purpose, and which shall name the Trustee or a Paying Agent as the beneficiary thereof. In no event shall the use of such Reserve Product be permitted if it would cause any existing rating on the Bonds or any Series thereof to be lowered, suspended or withdrawn. 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 such deposit into the applicable subaccounts of the Debt Service Reserve Account after the deposits required to be made to the Operation and Maintenance Fund and Debt Service Account, 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 all required deposits to the applicable subaccounts of the Debt Service Reserve Account, 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 Reserve Account, but shall be used by the Authority to satisfy its obligations to the Reserve Product Provider.

Also notwithstanding anything in the Resolution 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 under the Resolution, 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 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 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.

Application of Airport Facilities 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 and each Principal Installment due date for any of the Bonds, the amount required for the interest and Principal Installments payable on such dates; and (ii) 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 in this section 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 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 the terms of the Bond Resolution 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 such purchases of Bonds 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 required in the Bond Resolution, 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 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.

Application of Airport Facilities Bond Fund - Debt Service Reserve Account

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, the Trustee shall apply amounts from the applicable subaccounts in the Debt Service Reserve Account to the extent necessary to cure 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, as the case may be. 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 fully pay 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.

The Authority is permitted, at any time in its discretion, to substitute a Reserve Product for the cash and Investment Securities in a subaccount of the Debt Service Reserve Account, and to then withdraw such cash and Investment Securities from such account and deposit them to the credit of the Revenue Fund, so long as (i) no event of default shall have occurred and be continuing under the Bond Resolution, (ii) the substitution and withdrawal does not adversely affect any rating by a Rating Agency then in effect for the applicable Series of Outstanding Bonds and (iii) 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 rated basis, calculated by reference to the maximum amounts available thereunder.

Application of Airport Facilities Operation and Maintenance Fund and Operation and Maintenance Reserve Account

Amounts in the Airport Facilities Operation and Maintenance Fund shall be paid out from time to time by the Authority for reasonable and necessary Operation and Maintenance Expenses. Amounts in the Airport Facilities 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 as described above. Moneys to the credit of the Operation and Maintenance Reserve 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. If at any time amounts on deposit in the 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 deposit into the Revenue Fund and application as described above.

Application of Airport Facilities Capital Expenditures Fund

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. Any payments made by the Authority from the Capital Expenditures Fund shall be made in such manner as is not prohibited under the terms of the Lease and Use Agreements.

If at any time the moneys in the Debt Service Account, the Debt Service Reserve Account, the Airport Facilities Discretionary Fund, the Airport Facilities Improvement and Development Fund and the Airport Facilities 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 Airport Facilities 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.

To the extent not required to meet a deficiency as described in the preceding paragraph, if at any time the moneys in the Airport Facilities Operation and Maintenance Fund (including the Operation and Maintenance Reserve Account), the Airport Facilities Discretionary Fund, the Airport Facilities Improvement and Development Fund and the Airport Facilities Renewal and Replacement Fund shall be insufficient to pay Operation

and Maintenance Expenses when due, the Authority shall transfer from the Airport Facilities Capital Expenditures Fund to the Airport Facilities 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.

Application of Airport Facilities Renewal and Replacement Fund

Moneys in the Airport Facilities Renewal and Replacement Fund may be applied to pay costs of unanticipated or emergency replacements and repairs to the Airport System.

If at any time the moneys in the Debt Service Account, the Debt Service Reserve Account, the Airport Facilities Discretionary Fund and the Airport Facilities 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 Airport Facilities 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.

To the extent not required to meet a deficiency as described in the preceding paragraph, if at any time the moneys in the Airport Facilities Operation and Maintenance Fund (including the Operation and Maintenance Reserve Account), the Airport Facilities Discretionary Fund and the Airport Facilities Improvement and Development Fund shall be insufficient to pay Operation and Maintenance Expenses when due, the Trustee shall transfer from the Airport Facilities Renewal and Replacement Fund to the Authority for deposit in the Airport Facilities 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.

Application of Airport Facilities Discretionary Fund and PFC Account

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 Airport Facilities 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 described in paragraph 1, if at any time the moneys in the Airport Facilities 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 Airport Facilities Discretionary Fund to the Airport Facilities 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. Amounts in the Airport Facilities Discretionary Fund not required to meet a deficiency as described in paragraphs 1 and 2 of this Section may, at the

discretion of the Authority and, with respect to amounts in the PFC Account, subject to the requirements described in paragraph 6 below, 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) payments of principal or redemption price of and interest on any 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 corporate purpose of the Authority in connection with the Airport System;

provided that, subject to the provisions described in paragraphs 1 and 2 of this Section, amounts deposited in the Airport Facilities 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.

4. Subject to the provisions described in this section and the terms of any pledge securing Subordinated Indebtedness, amounts in the Airport Facilities Discretionary Fund shall be applied to the purposes specified in paragraph 3 of this Section.

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 (an integral multiple of \$5,000) 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 Airport Facilities Discretionary Fund not required to meet a deficiency as described in paragraphs 1 and 2 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.

Application of Airport Facilities Improvement and Development Fund

Moneys in the Airport Facilities 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 in the section entitled "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES REVENUE BOND RESOLUTION – Application of Airport Facilities Discretionary Fund and PFC Account" shall equally apply.

If at any time the moneys in the Debt Service Account, the Debt Service Reserve Account and the Airport Facilities 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 Airport Facilities 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.

To the extent not required to meet a deficiency as described in the preceding paragraph, if at any time the moneys in the Airport Facilities Operation and Maintenance Fund (including the Operation and Maintenance Reserve Account) and the Airport Facilities Discretionary Fund shall be insufficient to pay Operation and Maintenance Expenses when due, the Authority shall transfer from the Airport Facilities Improvement and Development Fund to the Airport Facilities 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.

Application of Airport Facilities Prepaid Airline Fees and Charges Fund

After certain reimbursements, any remaining amounts on deposit in the Prepaid Airline Fees and Charges Fund at the end of each Fiscal Year shall be transferred by the Authority to the Special Trustee for deposit into the Revenue Fund for application as described above, such deposit to be made in equal amounts in each of the first three months of the next succeeding Fiscal Year.

Application of Supplemental Revenues

Each month, all Supplemental Revenues, up to the Accrued Aggregate Debt Service with respect to the Series of Bonds secured by such Supplemental Revenues, shall be deposited to the Bond Fund for the credit of the Debt Service Account and, anything provided in the Bond Resolution to the contrary notwithstanding, shall be used solely to pay debt service on the Series of Bonds secured by such Supplemental Revenues. Supplemental Revenues deposited in the Debt Service Account shall be used to pay debt service on the Series of Bonds secured thereby prior to the use of any Revenues or Available Revenues.

Investment of Certain Funds

The Resolution provides that certain funds and accounts held thereunder may, and in the case of the Debt Service Account and the Debt Service Reserve Account shall, be invested to the fullest extent practicable in Investment Securities. The Resolution provides that such investments shall mature no later than such time as shall be necessary to provide moneys when needed for payments from such funds and accounts, and in the case of the following funds and accounts not later than the period set forth below:

Debt Service Reserve Account	15 years
Operation and Maintenance Fund, including the Operation and Maintenance Reserve Account	1 year
Capital Expenditures Fund	5 years
Renewal and Replacement Fund	5 years
Improvement and Development Fund	5 years
Discretionary Fund	5 years

Net interest earned on any moneys or investments in any such funds and accounts (other than the Construction Fund) shall be paid into the Airport Facilities Revenue Fund.

All obligations purchased as an investment of moneys within any funds or accounts under the Bond Resolution shall be valued semiannually at the lower of cost or principal amount thereof, exclusive of accrued interest, except such investments in the Debt Service Reserve Account shall be valued semiannually at the lower of cost or market price, exclusive of accrued interest.

Construction Fund

The Resolution establishes an Airport Facilities Construction Fund to be held by the Special Trustee, and provides that the Special Trustee shall establish within such fund a separate account for each Additional Project which is to be paid from the Construction Fund.

There shall be paid into the Airport Facilities Construction Fund the amounts required by the Resolution. The Authority may also pay into the Airport Facilities Construction Fund any moneys received for or in connection with the Airport System

from any other source, unless required to be otherwise applied as provided by the Resolution.

To the extent that other moneys are not available therefor in any other fund, amounts in the Airport Facilities Construction Fund shall be applied to the payment of Principal Installments and interest on the Bonds when due, unless such use would cause interest on Bonds (other than Bonds issued with the intent that interest thereon be included in gross income for federal income tax purposes) not to be excluded from gross income for federal income tax purposes.

Amounts in each separate account established for any 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. Amounts will be withdrawn from the Construction Fund pursuant to requisitions signed by an Authorized Officer of the Authority filed with the Special Trustee. Each such requisition must evidence that the stated amounts have been incurred by the Authority, that each item is a proper charge against the Construction Fund and 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 anyone named in the 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.

Amounts in the Airport Facilities Construction Fund may be invested in Investment Securities maturing in such amounts and at such times as may be necessary to provide funds when needed to pay the cost of construction or such other purpose to which such moneys are applicable. Interest earned on moneys or investments in a separate account in the Airport Facilities Construction Fund shall be held in such account for the purposes thereof.

Upon completion of any Additional Project as evidenced by certificate of the Consulting Engineers, any amount remaining in the separate account established therefor not required to complete payment of the cost of construction shall be deposited in the Debt Service Reserve Account to the extent necessary to meet the Debt Service Reserve Requirement and the balance shall be (i) transferred to the Debt Service Account and applied to the purchase or redemption of Bonds, or (ii) used to pay costs of improvements to the Airport System, as the Authority shall direct.

Certain Other Covenants

Passenger Facility Charges (PFCs)

The Authority has covenanted and agreed 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 rights 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 in the Resolution. Without limiting the generality of the foregoing, the Authority has covenanted and agreed 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 PFC's 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.

Indebtedness and Liens

The Authority covenants not to issue any bonds or other evidences of indebtedness, other than the Bonds, payable out of or secured by a pledge of the Revenues, or of the moneys, securities or funds held or set aside 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 Revenues, 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 Airport Facilities Construction Fund as part of the Cost of Construction of any Additional Project, or payable out of, or secured by the pledge of, Revenues after the date the pledge of Revenues provided in the Resolution shall be discharged and satisfied, or (ii) Subordinated Indebtedness as provided in Section 414 of the Resolution.

Insurance

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 Airport Consultant.

Any proceeds of insurance for the Airport System (except proceeds of insurance maintained pursuant to the Resolution against physical loss of or damage to any Project, or of contractors' performance bonds with respect thereto, pertaining to a period of construction which shall be paid into the Airport Facilities Construction Fund), shall, 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 are not used to repair or replace property, such proceeds shall be paid into the Debt Service Account.

Accounts and Reports

The Authority covenants to keep proper and separate books of record and account relating to the Revenues and each fund and account established under the Resolution. Such books shall at all times be subject to the inspection of the Trustee and the Holders of not less than five percent (5%) of the Bond Obligation then Outstanding.

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.

The Authority covenants to cause an annual audit to be made of its books and accounts relating to the Airport System within 120 days after the close of each Fiscal Year and to file annually with the Trustee an annual report of such audit, prepared by an independent and recognized certified public accountant not in the regular employ of the Authority, which includes a statement of receipts and disbursements with respect to each fund and account established under the Resolution, a statement of the details of all Bonds issued, paid, purchased or redeemed, a statement of the amounts on deposit at the end of the prior Fiscal Year in each fund and account established under the Resolution showing the details of investment thereof, a statement of the amounts of proceeds received from the sales of property constituting part of the Airport System, and a list of all insurance policies with respect to the Airport System, and a statement as to the existence of any default under the provisions of the Resolution.

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 120 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 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.

The Authority also agrees to prepare and file with the Trustee prior to the beginning of each Fiscal Year an Annual Budget setting forth for the ensuing Fiscal Year in reasonable detail, among other things, estimated Revenues and Operation and Maintenance Expenses, estimated deposits into each of the funds and accounts established under the Resolution and estimated expenditures for replacement of capital assets or extraordinary repairs. The Authority may at any time adopt an amended annual budget for the remainder of the then current Fiscal Year, and promptly file such amended budget with the Trustee.

The reports, statements and other documents required to be furnished to the Trustee pursuant to any provision 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 a reasonable fee to each Bondholder requesting said items.

Sale, Lease or Encumbrance of Property

The Authority covenants not to sell or otherwise dispose of or encumber any part of the Airport System, except in an arm's length transaction, property which has been certified as obsolete, uneconomical, negligible, worn out or surplus property, or property no longer useful or profitable in the operation thereof, and except as described in the following paragraph.

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 the same does not impede or restrict the operation of the Airport System by the Authority.

Any proceeds from the sale or other disposition of property not used to replace such property, and any payments received with respect to a lease, contract, license, easement or other 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.

Condemnation

The Authority covenants that if the Airport System or any part thereof is taken by the exercise of eminent domain, any proceeds received in connection therewith shall to the extent necessary and desirable, be applied to the replacement of the Airport System or such part thereof. Any such proceeds not applied to such replacement are required to be paid into the Debt Service Account.

Special Purpose Facilities

The Bond Resolution permits the Authority to issue Special Purpose Facilities revenue bonds without regard to any of the requirements of the Resolution with respect to the issuance of Additional Bonds, provided that such Bonds are secured solely by the rentals or other charges derived by the Authority pursuant to the leasing or other agreement with respect to such Special Purpose Facility and provided that the following requirements are satisfied as well.

There shall be filed with the Trustee prior to the issuance of such obligations a certificate of the Airport Consultant, certifying that the estimated rentals, payments or other charges to be derived by the Authority from the lease, sale or other agreement with respect to the Special Purpose Facilities to be financed will be at least sufficient to pay the principal of and interest on such obligations, all costs of operating and maintaining such Special Purpose Facilities and all sinking fund, reserve or other payments required by the resolution or indenture securing such obligations.

There shall be filed with the Trustee prior to the issuance of such obligations a certificate of the Airport Consultant, certifying 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.

In addition to all rentals, payments or other charges with respect to the Special Purpose Facilities to be financed, a fair and reasonable rental for the land upon which said Special Purpose Facilities are to be constructed shall be charged by the Authority, and said ground rent shall be deemed Revenues derived from the Airport System.

Events of Default and Remedies

Events of Default specified in the Resolution include failure to pay principal or redemption price of any Bond when due; failure to pay any interest installments or the unsatisfied balance of any sinking fund installment when due; failure to perform the rate covenant, provided that such failure shall not constitute an Event of Default unless the Authority shall fail in the succeeding Fiscal Year to comply with the rate covenant or to restore any deficiencies which occurred in any funds in the preceding Fiscal Year; failure for sixty (60) days after written notice thereof by the Trustee or owners of at least twenty-five percent (25%) of the Bond Obligation Outstanding in the observance or performance of any other covenants, agreements or conditions provided in the Bond Resolution or the Bonds; the filing of a petition, by the Authority or the City, seeking a composition of indebtedness under the federal bankruptcy laws, or other applicable federal or Florida statute; the appointment of a receiver for the Airport or any part thereof or other revenues therefrom with the consent of the Authority or the City; the appointment of such receiver without the consent of the Authority or the City, which appointment is not vacated, discharged, stayed or appealed within ninety (90) days; the rendering of a judgment for the payment of money against the Authority or the City, as the result of the construction, improvement, ownership, control or operation of the Airport System, which is not discharged within twenty-four (24) months or an appeal taken therefrom vacating or staying such judgment.

Upon occurrence of an Event of Default, which shall not have been remedied, the Authority shall, if demanded by the Trustee, (i) account as trustee of an express trust, for all Revenues, moneys, securities and funds pledged under the Resolution, and (ii) 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 apply first to Operation and Maintenance Expenses, including the payment of reasonable charges and expenses of the Trustee and reasonable fees and disbursements of its counsel, and then to the payment of interest and principal and redemption price then due on the Bonds in the order of priority set forth in Section 803(2)(b) of the Resolution.

If an Event of Default shall have occurred and not be remedied, the Trustee may, or on request of the Holders of not less than twenty-five percent (25%) of the Bond Obligation then Outstanding shall proceed to protect and enforce its rights and the rights of the Bondholders under the Bond Resolution by a suit or suits in equity or at law, whether for the specific performance of any covenant in the Resolution or in aid of the execution of any power granted in the Resolution, or for an accounting against the Authority, 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.

The Holders of not less than a majority of the Bond Obligation then Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercise any trust or power conferred upon the Trustee (subject to the Trustee's right to decline to follow such direction upon advice of counsel as to the unlawfulness thereof or upon its good faith determination that such action would involve the Trustee in personal liability or would be unjustly prejudicial to Bondholders not parties to such direction).

Regardless of the happening of Event of Default, the Trustee may, and upon the request of the Holders of not less than a majority of the Bond Obligation then Outstanding and upon being furnished with reasonable security and indemnity shall, institute and prosecute a proper action to prevent any impairment of the security under the Resolution or to preserve or protect the interests of the Trustee and of the Bondholders.

In case an Event of Default shall occur (which shall not have been cured), the Trustee is required to exercise such of the rights and powers vested in it by the Bond Resolution and to use the same degree of care and skill in their exercise, as a prudent man would use under the circumstances in the conduct of his own affairs. No Bondholder shall have any right to institute any suit, action or proceeding 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 Bondholder shall have previously given the Trustee written notice of the Event of Default, and the Holders of at least twenty-five percent (25%) of the Bond Obligation then Outstanding shall have filed a written request with the Trustee and have afforded the Trustee a reasonable opportunity to exercise its powers or institute such action, suit or proceeding, and unless such Bondholders shall have offered to the Trustee adequate security and indemnity against its costs, expenses and liabilities to be incurred and the Trustee shall have refused to comply with such request within thirty (30) days, it being understood and intended that no one or more Bondholders shall have any right in any manner whatsoever by his or their action to affect, disturb, or prejudice the pledge created by the Bond Resolution, or to enforce any right under the Bond Resolution, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Bond Resolution shall be instituted, had and maintained in the manner provided in the Bond Resolution and for the equal benefit of all Bondholders. Nothing in the Resolution or the Bonds affects or impairs the Authority's obligation to pay from the sources specified in the Bond Resolution the Bonds and interest thereon when due or the right of any Bondholder to enforce such payment.

SO LONG AS THE 2009 BOND INSURER IS NOT IN DEFAULT OF ITS PAYMENT OBLIGATIONS UNDER THE BOND INSURANCE POLICY, AND SO LONG AS CERTAIN OTHER CONDITIONS DESCRIBED IN THE 2009 SUPPLEMENTAL RESOLUTION HAVE BEEN MET, THE 2009 BOND INSURER SHALL BE DEEMED TO BE THE HOLDER OF ALL OF THE THEN OUTSTANDING SERIES 2009 BONDS FOR PURPOSES OF EXERCISING ALL RIGHTS OF THE BONDHOLDERS, OR MAKING ANY ELECTIONS BY THE BONDHOLDERS, WITH RESPECT TO THE EXERCISE OF REMEDIES UPON THE

OCCURRENCE OF AN EVENT OF DEFAULT SPECIFIED IN THE BOND RESOLUTION, AND THE ACTUAL HOLDERS OF SUCH SERIES 2009 BONDS WILL NOT BE PERMITTED TO EXERCISE SUCH RIGHTS OR MAKE SUCH ELECTIONS.

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 publishing notice thereof, specifying the date when such resignation shall take effect, once in each week for three successive calendar weeks in an Authorized Newspaper, 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 below, 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 as described below.

Removal of Trustee or Special Trustee and Designation of Successor Trustee

The Trustee or Special Trustee may be removed at any time by a written instrument filed with the Trustee and Special Trustee and signed by the Holders of a majority of the Bond Obligation then Outstanding, or so long as the Authority is not then in default under the Resolution, by a certificate of an Authorized Officer of the Authority filed with the Trustee and the Special Trustee. Upon the resignation or removal of the Trustee or Special Trustee, a successor Trustee or Special Trustee, as the case may be, may be appointed by the Authority, so long as the Authority is not then in default under the Resolution, or, if the Authority is then in default thereunder or the Authority has not appointed a successor Trustee or Special Trustee as the case may be within 45 days of the occurrence of such event, by the Holders of a majority of the Bond Obligation then Outstanding.

FOR SUCH PURPOSES, SO LONG AS IT IS NOT IN DEFAULT OF ITS PAYMENT OBLIGATIONS UNDER THE BOND INSURANCE POLICY, AND SO LONG AS CERTAIN OTHER CONDITIONS DESCRIBED IN THE 2009 SUPPLEMENTAL RESOLUTION HAVE BEEN MET, THE SERIES 2009 BOND INSURER SHALL BE DEEMED TO BE THE HOLDER OF ALL THEN OUTSTANDING SERIES 2009 BONDS AND THE ACTUAL HOLDERS OF SUCH SERIES 2009 BONDS WILL NOT BE PERMITTED TO EXERCISE SUCH RIGHTS.

Supplemental Resolutions Effective Upon Filing with Trustee

The Authority may, without the consent of the Trustee or the Bondholders, adopt supplemental resolutions (i) to close the Bond Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained therein, on the authentication and delivery of Bonds or the issuance of other evidences of indebtedness; (ii) to add to the Bond Resolution other covenants and agreements to be observed by the

Authority which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect; (iii) to add to the limitations and restrictions of the Authority in the Bond Resolution not contrary to or inconsistent with those as theretofore in effect; (iv) to authorize Additional Bonds and, in connection therewith, specify and determine the details thereof which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Additional Bonds; (v) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Bond Resolution, of the Revenues or of any other moneys, securities or funds; and (vi) to modify any of the provisions of the Bond Resolution in any respect whatever, provided that such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding and such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series issued after the adoption of such Supplemental Resolution.

Supplemental Resolutions with Consent of Trustee

The Authority may, with the consent of the Trustee, but without the consent of the Bondholders, adopt supplemental resolutions (i) to cure any ambiguity, supply an omission, or cure or correct any defect or inconsistent provision in the Bond Resolution; (ii) to insert such provisions clarifying matters or questions arising under the Bond Resolution as are necessary or desirable and are not contrary to or inconsistent with the Bond Resolution as theretofore in effect; or (iii) to make any other changes or modifications to or to otherwise amend the Resolution in any manner that does not materially adversely affect the interest or the rights of any of the Holders of Bonds issued pursuant to the Resolution and then Outstanding.

Supplemental Resolutions with Bondholder Consent

Supplemental Resolutions modifying or amending the Bond Resolution and the rights and obligations of the Authority and the Holders of the Bonds and coupons thereunder, in any particular, may be adopted with the written consent (given as provided in Section 1103 of the Bond Resolution) (i) of the Holders of at least a majority of the Bond Obligation Outstanding at the time such consent is given, and (ii) in case less than all of the several Series of Bonds then Outstanding are affected by modification or amendment, of the Holders of at least a majority of the Bond Obligation of each Series so affected and Outstanding at the time such consent is given, and (iii) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Holders of at least a majority of the Bond Obligation of the particular Series and maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remaining 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 required to consent to such amendment. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal

of any Outstanding Bond or of any installment of interest thereon, or in the case of Capital Appreciation Bonds, the Maturity Amount or Accreted Value, as applicable, or a reduction in the principal amount or the Redemption Price, or in the case of Capital Appreciation Bonds, the Maturity Amount or Accreted Value, as applicable, thereof or in the rate of interest thereon without the consent of the holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of the foregoing, a Series shall be deemed to be affected by a modification or amendment of the Bond Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee may, in its discretion, determine whether or not Bonds of any particular Series or maturity would be affected by any modification or amendment of the Bond Resolution and any such determination shall be binding and conclusive on the Authority and all Bondholders. SO LONG AS THE SERIES 2009 BOND INSURER IS NOT IN DEFAULT OF ITS PAYMENT OBLIGATIONS UNDER ITS BOND INSURANCE POLICY, AND SO LONG AS CERTAIN OTHER CONDITIONS DESCRIBED IN THE 2009 SUPPLEMENTAL RESOLUTION HAVE BEEN MET, THE SERIES 2009 BOND INSURER SHALL BE DEEMED TO BE THE HOLDER OF ALL THEN OUTSTANDING SERIES 2009 BONDS FOR PURPOSES OF GRANTING CONSENTS TO AMENDMENTS TO THE BOND RESOLUTION, EXCEPT FOR PURPOSES OF CONSENTING TO AMENDMENTS WITH RESPECT TO CHANGES IN THE MATURITY, PRINCIPAL AMOUNT, INTEREST RATE OR PAYMENT DATE WITH RESPECT TO THE SERIES 2009 BONDS.

Defeasance

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 the Resolution, then the pledge of any Revenues, and other moneys and securities pledged under the 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.

All Outstanding Bonds of any Series, or all or any portion of one or more maturities within a Series and all coupons pertaining to such Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid and shall cease to be entitled to any lien, benefit or security under the Bond Resolution if the following conditions are met: (i) in the case of Bonds to be redeemed, the Authority shall have given to the Trustee irrevocable instructions to give the notice of redemption therefor; (ii) there shall have been deposited with the Trustee in trust either moneys in an amount which shall be sufficient, or Investment Securities (which shall consist of the securities described in item (i) and (vi) in the definition of "Investment Securities" under "Certain Definitions") the principal of and the interest on which, when due, will provide moneys which, together with any moneys also deposited, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the maturity date or redemption date thereof; and (iii) in the event such Bonds are not subject to redemption within the next succeeding 60 days, the Authority shall have given the Trustee irrevocable instructions to give, as soon as practicable, a notice to the Holders of such Bonds that the above deposit has been made with the Trustee and that such Bonds are deemed to be paid and stating the maturity or redemption date upon which moneys are to be available to pay the principal or Redemption Price, if applicable, of such Bonds.

Redemption Notice

With respect to Series of Bonds originally issued after June 1, 1993, if all of the Bonds of such Series to be redeemed are in fully registered form, 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 Bond Resolution. Failure to mail any such notice to a registered owner of a Bond, or any defect therein, shall not effect 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 described conclusively presumed to have been duly given, whether or not the owner of such Bond receives such notice.

APPENDIX B

FORM OF THE LEASE AND USE AGREEMENTS

The various Lease and Use Agreements with the Signatory Airlines are substantially similar to each other.

The following is a form of the Lease and Use Agreement.

(THIS PAGE LEFT BLANK INTENTIONALLY)

AIRLINE-AIRPORT LEASE AND USE AGREEMENT
FOR
ORLANDO INTERNATIONAL AIRPORT

BY AND BETWEEN
GREATER ORLANDO AVIATION AUTHORITY
ORLANDO, FLORIDA
AND

TABLE OF CONTENTS

	Page
ARTICLE 1: DEFINITIONS.....	2
ARTICLE 2: EFFECTIVE DATE AND TRANSITION PROVISIONS.....	11
2.01 Effective Date.	11
2.02 Cancellation of Prior Agreements.....	11
2.03 Existing Tenant Finish Balances.....	11
ARTICLE 3: TERM	12
ARTICLE 4: PREMISES	13
4.01 Airline Premises.....	13
4.02 Terminal Equipment.	14
4.03 Employee Parking.....	14
4.04 Federal Inspection Facilities.	14
4.05 Transfer of Operations.	14
4.06 Calculation of Leased Holdroom Space.	15
ARTICLE 5: USE OF THE AIRPORT AND RELATED FACILITIES.....	16
5.01 AIRLINE Rights and Privileges.	16
5.02 Exclusions and Reservations.....	20
5.03 Affiliates.	21
5.04 AIRLINE Representations and Covenants.	22
ARTICLE 6: OPERATION AND MAINTENANCE OF THE AIRPORT	25
6.01 Designation of Operation and Maintenance Responsibilities.....	25
6.02 AUTHORITY Obligations.....	25
6.03 AIRLINE Obligations.....	25
ARTICLE 7: RENTALS, FEES, AND CHARGES	27
7.01 Landing Fees.....	27
7.02 Terminal Rentals.....	27
7.03 Extraordinary Service Charges.	28
7.04 Aircraft Parking Charges.	28
7.05 Other Fees and Charges.	28
7.06 Information to be Supplied by AIRLINE.	30
7.07 Payments.....	31

TABLE OF CONTENTS
(continued)

	Page
7.08 Security for Performance.....	32
7.09 No Further Charges.....	34
ARTICLE 8: CHANGES IN RATES FOR RENTALS, FEES, AND CHARGES	35
8.01 Annual Rate Changes.....	35
8.02 Changes in Rates, Fees and Charges.....	36
8.03 Revenue Sharing.....	36
8.04 AUTHORITY Covenants.....	37
ARTICLE 9: CAPITAL EXPENDITURES AND IMPROVEMENTS.....	38
9.01 Need for Capital Expenditures.....	38
9.02 Capital Expenditures Subject to Signatory Airline Consideration.....	38
9.03 Capital Expenditures Not Subject to Signatory Airline Consideration.....	39
9.04 Alterations and Improvements by AIRLINE.....	40
9.05 Security.....	40
9.06 Contractor Insurance.....	42
9.07 Responsibility for Construction.....	42
9.08 Ownership of Improvements.....	42
ARTICLE 10: DAMAGE OR DESTRUCTION.....	44
10.01 Partial Damage.....	44
10.02 Substantial Damage.....	44
10.03 Destruction.....	44
10.04 Damage Caused By AIRLINE.....	45
10.05 AUTHORITY's Responsibilities.....	45
ARTICLE 11: INDEMNIFICATION AND INSURANCE.....	46
11.01 Indemnification by Airline.....	46
11.02 Insurance.....	47
ARTICLE 12: CANCELLATION BY AUTHORITY.....	50
12.01 Events of Default.....	50
12.02 Continuing Responsibilities of AIRLINE.....	51
12.03 AUTHORITY's Remedies.....	51
12.04 Remedies Under Federal Bankruptcy Laws.....	52

TABLE OF CONTENTS
(continued)

	Page
ARTICLE 13: CANCELLATION BY AIRLINE	53
13.01 AUTHORITY Events of Default.	53
13.02 AIRLINE's Remedy.	53
ARTICLE 14: SURRENDER OF AIRLINE PREMISES	54
14.01 Surrender and Delivery.	54
14.02 Removal of Property.	54
14.03 Holding Over.	54
ARTICLE 15: ASSIGNMENT, SUBLETTING, AND HANDLING AGREEMENTS	55
15.01 Assignment and Subletting by AIRLINE.	55
15.02 Handling Agreements.	55
ARTICLE 16: AVAILABILITY OF ADEQUATE FACILITIES	56
16.01 Declaration of Intent.	56
16.02 Accommodation on Preferential Use Premises	56
16.03 Reassignment of Preferential Use Premises.	57
16.04 Regional/Commuter Operations.	58
ARTICLE 17: GOVERNMENT INCLUSION	59
17.01 Government Agreements.	59
17.02 Federal Government's Emergency Clause.	59
17.03 Nondiscrimination.....	59
17.04 Security.	59
17.05 Environmental.....	60
ARTICLE 18: GENERAL PROVISIONS	63
18.01 Subordination to Bond Resolution.....	63
18.02 Nonwaiver.....	63
18.03 Passenger Facility Charge.....	64
18.04 Rights Non-Exclusive.	64
18.05 Quiet Enjoyment.	64
18.06 Performance.....	64
18.07 Avigation Rights.	64
18.08 Rules and Regulations and Operational Directives.	64

TABLE OF CONTENTS

(continued)

	Page
18.09 Inspection.....	65
18.10 No Individual Liability.	65
18.11 Relationship of Parties.	65
18.12 Capacity to Execute.	65
18.13 No Construction Against the Drafter.	65
18.14 Successors and Assigns Bound.	65
18.15 Incorporation of Exhibits.	66
18.16 Titles.	66
18.17 Severability.	66
18.18 Amendments.	66
18.19 Most Favored Nation.	66
18.20 Other Agreements.	66
18.21 Approvals.	66
18.22 Notice.	66
18.23 Agent For Service.	67
18.24 Governing Law and Legal Forum.	67
18.25 Force Majeure.	67
18.26 Entire Agreement.	68
18.27 Third-Party Beneficiary.	68

LIST OF EXHIBITS

<u>Exhibit</u>	<u>Title</u>
Exhibit A -	Airport Boundaries and Cost Centers
Exhibit B -	Approved Capital Expenditures
Exhibit C -	Airline Premises
Exhibit D -	Sample Reporting Forms
Exhibit E -	Rentals, Fees and Charges
Exhibit F -	Responsibilities of AUTHORITY and AIRLINE for Operation and Maintenance of the Terminal
Exhibit G -	Existing Incentive Programs

AIRLINE-AIRPORT LEASE AND USE AGREEMENT

THIS AIRLINE-AIRPORT LEASE AND USE AGREEMENT ("Agreement") is made and entered into this _____ day of _____, _____ (the "Effective Date") by and between the Greater Orlando Aviation Authority, a public and governmental body existing under and by virtue of the laws of the State of Florida (hereinafter referred to as "AUTHORITY") and _____, a corporation organized and existing under the laws of the State of _____ and authorized to do business in the State of Florida (hereinafter referred to as "AIRLINE").

WITNESSETH:

WHEREAS, the City of Orlando has the ownership, custody, control and management of Orlando International Airport (which, as it may exist from time to time, is hereafter called the "Airport," the current boundaries of which are as set forth in Exhibit A attached hereto) located in the City of Orlando, County of Orange, State of Florida; and

WHEREAS, pursuant to an agreement dated September 27, 1976, as amended, with the City of Orlando, City Document No. 13260-1, 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, 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 enter into this Agreement in respect thereof; and

WHEREAS, AIRLINE is engaged in the business of transportation by air of persons, property, mail, parcels and/or cargo; and

WHEREAS, AIRLINE desires to lease certain premises, and obtain certain rights, services and privileges in connection with the use of the Airport and its facilities, and AUTHORITY is willing to grant and lease the same to AIRLINE upon the terms and conditions hereinafter stated; and

WHEREAS, AIRLINE and AUTHORITY agree to enter into this Agreement, specifying the rights and obligations of the parties with respect to the use and occupancy of the Airport by AIRLINE;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, AUTHORITY and AIRLINE do hereby mutually undertake, promise and agree, each for itself and its successors and assigns, as follows:

ARTICLE 1: DEFINITIONS

The following words, terms and phrases wherever used in this Agreement shall for the purposes of this Agreement have the following meanings:

- 1.01 Accommodation Fee shall have the meaning set forth in Section 16.02C below.
- 1.02 Affiliate shall mean any Air Transportation Company that (i) is a parent or wholly owned subsidiary of AIRLINE, or (ii) otherwise operates under essentially the same trade name as AIRLINE at the Airport and uses essentially the same livery as AIRLINE.
- 1.03 Agreement shall mean this Airline-Airport Lease and Use Agreement between AUTHORITY and AIRLINE, as the same may be amended, modified or altered from time to time pursuant to the terms hereof.
- 1.04 Air Transportation Business shall mean that business operated by AIRLINE at the Airport for the commercial transportation by air of persons, property, mail, parcels and/or cargo.
- 1.05 Air Transportation Company shall mean a legal entity engaged in the business of scheduled or non-scheduled commercial transportation by air of persons, property, mail, parcels and/or cargo.
- 1.06 Airfield shall mean those portions of the Airport, including the Terminal Aircraft Aprons, providing for the landing, taking off, and taxiing of aircraft, including without limitation, approach and turning zones, runway protection zones, safety areas, infield areas, landing and navigational aids, service roads, fencing, buffer areas, fuel farm, fuel hydrant and delivery systems, clear zones, aviation or other easements, 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 set forth in Exhibit A and as may be revised from time to time by AUTHORITY in its reasonable discretion.
- 1.07 Airfield Cost Center shall include all Debt Service, O&M Expenditures, Amortization, and operating Revenues allocated to, or generated by, the Airfield.
- 1.08 AIRLINE shall mean the Air Transportation Company executing this Agreement.
- 1.09 Airline Airport Affairs Committee (or AAAC) shall mean collectively the authorized representatives of each Signatory Airline which shall meet from time to time with representatives of AUTHORITY to receive information and provide input from the Signatory Airlines with regard to selected operation and development matters of the Airport.
- 1.10 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.

1.11 Airline Equipment Charge shall mean a per gate charge determined by dividing the Airline Equipment Expenses by the total number of gates at Orlando International Airport at which Airline Equipment is used, times the number of such gates leased that month at Orlando International Airport by AIRLINE. An example of such calculation is set forth on Exhibit E.

1.12 Airline Equipment Expenses shall mean the aggregate annual cost to AUTHORITY of acquiring and maintaining all Airline Equipment, which cost (a) shall include Debt Service, O&M Expenditures and Amortization, but (b) shall not include the acquisition cost of items purchased by AIRLINE or by AUTHORITY with PFC's or funds from federal or state grants.

1.13 Airline Premises shall mean those areas in the Terminal assigned to AIRLINE as Exclusive Use Premises, Preferential Use Premises, or Common Use Premises, each as defined herein, and shown in Exhibit C attached hereto, as such may be revised from time to time as provided herein. Premises at the Airport, but not in the Terminal or on the Terminal Aircraft Apron, leased by AIRLINE (e.g. hangers) shall not be governed by the terms hereof, but shall be governed by a separate agreement between AUTHORITY and AIRLINE.

1.14 Airline Supported Areas shall mean the Airfield Cost Center and the Terminal Cost Center.

1.15 Airport shall mean Orlando International Airport, owned by the City of Orlando and operated by AUTHORITY, the current boundaries of which are more particularly shown in Exhibit A attached hereto, 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 AUTHORITY. Exhibit A may be modified from time to time, and at any time, in the exclusive discretion of AUTHORITY to reflect changes in the boundaries of the Airport. Any modified Exhibit A shall become part of this Agreement and replace any prior Exhibit A, without any further action of the parties hereto, upon delivery by Authority to Airline of such modified Exhibit A.

1.16 Airport Exclusive Revenue Sources shall mean that certain real property referred to as the "Poitras Property" and identified as such on attached Exhibit A. All Revenues generated from Airport Exclusive Revenue Sources shall be maintained in a segregated fund and shall be applied, when deemed appropriate by the AUTHORITY, toward capital development projects.

1.17 Applicable Signatory Airline Revenue Share Percentage shall mean thirty percent (30%) for Fiscal Years ending September 30, 2009 and September 30, 2010 and twenty five percent (25%) for each Fiscal Year thereafter.

1.18 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 AUTHORITY.

1.19 Amortization shall mean the annualized cost of capital assets and projects (including renewal and replacement projects and expenditures and Airline Equipment) funded with AUTHORITY funds, amortized over the reasonably expected life of the respective asset, project or expenditure, with interest at six percent (6%) per annum, and charged to the Cost Center(s) to which the asset, project or expenditures relates or to Airline Equipment Expenses, as appropriate.

1.20 Apron Use Fee shall mean the fee charged by AUTHORITY for use of the Terminal Aircraft Apron, as more particularly described in Section 7.01B below.

1.21 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.

1.22 Average Terminal Rental Rate shall have the meaning set forth in Section 7.02B.

1.23 Bond Resolution shall mean the Airport Facilities Revenue Bond Resolution Authorizing Airport Facilities Revenue Bonds of City of Orlando, Florida, adopted by AUTHORITY on June 13, 1978, as the same has and may hereafter, from time to time, be amended and supplemented by Supplemental Resolution, as defined in the Bond Resolution.

1.24 Bonds shall mean the Airport Facilities Revenue Bonds issued by AUTHORITY pursuant to the Bond Resolution.

1.25 Capital Expenditure shall mean an expenditure equal to or greater than \$250,000, made to acquire, purchase or construct a single capital item or project for the purpose(s) of improving, maintaining or developing the Airport, and shall include expenses incurred for development, study, analysis, review, design, or planning efforts for such capital item or project.

1.26 Chargeable Landings shall mean all Revenue Landings and those Non-Revenue Landings whenever the same aircraft subsequently departs the Airport as a revenue flight.

1.27 City shall mean the City of Orlando, Florida.

1.28 Common Use Charges shall have the meaning set forth in Section 7.02C(1) below.

1.29 Common Use Formula shall mean that formula which prorates twenty percent (20%) of an applicable rate, use, charge or fee equally among all Signatory Airlines, and eighty percent (80%) of such rate, use, charge or fee among all Signatory Airlines, based on the ratio of each Signatory Airline's Enplaned Passengers annually at the Airport, to the total of all Enplaned Passengers annually at the Airport of all Signatory Airlines.

1.30 Common Use Premises shall mean those non-preferential areas of the Airport (excluding Public Space), used in common by AIRLINE and other authorized users of the Airport, along with all facilities, improvements, equipment and services available in such areas which are, or hereafter may be, designated as common-use, as shown in Exhibit C attached hereto, as such may be amended from time to time as described herein.

1.31 Cost Centers shall mean those distinct areas or functional activities of the Airport System used for the purposes of accounting for Revenues, O&M Expenditures, Amortization and Debt Service, as designated from time to time by the AUTHORITY.

1.32 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 PFC collections.

1.33 Deplaned Passenger shall mean any passenger disembarking an aircraft at the Terminal, including any such passenger that shall subsequently board another aircraft of the same or a different Air Transportation Company or the same aircraft, previously operating under a different flight number.

1.34 Effective Date shall have the meaning set forth in the first paragraph of this Agreement.

1.35 Enplaned Passenger shall mean any passenger boarding an aircraft at the Terminal, including any such passenger that previously disembarked from another aircraft of the same or a different Air Transportation Company or from the same aircraft, previously operating under a different flight number.

1.36 Environmental Laws shall have the meaning set forth in Section 17.05A(1)(a) below.

1.37 Event of Default shall have the meaning set forth in Section 12.01.

1.38 Exclusive Use Premises shall mean those portions of the Terminal and Terminal Aircraft Aprons assigned to AIRLINE, as shown in Exhibit C attached hereto (as may be amended from time to time as described herein), on an exclusive basis.

1.39 Executive Director shall mean the Executive Director of AUTHORITY, and shall include such person or persons as may from time to time be authorized in writing by AUTHORITY or by the Executive Director or applicable law to act for the Executive Director with respect to any or all matters pertaining to this Agreement.

1.40 Extraordinary Coverage Protection shall have the meaning set forth in Section 7.05D.

1.41 FAA shall mean the Federal Aviation Administration, or its authorized successor(s).

1.42 Facility Fee shall mean a per use fee payable by an Air Transportation Company for the right to use Airport facilities for the processing of passengers and baggage (e.g. gate, check-in counter, holdroom, etc.), which facilities are not leased by such Air Transportation Company pursuant to a Space/Use Agreement or similar contractual lease arrangement.

1.43 Fiscal Year shall mean the annual accounting period of AUTHORITY for its general accounting purposes which, at the time of entering into this Agreement, is the period of twelve consecutive months, ending with the last day of September of any year.

1.44 Ground Transportation Cost Center shall include all Debt Service, Amortization, O&M Expenditures and operating Revenues allocated to or generated by those areas on the Airport designated from time to time by AUTHORITY 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, as designated as such from time to time by AUTHORITY on Exhibit A.

1.45 Hotel shall mean the hotel facility, including guest rooms, meeting rooms restaurants and lobby areas, located in the landside terminal building, and identified on Exhibit A (as may be amended from time to time as described herein).

1.46 Hotel Cost Center shall include all Debt Service, Amortization, O&M Expenditures and operating Revenues allocated to or generated by the Hotel.

1.47 Identified Affiliate shall have the meaning set forth in Section 5.03 below.

1.48 MUFIDs shall have the meaning set forth in Section 5.01J below.

1.49 Landing Fee shall mean the amount payable by AIRLINE for the use of the Airfield, as described in Section 7.01 below.

1.50 Landing Fee Rate shall mean a fee rounded to the nearest cent per thousand pounds, calculated as set forth in Section 7.01 below.

1.51 Majority-in-Interest shall mean, with respect to issues pertaining to the Terminal Cost Center, (a) more than fifty percent (50%) of all Signatory Airlines at the Airport on the date the particular consideration is requested and (b) Signatory Airlines which paid, in the aggregate, more than fifty percent (50%) of total Terminal rental payments in the six (6) full months preceding the month in which the particular consideration is requested; and, with respect to issues pertaining to the Airfield Cost Center, (y) more than fifty percent (50%) of all Signatory Airlines at the Airport on the date the particular consideration is requested, and (z) Signatory Airlines having, in the aggregate, more than fifty percent (50%) of the total Maximum Gross Landed Weight at the Airport for the six (6) full months preceding the month in which the particular consideration is requested.

1.52 Maximum Gross Landed Weight shall mean the maximum gross certificated landing weight in one thousand pound units for each aircraft operated at the Airport by AIRLINE, as certificated by the FAA or its successor.

1.53 Net Airfield Requirement shall mean all Operating Expenditures, Operating Reserve Requirements, Amortization and Debt Service reasonably allocated by AUTHORITY to the Airfield Cost Center in a Fiscal Year, times ninety percent (90%), minus all landing fees collected by AUTHORITY from all non-Signatory Airlines during such Fiscal Year and all other Revenues reasonably assigned by AUTHORITY to the Airfield Cost Center and collected by the AUTHORITY during such Fiscal Year (including in particular all Revenues received by AUTHORITY from the use or operation of the fuel hydrant system, but specifically excluding Landing Fees paid by Signatory Airlines, Apron Use Fees, non-Signatory ramp fees and “remain overnight” fees).

1.54 Net Shared Revenues shall mean (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), (b) minus all Debt Service, Amortization and O&M Expenditures for such Fiscal Year.

1.55 Net Terminal Requirement shall mean all Operating Expenditures (including Operating Reserve Requirements), Amortization and Debt Service reasonably allocated by AUTHORITY to the Terminal Cost Center in a Fiscal Year, minus all Airline Equipment Charges, all Facility Fees paid by Signatory or non-Signatory Airlines, all FIS fees, all fees paid for the use of CUTE, CUSS and CUPPS equipment, and all unamortized tenant finish payments received with respect to the Continental hangar, in each case, collected by AUTHORITY during such Fiscal Year.

1.56 Non-Airline Revenues shall mean those rentals, fees, charges and other income received by AUTHORITY from all Airport operations, including income from lessees, permittees, concessionaires, users, and patrons other than Air Transportation Companies.

1.57 Non-Revenue Landing shall mean any aircraft landing by AIRLINE at the Airport for a flight for which 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.

1.58 Operating Expenditures (or O&M Expenditures) shall mean all Operating Expenses, reduced by any reimbursements or grants received from governmental entities to offset Operating Expenses, plus all expenditures other than Capital Expenditures, all repair, replacement, operating, maintenance and other reserves (including the Operating Reserve Requirement) required or deemed prudent in the reasonable discretion of AUTHORITY, 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), and construction and acquisition of improvements to capital assets of the Airport.

1.59 Operating Expenses shall mean all direct, indirect or general administrative current expenses, paid, payable or accrued, of 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 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 such other current expenses of AUTHORITY incurred in connection with the operation of the Airport. Operating 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 operating expenses shall be allocated to the Cost Center to which those expenses relate, as determined in the reasonable discretion of AUTHORITY. Indirect operating expenses shall be allocated to Cost Centers by the AUTHORITY in its reasonable discretion, which allocations may be amended from time to time in the reasonable discretion of AUTHORITY.

1.60 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.

1.61 Other Buildings and Grounds Cost Center shall include all Debt Service, Amortization, O&M Expenditures and operating Revenues allocated to or generated by those areas of the Airport not in the Airfield Cost Center, Terminal Cost Center, Ground Transportation Cost Center, Hotel Cost Center or Other Cost Center.

1.62 Other Cost Center shall include all Debt Service, Amortization, O&M Expenditures, and operating Revenues allocated to or generated by those areas of the Airport specifically designated from time to time by AUTHORITY in its reasonable discretion as not belonging in another Cost Center.

1.63 Other Indebtedness shall mean any debt incurred by AUTHORITY for Airport purposes which is outstanding and not authenticated and delivered under and pursuant to the Bond Resolution or any Subordinated Bond Resolution.

1.64 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 during the Term of this Agreement.

1.65 Performance Security shall have the meaning set forth in Section 7.08A below.

1.66 PFC Act shall have the meaning set forth in Section 18.03 below.

1.67 Preferential Use Premises shall mean those portions of the Terminal and Terminal Aircraft Aprons assigned to AIRLINE, as shown in Exhibit C attached hereto (as may be

amended from time to time as described herein), to which AIRLINE shall have priority over other users, subject to the provisions of Article 16.

1.68 Public Space shall mean all utility rooms, ductways, janitorial rooms and closets, stairways, hallways, holdroom corridor, elevators, escalators, entrance-ways, public lobbies and areas, public toilet areas and other areas used for the operation, maintenance or security of the Terminal, even if used solely by AUTHORITY, as such may be designated from time to time as described herein.

1.69 Rentable Square Feet with respect to the Terminal shall mean the number of square feet of space in the Terminal that is rentable to tenants, including office and administrative space used by AUTHORITY, but specifically excluding Public Space and Hotel space; which rentable space shall be as shown on Exhibit C attached hereto, as such may be amended from time to time by the AUTHORITY. Untenable 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.

1.70 Requesting Airlines shall have the meaning set forth in Section 16.02 below.

1.71 Revenue Landing shall mean any aircraft landing by AIRLINE at the Airport for which AIRLINE receives revenue.

1.72 Revenues shall mean income received or accrued by AUTHORITY in accordance with generally accepted accounting practices, 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 Operating Expenses or payment of Debt Service; (b) insurance proceeds; (c) any unrealized gains on securities held for investment by or on behalf of the Authority; (d) any gains resulting from changes in valuation of any Swap; (e) any unrealized gains from the reappraisal or revaluation of assets; (f) the proceeds of debt; (g) PFC's and the interest earned therefrom, (h) customer facility charges and interest earned therefrom; (i) investment income derived from any moneys or securities placed in escrow or trust to defease Debt Service; (j) any arbitrage earnings which are required to be paid to the United State of America pursuant to Section 148 of the Code; and (k) 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.

1.73 Revenue Sharing Payments shall have the meaning set forth in Section 8.03 below.

1.74 Signatory Airline shall mean an Air Transportation Company that has an agreement with AUTHORITY substantially similar to this Agreement (with the exception of differences permitted by Section 18.19 below), and leases at least one preferential gate and other

space in the Terminal that (a) is deemed sufficient by the Executive Director to support its operation, and (b) totals at least 5,000 square feet.

1.75 Space/Use Agreement shall mean a rental agreement between the AUTHORITY and a user of Airport facilities, which rental of such facilities is not otherwise governed by a Signatory Airline agreement substantially similar to this Agreement (with the exception of differences permitted by Section 18.19 below).

1.76 Subordinated Indebtedness shall mean any bonds or other financing instrument or obligation subordinate to the Bonds, issued pursuant to any Subordinated Bond Resolution.

1.77 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 AUTHORITY of Subordinated Indebtedness, as such may be supplemented or amended from time to time.

1.78 Substantial Completion shall mean the date on which AUTHORITY's architects and/or engineers certify any premises at the Airport to be substantially complete as to permit use and occupancy.

1.79 Term shall mean the period of time during which AIRLINE's activities at the Airport shall be governed by this Agreement. Said Term shall begin on the later of October 1, 2008 or the Effective Date, and, except as otherwise set forth herein, terminate on the date set forth in Article 3.

1.80 Terminal Aircraft Aprons shall mean those areas of the Airport that are designated for the parking of passenger aircraft and support vehicles, and the loading and unloading of passenger aircraft.

1.81 Terminal shall mean the passenger terminal building, including all landside and airside passenger terminal facilities, as set forth in Exhibit A attached hereto, as such may be amended from time to time as permitted herein.

1.82 Terminal Cost Center shall include all Debt Service, Amortization, O&M Expenditures, and operating Revenues allocated to or generated by the Terminal (other than with respect to Terminal space designated from time to time as the Hotel and other than Airline Equipment Expenses and Airline Equipment Charges), and specifically including all Debt Service for Bonds, Subordinated Indebtedness and Other Indebtedness (a) related to the proposed South Terminal outstanding as of the Effective Date or (b) related to the Continental hangar.

1.83 TSA shall mean the Transportation Security Administration of the Department of Homeland Security, or any successor.

Additional words and phrases used in this Agreement 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 TRANSITION PROVISIONS

2.01 Effective Date. This Agreement, along with the determination of rentals, fees, and charges set forth herein, shall be effective on the Effective Date.

2.02 Cancellation of Prior Agreements. At the Effective Date, any and all prior agreements between AIRLINE and AUTHORITY for the lease and use of the Airfield and Terminal facilities at the Airport, including any terms, conditions and restrictions under any MII ballots approved in connection with such prior agreements, shall terminate and be of no further force and effect, except that (a) any obligations of payment by AIRLINE to AUTHORITY under such agreements, and (b) any other obligations intended to survive termination pursuant to the terms of such agreements, shall survive termination until such obligations have been satisfied.

2.03 Existing Tenant Finish Balances. Debt Service payable on or after October 1, 2008 with respect to tenant finish costs incurred prior thereto and funded with bond proceeds shall be deemed to be Debt Service and recovered through Terminal rents as a component of Net Terminal Requirement; with the exception that recovery of Debt Service applicable to the Continental hanger (as identified on Exhibit A) will be recovered directly from Continental Airlines.

ARTICLE 3: TERM

This Agreement shall commence on the later of October 1, 2008 or the Effective Date and terminate at midnight on September 30, 2013, unless canceled sooner as provided herein; provided, however, that the obligation of AIRLINE to pay amounts owed hereunder for use of the Airport through September 30, 2013 shall survive expiration or earlier termination until such amounts are paid in full.

ARTICLE 4: PREMISES

4.01 Airline Premises.

A. AUTHORITY does hereby lease and demise to AIRLINE, and AIRLINE does hereby lease and accept from AUTHORITY, the Exclusive Use Premises, Preferential Use Premises, and Common Use Premises, each as set forth from time to time on Exhibit C. At such time as (a) the Airline Premises, including space used by any Identified Affiliate (as defined in Section 5.03), is, in the reasonable discretion of the Executive Director, insufficient to support AIRLINE's operations, as evidenced by actual use or occupancy by AIRLINE of space not leased by AIRLINE, and AIRLINE fails to promptly and permanently vacate use or occupancy of such premises following notice from AUTHORITY to vacate or lease such premises, or (b) use of the Airline Premises, including space used by any Identified Affiliate, exceeds the legal capacity for such premises, AUTHORITY shall be entitled to require AIRLINE to lease additional space reasonably sufficient for its needs. AUTHORITY is hereby authorized to amend Exhibits A and C for purposes of identifying any new or additional space leased hereunder by AIRLINE. AIRLINE hereby accepts the Airline Premises, including any future Airline Premises, "as is", generally in the same condition in which such space or any part thereof now is. AIRLINE agrees that 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 AUTHORITY.

B. Any changes to Airline Premises, except as set forth herein, shall be evidenced by an amendment to this Agreement pursuant to Section 18.18.

C. AUTHORITY may, in its reasonable discretion, (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. In any such event, or upon any change in Airline Premises made hereunder or to the premises leased by any other party, AUTHORITY may amend Exhibits A and/or C, as appropriate, and, upon notice to AIRLINE, such amended Exhibit shall replace any previous corresponding exhibits and shall become a part of this Agreement; provided, however, that the boundaries of the Airline Premises may not be arbitrarily and unilaterally changed by AUTHORITY without the prior written consent of AIRLINE or as otherwise permitted herein.

D. AIRLINE and AUTHORITY agree that it is important to maximize the efficiency of space leased and used in the Terminal, while also adhering to reasonable standards and levels of customer service for the traveling public. Throughout the Term of this Agreement, AIRLINE and AUTHORITY will continue to monitor and evaluate Terminal operations in an effort to achieve a reasonable balance between efficient airline operations and level of customer service for the traveling public. Should AUTHORITY notify AIRLINE of its concern with regards to potential customer service issues,

AIRLINE agrees to discuss with AUTHORITY, and take reasonable action to address and alleviate, the customer service issues.

E. AIRLINE may satisfy temporary or seasonal needs for additional Terminal space (i.e. a change in demand for space expected to be temporary caused by unusual or special circumstances) through the use of a Space/Use Agreement. Rental rates payable by AIRLINE under the Space/Use Agreement shall, for the first three (3) months of the Space/Use Agreement term, be the rates charged to Signatory Airlines for comparable space. Thereafter, rental rates payable by AIRLINE shall be the rates charged to non-Signatory Airlines for comparable space. At any time during the term of any Space/Use Agreement, AIRLINE may request that the space leased thereunder be added to this Agreement. If such request is denied by the AUTHORITY, the rental rates payable by AIRLINE after such denial under the Space/Use Agreement shall be the rates charged to Signatory Airlines for comparable space; provided, however, that if AUTHORITY subsequently grants its permission to include such space hereunder and AIRLINE declines or refuses to include such space hereunder, the rates payable by AIRLINE shall again be the rates charged to non-Signatory Airlines for comparable space. The rental rates for space leased under a Space/Use Agreement not due to temporary or seasonal needs, but, for example, as a device to avoid committing such space under this Agreement, shall be the rates charged to non-Signatory Airlines for comparable space.

4.02 Terminal Equipment. Terminal equipment owned or acquired by AUTHORITY for use by AIRLINE shall remain the property, and under the control, of AUTHORITY.

4.03 Employee Parking. AUTHORITY will make reasonable efforts, for the fee described in Section 7.05 below, to make area(s) at the Airport available for vehicular parking and transportation to the Terminal for AIRLINE's 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 Section 7.05B and to reasonable and non-discriminatory rules and regulations established by AUTHORITY.

4.04 Federal Inspection Facilities. AUTHORITY shall designate areas in the Terminal, or elsewhere on the Airport, to be used by agencies of the United States for the inspection of international passengers and their baggage, and for the exercise of the responsibilities of said agencies with respect to the movement of persons, property, and cargo to and from the United States.

4.05 Transfer of Operations.

A. In the event new or expanded facilities are developed at the Airport, and Authority either agrees, or determines under Section 4.05B, to relocate AIRLINE, in whole or in part, to the new or expanded facilities, AUTHORITY shall give notice to AIRLINE of the estimated Substantial Completion date at least one hundred eighty (180) days prior thereto. AIRLINE shall have the right to install in its Exclusive Use Premises and Preferential Use Premises in such new or expanded facilities, its own equipment and

furnishings sixty (60) days prior to the estimated date of Substantial Completion or such other date as may be agreed to by the parties subject to the provisions of Section 9.01 below. AIRLINE shall begin its operations from any new or expanded Airline Premises on the date of Substantial Completion thereof, unless otherwise agreed by AUTHORITY.

B. AUTHORITY has the right at any time, and from time to time, to relocate any Airline Premises to alternative Terminal locations and facilities if AUTHORITY determines, in its reasonable discretion, that such relocation is required to accommodate a new Air Transportation Company, to make available sufficient contiguous space to accommodate the expansion or growth of another Signatory Airline, to replace damaged or destroyed premises, or to utilize Airport Terminal facilities in a fair and efficient manner; provided that if, and to the extent, the relocated premises are Exclusive Use Premises or Preferential Use Premises (1) AUTHORITY will provide AIRLINE at least one hundred eighty (180) days advance notice of such relocation, (2) except as described below, AUTHORITY will reimburse the reasonable out of pocket costs incurred by AIRLINE to complete such relocation (including, without limitation, all installation costs), and (3) the new Airline Premises shall be comparable in size (e.g. 30 feet of counter space to approximately 30 feet of counter space) and character (e.g. 2 gates to 2 gates, Class 1 space to Class 1 space), though not necessarily identical or comparable in square footage, quality, appearance, layout or appointments, to the Airline Premises being vacated. AUTHORITY shall have no obligation to reimburse AIRLINE for costs incurred by AIRLINE to comply with any relocation requested by AIRLINE or required by AUTHORITY hereunder if such relocation is necessary, in the reasonable judgment of AUTHORITY, to accommodate AIRLINE's expansion or growth.

C. AIRLINE may request in writing to AUTHORITY to relocate any Airline Premises, which request may be accepted or denied by AUTHORITY in its exclusive discretion. AIRLINE shall pay all costs of any relocation requested by AIRLINE.

D. No relocation of Airline Premises, either temporarily or permanently, shall have any effect on AIRLINE's obligation to pay rentals, rates and charges herein, except for any change caused by a difference in total square footage of the entire Airline Premises or of the classes of space within the Airline Premises.

4.06 Calculation of Leased Holdroom Space. The number of square feet of holdroom space leased by AIRLINE hereunder shall, for purposes of calculating Terminal rental payments due under this Agreement, be calculated as follows: total square footage of all holdroom space in an airside Terminal wing in which AIRLINE leases a gate, divided by the number of operational gates in such wing, times the number of gates in such wing leased by AIRLINE.

ARTICLE 5: USE OF THE AIRPORT AND RELATED FACILITIES

5.01 AIRLINE Rights and Privileges. In addition to all rights granted elsewhere in this Agreement, AIRLINE shall have the right, subject to AUTHORITY rules, policies and procedures and to the terms hereof, to use, in common with others so authorized by AUTHORITY, all Airline Premises, including related facilities, equipment, and improvements, the Airfield and Terminal Aircraft Aprons for the operation of 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 AIRLINE's aircraft and, in areas designated by AUTHORITY, the extended parking, servicing, deicing, loading or unloading, storage, or maintenance of AIRLINE's aircraft and support equipment in areas designated or approved by AUTHORITY, subject to Sections 5.01F, 5.01G, and 5.02C below, and to the availability of space, and subject to such reasonable charges and regulations as AUTHORITY may establish; provided, however, AIRLINE shall not permit the use of the Airfield by any aircraft operated or controlled by AIRLINE which exceeds the design strength or capability of the Airfield as described in the then-current FAA approved Airport Layout Plan 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, and express services, and reasonable and customary airline activities.

C. The training of personnel in the employ of or to be employed by AIRLINE or its contractors and the testing of aircraft and other equipment being utilized at the Airport in areas designated or approved by AUTHORITY in the operation of AIRLINE's Air Transportation Business; provided, however, said training and testing shall be incidental to the use of the Airport in the operation by AIRLINE of its Air Transportation Business and shall not unreasonably hamper or interfere with the use of the Airport and its facilities by others entitled to the use of same. AUTHORITY reserves the right to restrict or prohibit such training and testing operations which it deems to interfere with the use of the Airport.

D. The sale, disposition, or exchange of AIRLINE's aircraft, engines, accessories, gasoline, oil, grease, lubricants, fuel, or other similar equipment or supplies; provided, however, AIRLINE shall not sell or permit to be sold aviation fuels or propellants except (i) to such Air Transportation Company which is a successor company to AIRLINE, (ii) for use in aircraft of others which are being used solely in the operation of AIRLINE's Air Transportation Business, including, but not limited to, AIRLINE's Affiliates, (iii) when a comparable grade and type of fuel desired by others is not available at the Airport except from AIRLINE, or (iv) in accordance with sales of fuel by or on behalf of Signatory Airlines through the Airport's fuel hydrant system, to the extent the AUTHORITY and Signatory Airlines have an agreement for Signatory 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 5.01D and to AUTHORITY's right to require that each provider of services and/or supplies to AIRLINE secures a permit from AUTHORITY to conduct such activity at the Airport, pays required fees, and abides by all reasonable rules and regulations established by AUTHORITY. Nothing herein shall be construed to permit AIRLINE to store aviation fuels at the Airport. Fuel tenders are prohibited on Terminal Aircraft Aprons serviced by the fuel hydrant system. The granting of the right to store and dispense aviation fuels shall be subject to the execution of a separate agreement between AIRLINE and AUTHORITY.

F. The servicing by AIRLINE or its suppliers of aircraft and other equipment being utilized at the Airport by AIRLINE on the Terminal Aircraft Aprons or such other locations as may be designated by the Executive Director; provided that routine servicing or maintenance of ground equipment on Terminal Aircraft Aprons is not permitted, unless specifically authorized by AUTHORITY.

G. The loading and unloading of persons, property, cargo, parcels and mail by motor vehicles or other means of conveyance reasonably approved by AUTHORITY on Terminal Aircraft Aprons or such other locations as may be designated by the Executive Director; provided AIRLINE shall not use Terminal Aircraft Aprons immediately adjacent to the Terminal to load or unload all-cargo aircraft unless otherwise authorized in writing by AUTHORITY.

H. The provision, either alone or in conjunction with other Air Transportation Companies or through a nominee, of porter/skycap service for the convenience of the public, at no cost to AUTHORITY.

I. The installation and maintenance, at AIRLINE's sole cost and expense, of identifying signs in AIRLINE's Exclusive Use Premises and Preferential Use Premises; provided that AIRLINE may not install any permanent signage in any Preferential Use Premises without the prior consent of AUTHORITY, which may be withheld in AUTHORITY's reasonable discretion. All signage shall be subject to standards and policies of AUTHORITY in effect from time to time. Permanent signage approved by AUTHORITY and existing prior to the adoption or amendment of any policy by AUTHORITY shall not be deemed to be in violation of such adopted or amended policy. 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 reasonable discretion of AUTHORITY. Subject to the foregoing, AIRLINE may install on the walls behind ticket counters, in holdrooms and on loading bridges, if any, temporary signage (including electronic signage displays that may be easily changed, such as LCD monitors) identifying AIRLINE or displaying AIRLINE's company logo; provided that any such installation must be performed in accordance with the standards and policies of AUTHORITY in effect from time to time.

J. The installation, maintenance, and operation, at no cost to AUTHORITY, of such radio communication, company telephone system, computer, meteorological and aerial navigation equipment and facilities on AIRLINE's Exclusive Use Premises and Preferential Use Premises as may be necessary or convenient for the operation of its Air Transportation Business; provided, however, that (1) except for equipment and facilities already in place on the Effective Date, such installations and the subsequent use of such equipment shall be subject to applicable law, regulation and AUTHORITY policy, (2) the location of all such equipment and facilities shall be determined by AUTHORITY in its exclusive discretion, (3) AIRLINE is required to use AUTHORITY's telephone system in all locations other than Exclusive Use Premises, and (4) AIRLINE is encouraged to use AUTHORITY's wireless communications systems (e.g. WIFI) in all locations in the Terminal and AIRLINE agrees that any use by AIRLINE of wireless communications systems not provided by AUTHORITY shall not interfere with any AUTHORITY wireless communications system. AUTHORITY shall have unrestricted access to all AIRLINE communication equipment located on Airline Premises if any AUTHORITY equipment or systems interfaces with such AIRLINE equipment. Prior to any written approval, AIRLINE shall provide the Executive Director with all necessary supporting documentation related to such installations. AIRLINE shall be required to use AUTHORITY's compatible multi-user flight information display systems (MUFIDS); provided that AIRLINE may install and maintain its own MUFIDS if it is compatible in all material respects, in the exclusive discretion of AUTHORITY, with AUTHORITY's MUFIDS.

K. Such rights of way as may reasonably be required by AIRLINE for communications, computer equipment, telephone, interphone, conveyor systems and power, and other transmission lines in AIRLINE's Exclusive Use Premises and Preferential Use Premises, subject to the availability of space and/or ground areas as determined by the Executive Director. AUTHORITY reserves the right to require the execution of a separate agreement between AUTHORITY and AIRLINE for the lease and use of such space and/or ground area outside Terminal areas or for the provision of such service directly to AIRLINE.

L. The installation of personal property, including furniture, furnishings, supplies, machinery, and equipment, in AIRLINE's Exclusive Use Premises and, subject to prior approval by AUTHORITY, Preferential Use Premises, as AIRLINE may deem necessary, useful or prudent for the operation of its Air Transportation Business. Title to such personal property shall remain with AIRLINE, subject to the provisions of this Agreement.

M. The construction of modifications, finishes and improvements in Airline Premises as AIRLINE may deem necessary or prudent for the operation of its Air Transportation Business, subject to the provisions of Article 9.

N. AIRLINE shall have rights of ingress to and egress from the Airport and Airline Premises for 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 security program, applicable laws, and any rules, regulations and operating directives established by AUTHORITY governing (i) the general public, including AIRLINE's passengers, (ii) access to non-public areas at the Airport by AIRLINE's employees, suppliers of materials, and furnishers of services, or (iii) safety and security; provided, however, any such rules and regulations and operating directives of AUTHORITY shall not unreasonably interfere with the operation of AIRLINE's Air Transportation Business if at all possible. In addition to the foregoing, 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 AIRLINE. AIRLINE hereby releases and discharges AUTHORITY from any and all claims, demands, or causes of action which AIRLINE may now or at any time hereafter have arising or alleged to arise out of such a closing or re-routing. AUTHORITY shall have no liability or obligation to 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 AUTHORITY.

O. Subject to any restrictions in AUTHORITY's agreements with its food and beverage concessionaires, nothing in this paragraph shall prohibit AIRLINE from (i) providing food and beverages, at AIRLINE's sole cost and expense, or installing or maintaining vending machines or AIRLINE credit union automated teller machines in its non-public Exclusive Use Premises or, subject to the prior approval of AUTHORITY, its non-public Preferential Use Premises, for the sole use of AIRLINE's employees, the type, kind, and locations subject to the approval of the Executive Director, (ii) providing, under a separate agreement with AUTHORITY and subject to AUTHORITY's policies, including the payment of fees based on gross receipts, for its own flight kitchen for catering services to its passengers and crews for consumption aboard aircraft or (iii) from entering into a separate agreement for the distribution without charge of food and beverage in a non-public "VIP room" or similar private club at the Airport.

P. The rights and privileges granted to AIRLINE pursuant to this Article 5 may be exercised on behalf of AIRLINE by other Signatory Airlines or contractors authorized by AUTHORITY to provide such services at the Airport, subject to the prior written approval of AUTHORITY and further subject to all laws, rules, regulations, fees and charges and Article 15 as may be applicable to the activities undertaken. Nothing herein shall be construed as exempting contractors or service providers who provide services to Signatory Airlines from any obligation to pay privilege fees and other amounts to AUTHORITY pursuant to AUTHORITY policy, as such exists from time to time.

Q. AIRLINE may exercise on behalf of any other Air Transportation Company having an operating agreement or permit with AUTHORITY any of the rights granted AIRLINE herein, so long as AIRLINE is concurrently exercising those same rights in the operation of AIRLINE's own Air Transportation Business at the Airport, subject to the

provisions of Section 7.05, Article 15 and the AUTHORITY's rules, regulations and operating directives for the Airport.

R. AIRLINE may only enter into revenue generating agreements, such as for advertising or the provision of pay telephones by the public, in its non-public airline clubs and VIP rooms, and shall not enter into any such revenue generating agreements anywhere else within the Terminal.

5.02 Exclusions and Reservations.

A. AIRLINE is prohibited from conducting any business or engaging in any activities at the Airport other than the conduct of its Air Transportation Business, except as otherwise permitted in this Agreement.

B. AIRLINE shall not knowingly interfere or permit interference by its contractors, agents, permittees, and invitees with the use, operation, or maintenance of the Airport, including but not limited to, the effectiveness or accessibility of the drainage, sewage, water, communications, fire protection, utility, electrical, or other systems installed or located from time to time at the Airport; and AIRLINE shall not engage in any activity prohibited by AUTHORITY's approved FAR Part 150 Noise Compatibility Study, as may be amended or supplemented from time to time.

C. As soon as possible after an AIRLINE's disabled aircraft is released from the control or jurisdiction of all applicable authorities, AIRLINE shall remove any such disabled aircraft from the Airfield and Terminal Aircraft Aprons, shall place any such disabled aircraft only in such storage areas as may be reasonably approved by the Executive Director, and shall store such disabled aircraft only upon such terms and conditions as may be reasonably established by AUTHORITY. In the event AIRLINE shall fail to remove any of its disabled aircraft as expeditiously as possible, AUTHORITY may, but shall not be obligated to, cause the removal of such disabled aircraft. AIRLINE shall pay to AUTHORITY, upon receipt of invoice, the costs incurred for such removal plus ten percent (10%). Nonpayment of such invoice shall be deemed a default of this Agreement, pursuant to Section 12.01B below.

D. AIRLINE shall not do or permit to be done anything, either by act or failure to act, that shall cause the cancellation or violation of the provisions, or any part thereof, of any policy of insurance for the Airport, or that shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement. If AIRLINE shall do or permit to be done any act not permitted under this Agreement, or fail to do any act required under this Agreement, regardless of whether such act shall constitute a breach of this Agreement, which act or failure, in and of itself, causes an increase in AUTHORITY's insurance premiums, AIRLINE shall immediately remedy such actions and/or pay the increase in premiums, upon notice from AUTHORITY to do so.

E. 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 AIRLINE's employees and passengers, except as may be permitted under Section 5.01O, above.

F. 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, in Common Use Premises and Preferential Use Premises; provided, however, that any advertising in AIRLINE's Preferential Use Premises shall not promote competing Air Transportation Companies, power poles will only be installed in AIRLINE holdrooms with AIRLINE's prior consent, and such installations shall not unreasonably interfere with AIRLINE's operations authorized hereunder or substantially diminish the square footage contained in Airline Premises. AUTHORITY may also, at its sole option, install pay telephones and business center amenities in any part of the Terminal excluding airline clubs, holdrooms and VIP rooms. Such installations shall not unreasonably interfere with AIRLINE's operations authorized hereunder or substantially diminish the square footage contained in Airline Premises. AUTHORITY shall be entitled to reasonable access upon Airline Premises to install or service such telephones, vending machines and amenities. Income generated by such telephones and business center amenities shall be accounted for in the same manner as other Non-Airline Revenues of the Airport.

G. AUTHORITY may install at the request of AIRLINE, at AIRLINE's Exclusive Use Premises and/or Preferential Use Premises, 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. AUTHORITY shall be entitled to reasonable access upon Airline Premises to install and maintain such hardware/software for any of such equipment. Such installations shall not unreasonably interfere with AIRLINE's operations authorized hereunder.

H. The rights and privileges granted AIRLINE pursuant to this Agreement, and in particular this Article 5, shall be subject to any and all rules, regulations and operating policies, procedures and directives established by AUTHORITY, as may be amended from time to time, and to the provisions of Article 7 below.

I. Any and all rights and privileges not specifically granted to AIRLINE for its use of and operations at the Airport pursuant to this Agreement are hereby reserved for and to AUTHORITY.

5.03 Affiliates. Upon written request by AIRLINE to AUTHORITY, and provided the requirements of this Section are satisfied, any Affiliate of AIRLINE identified in such written request ("Identified Affiliate") shall pay fees, rates and charges as if the Identified Affiliate were a Signatory Airline, without payment of any additional charges or premiums (a) for as long as AIRLINE remains a signatory to this Agreement, (b) for as long as the Identified Affiliate

remains an Affiliate of AIRLINE, and (c) if Identified Affiliate enters into an agreement with AUTHORITY for operations at the Airport, which agreement shall be in a form specified by AUTHORITY from time to time. AIRLINE hereby agrees to and shall guaranty full payment of all fees, rates and charges incurred by Identified Affiliate at the Airport. All Enplaned Passengers, landed weights and other statistics of an Identified Affiliate of a Signatory Airline shall be aggregated with the statistics of such Signatory Airline for purposes of computing any charges for Common Use Premises, any Extraordinary Coverage Protection payments, and any revenue sharing under Section 8.05 below; provided, however, that only Identified Affiliates who are a parent or wholly owned subsidiary of a Signatory Airlines shall be aggregated with the Signatory Airline for revenue sharing purposes. AUTHORITY may invoice AIRLINE and its Identified Affiliates separately for amounts owed hereunder, or may invoice AIRLINE for the aggregate amounts owed by AIRLINE and its Identified Affiliates hereunder. AIRLINE shall be responsible for any and all unpaid fees, rates and charges of any Identified Affiliate and any failure of an Identified Affiliate to pay such amounts when due shall be deemed a failure of AIRLINE. AIRLINE may at any time give AUTHORITY at least ninety (90) days prior written notice that an Affiliate of AIRLINE shall no longer be considered an Identified Affiliate of AIRLINE for purposes of this Agreement, and AIRLINE shall have no responsibility for any fees, rates and charges incurred by Affiliate after the conclusion of such notice period, but shall remain liable for fees, rates and charges incurred by Affiliate prior to the conclusion of such notice period.

5.04 AIRLINE Representations and Covenants.

A. AIRLINE represents and warrants that it holds all certificates, permits, licenses, insurance or other entitlements required by federal, state or local laws, rules, or regulations in order to enable the AIRLINE 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 Term.

B. 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 any rules and regulations of the AUTHORITY, which impose any duty upon the Authority or the Airline with respect to the use, occupancy or alteration of the Premises. 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. AIRLINE shall faithfully observe and comply with any rules which AUTHORITY may from time to time make and communicate in writing to AIRLINE, provided that such rules apply to all similarly situated tenants and are reasonably related to the safety, care, appearance, reputation, operation or maintenance of the Airport, or the comfort of tenants, passengers or others using such areas or facilities.

D. Except as otherwise provided herein, 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 AUTHORITY reserves the right to license and regulate all persons or companies doing business on the Airport and to impose reasonable and non-discriminatory charges for the privilege of conducting any such business and to prohibit persons from engaging in aeronautical activities, the provision of ground transportation services or any commercial activities at the Airport, except in accordance with this Agreement and agreements, concession contracts, permits or operating agreements entered into between AUTHORITY and such persons. A charge will not be considered discriminatory for the purposes of this Agreement if the charge is more for businesses located on the Airport than for businesses located off the Airport.

E. AIRLINE shall comply with all applicable state and federal regulations relating to Airport security and shall control the Airline Premises so as to prevent or deter unauthorized persons from obtaining access to the air operations area of Airport. AIRLINE shall also be required during the Term, at AIRLINE's sole cost and expense, to take such security precautions, with respect to the Airline Premises and the Airline's operations and service personnel related thereto, as AUTHORITY may, from time to time, reasonably require pursuant to generally applicable policies or directives of the AUTHORITY. AIRLINE further agrees to reimburse AUTHORITY for all fines or charges imposed by any applicable governmental authority against the AUTHORITY as a result of AIRLINE's violation of any laws, rules and regulations promulgated by such authority.

F. AIRLINE acknowledges that a portion of the Airline Premises is to be used by the traveling public. 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. AIRLINE covenants and agrees that it shall not injure, deface or otherwise harm the Airline Premises in any manner that will constitute waste, and that it 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. AIRLINE agrees to use reasonable efforts to participate in any lawful Airport-wide programs or initiatives of general applicability as the AUTHORITY may require upon notice to the AIRLINE; provided such program or initiative shall not result in any material cost or expense or result in any undue burden to AIRLINE.

ARTICLE 6: OPERATION AND MAINTENANCE OF THE AIRPORT

6.01 Designation of Operation and Maintenance Responsibilities. In addition to the obligations of AIRLINE and AUTHORITY set forth in this Article 6, responsibilities for maintenance, cleaning, and operation of the Airport shall be as set forth in Exhibit F, attached hereto and made a part hereof. AIRLINE and AUTHORITY shall each timely perform their respective obligations as described on Exhibit F.

6.02 AUTHORITY Obligations.

A. AUTHORITY shall, with reasonable diligence and in order of priority determined by AUTHORITY in its discretion, prudently develop, improve, and at all times maintain and operate the Airport with qualified personnel and keep the Airport in an orderly, clean, neat and sanitary condition, and in good repair, unless such maintenance, operation, or repair shall be AIRLINE's obligation pursuant to Section 6.03 or Exhibit F.

B. AUTHORITY shall, to the extent it is legally able so to do, use reasonable efforts to keep the Airport and its aerial approaches free from ground obstruction for the safe and proper use thereof by AIRLINE.

C. AUTHORITY shall not be liable to AIRLINE for temporary failure to furnish all or any of such services to be provided in accordance with this Section 6.02 or Exhibit F when such failure is due to mechanical breakdown not caused by AUTHORITY's sole negligence or is due to any other cause beyond the reasonable control of AUTHORITY.

D. AUTHORITY shall maintain throughout the Term (i) loading bridges; (ii) preconditioned air systems; (iii) associated 400 Hertz units; (iv) inbound and outbound baggage handling systems; (v) lightning detection systems; (vi) water cabinets, and (vii) other systems that may be acquired by AUTHORITY after the Effective Date. AUTHORITY shall provide and maintain holdroom seating, gate podiums and the equipment described in Section 5.02G.

E. AUTHORITY shall, in the operation of the Airport, comply with all local, state and federal laws, rules and regulations.

F. To the extent AUTHORITY is requested to make repairs or otherwise maintain AIRLINE's Exclusive Use Premises, AUTHORITY shall charge AIRLINE a reasonable cost for such service (including both time and materials), which cost AIRLINE shall pay promptly upon receipt of an invoice therefor.

6.03 AIRLINE Obligations.

A. AIRLINE shall, at all times, preserve and keep Airline Premises, including loading bridges and related equipment, in an orderly, clean, neat, and sanitary condition, free from trash and debris resulting from AIRLINE's operations, provided, however, this

requirement shall not be construed to mean AIRLINE shall have janitorial responsibilities designated to be those of AUTHORITY pursuant to Exhibit F.

B. AIRLINE shall keep, at its own expense, its Terminal Aircraft Aprons free of fuel, oil, debris, and other foreign objects.

C. AIRLINE shall operate and maintain at its own expense any improvements and/or equipment installed by AIRLINE for the exclusive use of AIRLINE.

D. Should AIRLINE fail to perform any of its material obligations hereunder, AUTHORITY shall have the right to enter the Airline Premises and perform such activities; provided, however, other than in a case of emergency, AUTHORITY shall give AIRLINE reasonable advance written notice of non-compliance, not to exceed ten (10) days, prior to the exercise of this right. If such right is exercised, AIRLINE shall pay AUTHORITY, upon receipt of invoice, the cost of such services plus ten percent (10%). Nonpayment of such invoice shall be deemed a default of this Agreement, pursuant to Section 12.01B below.

ARTICLE 7: RENTALS, FEES, AND CHARGES

AIRLINE shall pay AUTHORITY rentals for use of Airline Premises, and fees and charges for the other rights, licenses, and privileges granted hereunder during the Term of this Agreement, in each case as described by, and payable in accordance with, the following:

7.01 Landing Fees.

A. AIRLINE shall pay to AUTHORITY each month, pursuant to Section 7.07 below, an amount equal to the then current Landing Fee Rate, determined as set forth below, as applied to AIRLINE's total landed weight for the preceding month (the "Landing Fee"). AIRLINE's total landed weight for each month shall be equal to the sum of the products obtained by multiplying the Maximum Gross Landed Weight of each type of AIRLINE's aircraft by the number of Chargeable Landings of each such aircraft during such month, determined in accordance with Section 7.06 below. The Landing Fee Rate shall be determined by AUTHORITY in its reasonable discretion by dividing the Net Airfield Requirement by the aggregate Maximum Gross Landed Weight of all Signatory Airlines for the applicable period. An example of such calculation is described in Exhibit E attached hereto.

B. AIRLINE shall pay to AUTHORITY each month, pursuant to Section 7.07 below, an apron use fee calculated in accordance with attached Exhibit E ("Apron Use Fee").

7.02 Terminal Rentals.

A. AIRLINE shall pay to AUTHORITY, pursuant to Section 7.07 below, an amount equal to the sum of AIRLINE's rental payments for Exclusive Use Premises and Preferential Use Premises, as calculated pursuant to Section 7.02B below, and Common Use Premises, as calculated pursuant to Section 7.02C below.

B. AIRLINE's annual rental payment for Exclusive Use Premises and Preferential Use Premises shall equal the sum of the products obtained by multiplying the applicable rental rates for the applicable period, calculated in accordance with Exhibit E, by the amount of the corresponding class of space leased by AIRLINE as Exclusive Use Premises and Preferential Use Premises that period, as set forth in Exhibit C. The average rental rate of all classes of space applicable to each period shall be determined by AUTHORITY in its reasonable discretion by dividing the Net Terminal Requirement by the Rentable Square Feet ("Average Terminal Rental Rate"). An example of such calculation is set forth in Exhibit E attached hereto. Actual rental rates for different classes of space shall be determined by AUTHORITY in accordance with attached Exhibit E, based on the Average Terminal Rental Rate.

C. (1) The aggregate monthly rental payments owed by all Signatory Airlines for Common Use Premises shall be ninety two percent (92%) times the annual aggregate rental amount owed for all Common Use Premises based on the rental rates applicable to

such Common Use Premises, determined in accordance with Section 7.02B above, divided by twelve (12). AIRLINE's share of the aggregate monthly rental payments for Common Use Premises ("Common Use Charges") shall be determined by applying the Common Use Formula, as calculated with respect to AIRLINE, to the aggregate rental payment owed that month. AIRLINE shall pay to AUTHORITY each month, pursuant to Section 7.07 below, AIRLINE'S Common Use Charges for its use of Common Use Premises.

(2) For purposes of the Common Use Formula, AIRLINE shall include in its monthly report of Enplaned Passengers and Deplaned Passengers the total number of Enplaned Passengers and Deplaned Passengers handled or otherwise accommodated by AIRLINE, including for its Identified Affiliates.

D. AIRLINE shall pay the Airline Equipment Charge pursuant to Section 7.07.

7.03 Extraordinary Service Charges. Throughout the Term of the Agreement, AIRLINE shall pay AUTHORITY for additional equipment and services provided by AUTHORITY for AIRLINE's use (e.g., club room finishes, or any other systems or equipment that are unique or special to AIRLINE's operation) pursuant to authorizations executed by AIRLINE. AIRLINE's charges for AUTHORITY purchased and/or provided equipment and services shall be as set forth in a separate agreement with AUTHORITY, and all such charges received by AUTHORITY shall be allocated to the Terminal Cost Center.

7.04 Aircraft Parking Charges. AIRLINE shall pay to AUTHORITY aircraft parking charges as established from time to time by AUTHORITY for aircraft remotely parked overnight on the ramp and away from the Terminal Aircraft Aprons leased by AIRLINE. All such charges received by AUTHORITY shall be allocated to the Airfield Cost Center.

7.05 Other Fees and Charges.

A. AUTHORITY expressly reserves the right to assess and collect the following fees and charges, each as established from time to time by AUTHORITY, which amounts, when allocated, shall be allocated to and between Cost Centers deemed most appropriate in the reasonable discretion of AUTHORITY:

(1) Fees for services provided by AIRLINE for Air Transportation Companies, or for AIRLINE by Air Transportation Companies, pursuant to Sections 5.01P and 5.01Q of this Agreement, if such services or concessions would otherwise be available from a concessionaire or licensee of AUTHORITY; provided, however, that no fees shall be collected in connection with services provided by AIRLINE to AIRLINE'S Identified Affiliates or to AIRLINE by its Identified Affiliates.

(2) Fees and charges for services, equipment or facilities not otherwise enumerated in this Agreement, but provided by AUTHORITY or its contractors and utilized by AIRLINE, including, but not limited to, fees and charges for special

maintenance of Airline Premises, use of equipment such as CUPPS, CUSS and CUTE (which fee shall be as calculated in accordance with Exhibit E), Federal Inspection Services (FIS) facility fees and/or Facility Fees.

(3) All costs, charges or expenses for the provision of any services or facilities which AUTHORITY is required or mandated to provide by any governmental entity (other than AUTHORITY acting within its proprietary capacity) having jurisdiction over the Airport. AUTHORITY shall, upon request and to the extent not prohibited by applicable law, rule or regulation, identify for AIRLINE the particular rule, order or mandate resulting in such costs, charges or expenses.

B. AUTHORITY reserves the right to charge AIRLINE or its employees a fee based on AUTHORITY's cost of providing services and facilities for the employee parking area(s) provided at the Airport. All such charges received by AUTHORITY shall be allocated to the Ground Transportation Cost Center.

C. AIRLINE shall pay all applicable sales, use, intangible and ad valorem taxes of any kind, payable in connection with the rental of Airline Premises, the real property and any improvements thereto or the leasehold estate created herein, or which result from AIRLINE's occupancy or use of Airline Premises or otherwise from this Agreement, whether levied against AIRLINE or AUTHORITY. AIRLINE shall also pay any other taxes or assessments against the Airline Premises or leasehold estate created herein. AIRLINE may reserve the right to contest such taxes and withhold payment of such taxes upon written notice to AUTHORITY of its intent to do so, so long as the nonpayment of such taxes does not result in a lien against the real property or any improvements thereon of a direct liability on the part of AUTHORITY. AUTHORITY agrees to immediately forward to AIRLINE any notices of such taxes and assessments due upon receipt of same.

D. The Signatory Airlines shall pay, as additional rental payments, an amount necessary in any Fiscal Year to satisfy AUTHORITY's rate covenant, as set forth in Section 711 of the Bond Resolution, or any successor thereto ("Extraordinary Coverage Protection"). Any shortfalls in annual receipts required by the AUTHORITY's rate covenant shall not be satisfied with prior year surpluses or AUTHORITY cash balances, even if such exist; but shall be satisfied by the Extraordinary Coverage Protection payments described herein. AIRLINE's share of such Extraordinary Coverage Protection payments shall equal the total required payment times a fraction, the numerator of which is the estimated number of annual Enplaned Passengers for Airline for the Fiscal Year such payment is due and the denominator of which is the estimated number of annual Enplaned Passengers of all Signatory Airlines that actually make an Extraordinary Coverage Protection payment. The estimated number of Enplaned Passengers and the required amount of the Extraordinary Coverage Protection payment shall be determined by AUTHORITY in its reasonable discretion. All Extraordinary Coverage Protection payments shall be due within fifteen (15) days after notice from AUTHORITY. The AUTHORITY may provide notice of the requirement for Extraordinary Coverage

Protection payments at any time, and from time to time, during a Fiscal Year that it appears, in the AUTHORITY's reasonable discretion, that such payments will be required pursuant to the terms hereof; provided, however, that the AUTHORITY shall afford the Signatory Airlines a reasonable opportunity to discuss the requirement with the AUTHORITY prior to requiring such payment.

7.06 Information to be Supplied by AIRLINE.

A. Not later than ten (10) days after the end of each month, AIRLINE shall file with AUTHORITY separate written or electronic reports on forms provided by AUTHORITY and included as samples in Exhibit D attached hereto, for activity conducted by AIRLINE during said month, and for activity handled by AIRLINE for each Air Transportation Company not having an agreement with AUTHORITY providing for its own submission of activity data to AUTHORITY. Such activity reporting shall include, but not be limited to, revenue and non-revenue Enplaned Passengers, Deplaned Passengers, pounds of cargo and mail, Chargeable Landings by aircraft type and Maximum Gross Landed Weight by aircraft type.

B. AUTHORITY shall have the right, but shall not be required, to rely on said activity reports in determining rentals, fees and charges due hereunder. AUTHORITY may also rely on alternative sources of information, such as FAA statistics and electronic data collection systems, to determine rentals, fees and charges due hereunder. Use of such alternative sources by AUTHORITY shall not relieve AIRLINE of its reporting obligations hereunder. To the extent there is a discrepancy between the information provided by AIRLINE and information gathered from other sources, AUTHORITY's determination as to the most reliable and accurate information shall be conclusive and binding on the parties, absent fraud or manifest error. AIRLINE shall have full responsibility for the accuracy of said reports. Payment deficiencies of more than ten percent (10%) by category of rentals, fees, and charges due on an annual basis hereunder that are due to incomplete or inaccurate activity reports shall be subject to interest charges, at a rate of eighteen percent (18%) per annum.

C. AIRLINE shall at all times maintain and keep records reflecting the activity statistics of AIRLINE's activities at the Airport to be reported pursuant to Section 7.06A. Such records shall be retained by AIRLINE for a period of three (3) years subsequent to the activities reported therein, or such other retention period as set forth in FAR Part 249, and upon prior written notice to AIRLINE shall be made available at Orlando, Florida for audit and/or examination by AUTHORITY or its duly authorized representative during all normal business hours. AIRLINE shall produce such books and records at Orlando, Florida within thirty (30) calendar days of 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 AUTHORITY to audit said books and records at AIRLINE's facilities. The cost of such audit, with the exception of the aforementioned expenses, shall be borne by AUTHORITY; provided, however, the total cost of said audit shall be borne by AIRLINE if either or both of the following conditions exist:

(1) The audit reveals an underpayment of more than ten percent (10%) by category of rentals, fees, and charges due on an annual basis hereunder, as determined by said audit;

(2) AIRLINE has failed to maintain true and complete records in accordance with this Section 7.06C.

7.07 Payments.

A. Payments of one-twelfth (1/12) of the total annual rentals, as may be adjusted from time to time, for AIRLINE's Exclusive Use Premises and Preferential Use Premises shall be due in advance, without demand or invoice, on the first day of each month. Said rentals and charges shall be deemed delinquent if payment is not received by the tenth (10) day of the month.

B. Payment of AIRLINE's Landing Fees, Apron Use Fees and aircraft parking charges under Section 7.04 shall be due fifteen (15) days from AUTHORITY's issuance of invoice, and shall be deemed delinquent if not received within ten (10) days after the due date.

C. Payment of AIRLINE's Common Use Charges, Airline Equipment Charges and any recurring charges under Section 7.05 (such as for CUPPS, CUSS or CUTE equipment), shall be due fifteen (15) days from AUTHORITY's issuance of invoice, and shall be deemed delinquent if not received within ten (10) days of the due date.

D. Payment for all other fees and charges due hereunder, shall be due as of the due date stated on AUTHORITY's invoice. Said fees and charges shall be deemed delinquent if payment is not received within thirty (30) days of the due date of such invoice.

E. AUTHORITY shall provide notice of any and all payment delinquencies, including any deficiencies which may be due as a result of AUTHORITY's estimates of activity pursuant to Section 7.07F below, or due to an audit performed pursuant to Section 7.06C 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 AUTHORITY. This provision shall not preclude AUTHORITY from canceling this Agreement for default in the payment of rentals, fees, or charges, as provided for in Section 12.01B below, or from exercising any other rights contained herein or provided by law. In the event AUTHORITY sends AIRLINE an invoice in error (as opposed to an invoice based on estimates or budgets that happens to differ from the final trued-up amount due, which would not be deemed an invoice sent in error) and AIRLINE pays such invoice, 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 AUTHORITY.

F. In the event AIRLINE fails to submit its monthly activity reports as required in Section 7.06A, AUTHORITY shall estimate the rentals, fees, and charges based upon the highest month of the previous twelve (12) month's activity reported by AIRLINE and issue an invoice to AIRLINE for same. If no activity data is available, AUTHORITY shall reasonably estimate such activity and invoice AIRLINE for same. AIRLINE 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, 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 credit for interest on payments of such estimated amounts.

G. In the event AIRLINE's obligations with respect to Airline Premises or rights, licenses, or privileges granted hereunder shall commence or terminate on any date other than the first or last day of the month, AIRLINE's rentals, fees, and charges shall be prorated on the basis of the number of days such premises, facilities, rights, licenses, services, or privileges were enjoyed during that month.

H. All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off, by check made payable to AUTHORITY and delivered to:

Via Express Mail

Via Wire Transfer

Via U.S. Mail

7.08 Security for Performance.

A. Unless AIRLINE has provided regularly scheduled flights to and from the Airport during the eighteen (18) months prior to the Effective Date of this Agreement without the occurrence of any act or omission that would have been an event enumerated in Section 12.01 of this Agreement, if this Agreement had been in effect during that period, AIRLINE shall provide AUTHORITY on the Effective Date of this Agreement with a contract bond, irrevocable letter of credit or other similar security acceptable to AUTHORITY ("Performance Security") in an amount equal to the estimate of three (3) months' rentals, fees and charges payable by AIRLINE (excluding PFC's) pursuant to this Article 7, to guarantee the faithful performance by AIRLINE of its obligations under this Agreement and the payment of all rentals, fees and charges due hereunder. AIRLINE shall be obligated to maintain such Performance Security in effect until the expiration of eighteen (18) consecutive months during which period AIRLINE commits no event enumerated in Section 12.01 of this Agreement. Such Performance Security shall be in a form and with a company reasonably acceptable to AUTHORITY and licensed to do business in the State of Florida. In the event that any such Performance Security shall be for a period less than the full period required by this Section 7.08A or if

Performance Security shall be canceled, 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 by AIRLINE may be adjusted from time to time by AUTHORITY based on updated estimates of rentals, fees and charges payable by AIRLINE. AIRLINE shall deposit increased Performance Security promptly after receipt of notice of adjustment from AUTHORITY. AUTHORITY may waive any requirement herein in its exclusive discretion.

B. In the event AUTHORITY is required to draw down or collect against AIRLINE's Performance Security for any reason, AIRLINE shall, within ten (10) business days after AUTHORITY's written demand, take such action as may be necessary to replenish the existing Performance Security to its original amount (three months' estimated rentals, fees, 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 rentals, fees, and charges payable by AIRLINE pursuant to this Article 7.

C. If AIRLINE is not required to have Performance Security in place at any time, then, upon the occurrence of any act or omission by AIRLINE that is an event enumerated in Section 12.01, or upon the failure of AIRLINE to pay any rentals, fees or charges hereunder when due for sixty (60) consecutive days, or upon AIRLINE's election to assume this Agreement under Federal Bankruptcy Rules and Regulations and Federal Judgeship Act of 1984 or any successor statute, as such may be amended, supplemented, or replaced, AUTHORITY, by written notice to AIRLINE given at any time within ninety (90) days after the date such event becomes known to AUTHORITY, may impose or reimpose the Performance Security requirements of Section 7.08A on AIRLINE. In such event, AIRLINE shall provide 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 requirements for removal of the Performance Security set forth in Section 7.08A are met.

D. If AIRLINE shall fail to obtain and/or keep in force such Performance Security required hereunder, such failure shall be grounds for immediate cancellation of this Agreement pursuant to Section 12.01. AUTHORITY'S rights under this Section 7.08 shall be in addition to all other rights and remedies provided to AUTHORITY under this Agreement.

E. AIRLINE and AUTHORITY agree that this Agreement constitutes an 'executory contract' for the purposes of Section 365 of the United States Bankruptcy Code (Title 11 USC) subject to assumption or rejection, and subject to the terms and conditions of assumption or rejection, as provided in said Section 365. Furthermore, AIRLINE and AUTHORITY agree that any Performance Security provided by AIRLINE are 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 AUTHORITY's ability to draw against the Performance Security).

F. AIRLINE and AUTHORITY agree that, to the extent permitted by applicable law, all PFCs collected by AIRLINE with respect to Enplaned Passengers at the Airport, are property of AUTHORITY when collected, and, to the extent held by AIRLINE, are being held in trust for AUTHORITY.

7.09 No Further Charges. Except as provided in this Agreement, or as may be permitted or required by any governmental entity (other than AUTHORITY, acting within its proprietary capacity) having jurisdiction over the Airport, no further rentals, fees, or charges shall be charged against or collected from AIRLINE, its passengers, its shippers and receivers of freight, its suppliers or material, its contractors or furnisher or services, by AUTHORITY, acting in its capacity as Airport proprietor, for the premises, facilities, rights, licenses, and privileges granted to AIRLINE herein.

ARTICLE 8: CHANGES IN RATES FOR RENTALS, FEES, AND CHARGES

8.01 Annual Rate Changes.

A. Prior to the end of each Fiscal Year during the Term of this Agreement, AUTHORITY shall notify AIRLINE of the proposed schedule of initial rates for rentals, fees, and charges for the ensuing Fiscal Year. Such rates shall be determined and presented to AIRLINE substantially in conformance with the methods and format set forth in Article 7 and Exhibit E attached hereto.

B. If calculation of the new rates for rentals, fees, and charges is not completed by AUTHORITY and the notice provided in Section 8.01A is not given on or prior to the end of the then current Fiscal Year, the rates for rentals, fees, and charges then in effect shall continue to be paid by AIRLINE until such calculations are concluded and such notice is given. Upon the completion of such calculations and the giving of such notice, AUTHORITY shall determine the difference(s), if any, between the actual rentals, fees, and charges paid by AIRLINE to date for the then current Fiscal Year and the rates for rentals, fees, and charges that would have been paid by AIRLINE if said rates had been in effect beginning on the first day of the Fiscal Year. Such differences shall be applied to the particular rentals, fees, or charges for which a difference(s) in rates resulted in an overpayment or underpayment, and shall be remitted by AIRLINE or credited or refunded by AUTHORITY in the month immediately following the calculation of the new Fiscal Year rates and the giving of written notice to AIRLINE by AUTHORITY.

C. AIRLINE acknowledges that AUTHORITY'S determination of Net Airfield Requirement, Net Terminal Requirement, Landing Rate, Landing Fee, Apron Use Fee, Terminal rentals, Common Use Charges and other fees and charges due hereunder, is based on estimates by AUTHORITY of many factors and AIRLINE agrees to pay monthly rentals, fees and charges as determined by AUTHORITY based on such estimates, subject to a true-up calculation by AUTHORITY of total rentals, fees and charges owed by AIRLINE for a particular Fiscal Year to be completed, within 120 days after the end of such Fiscal Year or as soon as possible after audited financial information is available to AUTHORITY, whichever is later. For clarification, the true-up calculation shall be based, to the extent possible, on actual results for a Fiscal Year, and shall be calculated by the AUTHORITY in a manner consistent with the true-up calculation for all Signatory Airlines. AUTHORITY may recover or pay, as the case may be, amounts owing to or from AUTHORITY as a result of such true-up by, in its discretion, (a) adjusting revenue sharing payments owed under Section 8.03 below, (b) adjusting future rentals, fees and charges due from AIRLINE under this Article 7 by an amount deemed reasonable by AUTHORITY or (c) by making payment to, or requiring payment from, AIRLINE. AIRLINE and AUTHORITY each agrees to make payment of any amount due hereunder within thirty (30) days, if the payment in (c) above is the true up methodology chosen.

D. AUTHORITY may recalculate its Landing Fee, Apron Use Fee, Terminal rental rates and Common Use Charges any time the unaudited monthly financial data collected by the AUTHORITY indicates (a) that the amounts projected to be owed by AIRLINE or any other Signatory Airline for that Fiscal Year are reasonably likely to fall short of, or exceed, the amounts to be paid by such AIRLINE or Signatory Airline under then current rates by at least ten percent (10%) or (b) the amounts projected to be collected in the Airfield Cost Center or in the Terminal Cost Center for that Fiscal Year are reasonably likely to fall short of, or exceed, the amounts required to be collected in such Cost Centers for such Fiscal Year by at least ten percent (10%).

8.02 Changes in Rates, Fees and Charges. Adjustments to rates for rentals, fees, and charges, but not the methodology of calculating them, shall apply without the necessity of formal amendment of this Agreement.

8.03 Revenue Sharing.

A. For each Fiscal Year, AUTHORITY will pay to the Signatory Airlines, in the aggregate, an amount equal to (a) one hundred percent (100%) of any Extraordinary Coverage Protection payments made with respect to such year, but only to the extent of Net Shared Revenues and to the extent of uncommitted funds in the Improvement and Development Fund (as defined in the Bond Resolution), and (b) the Applicable Signatory Airline Revenue Share Percentage of any balance of Net Shared Revenues after subtracting an amount equal to Extraordinary Coverage Protection payments made with respect to such year ("Revenue Sharing Payment"). AIRLINE's share of the total Revenue Sharing Payments due hereunder for a Fiscal Year shall, with respect to (a) above, be equal to the proportion of Extraordinary Coverage Protection payments made by AIRLINE and with respect to (b) above, shall equal a fraction of such amount, the numerator of which is the total number of Enplaned Passengers for AIRLINE for that Fiscal Year and the denominator of which is the total number of Enplaned Passengers for all Signatory Airlines for that Fiscal Year. Only Air Transportation Companies who were Signatory Airlines on the last day of a Fiscal Year shall be entitled to any payments hereunder for such Fiscal Year. Only the number of Enplaned Passengers counted during such time as an Air Transportation Company was a Signatory Airline during a particular Fiscal Year, but not when an Air Transportation Company was not a Signatory Airline during such Fiscal Year, shall be considered for purposes of any calculation hereunder. Furthermore, if an Air Transportation Company ceases being a Signatory Airline at some point in a Fiscal Year ("First Signatory Term") and later becomes a Signatory Airline again in the same Fiscal Year ("Second Signatory Term"), only Enplaned Passengers counts for such Air Transportation Company during the Second Signatory Term, but not the First Signatory Term, shall be considered for purposes of any calculation hereunder.

B. AUTHORITY shall use commercially reasonable efforts to estimate the Revenue Sharing Payment to be made to AIRLINE within sixty (60) days after the conclusion of each Fiscal Year and, to the extent AUTHORITY is comfortable with such estimate, shall pay to AIRLINE eighty percent (80%) of such estimated Revenue Sharing Payment

within such sixty (60) day period. AUTHORITY shall pay to AIRLINE the balance of each Revenue Sharing Payment owed to AIRLINE within thirty (30) days after AUTHORITY determines the actual Revenue Sharing Payment owed to AIRLINE for the prior Fiscal Year, which is expected to be following the completion of audited financial statements for such Fiscal Year.

8.04 AUTHORITY Covenants.

A. AUTHORITY covenants that for purposes of assigning and allocating costs, it shall utilize generally accepted accounting practices utilized for airports operating as an enterprise fund, and include only those charges properly attributable to the Airport.

B. AUTHORITY shall use Revenues of the Airport on the Airport System, in accordance with the provisions of the Bond Resolution and applicable law.

ARTICLE 9: CAPITAL EXPENDITURES AND IMPROVEMENTS

9.01 Need for Capital Expenditures. The parties hereto recognize that Capital Expenditures to preserve, protect, enhance, expand, renovate or otherwise improve the Airport or any part thereof, will be required during the Term of this Agreement. Any such Capital Expenditures to be paid for or financed with Revenues shall be subject to the provisions of Sections 9.02 and 9.03, below.

9.02 Capital Expenditures Subject to Signatory Airline Consideration.

A. AUTHORITY shall notify AIRLINE in writing of its intent to undertake any Capital Expenditures not excluded from Majority-in-Interest consideration pursuant to Section 9.03, and shall provide AIRLINE with the following information associated with such Capital Expenditures:

(1) A description of the proposed Capital Expenditure(s), together with cost estimates;

(2) AUTHORITY's anticipated means of financing or paying the costs of the proposed Capital Expenditure(s); and

(3) The planned allocation of the costs thereof to the Airfield Cost Center or the Terminal Cost Center and the projected impact on AIRLINE rates and charges.

B. Within twenty (20) days after AUTHORITY's delivery of the notice set forth above, AIRLINE may request in writing, a meeting with AUTHORITY for the purpose of discussing the proposed Capital Expenditure(s). Should such a request be made, AUTHORITY shall schedule a meeting with Signatory Airlines collectively within sixty (60) days after AUTHORITY's original notice. AUTHORITY agrees to consider comments and recommendations of the Signatory Airlines with respect to proposed Capital Expenditure(s).

C. Unless Signatory Airlines constituting a Majority-in-Interest shall issue written disapprovals to AUTHORITY for a particular Capital Expenditure that is subject to Majority-in-Interest consideration within thirty (30) days after the date set for the meeting between the AUTHORITY and the Signatory Airlines, time being of the essence, AUTHORITY may proceed with such Capital Expenditures. AUTHORITY may also proceed at any time with Capital Expenditures not requiring Majority-in-Interest consideration, as set forth in Section 9.03, and with any other improvements or developments not defined as a Capital Expenditure herein.

D. In the event of a Majority-in-Interest disapproval of a proposed Capital Expenditure subject to Majority-in-Interest consideration, AUTHORITY shall have the option to convene a second meeting with the Signatory Airlines within forty five (45) days following the date of disapproval for the purpose of providing additional information relative to the proposed Capital Expenditure and to request reconsideration.

The reconsidered Capital Expenditure shall be subject to Majority-in-Interest disapproval, as set forth in subparagraph C above.

E. AUTHORITY may issue Bonds, Subordinated Indebtedness, or Other Indebtedness to finance any Capital Expenditures permitted by this Article 9. All costs associated with Capital Expenditures permitted by this Article 9, including but not limited to, Operating Expenditures (including appropriate reserves therefor) shall be included in the determination of rates for rentals, fees, and charges in accordance with Article 7 above.

9.03 Capital Expenditures Not Subject to Signatory Airline Consideration. The following Capital Expenditures shall be permitted to be undertaken by the AUTHORITY at any time and shall not be subject to consideration or disapproval by the Signatory Airlines:

A. New development, planning, replacement, renovation, construction or expansion projects to the extent applicable to the Airfield Cost Center that have a gross project cost equal to or less than Five Million Dollars (\$5,000,000).

B. New development, renovation, planning, replacement, construction or expansion projects to the extent applicable to the Terminal Cost Center with gross project cost equal to or less than Five Million Dollars (\$5,000,000).

C. Projects for the increased requirements of any Signatory Airline(s) if such Signatory Airline(s) agree to increased rentals, fees, and charges sufficient to cover the annual debt service associated with the project.

D. Projects required by the FAA, the Department of Transportation or other governmental authority, other than AUTHORITY, having jurisdiction over the Airport; provided, however, that AUTHORITY shall, upon request and to the extent not prohibited by applicable law, rule or regulation or such governmental authority, substantiate the requirement by identifying for AIRLINE the particular rule, order or mandate issued by such governmental authority.

E. Projects to repair or replace casualty damage to Airport property which must be rebuilt or replaced in order for AUTHORITY to meet its obligations pursuant to this Agreement, the Bond Resolution, or agreements with other lessees at the Airport, or which are funded from insurance proceeds.

F. Facilities or equipment for which the tenant(s) or other user(s) thereof shall be required to pay directly, or reimburse AUTHORITY for, all capital costs, including finance costs, associated with such facilities during the Term of this Agreement.

G. Improvements or additions, including the associated costs therefor, necessary or reasonable in the judgment of the AUTHORITY to settle lawful claims, satisfy judgments, or comply with judicial orders against AUTHORITY by reason of its ownership, operation, maintenance, or use of the Airport.

H. Expenditures of an emergency nature which, if not made within the time established for the Majority-in-Interest disapproval process, would result in the closing or inoperability of any portion of the Airport.

I. Projects to the extent applicable to Cost Centers other than the Airfield Cost Center and the Terminal Cost Center.

J. The projects identified in Exhibit B, including an additional twenty-five percent (25%) cost escalation for each project. The AUTHORITY agrees to continue reviewing its capital improvement plan during the Term of the Agreement to undertake projects that are appropriate in its judgment, to continue to support growth and demand for, and the operation and maintenance of, facilities at the Airport.

9.04 Alterations and Improvements by AIRLINE. In accordance with Section 5.01M above, AIRLINE may construct and install, at AIRLINE's sole expense, such improvements in its non-public Exclusive Use Premises and non-public Preferential Use Premises as AIRLINE deems to be necessary for its operations; provided, however, that the plans and specifications, location, and, in the Executive Director's exclusive discretion, construction schedule for such improvements shall be approved by the Executive Director in writing prior to the commencement of any and all such construction or installation and that AIRLINE complies with the requirements of AUTHORITY in effect from time to time. Said approval shall not be unreasonably withheld, conditioned or delayed. No reduction or abatement of rentals, fees, and charges shall be allowed for any interference with AIRLINE's operations by such construction.

9.05 Security.

A. Surety Bonds.

(1) Prior to the commencement of any improvements greater than \$250,000 at the Airport, AIRLINE shall obtain, or cause to be obtained, and deliver to AUTHORITY and record in the public records of Orange County, payment and performance bonds in sums equal to the full amount of the construction contract awarded by AIRLINE for the improvements, as described more fully herein.

(2) Such bonds shall name AUTHORITY as an obligee thereunder and shall be drawn from such company acceptable to AUTHORITY and licensed to do business in the State of Florida, subject to AUTHORITY's reasonable approval.

(3) All payment bonds required hereunder with any contractor or contractors of AIRLINE, as principal, shall be in the sum equal to the full amount of the construction contract awarded by AIRLINE for the improvements. Such bond shall name AUTHORITY as an obligee thereunder and shall guarantee payment of all wages for labor and services engaged, and of all bills for materials, supplies, and equipment used in the performance of said construction contract.

(4) All performance bonds required hereunder shall name AUTHORITY as an obligee thereunder, and shall be drawn in from such company reasonably acceptable to AUTHORITY and licensed to do business in the State of Florida; shall guarantee the faithful performance of necessary construction and completion of improvements in accordance with approved final plans and detailed specifications, and shall protect AUTHORITY against any losses and liability, damages, expenses, claims, and judgments caused by or resulting from any failure to perform completely the work described.

(5) Bonds required hereunder shall be submitted in the forms reasonably acceptable to AUTHORITY from time to time, and AIRLINE shall be responsible for taking such steps as necessary to ensure that such bonds shall fully comply, both in form and substance, with the requirements of Section 255.05, Fla. Stat., any successor thereto and any other applicable law or regulation. AIRLINE shall provide AUTHORITY with a true copy of the recorded bonds as evidence of such recording.

(6) Any construction or installation work by or for AIRLINE at the Airport shall not unreasonably interfere with the operation of the Airport, or otherwise unreasonably interfere with the permitted activities of other Terminal tenants and users. Upon completion of approved construction and within sixty (60) days after AIRLINE's receipt of a certificate of occupancy, a complete set of as-built drawings shall be delivered to the Executive Director in a media type and format acceptable to AUTHORITY for the permanent record of AUTHORITY.

B. Sureties' Qualifications.

(1) All bonds required under this Section shall be written with a surety meeting the following requirements: (i) rated by the latest edition of A.M. Best Company Insurance Guide no less than "A-" as to management and no less than "VIII" as to strength for Contracts in which the total contract price exceeds \$1,000,000 and no less than "B+" as to management and no less than "VI" as to strength for Contracts in which the total contract price is \$1,000,000 or less; and (ii) be authorized to transact business in the State of Florida. The surety shall hold a certificate of authority authorizing it to write surety bonds in Florida and the surety bond shall be countersigned by a licensed Florida agent appointed by the surety, and shall also maintain a current certificate of authority as an acceptable surety on Federal Bonds in accordance with U.S. Department of Treasury Circular 570, current revision. If the amount of the bond exceeds the underwriting limitations set forth in Circular 570, in order to qualify, the net retention of the surety company shall not exceed the underwriting limitation in Circular 570 and the surety shall provide evidence satisfactory to AUTHORITY that the amount in excess of the net retention is protected by co-insurance, reinsurance, or other methods in accordance with Treasury Circular 297, Revised September 1, 1978 (31 CFR Section 223.10, Section 223.11).

(2) Notwithstanding anything contrary in this Agreement or Subsection, in the event the total contract price does not exceed \$500,000, as determined in accordance with

Section 287.0935, Florida Statutes, bonds with a surety company in compliance with the following requirements shall be acceptable: (i) The surety company is licensed to do business in the State of Florida; (ii) The surety company holds a certificate of authority authorizing it to write surety bonds in Florida; (iii) The surety company has twice the minimum surplus and capital required by the Florida Insurance Code at the time the invitation to bid is issued; (iv) The surety company is otherwise in compliance with the provisions of the Florida Insurance Code; and (iv) The surety company holds a currently valid certificate of authority issued by the United States Department of the Treasury under 31 U.S.C. §§ 9304 to 9308. In order to qualify as an acceptable surety company, an Affidavit for Surety Company shall be executed by an Officer of the surety bond insurer as evidence that a surety company is in compliance with the foregoing requirements.

(3) It is further mutually agreed between AIRLINE and AUTHORITY that if at any time, AUTHORITY shall deem the surety or sureties upon any bond to be unsatisfactory, or if for any reason such bond (because of increases in the work or otherwise) ceases to be adequate, AIRLINE shall, at its expense, within five (5) days after the receipt of notice from AUTHORITY to do so, furnish or cause to be furnished an additional or replacement bond or bonds in such form, amount, and with such surety or sureties as shall be satisfactory to AUTHORITY.

C. Alternate Form of Security.

In lieu of a payment bond and a performance bond in the amount of any contract between AIRLINE and a contractor, pursuant to Section 255.05, Fla. Stat., AIRLINE may furnish or caused to be furnished to AUTHORITY an alternate form of security in the form of cash, a money order, a certified check, a cashier's check, an irrevocable letter of credit, or security of a type listed in Part II of Chapter 625, Fla. Stat., in the amount of the underlying contract. Any such alternative form of security shall be for the same purpose and be subject to the same conditions as those applicable to the bond for which the alternative form of security is being substituted. The determination of the value of an alternative form of security shall be made by AUTHORITY.

9.06 Contractor Insurance. AIRLINE shall require contractors to maintain, and provide evidence satisfactory to AUTHORITY of, insurance (including, but not limited to, worker's compensation/employer's liability insurance, commercial general liability insurance, automobile liability insurance, and builder's risk insurance), in such amounts and in such manner as AUTHORITY may reasonably require. AUTHORITY may require additional insurance for any alterations or improvements approved hereunder, in such limits as AUTHORITY reasonably determines to be necessary.

9.07 Responsibility for Construction. Any construction or installation by or for the benefit of AIRLINE shall be at the sole risk of AIRLINE and shall be in accordance with the Tenant Work Permit Program and all applicable state and local codes and laws and subject to inspection by the Executive Director.

9.08 Ownership of Improvements. All improvements made to Airline Premises and additions and alterations thereto made by AIRLINE, except those financed by AUTHORITY, shall be and remain the property of AIRLINE until expiration of the Term of this Agreement. Upon termination or cancellation of this Agreement, said additions and alterations shall become the property of AUTHORITY or at AUTHORITY's option removed by AIRLINE; provided, however, that any trade fixtures, signs, equipment and other movable personal property of AIRLINE not permanently affixed to Airline Premises shall remain the property of AIRLINE, subject to the terms of Article 14.

ARTICLE 10: DAMAGE OR DESTRUCTION

10.01 Partial Damage. If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline Premises, shall be partially damaged by fire or other casualty or by any AUTHORITY required construction or renovation project, but said circumstances do not render Airline Premises untenable as reasonably determined by AUTHORITY, the same shall be repaired, constructed or renovated to usable condition with due diligence by AUTHORITY as hereinafter provided. No abatement of rentals shall accrue to AIRLINE so long as Airline Premises remain tenantable.

10.02 Substantial Damage. If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline 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 Airline Premises untenable, but capable of being repaired, as reasonably determined by AUTHORITY, the same shall be repaired to usable condition with due diligence by 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 AUTHORITY within ninety (90) days after such damage, and AIRLINE has not been provided comparable alternative facilities, AIRLINE shall have the option to terminate its agreement related to the facilities so damaged. In the case of damage described herein, the rentals payable hereunder with respect to AIRLINE's affected Airline Premises shall be paid up to the time of such damage and shall thereafter be abated equitably in proportion as the part of the area rendered untenable bears to total Airline Premises until such time as the damaged Airline Premises are again tenable or comparable alternative facilities are made available to AIRLINE. AUTHORITY shall use its best efforts to provide AIRLINE with comparable, alternative facilities sufficient to allow AIRLINE to continue its operations while repairs are being completed, at a rental rate applicable to such alternative facilities; provided, however, that AIRLINE shall not be required to lease more alternative space than was rendered untenable in accordance with this Section.

10.03 Destruction.

A. If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline 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 said Airline Premises untenable and not economically feasible to repair, as reasonably determined by AUTHORITY, AUTHORITY shall notify AIRLINE within a period of forty five (45) days after the date of such damage of its decision whether to reconstruct or replace said space; provided, however, AUTHORITY shall be under no obligation to replace or reconstruct such premises. The rentals payable hereunder with respect to affected Airline Premises shall be paid up to the time of such damage and thereafter shall abate until such time as replacement or reconstructed space becomes available for use by AIRLINE.

B. In the event AUTHORITY elects to reconstruct or replace affected Airline Premises, AUTHORITY shall use its best efforts to provide AIRLINE with comparable, alternative facilities sufficient to allow AIRLINE to continue its operation while reconstruction or replacement facilities are being completed; provided, however, that AIRLINE shall not be required to occupy and pay for more alternative space than was rendered untenable in accordance with this Section.

C. In the event AUTHORITY elects to not reconstruct or replace damaged Airline Premises, AUTHORITY shall either relocate AIRLINE, pursuant to Section 4.05B above, or if no premises are available to accomplish such relocation, to terminate this Agreement as to the damaged facilities. In such event, AUTHORITY agrees to amend this Agreement to reflect related additions and deletions to Airline Premises. In the event AIRLINE is not relocated and, after termination of this Agreement as to the damaged facilities, the remaining tenable portion of the Airline Premises is not sufficient to maintain operations at the Airport, AIRLINE may terminate this entire Agreement upon at least sixty (60) days advance notice given within ninety (90) days after receipt by AIRLINE of notice of termination of this Agreement as to the damaged facilities.

10.04 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, Airline Premises shall be damaged or destroyed by fire, other casualty or otherwise, there shall be no abatement of rent during the repair or replacement of said Airline Premises. To the extent that the costs of repairs are not fully recovered from any insurance proceeds payable to AUTHORITY by reason of such damage or destruction, AIRLINE shall pay the amount of such additional costs to AUTHORITY. Upon the evacuation of any premises by AIRLINE, whether due to relocation, termination of this Agreement or otherwise, AIRLINE shall reimburse AUTHORITY for the cost to repair any damage to such premises, other than normal wear and tear.

10.05 AUTHORITY's Responsibilities. AUTHORITY shall maintain commercially reasonable property insurance; provided, however, that 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 (1) substantially the same condition that existed at the date of damage or destruction, or (2) to the extent of insurance proceeds and other funds available to AUTHORITY for such repair, reconstruction, or replacement, whichever is less; provided further that 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

11.01 Indemnification by Airline.

A. Indemnification for Claims. AIRLINE agrees to 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 Indemnitee") 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 Indemnitee) against or incurred by any AUTHORITY Indemnitee and arising out of, or incident to, or in connection with, (a) AIRLINE's use, operation, maintenance or occupancy of the Airline Premises, or (b) the operation of AIRLINE's Air Transportation Business, including the use or access by AIRLINE's ticketed passengers of the Airport; or (c) the performance, non-performance or purported performance of AIRLINE under this Agreement or (d) any breach of the terms of this Agreement by AIRLINE; provided, however, nothing contained in this Section shall require indemnification by AIRLINE of an AUTHORITY Indemnitee from or against any loss, liability or claim to the extent arising from the gross negligence or willful misconduct of such AUTHORITY Indemnitee.

B. Notice and Defense of Claims. Upon the filing by anyone of a claim with AUTHORITY for damages arising out of incidents for which AIRLINE herein agrees to indemnify and hold AUTHORITY or another AUTHORITY Indemnitee harmless, AUTHORITY shall promptly notify AIRLINE of such claim and, in the event that AIRLINE does not settle or compromise such claim, then AIRLINE shall undertake the legal defense of such claim both on behalf of AIRLINE and on behalf of each involved AUTHORITY Indemnitee. It is specifically agreed, however, that in the event of any conflict between an AUTHORITY Indemnitee, including AUTHORITY, and AIRLINE, an AUTHORITY Indemnitee may, at its option, provide its own legal defense and that AIRLINE will promptly reimburse any such AUTHORITY Indemnitee for the reasonable cost, including attorney's fees, incurred by or on behalf of AUTHORITY Indemnitee in the legal defense of such claim.

C. No Voluntary Waiver of Immunity. AIRLINE and AUTHORITY agree that the obligation of AIRLINE to indemnify an AUTHORITY Indemnitee is not intended to waive any sovereign immunity otherwise applicable to an AUTHORITY Indemnitee.

D. Consideration, Survival of Indemnity Obligation and Additional Remedy. AIRLINE recognizes the broad nature of this indemnification and hold harmless clause, and voluntarily makes this covenant and expressly acknowledges the receipt of good and

valuable consideration provided by AUTHORITY in support of this indemnification in accordance with laws of the State of Florida. This clause shall survive the termination of this Agreement as to claims arising during the Term thereof. Compliance with the insurance requirements of this Article 11 shall not relieve AIRLINE of, or otherwise limit, AIRLINE's obligation to indemnify an AUTHORITY Indemnatee as set forth in this Article 11.

11.02 Insurance.

A. Except to the extent AUTHORITY, at its sole discretion otherwise agrees to the contrary, during the Term of this Agreement, AIRLINE shall provide, pay for and maintain the types and amounts of insurance described herein. All such insurance shall be issued by insurers which are eligible to do business in the State of Florida. In addition, all such insurers shall have and maintain throughout the period for which coverage is required, evidence of financial integrity and responsibility reasonably acceptable to 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 and show the AUTHORITY as an additional insured on airline liability/commercial general liability primary and excess coverage. In addition, certified, true, and exact copies of all insurance policies shall be made available to AUTHORITY, at AUTHORITY's cost, on a timely basis, if requested by AUTHORITY.

C. All required insurance coverages of AIRLINE shall be primary to any insurance or self-insurance program of AUTHORITY. In addition, any insurance, or self-insurance maintained by AUTHORITY shall be excess of, and shall not contribute with, the insurance provided by AIRLINE.

D. The acceptance of delivery to AUTHORITY of any certificate of insurance evidencing the insurance coverages and limits required in this Agreement does not constitute approval or acceptance by AUTHORITY that the insurance requirements in this Agreement have been met.

E. No operations shall commence at the Airport unless and until the required certificates of insurance are in effect and approved by AUTHORITY.

F. The insurance coverages and limits required of AIRLINE under this Agreement are designed to meet the minimum requirements of AUTHORITY. They are not designed as a recommended insurance program for AIRLINE. AIRLINE is responsible for insuring its real and personal property located at the Airport. AIRLINE, alone, shall be responsible for the sufficiency of its own insurance program. Should AIRLINE have

any question concerning its exposures to loss under this Agreement, or the possible insurance coverages needed therefor, it should seek professional advice.

G. AIRLINE shall give AUTHORITY thirty (30) days prior written notice by registered or certificated mail of any cancellation, intent not to renew, or material reduction in any policy's coverage instigated by AIRLINE and prompt notice of any such event instigated by an insurance company. Said notices shall be sent pursuant to Section 18.22 of this Agreement.

H. Renewal Certificates of Insurance must be provided to AUTHORITY as soon as practical but in every instance prior to expiration of current coverages.

I. Should at any time AIRLINE not, in the opinion of AUTHORITY, provide or maintain the insurance coverages required in this Agreement, AUTHORITY may terminate or suspend this Agreement.

J. The amounts and types of insurance shall conform to the following minimum requirements.

(1) Workers Compensation and Employer's Liability Insurance shall be maintained in force by AIRLINE during the Term of this Agreement for all employees engaged in the operations on the Airport under this Agreement. The limits of coverage shall not be less than:

Workers' Compensation	Florida Statutory
Employer's Liability	\$1,000,000 Limit Each Accident
	\$1,000,000 Limit Disease Aggregate
	\$1,000,000 Limit Disease Each Employee

(2) Airline Liability Insurance/Commercial General Liability shall be maintained by AIRLINE for the life of this Agreement. Coverage 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 Combined Single Limit Each Occurrence & Aggregate

Sublimits to be provided through the Airline Liability or separate policy:

Liquor Liability Coverage – for any facility of 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 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 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, AIRLINE may provide for reasonable limits of self insurance against environmental liability risks. All amounts paid to AUTHORITY by AIRLINE on account of any self-insurance program shall be deemed insurance proceeds for purposes of this Agreement. To the extent AIRLINE self-insures as to environmental liability, the protections afforded AUTHORITY by AIRLINE shall be the same as if insurance were provided by a third-party insurer and AIRLINE shall have all the obligations and liabilities of a third party insurer hereunder (e.g. obligation to provide a defense).

(3) Aircraft Liability Insurance shall be maintained by AIRLINE during the Term of this Agreement for all owned, non-owned, leased or hired aircraft, including passenger coverage. The limits of coverage shall not be less than:

Bodily & Personal Injury & Property Damage Liability	\$200,000,000 Combined Single Limit Each Occurrence & Aggregate

(4) Business Automobile Liability Insurance shall be maintained by AIRLINE during the Term of this Agreement as to the ownership, maintenance, and use of all owned, non-owned, leased or hired vehicles. The limits of coverage shall not be less than:

Bodily & Personal Injury & Property Damage Liability	\$1,000,000 Combined Single Limit Each Occurrence & Aggregate

(5) Umbrella Liability Insurance or Excess Liability Insurance may be used to reach the limits of liability required by this Article 11.

ARTICLE 12: CANCELLATION BY AUTHORITY

12.01 Events of Default. The events described below shall be deemed Events of Default by AIRLINE hereunder:

(1) The conduct by AIRLINE of any business or performance of any acts at the Airport not specifically authorized herein or by other agreements between AUTHORITY and AIRLINE, and such business or acts do not cease within thirty (30) days after receipt of AUTHORITY's written notice to cease such business or acts.

(2) The failure by 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 rentals, fees, and charges, all as provided for below) within thirty (30) days after receipt of written notice by 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 by AIRLINE of written demand from AUTHORITY to do so, 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. 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.

(3) The failure by AIRLINE to pay any part of the rentals, fees, and charges due hereunder and the continued failure to pay such amounts in full within fifteen (15) days after AUTHORITY's written notice of such default; provided, however, that if a dispute arises between AUTHORITY and AIRLINE with respect to any obligation or alleged obligation of AIRLINE to make payments to AUTHORITY, payments under protest by AIRLINE of the amount due shall not waive any of AIRLINE'S rights to contest the validity or amount of such payment. In the event any court or other body having jurisdiction determines all or any part of the protested payment shall not be due, then AUTHORITY shall promptly reimburse AIRLINE or credit against future payments by AIRLINE any amount determined as not due.

(4) The failure by AIRLINE to provide and keep in force Performance Security in accordance with Section 7.08.

(5) The failure by AIRLINE to obtain and keep in force insurance coverage in accordance with Section 11.02.

(6) The appointment of a trustee, custodian, or receiver of all or a substantial portion of AIRLINE's assets.

(7) The divestiture of AIRLINE's estate herein by operation of law, by dissolution, or by liquidation, (not including a merger or sale of assets).

(8) The insolvency of AIRLINE; or if AIRLINE shall take the benefit of any present or future insolvency statute, shall make a general assignment for the benefit of creditors, or shall seek a reorganization or the readjustment of its indebtedness under any law or statute of the United States or of any state thereof including the filing by AIRLINE of a voluntary petition of bankruptcy or the institution of proceedings against AIRLINE for the adjudication of AIRLINE as a bankrupt.

(9) The abandonment by AIRLINE of the Airline 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 AIRLINE is directly involved.

(10) The failure by AIRLINE to remit PFCs in accordance with Section 18.03.

12.02 Continuing Responsibilities of AIRLINE. Notwithstanding the occurrence of any Event of Default, AIRLINE shall remain liable to AUTHORITY for all rentals, fees, and charges payable hereunder and for all preceding breaches of any obligation under this Agreement. Furthermore, unless AUTHORITY elects to cancel this Agreement, AIRLINE shall remain liable for and promptly pay all rentals, fees, and charges accruing hereunder through the end of the Term.

12.03 AUTHORITY's Remedies. Upon the occurrence of an Event of Default, the following remedies, which shall be cumulative, shall be available to AUTHORITY:

A. AUTHORITY may exercise any remedy provided by law or in equity, including but not limited to the remedies hereinafter specified.

B. AUTHORITY may cancel this Agreement, effective upon the date specified in the notice of cancellation. Upon such date, AIRLINE shall be deemed to have no further rights hereunder and AUTHORITY shall have the right to take immediate possession of AIRLINE's Airline Premises.

C. AUTHORITY may reenter the Airline Premises and may remove all AIRLINE persons and property from same upon the date of reentry specified in AUTHORITY's written notice of reentry to AIRLINE. Upon any removal of AIRLINE property by AUTHORITY hereunder, AIRLINE property may be stored at a public warehouse or elsewhere at AIRLINE's sole cost and expense.

D. AUTHORITY may relet Airline Premises and any improvements thereon or any part thereof at such rentals, fees, and charges and upon such other terms and conditions as AUTHORITY, in its sole discretion, may deem advisable, with the right to make alterations, repairs or improvements on said Airline Premises. In reletting the Airline Premises, AUTHORITY shall be obligated to make a good faith effort to obtain terms

comparable to those contained herein and otherwise seek to mitigate any damages it may suffer as a result of AIRLINE's Event of Default.

E. In the event that AUTHORITY relets Airline Premises, rentals, fees, and charges received by AUTHORITY from such reletting shall be applied: (i) first to the payment of any indebtedness other than rentals, fees, and charges due hereunder from AIRLINE to AUTHORITY; (ii) then to the payment of any cost of such reletting; and (iii) finally to the payment of rentals, fees, and charges due from AIRLINE. Any excess rentals, fees and charges received by AUTHORITY from reletting shall be held by AUTHORITY and applied in payment of future rentals, fees, and charges owed by AIRLINE as the same may become due and payable hereunder. If that portion of such rentals, fees, and charges received from such reletting and applied to the payment of rentals, fees, and charges owed by AIRLINE hereunder is less than the rentals, fees, and charges that would have been payable during applicable periods by AIRLINE hereunder, then AIRLINE shall pay such deficiency to AUTHORITY. AIRLINE shall also pay to AUTHORITY, as soon as ascertained, any reasonable costs and expenses incurred by AUTHORITY in such reletting not covered by the rentals, fees, and charges received from such reletting.

F. No reentry or reletting of Airline Premises by AUTHORITY shall be construed as an election on AUTHORITY'S part to cancel this Agreement unless a written notice of cancellation is given to AIRLINE.

G. AIRLINE shall pay to AUTHORITY all other costs incurred by AUTHORITY in the exercise of any remedy in this Article 12, including, but not limited to, reasonable attorney fees, disbursements, court costs, and expert fees.

12.04 Remedies Under Federal Bankruptcy Laws. Notwithstanding the foregoing, upon the filing by or against AIRLINE of any proceeding under federal bankruptcy laws, if AIRLINE has defaulted in the performance of any provision of this Agreement within the six (6) months preceding such filing, AUTHORITY shall have the right to cancel this Agreement, 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 AIRLINE within sixty (60) days from the date of AIRLINE's initial filing in bankruptcy court.

ARTICLE 13: CANCELLATION BY AIRLINE

13.01 AUTHORITY Events of Default. The events described below shall be deemed “AUTHORITY Events of Default”:

A. AUTHORITY fails to keep, perform, or observe any material term, covenant, or condition herein contained, to be kept, performed, or observed by AUTHORITY and such failure continues for thirty (30) days after receipt of written notice of such failure from AIRLINE; or, if by its nature such default cannot be cured within such thirty (30) day period, 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; provided, however, AUTHORITY's performance under this Section shall be subject to the provisions of Section 18.25 of this Agreement.

B. Airport is closed to flights in general or to the flights of AIRLINE, for reasons other than those circumstances within AIRLINE's control, 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 AIRLINE is unable to use 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 AUTHORITY or AIRLINE from using Airport for airport purposes, for reasons other than those circumstances within AIRLINE's control or resulting from 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 AIRLINE from conducting its operations, if such restriction continues for a period of sixty (60) consecutive days or more.

13.02 AIRLINE's Remedy. So long as AIRLINE is not in default of any obligation in this Agreement, including but not limited to payments due to AUTHORITY hereunder, AIRLINE may cancel this Agreement upon the occurrence of an AUTHORITY Event of Default upon delivery of written notice of cancellation to AUTHORITY any time prior to such AUTHORITY Event of Default being cured. All obligations of AIRLINE to pay rentals, fees, and charges shall cease as of the date of such cancellation and AIRLINE shall surrender the Airline Premises in accordance with Article 14 hereof. AIRLINE may also exercise any remedy provided by law or in equity.

ARTICLE 14: SURRENDER OF AIRLINE PREMISES

14.01 Surrender and Delivery. Upon expiration or cancellation of this Agreement, AIRLINE shall promptly and peaceably surrender to AUTHORITY its Airline Premises and all improvements thereon to which AUTHORITY is entitled in good and fit condition, reasonable wear and tear as well as damage or repair which is the responsibility of AUTHORITY hereunder excepted; provided, however, nothing in this Section 14.01 shall be construed to modify the obligations of the parties set forth in Article 9, Article 10, and Article 11.

14.02 Removal of Property. Provided AIRLINE is not in default for payment of rentals, fees, and charges hereunder, AIRLINE shall have the right at any time during the Term of this Agreement to remove from the Airport its aircraft, tools, equipment, trade fixtures, and other personal property, title to which shall remain in AIRLINE, unless otherwise set forth in this Agreement, and shall remove such aircraft, tools, equipment, trade fixtures, and other personal property within five (5) business days following termination of this Agreement, whether by expiration of time or otherwise, as provided herein, subject to any valid lien which AUTHORITY may have thereon for unpaid rentals, fees, and charges. AIRLINE shall not abandon any portion of its property at the Airport without the written consent of AUTHORITY. Any and all property not removed by AIRLINE within fifteen (15) business days following the date of termination of this Agreement shall, at the option of AUTHORITY, (i) become the property of AUTHORITY at no cost to AUTHORITY; (ii) be stored by AUTHORITY, at no cost to AUTHORITY; or (iii) be sold at public or private sale at no cost to AUTHORITY, with the proceeds thereof being retained by the AUTHORITY. Except as may be agreed to otherwise by AUTHORITY and 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.

14.03 Holding Over. In the event AIRLINE uses its Airline Premises without the written consent of AUTHORITY after this Agreement has been canceled or expires, AIRLINE shall be deemed a tenant at sufferance during the period of such use and shall pay the rate for rentals, fees, and charges established by AUTHORITY for Air Transportation Companies which are not Signatory Airlines during such period.

ARTICLE 15: ASSIGNMENT, SUBLETTING, AND HANDLING AGREEMENTS

15.01 Assignment and Subletting by AIRLINE.

A. AIRLINE shall not, directly or indirectly, assign, sell, hypothecate, or otherwise transfer this Agreement, or any portion of Airline Premises, without the prior written consent of AUTHORITY; provided, however, AIRLINE may assign this Agreement 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 AIRLINE'S assets. AUTHORITY may withhold its consent hereunder on any reasonable basis, including the availability for lease of alternative space.

B. AIRLINE shall not sublease Airline Premises, other than to an Identified Affiliate, without the prior written consent of AUTHORITY, which consent may be withheld if AUTHORITY has alternative unleased space available or if AUTHORITY can make such space available for lease within a reasonable time; otherwise, such prior consent shall not be unreasonably withheld, delayed or conditioned. Use of AIRLINE's Exclusive Use Premises, Preferential Use Premises or any part thereof, by anyone other than AIRLINE, except in accordance with Article 16 below, shall be deemed a sublease.

C. AIRLINE shall include with its request for permission to assign or sublease, a copy of the proposed assignment or sublease agreement. The assignment or sublease agreement submitted with AIRLINE's request shall include the following information: (i) the term; (ii) the area or space to be assigned or subleased; (iii) the sublease rentals to be charged; and (iv) the provision that assignee or sublessee must execute a separate agreement with AUTHORITY for operating at the Airport. Any other information reasonably requested by AUTHORITY pertaining to said sublease or assignment shall be promptly provided by AIRLINE. A fully executed copy of such sublease or assignment shall be submitted to AUTHORITY for final approval prior to the occupancy of Airline Premises, or any portion thereof, by the assignee or sublessee.

D. Nothing in this Article 15 shall be construed to release AIRLINE from its obligations under this Agreement, including but not limited to, the payment of rentals, fees, and charges provided herein, with respect to the Airline Premises, including such portion of the Airline Premises assigned or sublet, unless otherwise agreed in writing by AUTHORITY.

15.02 Handling Agreements. In the event AIRLINE agrees to ground handle any portion of the operations of another Air Transportation Company, other than an Identified Affiliate, AIRLINE shall provide 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 policies of AUTHORITY in effect from time to time applicable to such activity, including, without limitation, policies relating to the payment to AUTHORITY of a percentage of fees received by AIRLINE for such service.

ARTICLE 16: AVAILABILITY OF ADEQUATE FACILITIES

16.01 Declaration of Intent.

The parties acknowledge the objective of AUTHORITY to offer to all Air Transportation Companies desiring to serve Airport access to the Airport and to provide adequate gate positions and space in the Terminal. Recognizing that physical and financial limitations may preclude timely expansion of the Terminal and Terminal Aircraft Apron areas to meet the stated requests of AIRLINE and/or such other Air Transportation Companies for additional facilities, AUTHORITY hereby states, and AIRLINE acknowledges and agrees with, its intent to pursue the objective of achieving a balance in the overall utilization of the Terminal and Terminal Aircraft Apron areas to be achieved, if necessary, through relocating or sharing, from time to time, of gate positions, ticket counters, and other passenger handling facilities.

16.02 Accommodation on Preferential Use Premises.

A. AIRLINE is prohibited from allowing any non-Identified Affiliate Air Transportation Company ("Requesting Airline") from using any gate leased by AIRLINE, without the written consent of AUTHORITY. All requests received by AIRLINE to use gate facilities made by any Requesting Airline shall be referred by AIRLINE to AUTHORITY. At the request of AUTHORITY, AIRLINE shall cooperate with AUTHORITY to accommodate the needs of a Requesting Airline by permitting such Requesting Airline to utilize AIRLINE's Preferential Use Premises, including gates, ticket counters, and/or baggage makeup, for the time period(s) necessary to permit passenger check-in, loading and unloading operations in conjunction with the scheduled operations of such Requesting Airline, or as may be necessary to accommodate unscheduled flights, including charters or diversion due to weather, in any case at times when the use of such facilities shall not interfere with AIRLINE's operations or those of its approved sublessees, licensees, or permittees. Notwithstanding the foregoing, it is the intent of AUTHORITY when possible to accommodate a Requesting Airline on an unassigned gate and other unassigned facilities, prior to utilizing AIRLINE's Preferential Use Premises.

B. AUTHORITY will require Requesting Airlines to coordinate all use of Terminal facilities directly with AUTHORITY. AUTHORITY shall have exclusive discretion as to the assignment of Terminal facilities, including AIRLINE'S Preferential Use Premises, to be used by any Requesting Airline, subject to the parameters described in this Section 16.02. AIRLINE may make written request to AUTHORITY to accommodate a Requesting Airline at AIRLINE'S Preferential Use Premises due to certain economies to be gained, such as the facilitation of ground handling services. AUTHORITY will make reasonable efforts to comply with any such request by AIRLINE, subject to a determination by AUTHORITY that such compliance is not in the best interests of the Airport.

C. If AUTHORITY assigns AIRLINE'S Preferential Use Premises to a Requesting Airline for passenger check-in, loading and unloading operations, AUTHORITY shall pay to AIRLINE eighty five percent (85%) of the fees and charges collected from the Requesting Airline on account of such operations at AIRLINE'S Preferential Use Premises ("Accommodation Fee"); except that AIRLINE shall not be entitled to an Accommodation Fee for any assignment of a Requesting Airline at AIRLINE'S Preferential Use Premises made at the request of AIRLINE. If a Requesting Airline is assigned the Preferential Use Premises of both AIRLINE and another Signatory Airline (e.g. gate of AIRLINE and ticket counter of the other Signatory Airline), AUTHORITY shall divide the Accommodation Fee among AIRLINE and the other Signatory Airline in a manner deemed reasonable by AUTHORITY.

D. In determining if AIRLINE shall be required to accommodate a Requesting Airline, AUTHORITY shall consider AIRLINE's capabilities, capacity, facilities, and personnel therefor, after taking into account AIRLINE's own requirements and contractual obligations, the compatibility of said Requesting Airline's proposed operations with those of AIRLINE, and the need for labor harmony.

E. If AIRLINE accommodates a Requesting Airline, then such Requesting Airline shall be required to vacate AIRLINE's gate position at least sixty (60) minutes prior to AIRLINE's next scheduled flight arrival at such gate position.

F. During the period of use of AIRLINE's facilities by a Requesting Airline pursuant to this Article 16, AIRLINE shall be relieved of its obligation under this Agreement to indemnify and save harmless AUTHORITY, its officers, directors, employees, or agents with regard to any claim for property damage or personal injury arising out of or in connection with the Requesting Airline's use of its Preferential Use Premises, unless such damage or injury is caused by AIRLINE, its officers, directors, employees or agents who have come upon its Preferential Use Premises in connection with AIRLINE's occupancy hereunder.

16.03 Reassignment of Preferential Use Premises.

AUTHORITY reserves the right upon written notice to reassign one or more of an AIRLINE's preferentially assigned gates to another Signatory Airline(s) if: (1) AIRLINE's scheduled average for any individual gate utilization falls below four (4) flights per gate per day; (2) AUTHORITY determines that there is a reasonable need for the preferential use of such gate(s) by another Signatory Airline(s); and (3) such other Signatory Airline meets the required four (4) flights per gate per day minimum. Prior to such reassignment becoming effective, AIRLINE shall have a ninety (90) day period to adjust its schedule to four (4) flights per gate per day so as not to be subject to such reassignment. In the event of reassignment, AIRLINE will be entitled to reimbursement for a portion of its cost of providing tenant improvements to the reassigned gate area, amortized over a reasonable useful life of such improvements, determined in the reasonable discretion of AUTHORITY. The costs associated with extraordinary tenant

improvements will not be reimbursed by AUTHORITY. When determining specific Preferential Use Premises to be reassigned, AUTHORITY will use reasonable efforts to not reassign facilities that will disrupt the continuity and staffing of AIRLINE's operation.

16.04 Regional/Commuter Operations.

A. To the extent practical, aircraft that are capable of connecting to a loading bridge must use a Terminal Aircraft 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 Aircraft Aprons designated by AUTHORITY and will be accessed from the ramp level through commuter facilities unless otherwise approved by AUTHORITY.

ARTICLE 17: GOVERNMENT INCLUSION

17.01 Government Agreements. This Agreement shall be subordinate to, and shall be automatically modified to comply with, the provisions of any existing or future agreements between 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. AUTHORITY agrees to provide AIRLINE written advance notice of any provisions which would adversely modify the material terms of this Agreement.

17.02 Federal Government's Emergency Clause. All provisions of this Agreement shall be subordinate to the rights of the United States of America to operate the Airport or any part thereof during time of war or national emergency. Such rights shall supersede any provisions of this Agreement inconsistent with the operations of the Airport by the United States of America.

17.03 Nondiscrimination.

A. AIRLINE for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby agree as a covenant running with the land that (i) no person on the grounds of race, color, creed, sex, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Airline Premises, (ii) in the construction of any improvements on, over, or under Airline Premises and the furnishing of services thereon, no person on the grounds of race, color, creed, sex, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, and (iii) AIRLINE shall use the Airline Premises in compliance with all other requirements imposed by or pursuant to 14 CFR 152 and Title VI of the Civil Rights Act of 1964 and 49 CFR, Subtitle A, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Title and Regulations may be amended.

B. 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 may be enacted, may be applicable to the activities of AIRLINE under the terms of this Agreement, unless exempted by said regulations, and AIRLINE hereby agrees 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.

17.04 Security. 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 AIRLINE, its officers, employees, agents, or those under its control shall fail or refuse to comply with said measures and such non-compliance results in a monetary penalty being assessed against AUTHORITY, then, in addition to any other remedies available to AUTHORITY, AIRLINE shall be responsible for, and shall reimburse AUTHORITY in the full amount of, any such monetary penalty or other damages.

17.05 Environmental.

A. General Conditions.

(1) Notwithstanding any other provisions in this AGREEMENT, and in addition to any and all other requirements of this AGREEMENT or any other covenants, representations or warranties of AIRLINE, AIRLINE hereby expressly covenants, warrants and represents to AUTHORITY, in connection with AIRLINE's operations at the Airport the following :

(a) AIRLINE is knowledgeable of all applicable federal, state, regional, and local environmental laws (including common law), ordinances, rules, regulations, resolutions, policies, guidelines and orders, which apply to AIRLINE's operations at the Airport (collectively, "Environmental Laws") and acknowledges that such Environmental Laws change from time-to-time, and AIRLINE agrees to keep informed of any such future changes.

(b) AIRLINE agrees to comply with all Environmental Laws which apply to AIRLINE's operations. AIRLINE agrees to hold harmless and indemnify AUTHORITY for any violation by AIRLINE of such applicable Environmental Laws and for any non-compliance by AIRLINE with any permits issued to AIRLINE or AUTHORITY pursuant to such Environmental Laws, which hold harmless and indemnity 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 AUTHORITY by reason of AIRLINE's violation or non-compliance.

(c) AIRLINE agrees to cooperate with any investigation, audit or inquiry by AUTHORITY or any governmental or quasi-governmental agency, regarding possible violation of any Environmental Law upon the Airport.

(d) AIRLINE agrees that all remedies of AUTHORITY as provided herein with regard to violation of any Environmental Laws shall be deemed cumulative in nature and shall survive termination of this Agreement.

(e) AIRLINE agrees that any notice of violation, notice of non-compliance, or other enforcement action relating to the Airport shall be provided to

AUTHORITY promptly after receipt by AIRLINE or AIRLINE's agent. Any violation or notice of violation or non-compliance with any Environmental Laws shall be deemed a default under this Agreement. Such default may be cured within ten (10) days of receipt of notice of default from AUTHORITY, or such longer period as may be required to effect a cure provided AIRLINE commences a cure within said ten (10) days and thereafter diligently prosecutes the cure to completion. Any such default which is not cured shall be grounds for termination of this Agreement.

(2) In entering this Agreement, AUTHORITY expressly relies on the covenants, representations, and warranties of AIRLINE as stated herein.

B. Stormwater.

(1) Notwithstanding any other provisions or terms of this Agreement, AIRLINE acknowledges that certain properties within the Airport, or on AUTHORITY owned land, are subject to stormwater rules and regulations. AIRLINE agrees to observe and abide by such stormwater rules and regulations as may be applicable to AUTHORITY's property and uses thereof.

(2) AIRLINE acknowledges that any stormwater discharge permit issued to AUTHORITY may name AIRLINE as a co-permittee. AUTHORITY and AIRLINE both acknowledge that close cooperation is necessary to insure compliance with any stormwater discharge permit terms and conditions, as well as to insure safety and to minimize cost of compliance. AIRLINE acknowledges further that it may be necessary to undertake such actions to minimize the exposure of stormwater to "significant materials" generated, stored, handled or otherwise used by 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.

(3) AUTHORITY will provide AIRLINE with written notice of any stormwater discharge permit requirements applicable to AIRLINE and with which AIRLINE will be obligated to comply from time-to-time, including, but not limited to: certification of non-stormwater discharges; collection of stormwater samples; preparation of stormwater pollution prevention or similar plans; implementation of best management practices; and maintenance of necessary records. Such written notice shall include applicable deadlines. AIRLINE agrees that within ten (10) days of receipt of such written notice, it shall notify AUTHORITY in writing if it disputes any of the stormwater permit requirements it is being directed to undertake. If AIRLINE does not provide such timely notice, AIRLINE will be deemed to assent to undertake such stormwater permit requirements. In that event, AIRLINE agrees to undertake, at its sole expense, unless otherwise agreed to in writing between AUTHORITY and AIRLINE, those stormwater permit requirements for which it has received written notice from AUTHORITY, and AIRLINE agrees that it will hold harmless and indemnify AUTHORITY for any violations or non-compliance with any such permit requirements.

C. Solid and Hazardous Waste.

(1) AIRLINE shall comply with all applicable federal, state and local laws relating to solid or hazardous waste, and any rules and regulations promulgated thereunder, including but not limited to, insuring that the transportation, storage, handling and disposal of such hazardous wastes are conducted in full compliance with applicable law.

(2) AIRLINE agrees to provide 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, within ten (10) days of any such requests by AUTHORITY. AIRLINE is required to have, and to implement as needed, a written plan addressing containment and clean up of fuel and/or oil spills.

D. Air Quality. AIRLINE agrees to comply with all applicable laws relating to the quality of air in any confined or indoor spaces.

ARTICLE 18: GENERAL PROVISIONS

18.01 Subordination to Bond Resolution.

A. This Agreement and all rights granted to AIRLINE hereunder are expressly subordinated and subject to the lien, covenants (including the rate covenants), and provisions of the pledges, transfer, hypothecation, or assignment made by AUTHORITY in the Bond Resolution. AUTHORITY and AIRLINE agree that 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 AUTHORITY hereunder.

B. AUTHORITY shall notify AIRLINE in advance of any amendments or supplements to the Bond Resolution that would materially alter the terms and provisions of this Agreement or materially impact the levels of rentals, fees, and charges paid by AIRLINE (herein referred to as Material Amendments).

C. For any Material Amendments desired solely by AUTHORITY for its own purposes, AUTHORITY and AIRLINE shall use commercially reasonable efforts to agree on the implementation. However, in the event AUTHORITY and AIRLINE cannot agree on the implementation of any Material Amendments desired solely by AUTHORITY for its own purposes, AIRLINE, in addition to cancellation rights provided elsewhere in this Agreement, shall have the right to cancel this Agreement upon thirty (30) days advance written notice given to AUTHORITY within sixty (60) days after the effective date of such Material Amendment.

D. With respect to property leased by AUTHORITY to AIRLINE hereunder which was or is to be acquired by 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, the parties hereby covenant to protect the tax-exempt status of the Bonds.

E. AIRLINE agrees to execute all instruments, certificates, or other documents reasonably requested by AUTHORITY to assist 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 AIRLINE shall provide whatever additional relevant information is reasonably requested by AUTHORITY initially or on an ongoing basis in connection with complying with any of those rules and regulations.

18.02 Nonwaiver. No waiver of default by either party of any of the terms, covenants, or conditions of this Agreement to be performed, kept, and observed by the other party shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants, and conditions to be performed, kept, and observed by the other party and shall not be deemed a waiver of any right on the part of the other party to cancel this Agreement as provided herein.

18.03 Passenger Facility Charge. AUTHORITY reserves the right to assess and collect PFC's subject to the terms and conditions set forth in the Aviation Safety and Capacity Expansion Act of 1990, Section 9110 (the "PFC Act") and implementing regulations as may be supplemented or amended from time to time. AIRLINE shall collect and pay all PFC's for which it is responsible under applicable law or regulation.

18.04 Rights Non-Exclusive. Notwithstanding anything herein contained that may be or appear to the contrary, the rights, privileges, and licenses granted under this Agreement, are "non-exclusive" and AUTHORITY reserves the right to grant similar privileges to others.

18.05 Quiet Enjoyment.

A. AUTHORITY agrees that, so long as AIRLINE's payment of rentals, fees, and charges is timely and AIRLINE keeps all covenants and agreements contained herein, AIRLINE shall peaceably have and enjoy its Airline Premises and all rights, privileges, and licenses of the Airport, its appurtenances and facilities granted herein, subject to the terms and conditions herein contained.

B. Consistent with the nature of AIRLINE's business, AIRLINE agrees that occupancy of its Airline Premises will be lawful and quiet and that it will not knowingly use or permit the use of Airline Premises in any way that would violate the terms of this Agreement, create a nuisance, or disturb other tenants or the general public. AIRLINE shall be responsible for the activity of its officers, employees, agents, and others under its control with respect to this provision.

18.06 Performance. The parties expressly agree that time is of the essence in this Agreement. Failure by a party to complete performance within the time specified, or within a reasonable time if no time is specified herein, shall relieve the other party, without liability, of any obligation to accept such performance.

18.07 Avigation Rights. 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 the said airspace for landing on, taking off from, or operating at the Airport.

18.08 Rules and Regulations and Operational Directives.

A. 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 AUTHORITY (acting in its governmental capacity) which may be applicable to AIRLINE'S operations at the Airport.

B. AUTHORITY may from time to time adopt, amend, or revise the Airport's rules and regulations, policies and procedures and operating directives governing the conduct of operations at the Airport, for reasons of safety, health, preservation of the property, or for the maintenance of the good and orderly appearance of the Airport. AIRLINE, its

officers, employees, agents, and others under its control shall faithfully comply with and observe such reasonable and non-discriminatory rules and regulations, policies and procedures and operating directives; provided AIRLINE has first received written notice of, and, other than rules and policies adopted on an emergency basis, an opportunity to comment on, such rules and regulations, policies and procedures and operating directives.

C. 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 throughout the entire Term of this Agreement by any federal, state, or local governmental entity or any court of law having jurisdiction over AIRLINE or AIRLINE's operations and activities.

18.09 Inspection. AIRLINE shall allow AUTHORITY's authorized representatives access to Airline Premises for the purpose of examining and inspecting such premises; for purposes necessary, incidental to, or connected with the performance of its obligations under this Agreement; or, in the exercise of its governmental functions. Except in the case of an emergency, AUTHORITY shall conduct such inspections during reasonable business hours, after reasonable prior notice to AIRLINE and in the presence of AIRLINE's representative.

18.10 No Individual Liability. No member, officer, agent, director, or employee of AUTHORITY or AIRLINE shall be charged personally or held contractually liable by or to the other party under the terms or provisions of this Agreement or because of any breach thereof or because of its or their execution or attempted execution.

18.11 Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship between the parties hereto. It is understood and agreed that neither the method of computation of rentals, fees, and charges, nor any other provisions contained herein, nor any acts of the parties hereto, creates a relationship other than the relationship of landlord and tenant.

18.12 Capacity to Execute. The individuals executing this Agreement personally warrant that they have full authority to execute this Agreement on behalf of the entity for whom they are acting herein.

18.13 No Construction Against the Drafter. The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto and have sought and received whatever competent advice and counsel was necessary for them to form a full and complete understanding of all rights and obligations herein. The parties further acknowledge that this Agreement is the result of extensive negotiations between the parties and shall not be construed against AUTHORITY by reason of the preparation of this Agreement by AUTHORITY.

18.14 Successors and Assigns Bound. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

18.15 Incorporation of Exhibits. All exhibits and attachments referred to in this Agreement are intended to be and are hereby specifically made a part of this Agreement.

18.16 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 Agreement.

18.17 Severability. In the event that any covenant, condition, or provision of this Agreement is held to be invalid by any court of competent jurisdiction, the invalidity of such covenant, condition, or provision shall not materially prejudice either AUTHORITY or AIRLINE in their respective rights and obligations contained in the valid covenants, conditions, or provisions of this Agreement.

18.18 Amendments. Except as otherwise provided herein, no amendment, modification or alteration of the terms of this Agreement shall be binding unless the same be in writing, dated subsequent to the date hereof, and duly executed by the parties hereto.

18.19 Most Favored Nation. Except for the incentive programs and arrangements set forth on Exhibit G hereto, or as may be permitted by applicable law, rule or regulation for incentive programs, promoting competition, establishing peak period pricing or otherwise, AUTHORITY covenants and agrees not to enter into any basic airline use and lease agreement with any Air Transportation Company that (i) makes substantially similar use of the Airport, (ii) operates substantially similar aircraft, and (iii) utilizes substantially similar facilities to that of AIRLINE, which agreement contains more favorable terms than this Agreement, or to grant to any such Air Transportation Company rights or privileges with respect to the Airport which are not afforded to AIRLINE hereunder unless substantially the same terms, rights, privileges, and facilities are concurrently made available to AIRLINE. The AUTHORITY incentive programs and arrangements set forth on Exhibit G do not violate this section.

18.20 Other Agreements. Other than as set forth herein, nothing contained in this Agreement shall be deemed or construed to nullify, restrict, or modify in any manner the provisions of any other lease or contract between AUTHORITY and AIRLINE authorizing the use of the Airport, its facilities, and appurtenances.

18.21 Approvals. Unless otherwise stated, whenever this Agreement calls for approval by AUTHORITY, such approval shall be evidenced by the written approval of the Executive Director.

18.22 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 Airport Boulevard
Orlando, FL 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.

18.23 Agent For Service. It is expressly understood and agreed that if AIRLINE is not a resident of the State of Florida, or is an association or partnership without a member or partner resident of said state, AIRLINE shall appoint an agent for the purpose of service of process in any court action between it and AUTHORITY arising out of or based upon this Agreement. AIRLINE shall, upon request, notify AUTHORITY, in writing, of the name and address of said agent. 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. It is further expressly agreed, covenanted, and stipulated that, if for any reason, such service of process is not possible, as an alternative method of service of process, AIRLINE may be personally served out of the State of Florida by the registered mailing of such service at the address set forth in Section 18.22.

18.24 Governing Law and Legal Forum. This Agreement is 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 Agreement shall be in Orange County, Florida. The parties submit to the personal jurisdiction of the state and federal courts in and for Orange County, Florida.

18.25 Force Majeure. Except as herein provided, neither AUTHORITY nor AIRLINE shall be deemed to be in default hereunder if either party is prevented from performing any of its obligations hereunder, other than the payment of rentals, fees, and charges hereunder, by reason of strikes, boycotts, labor disputes, embargoes, shortages of energy or materials, acts of God, acts of the public enemy, weather conditions, riots, rebellion, or sabotage, or any other circumstances for which it is not responsible or which are not within its control.

18.26 Entire Agreement. It is understood and agreed that this instrument contains the entire agreement between the parties hereto. It is further understood and agreed by AIRLINE that AUTHORITY and AUTHORITY's agents have made no representations or promises with respect to this Agreement or the making or entry into this Agreement, except as expressly set forth herein, and that no claim or liability or cause for termination shall be asserted by AIRLINE against AUTHORITY for, and AUTHORITY shall not be liable by reason of, the breach of any representations or promises not expressly stated in this Agreement. This Agreement supersedes any and all term sheets, models and drafts related hereto.

18.27 Third-Party Beneficiary. The parties hereto agree that the City is a third party beneficiary to this Agreement with full rights of enforcement herein. Otherwise, except for the City, there are no third-party beneficiaries to this Agreement

IN WITNESS WHEREOF, the parties hereto have set their hands and corporate seals on this _____ day of _____, 2008.

WITNESSES:

**GREATER ORLANDO AVIATION
AUTHORITY**

Print Name: _____

By: _____
Chairman

Print Name: _____

Attest: _____ (SEAL)
Assistant Secretary

WITNESSES:

AIRLINE:

Print Name: _____

By: _____
Print Name: _____
Title: _____

Print Name: _____

Attest: _____ (SEAL)

APPENDIX C

**AUDITED FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT
AUDITORS THEREON FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2007
AND 2008**

(THIS PAGE LEFT BLANK INTENTIONALLY)

Report of Independent Certified Public Accountants

Authority Board
Greater Orlando Aviation Authority:

We have audited the accompanying balance sheets of the Greater Orlando Aviation Authority (the Authority), as of September 30, 2008 and 2007, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Authority's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority at September 30, 2008 and 2007, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2009 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

The management's discussion and analysis and the schedules of funding progress as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements. The introductory section, supplemental schedules, and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Ernst & Young LLP

January 12, 2009



GREATER ORLANDO AVIATION AUTHORITY

One Airport Boulevard, Orlando, FL 32827-4399 | www.orlandoairports.net

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, 2008 and 2007, with selected comparative information for the fiscal year ended September 30, 2006. 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, except for land, over their useful lives. See "Notes to the Financial Statements" for a summary of the Authority's significant accounting policies and practices.

The Balance Sheets present information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of the Authority's financial position.

The Statements of Revenues, Expenses and Changes in Net Assets present information showing how the Authority's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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 Flow report the flows 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 flows from operating activities and operating income.

AUTHORITY ACTIVITY HIGHLIGHTS

Enplanements at Orlando International Airport increased 2.3% in fiscal year 2008 over fiscal year 2007. The Authority expects enplanements to decline slightly in 2009 as a result of the economic downturn with a return to increases in subsequent years. Enplanements were up 3.0% in fiscal year 2007 from fiscal year 2006.

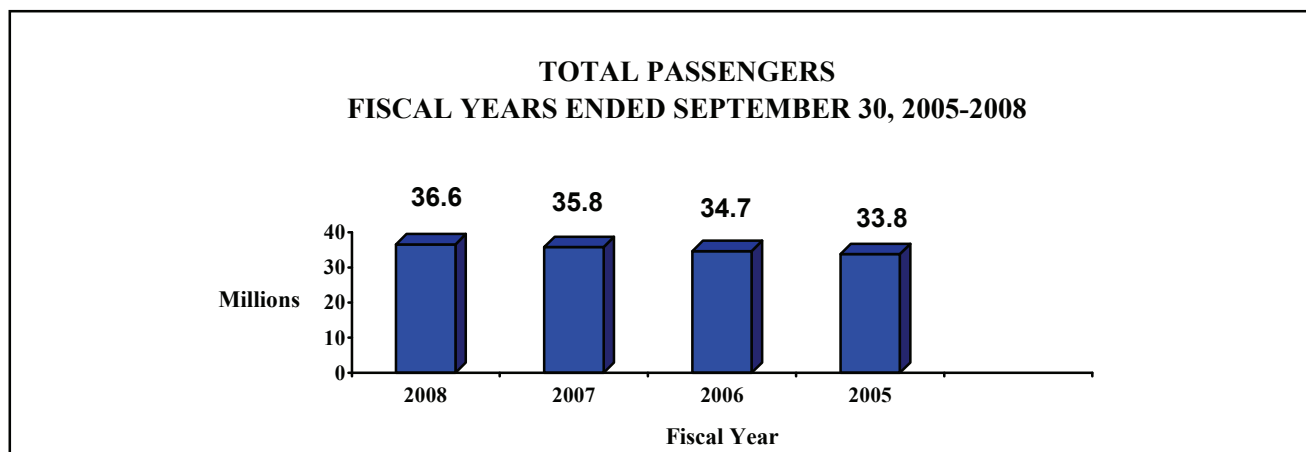
The following chart shows total enplaned passengers and flight operations (landings and take-offs) at Orlando International Airport for three-year comparative period:

ENPLANEMENTS AND OPERATIONS ACTIVITY FOR 2006 TO 2008

	2008	2007	2006
Enplaned Passengers	18,238,278	17,831,818	17,316,873
Operations	329,214	331,080	327,082

The Authority's total passengers served during fiscal year 2008 increased approximately 0.8 million from fiscal year 2007. This follows an increase of 1.1 million total passengers during fiscal year 2007 and an increase of 1.0 million total passengers during fiscal year 2006. The Authority continues to monitor changes in passenger levels, making adjustments when necessary to accommodate the demands of the airport facilities.

The following graph represents total passenger activity at Orlando International Airport for the fiscal years ended September 30.



Despite an overall increase in passengers for the year, many airlines struggled with the weakening economy and skyrocketing fuel prices during the second half of 2008. This compounded the existing pressures of dealing with labor costs and aging aircraft. The airlines responded to the pressures with attempts to cut costs where possible and increase fares when necessary. Several airlines announced reductions in capacity.

Though the Authority continued with capital initiatives including implementation of an in-line baggage screening system, the rehabilitation of Airside terminals 1 and 3, Airside terminal 4 improvements, and the start of design for other elements within the North Terminal Capacity Program, a careful evaluation of each project within the Capital Improvement Program was made to best determine the timing of each project and whether delaying implementation would be in the best interests of the Authority. The Program is capacity driven, and each component will be continually reevaluated based on changes in demand and capacity. Because of the slowdown in passenger activity and the uncertainty regarding the impact of the economy on the airline industry, the Authority will continue to actively seek to improve its facilities based on the demand characteristics of the traveling public and air carriers while weighing the effects of a weakened economy.

A variety of construction projects were completed during fiscal year 2008. The first two phases of the in-line baggage screening system were completed for the North terminal, as well as design of the future south terminal complex. Airfield projects include the rehabilitation of the Airside 2 and 4 ramps, while roadway projects completed include the widening of South Access Road. Ongoing projects include the final phase of the in-line baggage screening system, the rehabilitation of Airside terminals 1 and 3, Airside terminal 4 improvements, as well as the start of design for certain elements within the North Terminal Capacity Program. Orlando Executive Airport has completed the roofing replacement to the electrical vault building as well as the demolition of the old United Buffet building. Additionally, the Authority started projects to improve security fencing, airfield storm water drainage and environmental remediation of certain areas of the airport.

FINANCIAL HIGHLIGHTS

REVENUES

Orlando International Airport had a residual use and lease agreement with various signatory airlines that expired on September 30, 2008. This agreement provided for increases in rates and charges to meet any unanticipated cash shortfall, and sharing of any net surplus with the signatory airlines in the form of prepaid credits. On October 1, 2008, 2007 and 2006 (the beginning of the fiscal years,) signatory airline prepaid credits totaled \$13.6 million, \$18.7 million, and \$22.0 million, respectively. These balances are transferred to the Revenue Account as earned. Because of this transfer, signatory airlines generally have no cash requirement for the first three months of each fiscal year. The signatory airline revenues for fiscal years 2008, 2007, and 2006 represented about 31.6%, 23.5%, and 21.1% respectively, of total operating revenue.

The Authority negotiated a new Lease and Use Agreement relating to the use of the Airport effective October 1, 2008 through September 30, 2013. See the Subsequent Events disclosure (Note 23) for additional information.

The Authority's total revenues reflect increases in each of the last three years over the preceding years. The increases in revenues are the result of a stronger economy and renewed confidence in air safety. Those results are as follows:

TOTAL REVENUES (IN THOUSANDS)

	2008	2007	2006
Total Operating Revenues	\$ 346,666	\$ 302,568	\$ 284,312
Total Nonoperating Revenues	99,488	93,668	87,469
Total Revenues	\$ 446,154	\$ 396,236	\$ 371,781

OPERATING REVENUES

Overall, the operating revenues of the Authority increased \$44.1 million in fiscal year 2008, or 14.6% over the previous year primarily from increased airfield related revenue, terminal rent, concession, rental car parking and hotel revenues. In connection with the expiration of the airline agreement on September 30th, airfield related revenue increased over the prior year as a result of previously deferred revenues recognized as revenue and an increase in total landing fees. The increase of \$10.9 million in terminal area revenue included concession revenue increases of \$2.0 million, as well as an increase of \$1.8 million for rental car, parking and other terminal area revenue. These increases are attributed to a 2.2% increase in passenger traffic. The hotel experienced an increase in revenue earnings of \$2.2 million over the prior year as a result of a slight increase in occupancy and a 2.7% increase in rates.

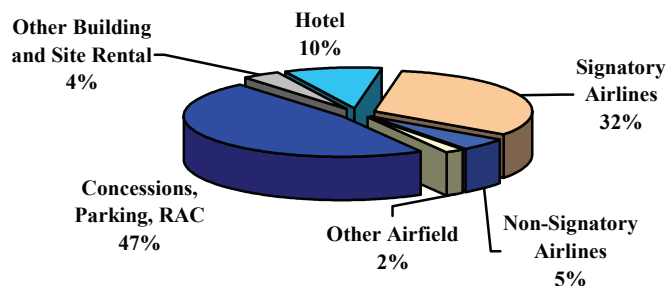
The operating revenues of the Authority increased \$18.3 million in fiscal year 2007 or 6.4% over the previous year primarily from increased airfield related revenue, terminal rent, concession, rental car parking and hotel revenues. Total airfield related revenue increased \$3.2 million over the prior year and is attributed to an increase in total landing fees. The increase of \$13.7 million in terminal area revenue included concession revenue increases of \$2.8 million, and rental car, parking and other terminal area revenue increases of \$8.7 million attributed to a 3.0% increase in passenger traffic. The hotel experienced an increase in revenue earnings of \$0.6 million over the prior year as a result of a 2.4% occupancy level increase and a 2.2% increase in rates.

OPERATING REVENUES BY MAJOR SOURCE (IN THOUSANDS)

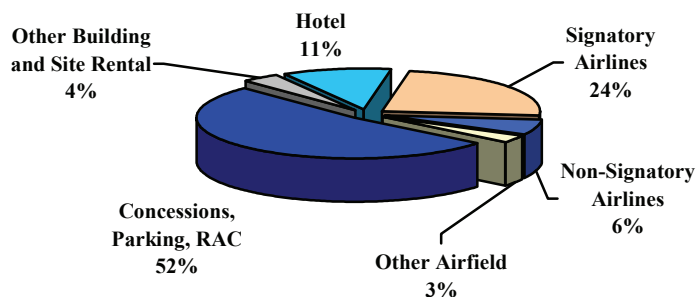
	2008	2007	2006
Signatory Airlines			
Net Landing Fees	\$ 52,441	\$ 20,202	\$ 14,005
Terminal Area Rents	57,122	50,764	45,981
Signatory Airline Revenues	109,563	70,966	59,986
Non-Signatory Airlines			
Landing Fees	4,857	5,519	8,657
Terminal Area Rents	11,618	10,918	13,715
Non-Signatory Airline Revenues	16,475	16,437	22,372
Other Airfield Revenues	8,280	9,558	9,442
Concession			
General Merchandise	15,749	14,531	13,007
Food and Beverage	12,283	11,526	10,220
Rental Car (RAC)	58,389	57,631	55,478
Public Auto Parking	52,587	54,172	47,655
Other Terminal Area	22,587	19,919	19,750
Concession	161,595	157,779	146,110
Other Building and Site Rentals	14,030	13,263	12,461
Hotel	36,723	34,565	33,941
Total Operating Revenues	\$ 346,666	\$ 302,568	\$ 284,312

The following charts show major sources and the percentage of operating revenues for the years ended September 30, 2008, 2007, and 2006.

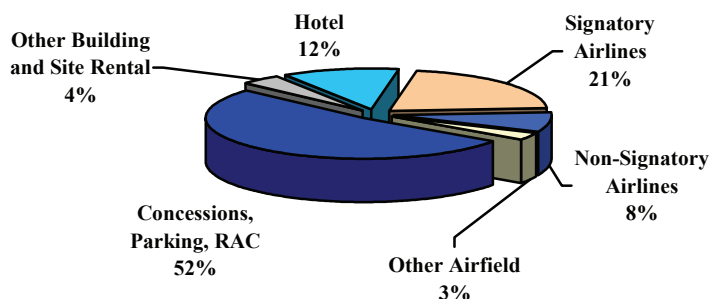
2008 Operating Revenue



2007 Operating Revenue



2006 Operating Revenue



NONOPERATING REVENUES

Nonoperating revenues consist mainly of investment income, passenger facility charges (PFCs), and federal and state operating grants. Investment income was \$19.6 million in fiscal year 2008, \$30.8 million in fiscal year 2007, and \$25.5 million in fiscal year 2006. During 2006 and 2007, interest rates rebounded from the lows of 2004; however, in 2008, interest rates decreased dramatically as a result of the Federal Open Market Committee cutting the Federal Funds Rate six times from 4.75% in September 2007 to 2.00% in September 2008. PFCs were \$70.7 million in fiscal year 2008, \$59.3 million in fiscal year 2007, and \$45.9 million in fiscal year 2006. The continuing growth is a result of increased passenger traffic and an increase from \$3.00 to \$4.50 in the PFC charge, effective July 1, 2007. Federal and state operating grants decreased from \$2.5 million in fiscal year 2007 to \$1.8 million in 2008 as the result of decreased expenses eligible for grant reimbursement.

OPERATING EXPENSES

Operating expenses, before depreciation, increased \$19.9 million, or 10.0%, from fiscal year 2007 to 2008 as a result of \$4.6 million for safety and security, \$3.0 million for various expenses associated with negotiation of the new airline agreement and various process improvements associated with this, an additional \$2.0 million for maintenance for the new in-line baggage system as well as \$1.5 million for higher variable hotel expenses attributed to increased occupancy. Retirement costs and general liability insurance also increased during the year. Total expenses, including depreciation, increased by \$23.0 million or 8.3% over fiscal year 2007 as depreciation expense increased \$3.1 million from completed capital projects. The Authority monitors operating expenses closely to ensure budget objectives are met.

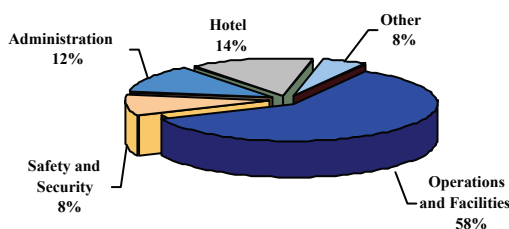
Operating expenses, before depreciation, increased \$9.8 million or 5.6% from fiscal year 2006 to 2007. Operating expenses, before depreciation, increased primarily due to the increase in operations and facilities. Maintenance contracts increased \$5.6 million, other contractual services increased \$1.4 million, janitorial services increased \$0.6 million, and utility services increased \$0.5 million. Total operating expense, including depreciation, increased by \$8.9 million or 3.3 percent, over fiscal year 2006. Depreciation expense decreased \$0.9 million in fiscal year 2007 and increased \$1.7 million in fiscal year 2006 from completed capital projects. The operating expenses of the Authority, before depreciation, increased \$7.4 million or 4.5 percent from fiscal year 2005 to 2006 from repairs undertaken as a result of the hurricanes.

OPERATING EXPENSES BY COST CENTER (IN THOUSANDS)

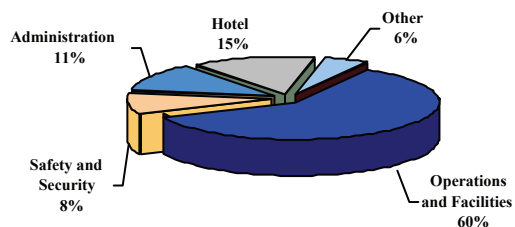
	2008	2007	2006
Operations and Facilities	\$ 117,444	\$ 109,595	\$ 102,056
Safety and Security	17,979	15,409	15,097
Administration	23,704	20,658	21,849
Hotel	28,008	26,505	24,995
Other	16,008	11,110	9,503
Total Operating Expenses Before Depreciation	203,143	183,277	173,500
Depreciation	96,442	93,352	94,220
Total Operating Expenses	\$ 299,585	\$ 276,629	\$ 267,720

The following charts show major cost centers and the percentage of operating expenses (excluding depreciation) for the years ended September 30, 2008, 2007, and 2006.

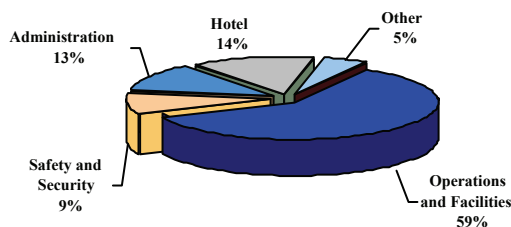
2008 Operating Expenses



2007 Operating Expenses



2006 Operating Expenses



NONOPERATING EXPENSES

Nonoperating expenses consist mainly of interest expense. Interest expense was \$64.1 million in fiscal year 2008, \$67.2 million in fiscal year 2007 and \$68.8 million in fiscal year 2006.

TOTAL EXPENSES (IN THOUSANDS)

	2008	2007	2006
Total Operating Expenses	\$ 299,585	\$ 276,629	\$ 267,720
Total Nonoperating Expenses	64,130	67,150	68,790
Total Expenses	\$ 363,715	\$ 343,779	\$ 336,510

CHANGES IN NET ASSETS

Capital contributions received from the federal and state governments amounted to \$69.9 million during fiscal year 2008. The Authority completed major construction projects, such as the first two phases of the in-line baggage screening system, design of the south terminal complex, Airside 2 and 4 ramps and the widening of South Access Road. Capital contributions decreased \$0.3 million in fiscal year 2007 from fiscal year 2006. Grant funding received on major projects for fiscal year 2008 are as follows:

	2008
In-line Baggage System	\$ 36.7
Rehabilitation of Airside 1 and 3	15.4
Automated People Mover Repairs	6.8
Additions to Fourth Runway	5.9
Additions to North Cross-field Taxiway	2.0
Airfield Lighting and Signage	0.9
Taxiway C Repairs and Pavement Markings	0.8
Miscellaneous	1.4
Total	\$ 69.9

The net assets for the fiscal years ended September 30, are as follows:

CHANGES IN NET ASSETS (IN THOUSANDS)

	2008	2007	2006
Operating Revenues	\$ 346,666	\$ 302,568	\$ 284,312
Operating Expenses	299,585	276,629	267,720
Operating Income	47,081	25,939	16,592
Other Nonoperating Revenues (Expenses)	35,358	26,518	18,679
Income Before Capital Contributions	82,439	52,457	35,271
Capital Contributions	69,876	47,639	47,959
Increase in Net Assets	\$ 152,315	\$ 100,096	\$ 83,230

FINANCIAL POSITION

The Balance Sheet presents the financial position of the Authority at the end of the fiscal year. The statement includes all assets and liabilities of the Authority. Net assets is the difference between total assets and total liabilities and is an indicator of the current fiscal health of the Authority. The following is a summarized comparison of the Authority's assets, liabilities, and net assets at September 30:

NET ASSETS (IN THOUSANDS)

	2008	2007	2006
Assets:			
Current Assets			
Unrestricted Assets	\$ 165,742	\$ 152,125	\$ 122,706
Restricted Assets	400,020	352,702	303,862
Non-Current Assets	138,862	191,223	212,857
Capital Assets	2,008,382	1,897,728	1,842,947
Total Assets	2,713,006	2,593,778	2,482,372
Liabilities:			
Current (payable from unrestricted assets)	42,691	60,247	52,236
Current (payable from restricted assets)	258,042	132,849	129,461
Non-Current Liabilities	1,059,000	1,200,991	1,201,080
Total Liabilities	1,359,733	1,394,087	1,382,777
Net Assets:			
Invested in Capital Assets, net of related debt	926,201	758,380	658,885
Restricted	284,720	327,979	351,097
Unrestricted	142,352	113,332	89,613
Total Net Assets	\$ 1,353,273	\$ 1,199,691	\$ 1,099,595

The majority of the Authority's net assets at September 30, 2008, represent 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, 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 assets restricted for debt service and capital acquisitions at September 30, 2008, represent funds that are subject to external restrictions under the Authority's Bond Resolution dated June 13, 1978, as amended, and PFCs that are restricted by federal regulations. The unrestricted portion of net assets, \$142.4 million at September 30, 2008, may be used to meet the Authority's ongoing obligations.

AIRLINE RATES AND CHARGES

The Authority operated under a negotiated Airline Lease and Use Agreement in effect with seventeen airlines known collectively as the signatory airlines. This agreement established the rates and charges methodology for the signatory airlines and their affiliates each year and expired on September 30, 2008.

The Authority negotiated a new Lease and Use Agreements relating to the use of the Airport, the rental of space, and the establishment of landing fees with fourteen of the airlines effective October 1, 2008. See the Subsequent Events disclosure (Note 23) for additional information.

The following chart shows the signatory airlines' rates and charges:

SIGNATORY AIRLINE RATES AND CHARGES

	Rates effective for FY 2008	Rates effective for FY 2007	Rates effective for FY 2006
Terminal Average Square Foot Rate	\$ 69.38	\$ 55.53	\$ 54.94
Landing Fee – per 1,000 lbs. Unit (gross)	1.9657	1.9469	1.9698
Landing Fee – per 1,000 lbs. Unit (net)	1.4391	1.1363	0.6199
Cargo Landing Fee – per 1,000 lbs. Unit	2.08	2.00	1.95

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 passenger facility charge (PFC) per eligible enplaned passenger at Orlando International Airport and has imposed the PFC since February 1993. Effective July 1, 2007, the charge increased from \$3.00 to \$4.50. The FAA authorizes PFCs either to pay for eligible capital improvements or to pay debt service on bonds issued to finance projects eligible for PFC funding. Through September 2008, the Authority approved applications to impose PFCs of approximately \$1.6 billion to fund project costs of various airport improvements. PFC collections to date (including investment earnings) are \$653.8 million. Expenditures on PFC-approved projects and debt service-to-date are \$632.8 million.

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

During fiscal year 2008, the Authority expended \$197.0 million on capital projects. This included \$16.2 million funded by FAA contributions, \$21.4 million funded by Florida Department of Transportation contributions, \$31.5 million funded by Transportation and Security Administration, \$0.3 funded by Office of Tourism Trade and Economic Development, and \$81.0 million funded by PFCs. The balance was paid from tenant and other Authority funds. Major projects under construction and the amounts expended during fiscal year 2008 are listed as follows (in millions):

Airside Terminals 1 and 3	\$ 97.2
In-line Baggage System	57.7
Automated People Mover	10.6
Roadway and Pavement Repairs	9.0
International Passenger Enhancements	5.8
North Terminal Capacity Enhancements	3.3
Elevator and Escalator Repairs	2.5
Airside Terminal 4 Improvements	1.6
Electrical and Lighting Repairs	1.3
Fire and Smoke Control Alarm Systems	1.3
Airline Relocation	1.1
Airfield Lighting and Signage	1.0
Hangar Replacement	0.9
Miscellaneous	3.7
Total	\$ 197.0

Major projects completed and the amounts transferred to fixed assets depreciable and nondepreciable during the fiscal year are listed as follows (in millions):

ITS Guideway	\$ 47.6
South Terminal Building Design	47.5
Terminal Enhancements	40.3
Security	25.5
Master Grading and Drainage	23.7
Accommodating Larger (Group VI) Aircraft	16.6
Roadway and Pavement Repairs	10.3
Airside 4 Improvements Program	9.9
South Terminal Access Road Design	3.2
South Terminal Parking Facility Design	1.6
Multi-User Flight Information Displays	1.3
Hangar Replacement	0.9
Miscellaneous	4.0
Total	\$ 232.4

The South Terminal design, Intermodal Transit System (ITS) design and first phase of ITS construction, various related grading, drainage and infrastructure projects were transferred from Construction in Progress (CIP) to Fixed Assets during fiscal year 2008, to reflect that the design and land improvements are complete. Currently there are no other related projects underway. The construction of the South Terminal and the ITS have been postponed due to the decline in passenger traffic and reduction of space rented by the airlines will no longer rent after October 1, 2008, as a result of the new lease and use agreement.

The construction of the South Terminal and ITS are still included in the Authority's long term capital improvement plans to begin construction in 2012. The Authority plans to build the South Terminal to coincide with the passenger traffic exceeding the anticipated maximum capacity of 45 million total passengers per year in the North Terminal.

The Authority believes that the design is current and could go forward with very little alteration. The South Terminal design and ITS projects have been added to a non-depreciable Fixed Asset category called Projects Held for Future Use since they have not been placed in service yet. The asset will be reviewed annually to determine whether it should be impaired should changes occur in the airport/airline industry that could render the design insufficient to construct the structures. The grading and drainage projects were added to the cost basis of the land, which is non-depreciable.

More detailed information about the Authority's capital assets is presented in Note 9 to the financial statements.

DEBT ACTIVITIES

During fiscal year 2008, the Authority defeased the Airport Facilities Variable Rate Subordinated Revenue Refunding Periodic Auction Rate Security (PARS) Bonds, Series 1998 in the amount of \$282.3 million, by using proceeds of the Airport Facilities Refunding Revenue Bonds, Series 2008A, in the amount of \$248.1 million, and Authority funds. The Authority also issued Airport Facilities Refunding Revenue Bonds, Series 2008B in the amount of \$26.1 million, in order to pay a swap termination fee in the amount of \$25.7 million associated with the PARS debt. Additional commercial paper in the amount of \$62.0 million was also issued during the current year to pay for construction projects.

During fiscal year 2007, the Authority refinanced a majority of the Airport Facilities Revenue Bonds, Series 1997, in the amount of \$143.8 million, by using proceeds of the Airport Facilities Refunding Revenue Bonds, Series 2007A, in the amount of \$141.5 million.

DEBT ADMINISTRATION

The Authority has outstanding revenue bonds, which 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 other parity indebtedness.

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 bonds outstanding as of September 30, 2008, was \$1.0 billion. Insured Airport Facilities Revenue Bonds have a Standard & Poor's rating of AAA, a Moody's rating of Aaa, and a Fitch rating of AAA.

OTHER PARITY SUBORDINATED INDEBTEDNESS

Other parity-subordinated indebtedness as defined in the Master Trust Indenture consists of Gulf Breeze Loan Agreements; Airport Facilities Taxable Subordinated Revenue Bonds, Series 2002A; Airport Facilities Secondary Subordinated Revenue Bonds, Series 1997; and commercial paper notes. Other parity indebtedness is payable from revenues deposited into the Discretionary Account and is junior and subordinate to senior indebtedness of the Authority. As of September 30, 2008, the aggregate principal amount of all other parity-subordinated indebtedness was \$256.6 million, including \$90.1 million of secondary-subordinated indebtedness and other such principal amounts as further discussed below.

As of September 30, 2008, the Authority has outstanding \$129.3 million of Airport Facilities Subordinated Commercial Paper Notes of which the aggregate principal amount outstanding at any one time may not exceed \$400.0 million. The commercial paper program consists of Series A Notes (tax-exempt), Series B Notes (AMT) and Series C Notes (taxable). The Authority may issue additional commercial paper to provide interim financing for various construction projects included in the Authority's capital improvement program.

Between 1991 and 1993, the Authority borrowed a total of \$35 million at a variable interest rate from the City of Gulf Breeze, Florida, Local Government Loan Program, to finance a portion of the costs of the Airport's hotel. On July 1, 1998, the Authority remarketed these bonds to fixed rates. The aggregate principal amount of such bonds outstanding as of September 30, 2008, was \$19.9 million.

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 125% of the debt service on the senior lien airport revenue bonds and 100% of the debt service on subordinated bonds and other parity indebtedness. During fiscal year 2008, the Authority defeased the Airport Facilities Variable Rate Subordinated Revenue Refunding Periodic Auction Rate Security (PARS) Bonds, Series 1998 by using proceeds of the Airport Facilities Refunding Revenue Bonds, Series 2008A and 2008B. Because the 2008A and 2008B bonds were senior lien debt replacing the PARS subordinated debt, the coverage ratio dropped from 2007 to 2008. Coverage ratios for the past three years are shown in the following table.

COVERAGE RATIOS

	2008	2007	2006
Senior lien debt	1.70%	2.21%	2.07%
All indebtedness	1.27%	1.37%	1.41%

More detailed information about the Authority's noncurrent liabilities is presented in Note 15 to the financial statements.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview for all of those interested in the Authority's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Greater Orlando Aviation Authority, One Airport Boulevard, Orlando, FL 32827-4399.

Jacki Churchill
Chief Financial Officer

Christopher Pike
Assistant Finance Director

GREATER ORLANDO AVIATION AUTHORITY
BALANCE SHEETS
(in thousands)

ASSETS	September 30, 2008	2007
Current Assets		
Unrestricted:		
Cash and cash equivalents	\$ 103,766	\$ 94,458
Accounts and grants receivable, less allowance for uncollectibles of \$128 and \$125	14,727	18,027
Investments	40,559	33,115
Interest receivable	603	768
Prepaid expenses	6,087	5,757
Total unrestricted assets	<u>165,742</u>	<u>152,125</u>
Restricted:		
Cash and cash equivalents	279,117	326,491
Accounts and grants receivable, less allowance for uncollectibles of \$0	41,855	16,599
Investments	75,755	6,949
Interest receivable	2,038	2,491
Prepaid expenses	1,255	172
Total restricted assets	<u>400,020</u>	<u>352,702</u>
Total current assets	<u>565,762</u>	<u>504,827</u>
Noncurrent Assets		
Investments, restricted	138,862	191,223
Total long-term investments	<u>138,862</u>	<u>191,223</u>
Capital assets, net of accumulated depreciation:		
Property and equipment	1,170,006	996,842
Property held for lease	522,834	550,094
Construction in progress	315,542	350,792
Total capital assets, net of accumulated depreciation	<u>2,008,382</u>	<u>1,897,728</u>
Total noncurrent assets	<u>2,147,244</u>	<u>2,088,951</u>
 Total Assets	 <u><u>\$ 2,713,006</u></u>	 <u><u>\$ 2,593,778</u></u>

GREATER ORLANDO AVIATION AUTHORITY
BALANCE SHEETS
(in thousands)

LIABILITIES AND NET ASSETS	September 30, 2008	2007
Current Liabilities (Payable from Unrestricted Current Assets)		
Accounts payable and accrued liabilities	\$ 28,621	\$ 26,810
Deferred revenue	3,665	25,561
Deposits	5,185	4,940
Advance rent from tenants, current	5,220	1,669
Total current liabilities (payable from unrestricted current assets)	<u>42,691</u>	<u>58,980</u>
Current Liabilities (Payable from Restricted Assets)		
Accrued interest	25,239	17,489
Accounts payable and accrued liabilities	43,914	46,508
Deferred revenue	15,456	13,928
Notes payable, current	2,003	9,424
Revenue bonds payable, current	171,430	45,500
Total current liabilities (payable from restricted assets)	<u>258,042</u>	<u>132,849</u>
Total current liabilities	<u>300,733</u>	<u>191,829</u>
Noncurrent Liabilities		
Notes payable, long-term	127,256	78,681
Revenue bonds payable, long-term	919,352	1,114,225
Advance rent from tenants, long-term	2,722	2,916
Other postemployment benefits	9,670	5,169
Total noncurrent liabilities	<u>1,059,000</u>	<u>1,200,991</u>
Total liabilities	<u>1,359,733</u>	<u>1,392,820</u>
NET ASSETS		
Invested in capital assets, net of related debt	926,201	758,380
Restricted:		
For debt service	170,579	174,601
For capital acquisitions	114,141	153,378
Unrestricted	142,352	114,599
Total net assets	<u>1,353,273</u>	<u>1,200,958</u>
Total Liabilities and Net Assets	<u>\$ 2,713,006</u>	<u>\$ 2,593,778</u>

See accompanying notes to basic financial statements

GREATER ORLANDO AVIATION AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(in thousands)

	Years Ended September 30,	
	2008	2007
Operating Revenues		
Airfield area	\$ 65,578	\$ 35,264
Terminal area	230,335	219,461
Hotel	36,723	34,565
Other buildings and site rentals	14,030	13,278
Total operating revenues	<u>346,666</u>	<u>302,568</u>
Operating Expenses		
Operations and facilities	117,444	109,595
Safety and security	17,979	15,409
Administration	23,704	20,658
Hotel	28,008	26,505
Other	16,008	11,110
Total operating expenses before depreciation	<u>203,143</u>	<u>183,277</u>
Operating income before depreciation	143,523	119,291
Depreciation	<u>(96,442)</u>	<u>(93,352)</u>
Operating income	47,081	25,939
Nonoperating Revenues (Expenses)		
Investment income	19,579	30,833
Interest expense	(64,130)	(67,150)
Passenger facility charges	70,656	59,302
Federal and state grants	1,842	2,531
Other	7,411	1,002
Income before capital contributions	<u>82,439</u>	<u>52,457</u>
Capital Contributions	<u>69,876</u>	<u>47,639</u>
Increase in net assets	<u>152,315</u>	<u>100,096</u>
Total Net Assets, Beginning of Year	<u>1,200,958</u>	<u>1,100,862</u>
Total Net Assets, End of Year	<u>\$ 1,353,273</u>	<u>\$ 1,200,958</u>

See accompanying notes to basic financial statements

GREATER ORLANDO AVIATION AUTHORITY
STATEMENTS OF CASH FLOW
(in thousands)

	Years Ended September 30,	
	2008	2007
Cash flows from operating activities		
Cash received from customers and tenants	\$ 336,049	\$ 287,854
Cash paid to suppliers	(145,457)	(126,646)
Cash paid to employees for services	(51,442)	(50,606)
Net cash provided by operating activities	<u>139,150</u>	<u>110,602</u>
Cash flows from noncapital financing activities		
Operating grants and passenger facilities charges received	<u>8,048</u>	<u>7,047</u>
Net cash provided by noncapital financing activities	<u>8,048</u>	<u>7,047</u>
Cash flows from capital and related financing activities		
Proceeds from issuance of bonds	283,214	149,845
Proceeds from issuance of commercial paper notes	62,000	60,100
Passenger facilities charges and insurance proceeds	68,224	55,788
Principal payments - bonds and notes	(348,671)	(221,463)
Bond issue costs and discount on bonds	(5,164)	(1,205)
Swap termination payment	(25,724)	-
Interest paid	(49,824)	(64,622)
Acquisition and construction of capital assets (including capitalized interest)	(209,401)	(130,127)
Capital contributed by federal and state agencies	43,023	56,106
Net cash used for capital and related financing activities	<u>(182,323)</u>	<u>(95,578)</u>
Cash flows from investing activities		
Purchase of investments	(360,280)	(185,852)
Proceeds from sale and maturity of investments	335,583	252,562
Interest received	21,756	30,438
Net cash (used for) provided by investing activities	<u>(2,941)</u>	<u>97,148</u>
Net (decrease) increase in cash and cash equivalents	(38,066)	119,219
Cash and Cash Equivalents, Beginning of Year	420,949	301,730
Cash and Cash Equivalents, End of Year (1)	<u>\$ 382,883</u>	<u>\$ 420,949</u>
(1) Cash and Cash Equivalents - Current Assets	\$ 103,766	\$ 94,458
Cash and Cash Equivalents - Restricted Assets	279,117	326,491
	<u>\$ 382,883</u>	<u>\$ 420,949</u>

(continued)

GREATER ORLANDO AVIATION AUTHORITY
STATEMENTS OF CASH FLOW
(in thousands)

	Years Ended September 30,	
	<u>2008</u>	<u>2007</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	<u>\$ 47,081</u>	<u>\$ 25,939</u>
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	96,442	93,352
Noncash operating revenue	(35)	(4,710)
(Increase) Decrease in operating assets		
Accounts and grants receivable	4,844	(7,718)
Prepaid expenses	(330)	(191)
Increase (Decrease) in operating liabilities		
Accounts payable and accrued liabilities	7,720	5,885
Deferred revenue	(20,368)	(275)
Deposits	245	142
Advance rent from tenants	3,551	(1,822)
Total adjustments	<u>92,069</u>	<u>84,663</u>
Net cash provided by operating activities	<u><u>\$ 139,150</u></u>	<u><u>\$ 110,602</u></u>

Noncash Investing, Capital and Financing Activities

(Decrease) Increase in fair value of investments	\$ (798)	\$ 1,043
Capital assets received in lieu of cash from exchange transaction	\$ 2,883	\$ -

See accompanying notes to basic financial statements

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

1. 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 replaced by Chapter 98-492, Laws of Florida, as amended. The Authority operates Orlando International Airport and Orlando Executive Airport. For reporting purposes, these airports are combined into a single enterprise fund.

2. 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 and 39. 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

Basis of Presentation and Accounting: The Authority's financial statements are accounted for on 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. Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the Authority applies all applicable GASB pronouncements as well as Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The principal operating revenues of the Authority are from sources such as airlines, concessions, rental cars and parking. Investment income, passenger 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 financing costs are considered nonoperating expenses.

The GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfer of Assets and Future Revenues*, in September 2006 and is effective for the Authority in fiscal year 2008. The Statement establishes criteria for government agencies on the reporting of receivables, and provides guidance in recognizing other assets and liabilities for sales of receivables or future revenues. The Authority pledged future airport revenues, net of specified operating expenses, to repay Airport Facilities Revenue Bonds issued from 1997 to 2008. Proceeds from the bonds provided financing for various airport capital projects. The bonds are payable solely from the airport system revenues. The Authority agreed to maintain rates and charges each year to provide net revenues, as defined in the applicable bond agreements, equal to at least 1.25 times the sum of the aggregate debt service on senior lien bonds each fiscal year and at least 1.00 times on all other debt. Disclosures related to GASB Statement No. 48 are found in Note 15.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

The GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, in November 2006, which affects the Authority beginning in fiscal year 2009. The Statement provides accounting and financial reporting standards for pollution remediation obligations as well as disclosure requirements. The Authority is currently evaluating the effect that the adoption of GASB No. 49 may have on the financial statements.

The GASB issued Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*, in May 2007, effective for the Authority in fiscal year 2008. This Statement amends Statements 25 and 27 to require pension plans to disclose specific details that align with the financial reporting requirements for other postemployment benefits (OPEB). The Authority discloses the information required by this Statement in Note 12.

The GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, in June 2007, effective for the Authority in fiscal year 2010. Intangible assets are required to be classified as capital assets under the Statement 51. The Statement also provides guidance on the useful life and amortization of intangible assets. The Authority has not yet determined the effect that the adoption of GASB No. 51 may have on the financial statements.

The GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, in November 2007, effective for the Authority in fiscal year 2009. This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also report the changes in fair value as investment income and disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. The Authority does not anticipate the adoption of this statement will have any effect on amounts reported in the financial statements.

The GASB issued Summary of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, in June 2008, effective for the Authority in fiscal year 2010. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. Much of this Statement describes the methods of evaluating effectiveness. The Authority has not yet determined the effect that the adoption of GASB No. 53 may have on the financial statements.

Cash and Cash Equivalents: Demand deposits, certificates of deposit, cash on hand and repurchase agreements with a maturity of three months or less from the date of purchase are considered to be cash and cash equivalents.

Fair Value of Investments: The Authority accounts for all investments, regardless of time to maturity or their acquisition date, at fair value on the balance sheet with unrealized gains and losses charged or credited to investment income. The Authority uses available market information to determine these fair values.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

Restricted Assets and Liabilities: The Bond Resolution authorizing the issuance of the revenue bonds for Orlando International Airport requires the segregation of certain assets into restricted accounts and limits their use to specific items as defined by the document. Current liabilities payable from restricted assets are the liabilities that are to be retired by use of the restricted assets.

Noncurrent Assets: A portion of restricted assets is reported as noncurrent. This represents amounts restricted as to withdrawal or use for other than current operations, designated for expenditure in the acquisition or construction of noncurrent assets, or segregated for the liquidation of long-term debt.

Lease and Concession Agreements: The Authority's operations consist of agreements for use of land, buildings, terminal space and privileges to airlines and concessionaires. The agreements consist of (a) one year, cancelable space and use permits, and (b) non-cancelable agreements for land, buildings, terminal space and privileges, most of which expire between the years 2009 and 2013. The Authority accounts for revenue from these agreements under the operating method and records revenue over the terms of the agreements.

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.

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	5 to 50 years
Improvements	5 to 50 years
Equipment	3 to 7 years
Motor vehicles	5 to 15 years

Pension Plans: Pension expense includes amortization of prior service costs over a period of thirty years. The Authority's policy is to fund accrued defined benefit pension costs which include normal costs and amortization of prior service costs for regular employees as actuarially determined. The Authority recognizes plan member contributions in the period in which contributions are due, and the employer made a formal commitment to provide contributions.

Other Post-Employment Benefit Plans: In fiscal year 2006, the Authority implemented GASB 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" ("OPEB"). GASB 45 improves the relevance and usefulness of financial reporting by (a) requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and (b) providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the OPEB plan. The Authority obtains actuarial valuation reports for its OPEB plan and posts the expenses and liabilities for OPEB as required under GASB 45. OPEB expense includes normal costs and prior service costs. Prior service costs are amortized over a period of thirty years. The Authority is currently reviewing its funding options.

Compensated Absences: The Authority recognizes expenses relating to compensated absences as incurred and includes those liabilities in accrued expenses.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

Passenger Facility Charges: The Federal Aviation Administration 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 based upon information provided by the airlines. Accordingly, the Authority records these nonoperating revenues when passenger facility charges are collected by the airlines.

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 estimates the rebate payable and reduces investment income accordingly.

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, inflight catering and fuel flow system rental and fees.
- Terminal Area – Airlines space rentals, privilege fees for the operation of terminal complex concessions of food, beverage, general merchandise, rental car facilities and fees, public parking, ground transportation, and other miscellaneous fees.
- Hotel – Revenue associated with rooms, food and beverage, telecommunications, and other rentals and income.
- Other Buildings and Site Rentals – Fees associated with fixed base operators, foreign trade zone, and other building and land rentals.

Interest Rate Risk Management: The Authority uses interest rate swap agreements to reduce its debt service costs. The Authority has entered into interest-rate swap agreements to reduce interest costs on the Airport Facilities Taxable Subordinated Refunding Revenue Bonds, Series 2002A, the Airport Facilities Variable Rate Refunding Revenue Bonds, Series 2002E, and the Airport Facilities Secondary Subordinated Revenue Bonds, Series 1997B. The differential to be paid or received is accrued as interest expense or income and is recognized over the life of the agreement. The related amount payable to or receivable from counterparties is included in accrued interest or interest receivable. The fair values of the swap agreements are not recognized in the financial statements. In March 2008, the interest-rate swap associated with the Airport Facilities Variable Rate Subordinated Revenue Refunding Bonds, Series 1998, was terminated along with the refunding of its underlying debt.

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 as received.

Interest During Construction: The Authority capitalizes interest during construction to Construction in Progress, and consists of interest cost on certain borrowings in excess of interest earned on related investments acquired with the proceeds of borrowings.

Deferred Revenues: The Authority defers fifty percent of certain fees and charges collected from tenants and other sources, in excess of certain required deposits, in accordance with the Airline Lease and Use Agreement.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

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 defers bond issue costs and bond discounts and premiums in the year of issuance and amortizes deferrals 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, through subsequent events, actual results could differ from those estimated.

Reclassifications: Certain amounts in the prior year financial statements may have been reclassified to conform to the current year presentation.

4. 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. At the end of the 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 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.

The City of Orlando and the Authority entered into certain property sales and exchange transactions as discussed in Note 10, which resulted in gains and amounts due to and from the City.

The City of Orlando provides certain police and fire protection services to the Authority. Total charges for these services amounted to approximately \$10.0 million and \$7.8 million for 2008 and 2007, respectively. Approximately, \$1.0 million is recorded as a liability due to the City of Orlando in connection with these services at September 30, 2008 and 2007.

In August 2006, the United States Department of Transportation, Office of the Inspector General (OIG) issued a report on the use of airport revenues by the Authority. The report identified a police pension credit from the State of Florida that was not credited for the police services charged to the Authority, an overcharge for a radio communications system upgrade and the retention of net proceeds received from parking tickets issued by Authority employees. In January 2008, the Authority and the City reached a resolution regarding these and other issues. See Note 10 for discussion of resolution..

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

5. CASH DEPOSITS AND INVESTMENTS

The Authority's cash and cash equivalents balances include amounts deposited with the Florida State Board of Administration's Local Government Investment Pool, as well as amounts deposited with commercial banks in interest-bearing and non-interest bearing demand accounts. 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 Florida Security for Public Deposits 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 is delivered to the State's CFO.

The Authority follows GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires the adjustments of the carrying values of investments to fair value to be presented as a component of investment income. Investments are presented at fair value, which is based on available market values. The Local Government Investment Pool operated by the Florida State Board of Administration is a "2a-7-like" pool in accordance with GASB 31; therefore it is not presented at fair value but at its actual pooled share price which approximates fair value.

At September 30, 2008 and 2007, the fair value of all securities regardless of the balance sheet classification was as follows (in thousands):

	2008	2007
U.S. Treasury and government agency securities	\$ 300,249	\$ 216,265
Repurchase agreements	-	82,410
Commercial paper	24,884	29,813
Local government investment pool	9,538	91,620
Investment in money market funds	167,020	229,887
U.S. Equities (bankruptcy settlements)	-	4,089
Securities total	<u>\$ 501,691</u>	<u>\$ 654,084</u>

These securities are classified on the balance sheet as follows (in thousands):

	2008	2007
Current assets		
Cash and cash equivalents	\$ 382,883	\$ 420,949
Investments	116,314	40,064
Noncurrent Assets		
Investments	138,862	191,223
Total cash and investments	<u>638,059</u>	<u>652,236</u>
Adjustment for cash on deposit	(136,368)	1,848
Total securities, at fair value	<u>\$ 501,691</u>	<u>\$ 654,084</u>

The Authority is authorized to invest in securities as described in its investment policy and in each bond resolution. As of September 30, 2008 and 2007, the Authority held the following investments as categorized below in accordance with GASB Statement No. 40:

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

5. CASH DEPOSITS AND INVESTMENTS (continued)

Investment Maturities at September 30, 2008 (in thousands):

Investment Type	Less than 1 Year	1 to 5 Years	6 to 10 Years	11 to 15 Years	Total
U.S. Treasury and government agency	\$ 130,721	\$ 98,500	\$ 38,693	\$ 32,335	\$ 300,249
Commercial paper	24,884	-	-	-	24,884
Local government investment pool	8,638	-	900	-	9,538
Money market funds	167,020	-	-	-	167,020
	<u>\$ 331,263</u>	<u>\$ 98,500</u>	<u>\$ 39,593</u>	<u>\$ 32,335</u>	<u>\$ 501,691</u>

The Authority recorded investments reallocated by the State Board of Administration (SBA) Fund B local government investment pool during the fiscal year ended September 30, 2008. The SBA disclosed the weighted average maturity of investments held in Fund B at June 30, 2008 as being 9.22 years. Therefore, as of September 30, 2008, the maturity date of investments held in Fund B was adjusted to September 16, 2017. Fund B is described in more detail under *Concentration of Credit Risk*.

Investment Maturities at September 30, 2007 (in thousands):

Investment Type	Less than 1 Year	1 to 5 Years	6 to 10 Years	11 to 15 Years	Total
U.S. Treasury and government agency	\$ 43,718	\$ 93,163	\$ 48,442	\$ 30,942	\$ 216,265
Repurchase Agreements	82,410	-	-	-	82,410
Commercial paper	29,813	-	-	-	29,813
Local government investment pool	91,620	-	-	-	91,620
Money market funds	229,887	-	-	-	229,887
	<u>\$ 477,448</u>	<u>\$ 93,163</u>	<u>\$ 48,442</u>	<u>\$ 30,942</u>	<u>\$ 649,995</u>

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. The Authority's investment policy requires the investment portfolio to be structured to provide sufficient liquidity to pay obligations as they come due. To the extent possible, investment maturities match known cash needs and anticipated cash flow requirements. Additionally, maturity limitations for investments related to the issuance of debt are outlined in the Bond Resolution relating to the specific bond issue. The Authority portfolio holds a number of callable securities. The schedules above present the maturity date of each security.

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 investments to the highest credit rating category of Moody's Investors Services (Moody's) and Standard & Poor's (S&P), and funds can only be invested in money market funds rated AAAM or AAAM-G by S&P. Investment in commercial paper is limited to those programs rated A-1, P-1, which is the highest rating category. Consistent with the Authority's investment policy and bond resolutions, instrumentality investments held in the portfolio were rated AAA by S&P and Aaa by Moody's at the time of purchase.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

5. 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 of 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: At September 30, 2008, the Authority held investments exceeding five percent of the total investment portfolio with three issuers; Federal Home Loan Bank (34.0%), Federal Home Loan Mortgage Corporation (15.5%), and Federal National Mortgage Association (10.2%). At September 30, 2007, the Authority held investments exceeding five percent of the total investment portfolio with three issuers; Federal Home Loan Bank (12.1%), Federal Home Loan Mortgage Corporation (13.9%), and Federal National Mortgage Association (7.3%). Each of the investments are rated either AAA by S&P or Aaa by Moody's rating agency. Standard practice limits the maximum investment in any one issuer of commercial paper to \$5 million dollars.

As of September 30, 2007, the Authority had \$91.6 million invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (Pool). On November 2, 2007, the Authority withdrew \$10.0 million for liquidity purposes, and on November 15, 2007, the Authority withdrew another \$57.0 million, leaving a balance of about \$25.1 million invested in the Pool. On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund, coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub-prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate Funds; Fund A consisted of all money market appropriate assets, which was approximately \$12.0 billion or 86% of Pool assets and Fund B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2.1 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Fund A and Fund B.

As of December 7, 2007, the SBA allowed participants to withdraw 15% of their balance or \$2.0 million, whichever was greater, without penalty from each account in Fund A. Withdrawals from Fund A in excess of the above limit are subject to a 2% redemption fee while there was not a redemption fee to withdraw new deposits. On December 7, 2007, the Authority exercised its option to withdraw (without penalty) \$13.5 million from Fund A, leaving a balance of \$11.5 million in the two pools. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAm" principal stability fund rating to Fund A. On May 15, 2008, the SBA raised the liquidity ceiling of Fund A from 37% to 50% of original Fund A balances, with a minimum ceiling of \$8.0 million per account. On September 25, 2008, the SBA raised the liquidity ceiling of Fund A from 50% to 65% of original Fund A balances.

The SBA does not allow participants to withdraw funds from Fund B. As maturities occur in Fund B, the SBA transfers the monies from Fund B to Fund A. Since the SBA established Fund B, they have released approximately \$2.5 million of the Authority's funds into Fund A.

As of September 30, 2008, the Authority had \$9.7 million invested in the Pool with \$8.6 million in Fund A and \$1.1 million invested in Fund B. An entry to adjust the fair value of Fund B by \$0.2 million reduced the total value to \$0.9 million as reported on the SBA statements dated September 30, 2008. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

6. ACCOUNTS AND GRANTS RECEIVABLE

Accounts and grants receivable, net of allowance for doubtful accounts, consist of the following:

Accounts and Grants Receivable As of September 30, (in thousands)		
Current Assets	<u>2008</u>	<u>2007</u>
Accounts receivable	\$ 14,708	\$ 17,517
Allowance for doubtful accounts	(128)	(125)
Grants receivable	<u>147</u>	<u>635</u>
	<u>\$ 14,727</u>	<u>\$ 18,027</u>
Restricted Assets		
Accounts receivable	\$ 6,628	\$ 8,716
Grants receivable	<u>35,227</u>	<u>7,883</u>
	<u>\$ 41,855</u>	<u>\$ 16,599</u>

7. GRANT RECOGNITION

A Letter of Intent (LOI) is a provision under Section 47110(e) of Title 49, United States Code to obligate funds for future budget authority to issue grants to pay the Authority for the FAA's shares of allowable costs. The amounts listed below are estimates and are not obligations of the United States or administrative commitments. The LOI can be amended to adjust the payment schedule or the maximum obligation.

Under GASB Statement No. 33, the Authority recognizes revenues from the LOI when all eligibility requirements are met. Since there are time and reimbursement requirements associated with these LOI, the balance to be collected will be recognized as revenues in the years the grants are awarded. As of September 30, 2008, the Authority expended \$4.8 million under LOI ASO-99-01 for which grants have not been awarded. As of September 30, 2007, the Authority expended \$10.6 million and \$2.0 million, respectively, under LOI ASO-99-01 and LOI ASO-98-02 for which grants have not been awarded. The Authority received the following LOI's from the FAA.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

7. **GRANT RECOGNITION** (continued)

LOI ASO-99-01 dated April 3, 2000 for construction of a new runway, associated taxiways, and security roads is listed as follows (in thousands):

	<u>2008</u>	<u>2007</u>
Maximum Obligation	<u>\$ 73,190</u>	<u>\$ 73,680</u>
Collected in prior years	\$ 62,700	\$ 56,800
Collected in current year	<u>5,710</u>	<u>5,900</u>
Collected to date	<u>68,410</u>	<u>62,700</u>
Balance to be collected	<u>\$ 4,780</u>	<u>\$ 10,980</u>
Schedule of balance to be collected:		
2008	\$ -	\$ 6,200
2009	<u>4,780</u>	<u>4,780</u>
	<u>\$ 4,780</u>	<u>\$ 10,980</u>

LOI ASO-98-02 dated November 10, 1998 (amended October 7, 2002) for construction of the new single North Crossfield Taxiway is listed as follows (in thousands):

	<u>2008</u>	<u>2007</u>
Maximum Obligation	<u>\$ 37,583</u>	<u>\$ 37,583</u>
Collected in prior years	\$ 35,583	\$ 33,583
Collected in current year	<u>2,000</u>	<u>2,000</u>
Collected to date	<u>37,583</u>	<u>35,583</u>
Balance to be collected	<u>\$ -</u>	<u>\$ 2,000</u>
Schedule of balance to be collected:		
2008	\$ -	\$ 2,000
	<u>\$ -</u>	<u>\$ 2,000</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

8. RESTRICTED ASSETS

The Bond Resolution and the Master Indenture of Trust authorizing the issuance of the revenue bonds for Orlando International Airport require segregation of certain assets into restricted accounts. Majority-in-Interest approval of the Signatory Airlines was granted for (1) the issuance of commercial paper to fund various capital improvements to Orlando International Airport, and (2) the use of Airport Facilities Improvement and Development assets to pay all or a portion of project costs with reimbursement from commercial paper, state and federal grants, passenger facility charges, and/or revenue bonds. Composition of restricted accounts is as follows:

Restricted Assets As of September 30, (in thousands)		
	<u>2008</u>	<u>2007</u>
Debt Service Accounts	\$ 197,710	\$ 194,724
Capital Acquisition Accounts	218,015	178,129
Bond Construction Accounts	61,183	69,265
Passenger Facility Charges Account	16,132	59,050
Operating Reserve Account	32,261	28,829
Prepaid Airlines Fees and Charges Account	<u>13,581</u>	<u>13,928</u>
Total Restricted Assets	<u>\$ 538,882</u>	<u>\$ 543,925</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

9. CAPITAL ASSETS

A summary of capital assets activity for the years ended September 30, 2008 and 2007 follows (in thousands):

	Balance October 1, 2007	Additions and Reclass- ifications	Deductions	Balance September 30, 2008
Property and Equipment				
Capital Assets not Depreciated				
Land	\$ 186,221	\$ 60,562	\$ 120	\$ 246,663
Assets Held for Future Use	-	99,602		99,602
	<u>186,221</u>	<u>160,164</u>	<u>120</u>	<u>346,265</u>
Other Property and Equipment				
Building	268,568	1,842	-	270,410
Improvements	1,224,272	70,853	-	1,295,125
Equipment	71,922	5,868	1,359	76,431
Motor Vehicles	18,180	1,945	741	19,384
	<u>1,582,942</u>	<u>80,508</u>	<u>2,100</u>	<u>1,661,350</u>
Accumulated Depreciation				
Building	85,336	9,081		94,417
Improvements	621,798	48,774		670,572
Equipment	52,413	7,955	1,284	59,084
Motor Vehicles	12,774	1,502	740	13,536
	<u>772,321</u>	<u>67,312</u>	<u>2,024</u>	<u>837,609</u>
Net Property and Equipment	<u>996,842</u>	<u>173,360</u>	<u>196</u>	<u>1,170,006</u>
Property and Equipment - Held for Lease				
Capital Assets not Depreciated				
Land	8,154	-	23	8,131
Other Property and Equipment				
Building	860,127	878	-	861,005
Improvements	75,354	1,015	-	76,369
	<u>935,481</u>	<u>1,893</u>	<u>-</u>	<u>937,374</u>
Accumulated Depreciation				
Building	363,954	24,990	-	388,944
Improvements	29,587	4,140	-	33,727
	<u>393,541</u>	<u>29,130</u>	<u>-</u>	<u>422,671</u>
Net Property and Equipment Held for Lease	<u>550,094</u>	<u>(27,237)</u>	<u>23</u>	<u>522,834</u>
Construction Work in Progress				
Capital Assets not Depreciated				
Construction Work in Progress	350,792	197,454	232,704	315,542
Net Capital Assets	<u>\$ 1,897,728</u>	<u>\$ 343,577</u>	<u>\$ 232,923</u>	<u>\$ 2,008,382</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

9. CAPITAL ASSETS (continued)

	Balance October 1, 2006	Additions and Reclass- ifications	Deductions	Balance September 30, 2007
Property and Equipment				
Capital Assets not Depreciated				
Land	\$ 186,221	\$ -	\$ -	\$ 186,221
Other Property and Equipment				
Building	248,100	20,468	-	268,568
Improvements	1,203,288	20,984	-	1,224,272
Equipment	68,012	5,375	1,465	71,922
Motor Vehicles	16,626	2,825	1,271	18,180
	<u>1,536,026</u>	<u>49,652</u>	<u>2,736</u>	<u>1,582,942</u>
Accumulated Depreciation				
Building	76,854	8,482	-	85,336
Improvements	574,197	47,601	-	621,798
Equipment	46,486	7,393	1,466	52,413
Motor Vehicles	13,087	955	1,268	12,774
	<u>710,624</u>	<u>64,431</u>	<u>2,734</u>	<u>772,321</u>
Net Property and Equipment	<u>1,011,623</u>	<u>(14,779)</u>	<u>2</u>	<u>996,842</u>
Property and Equipment - Held for Lease				
Capital Assets not Depreciated				
Land	8,154	-	-	8,154
Other Property and Equipment				
Building	859,827	300	-	860,127
Improvements	74,136	1,218	-	75,354
	<u>933,963</u>	<u>1,518</u>	<u>-</u>	<u>935,481</u>
Accumulated Depreciation				
Building	338,975	24,979	-	363,954
Improvements	25,645	3,942	-	29,587
	<u>364,620</u>	<u>28,921</u>	<u>-</u>	<u>393,541</u>
Net Property and Equipment Held for Lease	<u>577,497</u>	<u>(27,403)</u>	<u>-</u>	<u>550,094</u>
Construction Work in Progress				
Capital Assets not Depreciated				
Construction Work in Progress	253,827	140,556	43,591	350,792
Net Capital Assets	<u>\$ 1,842,947</u>	<u>\$ 98,374</u>	<u>\$ 43,593</u>	<u>\$ 1,897,728</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

9. CAPITAL ASSETS (continued)

During 2008, the Authority capitalized interest in the amount of \$219,000 to construction in progress, representing the excess of interest cost (\$291,000) on certain borrowings during the construction period over the interest earned (\$72,000) on related interest-bearing investments acquired with the proceeds of the borrowings. In addition, the Authority capitalized commercial paper interest in the amount of \$2.5 million to construction in progress related to the Airside 1 and 3 renovations and the in-line baggage screening system.

During 2007, the Authority capitalized interest in the amount of \$1.1 million to construction in progress, representing the excess of interest cost (\$1.6 million) on certain borrowings during the construction period over the interest earned (\$0.5 million) on related interest-bearing investments acquired with the proceeds of the borrowings.

The South Terminal design, Intermodal Transit System (ITS) design and first phase of ITS construction were transferred from Construction in Progress (CIP) to a non-depreciable Fixed Assets category called Assets Held for Future Use during fiscal year 2008 since they have not been placed in service yet. Various grading, drainage and infrastructure projects were transferred from CIP to Land. The asset will be reviewed annually to determine whether it should be impaired should changes occur in the airport/airline industry that could render the design insufficient to construct the structures. The grading and drainage projects were added to the cost basis of the land, which is non-depreciable.

10. NONMONETARY EXCHANGE TRANSACTION

During fiscal year 2008, the Authority entered into an exchange transaction with the Orlando Orange County Expressway Authority where land, with a cost of \$22,000 and fair market value of \$1.6 million, and rights to a permanent easement with an appraised value of \$0.9 million was transferred to Orlando Orange County Expressway Authority (OOCEA) in exchange for \$2.8 million in infrastructure improvements constructed by the OOCEA for the benefit of the Authority. The Authority recorded nonoperating revenue of \$2.4 million, an increase in capital assets of approximately \$2.8 million and a liability of \$0.3 million as a result of this transaction.

In addition, during fiscal year 2008 the Authority entered into exchange transactions with the City of Orlando where land located at OEA, with a cost of \$39,000 and fair market value of \$1.8 million and rights to a permanent easement with an appraised value of \$0.9 million, were transferred to the City of Orlando in exchange for land with a \$26,000 cost and fair value of \$1.2 million and improvements valued at \$0.4 million. The Authority also transferred OIA property with a cost of \$82,000 and fair value of \$208,000 to the City of Orlando in exchange for infrastructure improvements valued at \$167,000. The Authority recorded nonoperating revenue of \$1.1 million, an increase in capital assets of \$72,000 and a receivable of \$1.1 million as a result of this transaction.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

11. LEASE AND CONCESSION AGREEMENTS

The following is a schedule by years of minimum future revenues (in thousands) on non-cancelable agreements:

2009	\$ 147,962
2010	105,435
2011	102,310
2012	99,553
2013	92,529
Later Years	160,173
Total Minimum future revenues	<u>\$ 707,962</u>

Minimum future revenues do not include contingent revenues which may be received under agreements for use of land and buildings on the basis of revenue or fuel flowage fees earned. Contingent revenues amounted to approximately \$38.2 million and \$32.7 million for the years ended September 30, 2008 and 2007, respectively.

12. 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.

Single-Employer Defined Benefit Pension Plan

General: The Authority contributes to the Retirement Plan for Employees of the Greater Orlando Aviation Authority (Plan), a single-employer retirement plan. The Plan provides retirement and death benefits to Plan members and beneficiaries. Charles Schwab Trust Company holds the assets of the Plan in various mutual funds. Schwab currently pays plan benefits. Gabriel, Roeder, Smith & Company issues a publicly available actuarial report that includes required supplementary information for the Plan. That report may be obtained by writing to Greater Orlando Aviation Authority, One Airport Boulevard, Orlando, Florida 32827, Attention: Human Resources.

Plan Description: The Authority authorizes all employees hired before October 1, 1999, other than firefighters to participate in the Plan. The Authority authorizes employees hired after September 30, 1999 to participate in the Single-Employer Defined Contribution Retirement Plan. The Authority allowed employees who were members of the defined benefit plan to convert to the defined contribution plan during the period February 23, 2001 to June 30, 2001. 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 with a maximum of 75% of the average earnings. In the event of early retirement, there is a 3% benefit reduction for each year prior to normal retirement. Normal retirement date is the first day of the month following, or coinciding with, the earlier 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. The Authority Board establishes benefit provisions.

If a vested participant dies after becoming eligible for early retirement, but prior to actual retirement, his eligible spouse or other named beneficiary receives an amount equal to that which would have been received if the participant had retired on the date of death with an immediate 50% annuity.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

12. PENSION PLANS (continued)

If a vested participant dies before becoming eligible for early retirement, his eligible spouse or other named beneficiary receives an amount equal to that which would have been received if the participant had separated from service on the date of death, survived to the earliest possible retirement age and retired on that date with an immediate 50% contingent annuity. This benefit is payable unless otherwise elected by the participant and spouse.

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 Plan.

The Authority requires contributions at the actuarially determined rate. The rates for the years ended September 30, 2008 and 2007 were 43.07% and 41.41% of annual covered payroll, respectively. The Authority's covered payroll for employees under the Plan was \$15.0 million and \$14.8 million for the years ended September 30, 2008 and 2007, respectively.

Annual Pension Cost and Net Pension Obligation: The Authority's annual pension cost and net pension obligation to the single employer defined benefits plan for the current fiscal year were as follows:

Annual required contribution (ARC)	\$ 5,646,681
Interest on net pension obligation	(104,526)
Adjustment to ARC	<u>208,124</u>
Annual pension cost	5,750,279
Contributions made	<u>(5,646,681)</u>
Increase in net pension obligation	103,598
Net pension obligation - 10/1/07	<u>(1,393,683)</u>
Net pension obligation - 9/30/08	<u><u>\$ (1,290,085)</u></u>

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2006	\$ 5,518,127	108.5%	\$ (1,495,242)
9/30/2007	6,081,342	98.3	(1,393,683)
9/30/2008	5,750,279	98.2	(1,290,085)

Funded Status and Funding Progress: As of October 1, 2007, the most recent actuarial valuation date, the plan was 74% funded. The actuarial accrued liability for benefits was \$85.8 million, and the actuarial value of assets was \$63.5 million resulting in an unfunded actuarial accrued liability (UAAL) of \$22.3 million. The covered payroll was \$15.0 million, and the ratio of the UAAL to the covered payroll was 148.5%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

12. PENSION PLANS (continued)

Actuarial Methods and Assumptions: The October 1, 2006 actuarial valuation determined the required contribution for the 2008 fiscal year. The actuarial assumptions for fiscal years 2008 and 2007 include: (a) rate of return on investments of 7.5% per year, (b) projected salary increases of 5.0%, (c) inflation adjustments of 3.5%, and (d) expense loading is the average of actual expenses over the previous two years. The Plan's unfunded actuarial accrued liability amortizes using the level dollar, closed method. The remaining amortization period at October 1, 2006 was 27 years. Five-year smoothed market method values plan assets. The frozen entry age method determines the plan's actuarial valuation.

During fiscal year 2008, the Authority changed its cost method from the Frozen Initial Liability Method to the Aggregate Cost Method. This change impacted the required fiscal 2008 disclosures and will impact the fiscal 2009 annual required contribution calculation. As a result of the change, the Authority reduced the probability of retirement and terminating employment for reasons other than retirement, disability or death. In addition, the Authority updated its mortality table to the RP2000 Generational Mortality Table from the 1983 Group Annuity Mortality Table. Finally, the Authority set the actuarial value of assets equal to market value. Because the aggregate actuarial cost method is used, it does not identify or separately amortize unfunded actuarial liabilities.

Single-Employer Defined Contribution Retirement Plan

Plan Description: The Authority Board established the Greater Orlando Aviation Authority Defined Contribution Retirement Plan to provide benefits upon retirement to employees of the Authority. At September 30, 2008, there were 345 active plan members. The plan provides retirement and death benefits to plan members and beneficiaries.

General: The Authority contributed to a single-employer defined contribution retirement plan administered by a committee appointed by the Authority Board. The Authority Board can modify, alter or amend the plan.

The plan authorizes employees, other than firefighters, hired on or after October 1, 1999, to participate in the defined contribution retirement plan. 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 plan allows employees to participate after three full months of service. The plan has separate accounts for each employee, and investments are self-directed by the employee. The Authority contributes 6% of base wages and up to another 4% as a matching contribution. The employee contributes up to 10%. The 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 original defined benefit retirement plan, or converted at their option from the defined benefit plan to the defined contribution plan during the period of February 23, 2001 to June 30, 2001.

The Authority's payroll for employees covered by the plan was \$13.8 million and \$12.1 million for the years ending September 30, 2008 and 2007, respectively. The Authority contributed \$1.1 million and \$1.2 million for the years ending September 30, 2008 and 2007. Participants contributed \$0.6 million and \$0.5 million for the years ending September 30, 2008 and 2007. A contribution by the Authority of \$1.0 million and participant contributions of \$0.4 million were made for the year ending September 30, 2006.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

12. PENSION PLANS (continued)

Multiple-Employer Pension Plans

Plan Description: All firefighters employed by the Authority participate in the Florida Retirement System (System), a cost-sharing, multiple-employer defined benefit public retirement plan. The System provides retirement and disability benefits, cost-of-living adjustments, and death benefits to plan members and beneficiaries. Florida Statutes establish benefit provisions. The System issues a publicly available financial report that includes financial statements 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 System is compulsory for all full-time and part-time firefighters employed by the Authority. The plan 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 plan authorizes members who meet certain requirements to purchase additional service credits to increase their retirement benefit. The System provides vesting of benefits after six years of creditable service. Special risk members meet eligibility for normal retirement after; (a) six years of special risk service and attaining age fifty-five, (b) twenty-five total years special risk service and attaining age fifty-two (may include four years military), (c) twenty-five continuous years special risk service, regardless of age, or (d) thirty years of any creditable service, regardless of age (may include four years military). The plan 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.

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.

The contribution rate for each of the three years in the period beginning July 1, 2003 and ending on June 30, 2006 was 18.53%. Effective July 1, 2006 the contribution rate changed to 20.92%. The Authority's contributions to the System for the years ended September 30, 2008, 2007, and 2006 were \$0.9 million, \$0.9 million, and \$0.8 million, respectively, equal to the required contributions for each year.

Multi-Employer Defined Contribution Retirement Plan

Effective July, 2002, the System offered its members the Florida Retirement System Investment Plan as a second retirement plan option. The Florida Retirement System Investment Plan is a defined contribution plan funded by employer contributions established by law. The employers' contributions are based on salary and Florida Retirement System membership class, ranging from 9% for regular to 20% for special risk. The plan does not allow participant contributions. Employees that do not elect this plan automatically enroll in the defined benefit plan. Employees vest after one year of service. Participants of the defined benefit plan have one lifetime option of transferring the value of their plan to the Florida Retirement System Investment Plan. As of September 30, 2008 and 2007, the Authority had two and zero participants in this plan, respectively.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description

The Greater Orlando Aviation Authority Healthcare Plan (GOAAHP) is a single-employer defined benefit healthcare plan administered by the Authority. The plan 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, retire at a participants' Normal Retirement Date or Early Retirement Date and who receive pension benefits immediately upon termination. CBIZ Benefits and Insurance Services issues a publicly available actuarial report that includes required supplementary information for GOAAHP. The report may be obtained by writing to Greater Orlando Aviation Authority, One Airport Boulevard, Orlando, Florida 32827, Attention: Human Resources. As of September 30, 2008, the GOAAHP provides benefits to 174 recipients.

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. Effective August 2, 1997, eligibility for retirement health care 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 health care coverage under this policy. The Authority's premium contribution for employees retiring after August 2, 1997 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%

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. The annual contribution of the employer, an amount actuarially determined in accordance with GASB Statement 45, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current rate is 15% of annual covered payroll. For the fiscal years ended September 30, 2008 and 2007, the Authority's annual other postemployment benefit (OPEB) costs (expenses) were calculated based on the actuarially determined annual contribution of \$5.3 million and \$3.3 million, respectively.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

The following table shows the components of the Authority's annual OPEB cost for the year ended September 30, 2008, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation to GOAAHP:

Annual contribution	\$ 5,375,277
Interest on net OPEB obligation	310,149
Adjustment to annual contribution	<u>(375,533)</u>
Annual OPEB cost (expense)	5,309,893
Benefit payments	-
Contributions made	<u>(808,730)</u>
Increase in net OPEB obligation	4,501,163
Net OPEB obligation – 10/1/07	<u>5,169,146</u>
Net OPEB obligation – 9/30/08	<u><u>\$ 9,670,309</u></u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended September 30, 2006, 2007, and 2008 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost	Net OPEB Obligation
9/30/2006	\$ 3,253,051	18.2%	\$ 2,661,619
9/30/2007	3,278,220	23.5%	5,169,146
9/30/2008	5,309,893	15.2%	9,670,309

Funded Status and Funding Process

The funded status of the plan as of October 1, 2007, the most recent actuarial valuation date, is as follows:

Actuarial Accrued Liability (a)	\$ 44,082,109
Actuarial Value of Plan Assets (b)	<u>-</u>
Unfunded Actuarial Accrued Liability (a) – (b)	<u><u>\$ 44,082,109</u></u>
Funded Ratio (b) / (a)	0.00%
* Covered Payroll (c)	\$ 36,536,030
Unfunded Actuarial Accrued Liability As a Percentage of Covered Payroll [(a) – (b)] / (c)	120.65%

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual contribution of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

* Covered Payroll is the 2007-2008 budgeted regular salaries for active employees covered under the plan.

Actuarial Methods and Assumptions

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

Actuarial Valuation Date	October 1, 2007
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar amounts
Remaining Amortization Period	30
Asset Valuation Method	N/A
Investment Rate of Return	6.0%
Projected Salary Increase	N/A

Healthcare Inflation Rate:

Medical/RX		Dental/Vision	
Year	Rate	Year	Rate
2008	0.0%	2008	0.0%
2009	8.0%	2009	6.0%
2010	7.5%	2010	6.0%
2011	7.0%	2011	6.0%
2012	6.5%	2012	6.0%
2013+	6.0%	2013+	6.0%

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

14. RISK MANAGEMENT

The Authority developed risk mitigation strategies for loss prevention to address exposure to various risks. One of those risk mitigation strategies is the purchase of commercial insurance for losses related to torts and other liabilities, theft of, damage to and destruction of assets, and natural disasters. The supplemental section of the Comprehensive Annual Financial Report of the Authority discusses specific details regarding insurance coverage and deductibles.

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. Johns Eastern Company, Inc. administers the plan. 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 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.

Changes in the Authority's workers compensation claims liability are as follows:

Unpaid Claims As of September 30, (in thousands)		
	2008	2007
Unpaid claims and claims adjustment expenses at beginning of year	\$ 779	\$ 779
Incurred claims and claims adjustment expenses:		
Provisions for insured events of the current fiscal year	281	314
Decrease in provision for insured events of prior years	10	(85)
Total incurred claims and claims adjustment expenses	291	229
Payments:		
Claims and claims adjustment expenses attributable to insured events of prior years	(239)	(146)
Claims and claims adjustment expenses attributable to insured events of current year	(52)	(83)
Total payments	(291)	(229)
Total unpaid claims and claims adjustment expenses at end of year	\$ 779	\$ 779

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

15. NONCURRENT LIABILITIES

A summary of noncurrent liability activity for the years ended September 30, 2008 and 2007, is as follows (in thousands):

	October 1, 2007	Additions	Deductions	September 30, 2008	Due Within One Year	Due After One Year
Airport Facilities Revenue Bonds						
Senior Lien Bonds						
Series 1997	\$ 26,080	\$ -	\$ -	\$ 26,080	\$ -	\$ 26,080
Series 1998	22,000	-	3,235	18,765	3,040	15,725
Series 1999A	185,620	-	670	184,950	695	184,255
Series 1999B	12,555	-	255	12,300	265	12,035
Series 2002A	49,330	-	1,005	48,325	1,040	47,285
Series 2002B	109,840	-	430	109,410	445	108,965
Series 2002C	29,230	-	14,290	14,940	14,940	-
Series 2002D Taxable	1,270	-	620	650	650	-
Series 2002E	143,320	-	14,575	128,745	128,745	-
Series 2003A	62,590	-	1,255	61,335	7,440	53,895
Series 2007A	141,485	-	-	141,485	-	141,485
Series 2008A	-	248,070	-	248,070	-	248,070
Series 2008B	-	26,110	-	26,110	8,655	17,455
Subordinated Indebtedness						
Series 1998B Gulf Breeze	2,690	-	2,000	690	690	-
Series 1998C Gulf Breeze	19,290	-	-	19,290	1,410	17,880
Series 1998A,B,C,D	286,250	-	286,250	-	-	-
Series 2002A Taxable	20,530	-	3,240	17,290	3,415	13,875
Secondary Subordinated Indebtedness						
Series 1997	90,055	-	-	90,055	-	90,055
Total Revenue Bonds	1,202,135	274,180	327,825	1,148,490	171,430	977,060
Less unamortized discounts and premiums	8,621	(3,869)	821	3,931	-	3,931
Less unamortized deferred amounts	33,789	27,204	7,216	53,777	-	53,777
Net Revenue Bonds	1,159,725	250,845	319,788	1,090,782	171,430	919,352
Notes Payable						
Commercial Paper	88,105	62,000	20,846	129,259	2,003	127,256
Total Notes payable	88,105	62,000	20,846	129,259	2,003	127,256
Other Liabilities						
Advance Rent	3,110	-	194	2,916	194	2,722
Other PostEmployment Benefits	5,169	5,310	809	9,670	-	9,670
Total Other Liabilities	8,279	5,310	1,003	12,586	194	12,392
Total Noncurrent Liabilities	\$ 1,256,109	\$ 318,155	\$ 341,637	\$ 1,232,627	\$ 173,627	\$ 1,059,000

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

15. NONCURRENT LIABILITIES (continued)

	Balance October 1, 2006	Additions	Deductions	Balance September 30, 2007	Amounts Due Within One Year	Amounts Due After One Year
Airport Facilities Revenue Bonds						
Senior Lien Bonds						
Series 1997	\$ 169,880	\$ -	\$ 143,800	\$ 26,080	\$ -	\$ 26,080
Series 1998	25,180	-	3,180	22,000	3,235	18,765
Series 1999A	186,260	-	640	185,620	670	184,950
Series 1999B	12,800	-	245	12,555	255	12,300
Series 2002A	50,305	-	975	49,330	1,005	48,325
Series 2002B	110,260	-	420	109,840	430	109,410
Series 2002C	42,900	-	13,670	29,230	14,290	14,940
Series 2002D Taxable	1,865	-	595	1,270	620	650
Series 2002E	157,225	-	13,905	143,320	14,575	128,745
Series 2003A	71,685	-	9,095	62,590	1,255	61,335
Series 2007A	-	141,485	-	141,485	-	141,485
Subordinated Indebtedness						
Series 1998B Gulf Breeze	4,600	-	1,910	2,690	2,000	690
Series 1998C Gulf Breeze	19,290	-	-	19,290	-	19,290
Series 1998A,B,C,D	300,900	-	14,650	286,250	3,925	282,325
Series 2002A Taxable	23,065	-	2,535	20,530	3,240	17,290
Secondary Subordinated Indebtedness						
Series 1997	90,055	-	-	90,055	-	90,055
Total Revenue Bonds	1,266,270	141,485	205,620	1,202,135	45,500	1,156,635
Less unamortized discounts and premiums	15,146	-	6,525	8,621	-	8,621
Less unamortized deferred amounts	35,851	-	2,062	33,789	-	33,789
Net Revenue Bonds	1,215,273	141,485	197,033	1,159,725	45,500	1,114,225
Notes Payable						
Commercial Paper	38,550	60,100	10,545	88,105	9,424	78,681
Florida Department of Transportation	1,200	-	1,200	-	-	-
Total Notes payable	39,750	60,100	11,745	88,105	9,424	78,681
Other Liabilities						
Advance Rent	3,304	-	194	3,110	194	2,916
Other PostEmployment Benefits	2,662	3,278	771	5,169	-	5,169
Total Other Liabilities	5,966	3,278	965	8,279	194	8,085
Total Noncurrent Liabilities	\$ 1,260,989	\$ 204,863	\$ 209,743	\$ 1,256,109	\$ 55,118	\$ 1,200,991

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

15. NONCURRENT LIABILITIES (continued)

A schedule of debt maturities is as follows (in thousands):

	Fiscal Year	Principal	Interest
Airport Facilities Revenue Bonds			
	2009	\$ 57,980	\$ 53,166
	2010	66,090	55,078
	2011	69,130	51,564
	2012	72,695	47,685
	2013	74,525	43,648
	2014-2018	335,255	161,516
	2019-2023	275,250	71,920
	2024-2028	146,855	26,066
	2029-2033	50,710	3,565
		1,148,490	\$ 514,208
Less unamortized premiums and discounts		(3,931)	
Less unamortized deferred amounts		(53,777)	
		\$ 1,090,782	
Notes Payable			
	2009	\$ 2,003	
	2010	127,256	
Total Notes Payable		\$ 129,259	

A description of the bonds and notes payable is as follows:

Airport Facilities Revenue Bonds

The Authority has pledged future airport revenues, net of specified operating expenses, to repay \$1.1 billion in Airport Facilities Revenue Bonds issued from 1997 to 2008. Proceeds from the bonds provided financing for various airport capital projects. The bonds are payable solely from the airport system revenues and are payable through the year 2033. The Authority has agreed to maintain rates and charges each year to provide net revenues, as defined in the applicable bond agreements, equal to at least 1.25 times the sum of the aggregate debt service on senior lien bonds each fiscal year and at least 1.00 times on all other debt. Total principal and interest remaining on the bonds as of September 30, 2008 is \$1.7 billion with annual requirements ranging from \$111.0 million in 2009 to \$4.7 million in the final year. For the twelve month period ended September 30, 2008, principal and interest paid was \$119.4 million and total airport net revenues pledged for the year was \$146.3 million.

Senior Lien Bonds:

\$26,080,000 Airport Facilities Revenue Bonds, Series 1997, dated November 15, 1997, of which a portion is due on October 1 of each year beginning 2009 through 2011. Interest at 5.75% due semi-annually on April 1 and October 1; unamortized discount of \$168,000 and \$251,000.

\$46,640,000 Airport Facilities Refunding Revenue Bonds, Series 1998, dated August 15, 1998 of which a portion is due October 1 of each year beginning 1999 through 2013; and \$4,110,000 in Term Bonds due October 1, 2017. Interest at 5.00% to 5.50% due semi-annually on April 1 and October 1; unamortized premium of \$142,000 and \$185,000.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

15. NONCURRENT LIABILITIES (continued)

\$189,100,000 Airport Facilities Revenue Bonds Series 1999A, dated June 1, 1999, of which a portion is due October 1 of each year beginning in 2002 through 2008; \$26,085,000 in Term Bonds due October 1, 2018; and \$69,525,000 in Term Bonds due October 1, 2028. Interest at 4.60% to 5.25% due semi-annually on April 1 and October 1; unamortized discount of \$2,060,000 and \$2,276,000.

\$13,890,000 Airport Facilities Revenue Bonds Series 1999B, dated October 1, 1999 of which a portion is due October 1 of each year beginning in 2001 through 2009; \$3,030,000 in Term Bonds due October 1, 2024; and \$5,580,000 in Term Bonds due October 1, 2028. Interest at 4.30% to 5.25% due semi-annually on April 1 and October 1; unamortized discount of \$156,000 and \$168,000.

\$53,070,000 Airport Facilities Revenue Bonds, Series 2002A, dated May 9, 2002, of which a portion is due October 1 of each year beginning 2003 through 2022; \$1,850,000 in Term Bonds due October 1, 2021; \$11,085,000 in Term Bonds due October 1, 2027; and \$14,235,000 in Term Bonds due October 1, 2032. Interest at 3.60% to 5.25% due semi-annually on April 1 and October 1; unamortized discount of \$1,128,000 and \$1,204,000.

\$111,445,000 Airport Facilities Revenue Bonds, Series 2002B (AMT), dated May 9, 2002, of which a portion is due October 1 of each year beginning in 2003 through 2019; \$3,045,000 in Term Bonds due October 1, 2017; \$63,430,000 in Term Bonds due October 1, 2021; and \$12,560,000 in Term Bonds due October 1, 2032. Interest at 3.75% to 5.50% due semi-annually on April 1 and October 1; unamortized discount of \$2,560,000 and \$2,764,000.

\$80,870,000 Airport Facilities Refunding Revenue Bonds, Series 2002C, dated June 28, 2002, of which a portion is due October 1 of each year beginning 2003 through 2008. Interest at 3.50% to 5.25% due semi-annually on April 1 and October 1; unamortized premium of \$0 and \$88,000.

\$3,525,000 Airport Facilities Taxable Refunding Revenue Bonds, Series 2002D, dated June 28, 2002, of which a portion is due October 1 of each year beginning in 2003 through 2008. Interest at 5.06% due semi-annually on April 1 and October 1; unamortized premium of \$0 and \$4,000.

\$180,685,000 Airport Facilities Variable Rate Refunding Revenue Bonds, Series 2002E, dated September 24, 2002, of which a portion is due October 1 of each year beginning in 2003 through 2021. Interest rate is in the Weekly Mode as determined by the Remarketing Agent, which was 8.25% on September 30, 2008; interest is due monthly on the first business day of each calendar month; unamortized discount of \$1,122,000 and \$1,289,000.

The 2002E bonds are issued as variable rate bonds initially in the Weekly Mode. To provide liquidity support for these bonds, the Authority entered into the 2002E Liquidity Facility. The 2002E Liquidity Facility Issuer is obligated to provide funds for the purchase of 2002E Bonds that are tendered for purchase and that are not remarketed. The 2002E Liquidity Facility has been in effect from the initial delivery date of the 2002E bonds until the earliest of July 31, 2009 or to an extended date as may become effective under the 2002E Liquidity Facility or the Business Day next succeeding the effective date of any Purchase Period. In accordance with Generally Accepted Accounting Principles, these bonds have been classified as current liabilities until a replacement credit facility is in effect or the bonds are refunded.

\$79,630,000 Airport Facilities Refunding Revenue Bonds, Series 2003A, dated July 3, 2003, of which a portion is due October 1 of each year beginning 2004 through 2018. Interest at 2.25% to 5.00% due semi-annually on April 1 and October 1; unamortized premium of \$2,559,000 and \$2,949,000.

\$141,485,000 Airport Facilities Refunding Revenue Bonds, Series 2007A, dated August 9, 2007, of which a portion is due October 1 of each year beginning in 2012 through 2023. Interest at 4.50% to 5.00% due semi-annually on

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

15. NONCURRENT LIABILITIES (continued)

April 1 and October 1; unamortized premium of \$3,104,000 and \$3,425,000. These bonds refunded \$143,800,000 of the Airport Facilities Revenue Bonds Series 1997.

\$248,070,000 Airport Facilities Refunding Revenue Bonds, Series 2008A, dated March 31, 2008, of which a portion is due October 1 of each year beginning in 2009 through 2018. Interest at 5.00% to 5.25% due semi-annually on April 1 and October 1; unamortized premium of \$3,918,000. These bonds, along with Authority funds, refunded \$282,325,000 of the Airport Facilities Variable Rate Subordinated Revenue Refunding Bonds, 1998 Series A, B, C and D.

\$26,110,000 Airport Facilities Refunding Revenue Bonds, Series 2008B, dated March 31, 2008, of which a portion is due October 1 of each year beginning in 2008 through 2009. Interest at 2.81% to 3.02% due semi-annually on April 1 and October 1; unamortized premium of \$223,000. These bonds were used to pay a swap termination amount of \$25,724,000 related to the Airport Facilities Variable Rate Subordinated Revenue Refunding Bonds, 1998 Series A, B, C and D.

Subordinated Indebtedness:

The Authority financed \$33,990,000 of the cost of the hotel with the proceeds of loans from the City of Gulf Breeze, Florida, Local Government Loan Program. The details of these loans are set forth below:

\$14,700,000 Airport Facilities Subordinated Revenue Bonds, Series 1998B, dated June 1998, principal payable December 1 of each year beginning 1999 through 2008. Interest at 4.55% due semi-annually on June 1 and December 1; unamortized discount of \$33,000 and \$41,000.

\$19,290,000 Airport Facilities Subordinated Revenue Bonds, Series 1998C, dated June 1998, principal payable December 1 of each year beginning 2008 through 2015. Interest at 4.55% to 5.05% due semi-annually on June 1 and December 1; unamortized discount of \$43,000 and \$54,000.

\$30,015,000 Airport Facilities Taxable Subordinated Refunding Revenue Bonds, Series 2002A, dated June 28, 2002, of which a portion is due October 1 of each year beginning 2003 through 2012. Interest at 5.06% to 5.64% due semi-annually on April 1 and October 1; unamortized discount of \$103,000 and \$156,000.

Secondary Subordinated Indebtedness:

\$90,055,000 Airport Facilities Secondary Subordinated Revenue Bonds, Series 1997, dated December 1997, principal payable October 1 of each year beginning 2023 through 2027. Variable interest rate, which was 2.43% at September 30, 2008, due quarterly on January 1, April 1, July 1 and October 1; unamortized discount of \$6,057,000 and \$6,207,000.

Notes Payable

The commercial paper notes are classified as long-term debt obligations. A Letter of Credit provided by a syndicate of banks currently supports payment of the principal amount and interest on the Commercial Paper Notes.

With respect to Program A, the Letter of Credit and Reimbursement Agreement, dated February 1, 2003 and amended February 3, 2005, establishes the Authority's obligation to reimburse the banks for draws made under the Letter of Credit. Interest is payable at maturity at a variable rate, not in excess of the maximum rate, and matures not more than 270 days after their respective dates, but in no event later than the fifth Domestic Business Day prior to the Stated Termination Date of February 3, 2010, or any subsequent date to which the letter of credit is extended.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

15. NONCURRENT LIABILITIES (continued)

With respect to Program B, the Letter of Credit and Reimbursement Agreement, dated November 1, 2006, establishes the Authority's obligation to reimburse the banks for draws made under the Letter of Credit. Interest is payable at maturity at a variable rate, not in excess of the maximum rate, and matures not more than 270 days after their respective dates, but in no event later than the fifth Domestic Business Day prior to the Stated Termination Date of November 5, 2009, or any subsequent date to which the letter of credit is extended.

The Authority paid a non-interest bearing note payable to Florida Department of Transportation in July 2007.

Swap Payments and Associated Debt

Variable Rate Bonds: Using interest rates as of September 30, 2008, debt service requirements of the variable rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable rate bond interest payments and net swap payments will vary.

Variable Rate Bonds
Projected Debt Service Requirements
(in thousands)

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Swaps, Net</u>	<u>Total</u>
2009	6,475	11,544	(2,432)	15,587
2010	6,790	11,009	(2,188)	15,611
2011	7,120	10,449	(1,934)	15,635
2012	7,460	9,862	(1,667)	15,655
2013	7,820	9,246	(1,387)	15,679
2014-2018	45,135	35,909	(2,244)	78,800
2019-2023	45,285	16,392	6,628	68,305
2024-2027	77,420	4,796	4,007	86,223
	<u>\$ 203,505</u>	<u>\$ 109,207</u>	<u>\$ (1,217)</u>	<u>\$ 311,495</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

15. NONCURRENT LIABILITIES (continued)

Fixed Rate Bonds: Using interest rates as of September 30, 2008, principal and interest requirements of the debt and net swap payments on the pay-variable, receive-fixed interest rate swap for the term of the swap and the debt are as follows. As rates vary, net swap payments will vary.

Fixed Rate Bonds
Projected Debt Service Requirements
(in thousands)

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Swaps, Net</u>	<u>Total</u>
2009	\$ 3,610	\$ 757	\$ (146)	\$ 4,221
2010	3,820	569	(99)	4,290
2011	4,060	363	(56)	4,367
2012	2,385	134	(21)	2,498
	<u>\$ 13,875</u>	<u>\$ 1,823</u>	<u>\$ (322)</u>	<u>\$ 15,376</u>

16. DERIVATIVES AND HEDGING ACTIVITIES

Pay-Fixed, Receive-Variable Interest Rate Swaps

Objective of the swaps: The Authority entered into three separate pay-fixed, receive-variable interest rate swaps in order to reduce the impact of fluctuations in interest rates on its variable rate debt. The Authority terminated the swap associated with the 1998 PARS during the year ended September 30, 2008.

Terms, fair values, and risks: The notional amounts of the swaps match the principal amounts of the associated debt. The Authority's swap agreements contain scheduled reductions to outstanding notional amounts that approximate scheduled or anticipated reductions in the outstanding principal amounts from debt repayments. The terms, fair values and credit ratings of the outstanding swaps as of September 30, 2008 and 2007, were as follows:

<u>Associated Bond Issue</u>	<u>Notional Amounts</u>	<u>Effective Date</u>	<u>Fixed Rate Paid</u>	<u>Variable Rate Received</u>	<u>Sept. 30, 2008 Fair Values</u>	<u>Swap Termination Date</u>	<u>Counterparty Credit Rating</u>
1997B	\$ 90,055,000	Jan. 1, 2003	4.45%	SIFMA*	\$ (7,328,000)	Oct. 2027	AAA/AA+
2002E	128,745,000	Oct. 1, 2002	4.31	SIFMA*	(6,182,000)	Oct. 2021	AAA/AA+

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

16. DERIVATIVES AND HEDGING ACTIVITIES (continued)

<u>Associated Bond Issue</u>	<u>Notional Amounts</u>	<u>Effective Date</u>	<u>Fixed Rate Paid</u>	<u>Variable Rate Received</u>	<u>Sept. 30, 2007 Fair Values</u>	<u>Swap Termination Date</u>	<u>Counterparty Credit Rating</u>
1997B	\$ 90,055,000	Jan. 1, 2003	4.45%	SIFMA*	\$ (5,255,000)	Oct. 2027	AAA/AA+
1998 PARS Subordinated	298,625,000	Jan. 1, 1998	4.39	SIFMA* LIBOR**	(13,475,000)	Oct. 2018	Aa3/A+
2002E	143,320,000	Jan. 1, 2002	4.31	SIFMA*	(5,148,000)	Oct. 2021	AAA/AA+

*The Securities Industry and Financial Markets Association Municipal Swap Index

**London Interbank Offered Rate

Fair Value: Because interest rates have declined, all of the pay-fixed, receive-variable swaps noted above had negative fair values as of September 30, 2008. The fair values were obtained from the swap counterparty as of September 30, 2008.

Credit Risk: As of September 30, 2008, the Authority was not exposed to credit risk because the pay-fixed, receive-variable swaps had negative fair values. Should interest rates change and the fair value of the swaps becomes positive, the Authority would be exposed to credit risk in the amount of the derivatives' fair values.

Termination Risk: Goldman Sachs Mitsui Marine Derivative Products, L.P. (GSMMDP) has the right to terminate the 1997B Gulf Breeze Swap and the 1999 Forward Swap associated with the 2002E bonds upon the occurrence of certain insolvency events with respect to MBIA Insurance Corporation ("MBIA"), the insurer of the payments due from the Authority under the 1997B Gulf Breeze Swap and the 1999 Forward Swap, or the occurrence of certain credit downgrades of MBIA provided that, among other things, MBIA does not provide sufficient credit support or collateral to GSMMDP. Such an early termination would result in a cash settlement, based upon market conditions at the time of termination. The 1997B Gulf Breeze Swap and the 1999 Forward Swap also contain early termination and cash settlement provisions at the election of the Authority.

The Authority terminated the swap associated with the 1998 PARS during the year ended September 30, 2008. Goldman Sachs Capital Markets, L.P. (GSCM) had the right to terminate the 1998 Subordinated Bonds Swap upon the occurrence of certain insolvency events with respect to Financial Guaranty Insurance Company ("FGIC"), the insurer of the payments due from the Authority under the 1998 Subordinated Bonds Swap, or the occurrence of certain credit downgrades of FGIC provided that, among other things, FGIC did not provide sufficient credit support or collateral to GSCM. Early termination resulted in a cash settlement, based upon market conditions at the time of termination. The 1998 Subordinated Bonds Swap also contained early termination and cash settlement provisions at the election of the Authority.

Basis Risk: Under the 1997B Gulf Breeze Swap, GSMMDP has the right to convert the SIFMA Index based rate to a rate based upon percentage of London Interbank Offered Rate ("LIBOR") upon the occurrence of certain taxability events. Such a mismatch could result in the Authority having to pay the difference between the LIBOR-based rate and the tax-exempt variable rate.

Under the 1999 Forward Swap, GSMMDP has the right to convert the SIFMA Index based rate to a rate based upon percentage of LIBOR upon the occurrence of certain taxability events. A conversion to the LIBOR-based rate could result in a mismatch in the tax-exempt variable rate payment payable by the Authority under the 2002E Bonds and the LIBOR-based rate to be received by the Authority from GSMMDP under the 1999 Forward Swap. Such a

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

16. DERIVATIVES AND HEDGING ACTIVITIES (continued)

mismatch could result in the Authority having to pay the difference between the LIBOR-based rate and the tax-exempt variable rate.

Market-access Risk: The swaps expose the Authority to market-access risk for issues where access to the markets is limited or where that credit access will become more costly. Depending on the market conditions and the Authority's credit position, an interim placement may not offer the same level of economic benefit as originally intended. Market access also may become an issue if the Authority decides to terminate or modify an existing swap, either because it is no longer economically beneficial or because the related debt should be restructured. The Authority would evaluate the potential and effects of this risk when considering any event where market access becomes an issue.

Pay-Variable, Receive-Fixed Interest Rate Swap

Objective of the swap: The Authority entered into a separate pay-variable, receive-fixed interest rate swap in order to affect interest cost savings.

Terms, fair values, and risks: The terms, fair value and credit rating of the outstanding swap as of September 30, 2008 and 2007, were as follows.

<u>Associated Bond Issue</u>	<u>Notional Amount *</u>	<u>Effective Date</u>	<u>Variable Rate Paid</u>	<u>Fixed Rate Received</u>	<u>Fair Value Sept. 30, 2008</u>	<u>Swap Termination Date</u>	<u>Counterparty Credit</u>
2002A Subordinated	\$16,989,000	8/6/1999	140% of SIFMA	6.505%	\$ 294,000	Oct. 2008	AAA/AA+

<u>Associated Bond Issue</u>	<u>Notional Amount *</u>	<u>Effective Date</u>	<u>Variable Rate Paid</u>	<u>Fixed Rate Received</u>	<u>Fair Value Sept. 30, 2007</u>	<u>Swap Termination Date</u>	<u>Counterparty Credit</u>
2002A Subordinated	\$19,795,000	8/6/1999	140% of SIFMA	6.505%	\$ 430,000	Oct. 2008	AAA/AA+

*The notional amount does not match the outstanding principal of the debt.

Fair Value: The fair value of the swap associated with the 2002A Subordinated (the "1999 Fixed to Floating Swap") is \$294,000 as of September 30, 2008. This value was derived from GSMMDP.

Credit Risk: The swap's fair value represents the Authority's credit exposure to GSMMDP as of September 30, 2008. Should GSMMDP fail to perform according to the terms of the swap contract, the Authority faces a maximum possible loss equivalent to the swap's \$294,000 fair value.

Interest Rate Risk: The swap increases the Authority's exposure to interest rate risk. As SIFMA increases, the Authority's net payment on the swap increases.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

16. DERIVATIVES AND HEDGING ACTIVITIES (continued)

Termination Risk: GSMMDP has the right to terminate the 1999 Fixed to Floating Swap upon the occurrence of certain insolvency events with respect to MBIA, the insurer of the payments due from the Authority under the 1999 Fixed to Floating Swap, or the occurrence of certain credit downgrades of MBIA provided that, among other things, MBIA does not provide sufficient credit support or collateral to GSMMDP. Such an early termination would result in a cash settlement, based upon market conditions at the time of termination. The 1999 Fixed to Floating Swap contains early termination and cash settlement provisions at the election of the Authority.

Rollover Risk: The Authority is exposed to rollover risk on swaps that mature or may be terminated prior to the maturity of the associated debt. When this swap terminates, the Authority will not realize the synthetic rate offered by the swap on the underlying debt issues. The 2002A Subordinated debt which has a maturity date of October 2012 and swap termination date of October 2008 is exposed to rollover risk.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

17. CONDUIT DEBT OBLIGATIONS

The Authority has outstanding the following series of conduit debt obligations:

Amounts Outstanding As of September 30, (in thousands)	2008	2007
Special Purpose Facilities Revenue Bonds issued to provide for the acquisition, construction and installation of an aircraft maintenance hangar; payable solely from and secured by a pledge of rentals to be received from lease agreements and from proceeds of the letter of credit provided by the borrower.	\$ 228	\$ 532
Special Purpose Facilities Revenue Bonds issued to provide for the acquisition, construction and equipping of a Fixed Base Operator Facility; payable solely from and secured by a pledge of loan payments to be received from a loan agreement and from proceeds of the letter of credit provided by the borrower.	4,100	4,100
Special Purpose Facilities Revenue Bonds issued to provide for the construction and installation of a service center for aircraft; payable solely from and secured by a pledge of rentals to be received from lease agreements and an Unconditional Guaranty Agreement.	30,000	30,000
Special Purpose Facilities Revenue Bonds issued to provide for the construction of a flight training facility and the acquisition of flight training equipment; payable solely from a pledge of loan payments to be received from a loan agreement and a pledge of lease payments to be received from a lease agreement and an Unconditional Guaranty Agreement.	20,000	20,000
Special Purpose Facilities Revenue Bonds issued to provide for the acquisition, construction and equipping of a corporate training facility and an aircraft maintenance hanger facility; payable solely from a pledge of lease payments to be received from the lease agreement and secured by the Leasehold Mortgage.	47,315	47,315

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.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

18. DEFERRED AMOUNT ON REFUNDING OF BONDS

On March 31, 2008, the Authority issued \$248.0 million in 2008A Series Airport Facilities Refunding Bonds (2008A) with a true interest rate of 4.89% and \$26.1 million in 2008B Series Airport Facilities Refunding Bonds (2008B) with a true interest rate of 4.30%. The 2008A proceeds of \$257.1 million, along with \$30.0 million of Authority available funds were deposited into the 1998 Airport Facilities Variable Rate Refunding Revenue Bonds Series 1998 A, B, C and D (PARS) sinking fund account to refund \$282.3 million of outstanding PARS and to pay related issuance costs. The 2008B proceeds of \$26.1 million were used to pay a swap termination amount of \$25.7 million related to the PARS and related issuance costs.

The refunding resulted in a loss of \$27.2 million between the reacquisition price and the net carrying amount of the old debt and swap termination payment, and the loss is reported in the accompanying financial statements as a deduction from bonds payable. The deferred loss will be charged to operations over the life of the 2008A and 2008B bonds using the effective-interest method.

The Authority initiated the refunding to mitigate interest rate risk associated with the PARS and related swap, as a result of the bond insurer rating downgrade and other related market events. The PARS were defeased on April 1 and April 3, 2008. The liability was removed and is no longer reflected on Authority's financial statements at September 30, 2008.

19. 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 Assets. Capital contributions consisted of the following at September 30, (in thousands):

	2008	2007
Federal Grants	\$ 47,572	\$ 26,104
State of Florida Grants	21,371	20,759
Other Grants	933	776
	<u>\$ 69,876</u>	<u>\$ 47,639</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

20. AIRLINE LEASE AND USE AGREEMENT

The Authority entered into residual lease and use agreements with various signatory airlines that extend through the end of fiscal year 2008. Among other provisions, the agreements require that landing fees and terminal fees and charges will be reviewed annually and adjusted as necessary so that the total revenues of the Airport Facilities Revenue Account are sufficient to meet debt service requirements. The Authority negotiated new Lease and Use Agreements relating to the use of the Airport, the rental of space, and the establishment of landing fees with the airlines effective October 1, 2008. See the Subsequent Events disclosure (Note 23) for additional information.

At the end of the fiscal year, after all required deposits have been made, the remaining funds on deposit are divided equally between the airlines and the Authority. The Authority's share is deposited into the Airport Facilities Improvement and Development Account and the airlines' share is deposited into the Airport Facilities Prepaid Airline Fees and Charges Account which is used to meet revenue requirements for the following fiscal year. The airline's share is included in the Balance Sheet as deferred revenue payable from restricted assets.

For the years ended September 30, 2008 and 2007, deferred revenues allocable to the airlines for that year amounted to approximately \$13.6 million and \$13.9 million, respectively. Airfield area revenues on the Statements of Revenues, Expenses and Changes in Net Assets have been increased by \$12.0 million for the 2008 fiscal year. This increase was the result of previously deferred revenue of \$25.6 million offset by the 2008 credit of \$13.6 million. Since the Airline Lease and Use Agreement expired September 30, 2008, the Authority recognized the previous deferred revenue as landing fee income. Airfield area revenues on the Statements of Revenues, Expenses and Changes in Net Assets have been reduced by \$18.5 million for the 2007 fiscal year. For the years ended September 30, 2008 and 2007, no signatory airline's revenues under the lease and use agreement represented more than 5% of operating revenues.

21. OUTSTANDING CONTRACTS

As of September 30, 2008 and 2007, the Authority had entered into construction contracts totaling approximately \$1.2 billion and \$958.3 million, respectively, for construction, engineering services and equipment. Approximately \$197.5 million and \$274.1 million, remained unincurred as of September 30, 2008 and 2007, respectively. Grants and passenger facility charges will be utilized to fund a portion of these projects.

22. 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 4) provides 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, 2008, this contingent liability of the Authority was approximately \$1.7 million.

Rental Car Agencies: The Authority has agreed to reimburse several car rental agencies for the unamortized residual value of their leasehold improvements at Orlando International Airport, if their leases are terminated by the Authority prior to their expiration dates. As of September 30, 2008, this contingent liability of the Authority amounted to approximately \$4.3 million.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

22. COMMITMENTS AND CONTINGENCIES (continued)

Contamination Assessment and Remediation: The Authority has undertaken contamination assessment and site remediation at a number of locations. In addition to the identified areas of environmental contamination, the Authority may be obligated to conduct site rehabilitation or abatement as the result of the past discharge of certain petroleum based pollutants or hazardous substances or because of the presence of asbestos, lead based paint or other indoor air contaminants in certain buildings located thereon, either as the party primarily responsible or as the party responsible in the event other parties who are liable are unable to do so. Where groundwater or soil contamination is present, site rehabilitation has been or will be undertaken upon approval by the Orange County Environmental Protection Department or the Florida Department of Environmental Protection (FDEP).

Although it is difficult to quantify the potential impact of compliance with environmental protection laws, the Authority believes that the ultimate aggregate cost of environmental remediation will not result in a material adverse effect on its future financial condition or results of operations. The Authority expects to recover any costs expended on environmental remediation through rates and charges.

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.

For fiscal year 2008, the Authority continued the monitoring and maintenance of both on-site and off-site wetland mitigation areas and preparation of applicable conservation easements. No new mitigation credits were acquired during this reporting period. Although it is difficult to quantify the potential cost of compliance with the conditions contained in existing environmental permits, the Authority expects to recover any costs of compliance in the Authority's capital improvements program.

Construction Disputes: The Authority is not aware of any current dispute arising from the construction of improvements in which the contractors involved may seek additional compensation.

23. SUBSEQUENT EVENTS

Lease and Use Agreement: Effective as of October 1, 2008 the Authority entered into new Lease and Use Agreements relating to the use of the Airport, the rental of space, and the establishment of landing fees (collectively referred to herein as the "Lease and Use Agreements") with each of the following airlines: Air Canada, AirTran Airways, Inc. ("AirTran"), American Airlines, British Airways, PLC ("British Airways"), Continental Airlines, Inc. ("Continental"), Delta Air Lines, Inc. ("Delta"), jetBlue Airways, Corp. ("jetBlue"), Northwest Airlines, Inc. ("Northwest"), Southwest Airlines, Co. ("Southwest"), Spirit Airlines, Inc. ("Spirit"), United, US Airways, Virgin Atlantic Airways, Ltd. ("Virgin") and WestJet (collectively, the "Signatory Airlines"). The new Lease and Use Agreements will be effective through October 1, 2013. The key provisions of the new Lease and Use Agreements include a change from a residual to a compensatory rate-making methodology for the terminal building, an increasing amount of net remaining revenue for the Authority over the term of the Lease and Use Agreements, an increased scope of capital expenditures not subject to Majority-In-Interest approval of the signatory airlines and the ability to use an Extraordinary Coverage Protection provision when the 1.25x Rate Covenant is not met.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

23. SUBSEQUENT EVENTS (continued)

Under its Lease and Use Agreement, each Signatory Airline is required to pay in monthly installments (a) a specified annual rental with respect to space assigned on an exclusive or preferential basis to such Signatory Airline, (b) a charge with respect to space used in common with others, based on the number of Signatory Airlines and on a proportionate formula, (c) a landing fee, based on maximum gross landed weight, the number of landings, and the applicable landing fee rate (d) an annual charge for tenant improvements financed by the Authority, and (e) an annual charge for preferential use of aircraft parking aprons.

Bond Issuance: On October 8, 2008 the Authority issued \$75.0 million in 2008C Series Airport Facilities Revenue Bonds (2008C) with an interest rate of 3.99% to pay off \$69.0 million of existing Commercial Paper. The remaining proceeds of \$6.0 million were deposited with a Special Trustee of which \$5.8 million will be used for construction project costs and \$0.2 million for costs of issuance. The 2008C bonds are scheduled to mature on October 1, 2013.

2002E Bonds: The Authority issued \$180.7 million Airport Facilities Variable Rate Refunding Bonds, Series 2002E (the "2002E Bonds") on September 18, 2002. The 2002E Bonds were issued as senior lien variable rate revenue bonds initially in the Weekly Mode (as defined in the Supplemental Airport Facilities Revenue Bond Resolution). While in Weekly Mode, the interest rate on the 2002E Bonds resets weekly and the 2002E Bonds are subject to tender for purchase on any Business Day at the option of the registered owners thereof upon seven days prior notice given by such registered owners. The Authority currently maintains a Standby Bond Purchase Agreement ("Liquidity Facility") which requires the Liquidity Facility Issuer to purchase any and all tendered bonds under the terms of the agreement. The Liquidity Facility has been in effect from the initial delivery date of the bonds until the earliest of July 31, 2009 or to an extended date as may become effective under the Liquidity Facility or the Business Day next succeeding the effective date of any Purchase Period. The final maturity date of the bonds is October 1, 2021.

The Trustee and Tender Agent for the 2002E Bonds received notification of the tender of \$0.8 million of the Bonds effective October 1, 2008. Subsequently, they received notification that \$111.6 million of the Bonds were being tendered effective October 8, 2008. In accordance with the Standby Bond Purchase Agreement, the Liquidity Facility Issuer purchased the tendered bonds resulting in \$112.4 million of the 2002E Bonds being held.

According to the terms of the Agreement, the Authority will pay the Liquidity Facility Issuer the Purchased Bonds Rate on the principal amount of the Purchased Bonds. The Purchased Bonds Rate is based on the Base Rate which is the rate equal to the greater of (1) the Prime Rate or (2) the Federal Funds Rate plus 0.50% per annum. According to the Agreement, if the Liquidity Facility Issuer shall own Purchased Bonds at the end of the Purchase Period, then the Purchased Bonds Rate shall be equal to the Base Rate plus 3.00% per annum for any period thereafter.

As of December 31, 2008, all of the 2002E Bonds held by the Liquidity Facility Issuer had been remarketed.

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION
SINGLE-EMPLOYER PENSION PLAN
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date Oct. 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2007	\$63,464,807	\$85,766,727	\$22,301,920	74%	\$15,018,218	148%
2006	49,810,788	76,168,951	26,358,163	65	14,794,646	178
2005	43,371,174	70,428,136	27,056,962	62	15,277,308	177

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION
SINGLE-EMPLOYER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Oct. 01, 2007	\$ -	\$44,082,109	\$44,082,109	-	\$36,536,030	120.65 %
Oct. 01, 2006	-	26,973,954	26,973,954	-	34,859,180	77.38
Dec. 31, 2005	-	25,288,646	25,288,646	-	27,983,670	90.37

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX D
AIRPORT CONSULTANT'S REPORT

(THIS PAGE LEFT BLANK INTENTIONALLY)



May 19, 2009

Mr. Jeffry Fuqua
Chairman
Greater Orlando Aviation Authority
One Airport Boulevard
Orlando, Florida 32827

***RE: Greater Orlando Aviation Authority
Airport Facilities Refunding Revenue Bonds, Series 2009A (AMT)
Airport Facilities Refunding Revenue Bonds, Series 2009B (Taxable)
Of the City of Orlando, Florida
Appendix D: Letter Report of the Airport Consultant***

Dear Mr. Fuqua:

This letter report sets forth findings, assumptions, and projections of the financial analyses developed by Ricondo & Associates, Inc. (R&A), in conjunction with the planned issuance of Airport Facilities Refunding Revenue Bonds, Series 2009A (AMT) (Series 2009A Bonds) and Airport Facilities Refunding Revenue Bonds, Series 2009B (Taxable) (Series 2009B Bonds) (collectively the Series 2009 Bonds) by the Greater Orlando Aviation Authority (the Authority), an agency of the City of Orlando, Florida (the City). Orlando International Airport (the Airport) is owned by the City and is operated by the Authority. This letter report is intended for inclusion in the Official Statement for the Series 2009 Bonds as Appendix D: Letter Report of the Airport Consultant.

This letter report includes information regarding the Series 2009 Bonds; the Authority; the economy of the Airport's air trade area (the Air Trade Area); historical airline traffic activity at the Airport; projections of future airline traffic; the Authority's Capital Improvement Program; the Authority's financial framework; and projected debt service, expenses, revenues, and debt service coverage with consideration of the anticipated impacts of Capital Improvement Program projects undertaken through fiscal year (FY) 2014.¹ Airport Facilities Revenue Bonds are also referred to in this letter report as Bonds or Senior Bonds.

¹ The Authority's fiscal year is the 12-month period ending September 30.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

The financial tables accompanying this letter report incorporate estimates of debt service associated with the Authority's outstanding Bonds, the proposed Series 2009 Bonds, and future Bonds expected to be issued by the Authority in connection with Capital Improvement Program projects.

1. Series 2009 Refunding Bonds

The Series 2009 Bonds are being issued as Senior Bonds to refund outstanding Series 2002E Senior Bonds and to fund a related swap termination payment. Proceeds of the Series 2009 Bonds will also be used to fund costs of issuance associated with the Series 2009 Bonds.

The Series 2009 Bonds are being issued in accordance with the restated master resolution authorizing the issuance of City of Orlando Airport Facilities Revenue Bonds (dated September 17, 2008) and a supplemental resolution authorizing the issuance of the Series 2009 Bonds (dated April 15, 2009). The master and supplemental resolutions are collectively referred to in this report as the Bond Resolution. Except as noted otherwise, capitalized terms in this letter report are used as defined in the Bond Resolution.

The Series 2009 Bonds are to be payable from and secured by a pledge of and lien on all Revenues, on a parity basis with all other Outstanding Bonds (on a senior, or first, lien basis).

As described in more detail in Section 6 of this letter report, the Bond Resolution requires that certain covenants be met while any Airport Facilities Revenue Bonds are outstanding and that certain financial tests be met before future Airport Facilities Revenue Bonds can be issued—including an additional bonds test requiring that projected Net Revenues, as defined in the Bond Resolution, provide sufficient coverage for future debt service associated with outstanding Airport Facilities Revenue Bonds (including the Series 2009 Bonds).

2. Greater Orlando Aviation Authority

The Authority is an agency of the City and is governed by a seven-member board. The Authority Board appoints an executive director who directs the management and operation of the Authority's airports with a staff of approximately 690 full-time equivalent positions.

The Authority operates the Airport (which is owned by the City of Orlando) as a self-supporting Enterprise Fund, under an agreement that extends to 2026. The Authority also operates Orlando Executive Airport, although under the Bond Resolution Orlando Executive Airport is not a part of the Airport System and revenues derived from its operation are not pledged to pay the payment of Airport Facilities Revenue Bond Debt Service. For purposes of the financial analysis included in this



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

letter report, certain indirect Authority operating expenses allocated to Orlando Executive Airport are incorporated in the financial analysis and calculations of debt service coverage, but no revenues associated with the operation of Orlando Executive Airport are assumed.

3. Economic Base of the Air Trade Area

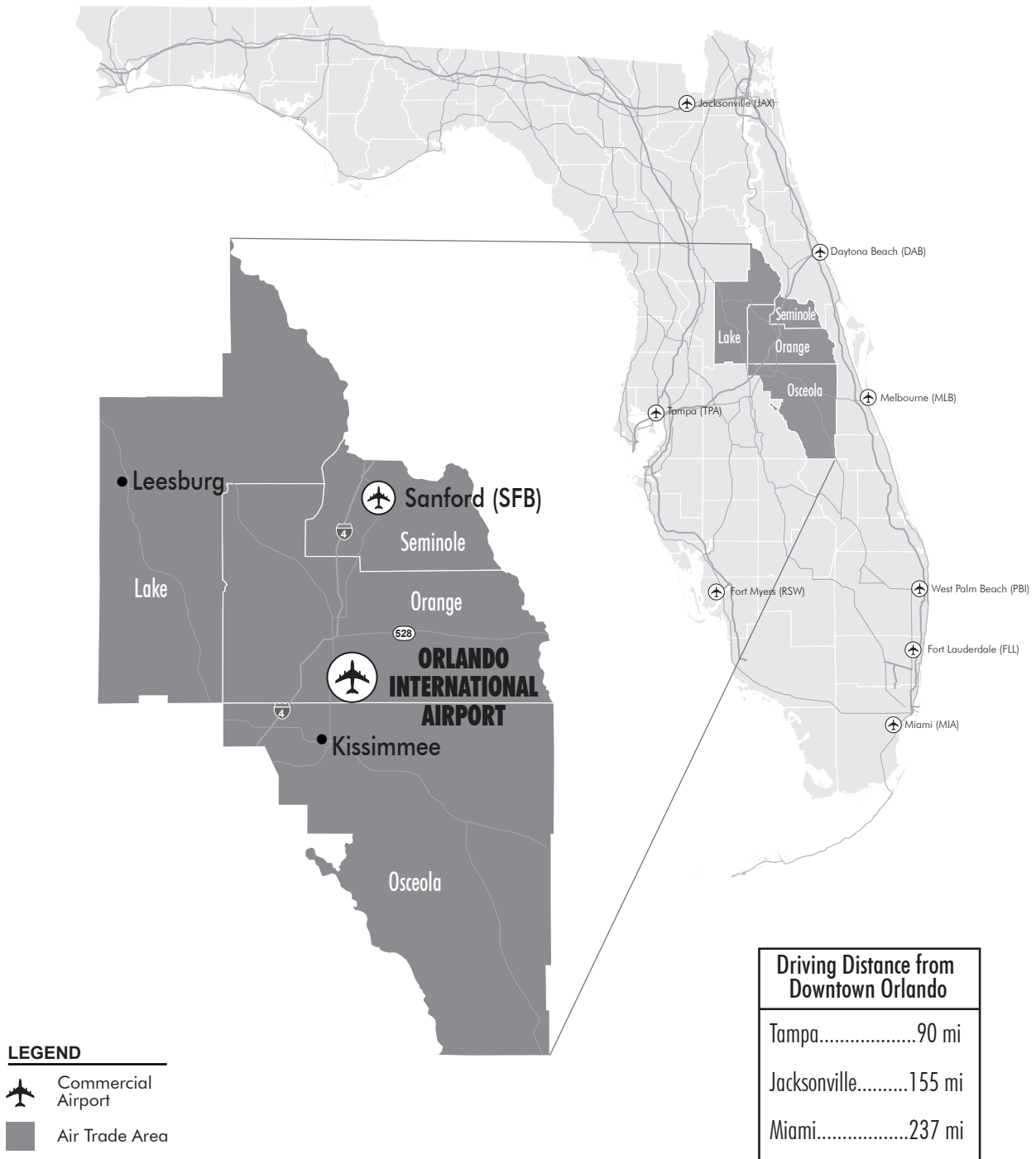
The demand for air transportation is, to a large degree, dependent upon the demographic and economic characteristics of an airport's air trade area (i.e., the geographical area served by an airport). The correlation between the Airport's activity and the economic vitality of its surrounding counties is particularly strong because most of the Airport's passenger activity is origin and destination (O&D) activity, meaning that passengers either begin or end their trips at the Airport (whether they reside, work, commute for work, or vacation in the Orlando area) as opposed to connecting through the Airport to other airports.² This section presents data that indicates that the Airport's air trade area has an economic base capable of supporting increased demand for air travel during the projection period.

3.1 Population

Orlando International Airport is located nine miles southeast of the central business district in the City of Orlando and is located in Orange County, Florida. As reflected in **Exhibit 1**, the Airport's air trade area (hereinafter referred to as the Air Trade Area) is comprised of four counties: Lake, Orange, Osceola, and Seminole. Of the four counties in the Air Trade Area, Orange County is the most populous. According to the U.S. Census Bureau, Orange County ranked as the 35th largest county in the nation by population in 2008. Historical population for the Air Trade Area, the State of Florida and the United States is presented in **Table 1**. As shown, population in the Air Trade Area increased from 1,224,852 people in 1990 to 1,644,561 people in 2000 and to 2,054,574 people in 2008.

Table 1 also presents population projections for the Air Trade Area, the State of Florida, and the United States through 2018. As shown, population in the Air Trade Area is expected to increase between 2008 and 2018, from 2,054,574 people in 2008 to 2,598,195 in 2018. This increase represents a compounded annual growth rate (CAGR) of 2.4 percent during this period. The projected population growth rate of the Air Trade Area is higher than the projected population growth rate for the State of Florida and the United States during this same period (CAGRs of 1.8 and 1.0 percent, respectively).

² Based on data from the U.S. Department of Transportation, domestic O&D passengers are estimated to account for approximately 85 percent of total domestic passengers at the Airport in FY 2008.



Source: Map Resources, 2007.
 Prepared by: Ricondo & Associates, Inc., May 2009.

Exhibit 1

Air Trade Area

Table 1

Historical and Projected Population

Area	Historical			Projected	Compounded Annual Growth Rate			
	1990	2000	2008		Historical		Projected	
					1990-2000	2000-2008	1990-2008	2008-2018
Lake County	152,104	210,528	307,243	373,281	3.3%	4.8%	4.0%	2.0%
Orange County	677,491	896,344	1,072,801	1,354,518	2.8%	2.3%	2.6%	2.4%
Osceola County	107,728	172,493	263,676	374,927	4.8%	5.4%	5.1%	3.6%
Seminole County	287,529	365,196	410,854	495,469	2.4%	1.5%	2.0%	1.9%
Air Trade Area	1,224,852	1,644,561	2,054,574	2,598,195	3.0%	2.8%	2.9%	2.4%
Florida	12,937,926	15,982,378	18,328,340	21,878,443	2.1%	1.7%	2.0%	1.8%
United States	248,709,873	281,421,906	304,059,724	335,005,000	1.2%	1.0%	1.1%	1.0%

Sources: U.S. Department of Commerce, Bureau of the Census (historical - all areas, projected - United States only), May 2009.

The Florida Legislature - Office of Economic and Demographic Research (projected - Florida and Air Trade Area counties), August 2008.

Prepared by: Ricondo & Associates, Inc., May 2009.



*Mr. Jeffrey Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

3.2 Income

One measure of the relative income of an area is its effective buying income (EBI). EBI is a measure of disposable personal income and includes personal income less personal taxes (federal, state, and local), non-tax payments including fines and penalties, and personal contributions for social insurance. EBI, therefore, is a useful indicator of the ability of a population to utilize discretionary income for, among other consumption decisions, air travel.

Table 2 presents per capita EBI for the Air Trade Area, the State of Florida, and the United States between 2001 and 2007. As shown, per capita EBI for the Air Trade Area was lower than the State of Florida yet higher than the United States in each year between 2001 through 2007. Per capita EBI for the Air Trade Area increased at a CAGR of 2.1 percent between 2001 and 2007, which again was lower than the State of Florida yet higher than the United States during this same period (CAGRs of 2.5 and 1.9 percent, respectively).

Table 2 also presents projections of per capita EBI for 2012, the latest year for which such projections are currently available. Per capita EBI for the Air Trade Area is projected to increase from \$21,143 in 2007 to \$23,513 in 2012, which on an absolute basis is lower than the 2012 per capita EBI projected for the State of Florida yet higher than the 2012 projection for the United States. This projected increase in the per capita EBI for the Air Trade Area represents a CAGR of 2.1 percent during this five-year period, which is lower than that for the State of Florida and the United States during the same period (CAGRs of 2.3 and 2.2 respectively).

Exhibit 2 summarizes historical (2007) and projected (2012) per capita EBI for the Air Trade Area, the State of Florida and the United States.

An additional indicator of the market potential for air transportation demand is the percentage of households in the higher income categories. An examination of this indicator is important in that as personal income increases, air transportation becomes more affordable and, therefore, is used more frequently. Table 2 also presents percentage of households in selected EBI categories for 2007.

In 2007, as summarized in **Exhibit 3**, the Air Trade Area had a higher percentage of households in the top two income categories than the State of Florida and the United States. As shown in Exhibit 3, approximately 20.5 percent of households in the Air Trade Area had an EBI of \$75,000 or more in 2007 compared to 19.6 percent and 20.3 percent for the State of Florida and the United States, respectively. Additionally, the Orlando Core Based Statistical Area (CBSA) has continuously been ranked as an area in the United States having one of the largest percentage of households with an EBI of over \$150,000. According to the publication *Demographics USA*, the CBSA was ranked 27th in this category in 2007.

Table 2

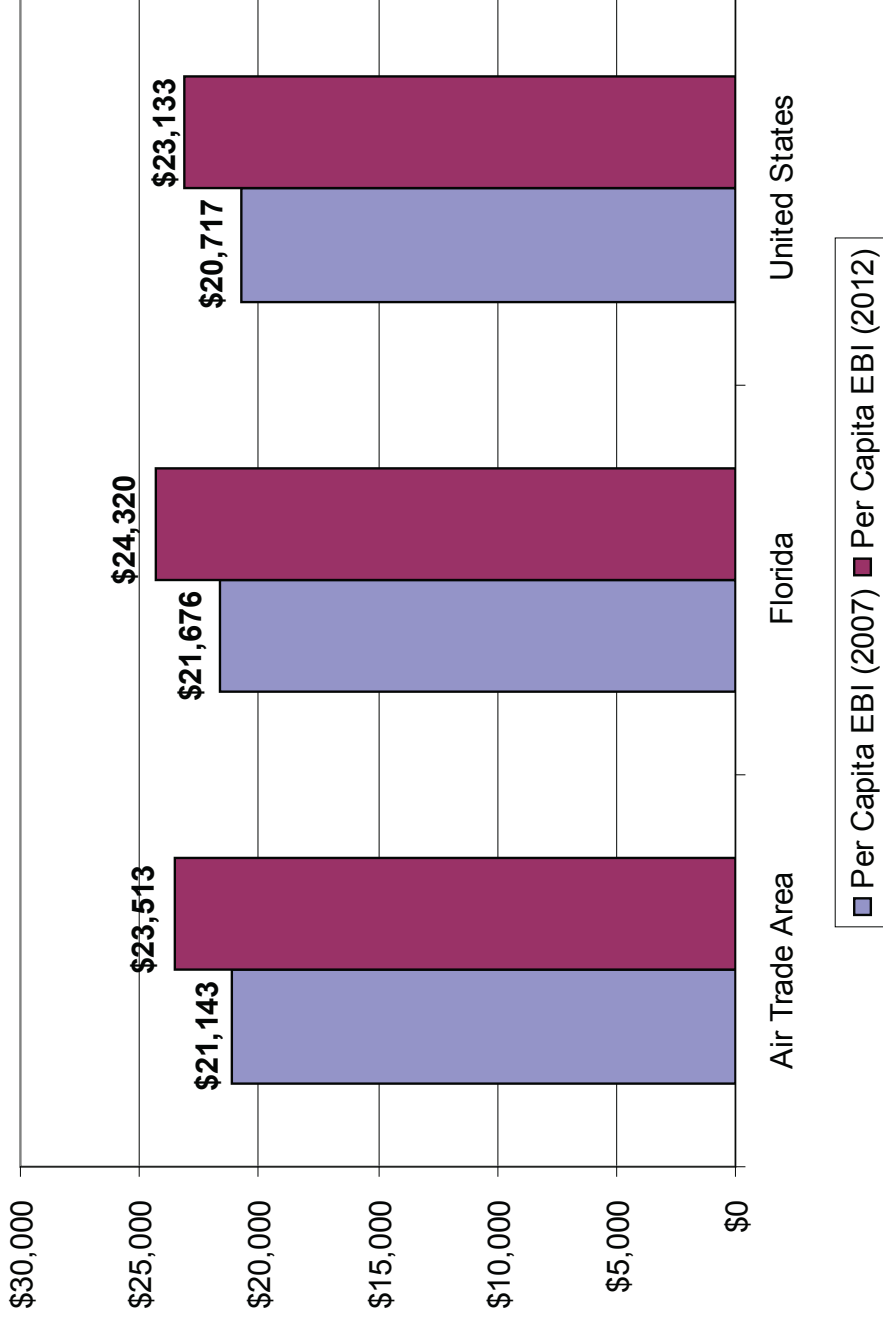
Effective Buying Income

Per Capita EBI			
Year	Air Trade Area	Florida	United States
Historical			
2001	\$18,612	\$18,671	\$18,491
2002	\$19,271	\$19,474	\$18,375
2003	\$19,369	\$19,741	\$18,662
2004	\$19,884	\$20,394	\$19,289
2005	\$20,199	\$20,770	\$19,779
2006	\$20,678	\$21,156	\$20,286
2007	\$21,143	\$21,676	\$20,717
Projected			
2012	\$23,513	\$24,320	\$23,133
Compounded Annual Growth Rate			
2001 - 2007	2.1%	2.5%	1.9%
2007 - 2012	2.1%	2.3%	2.2%
Percentage of Households in Income Categories (2007 EBI)			
Income Category	Air Trade Area	Florida	United States
Less than \$24,999	24.8%	28.5%	26.8%
\$25,000 to \$49,999	34.3%	32.9%	33.3%
\$50,000 to \$74,999	20.4%	19.1%	19.7%
\$75,000 to \$99,999	11.4%	10.5%	11.0%
\$100,000 or More	9.1%	9.1%	9.3%

Sources: Sales & Marketing Management, *Survey of Buying Power*, 2002-2005 Editions

TradeDimensions International, Inc., *Demographics USA - County Edition*, 2006-2008 Editions

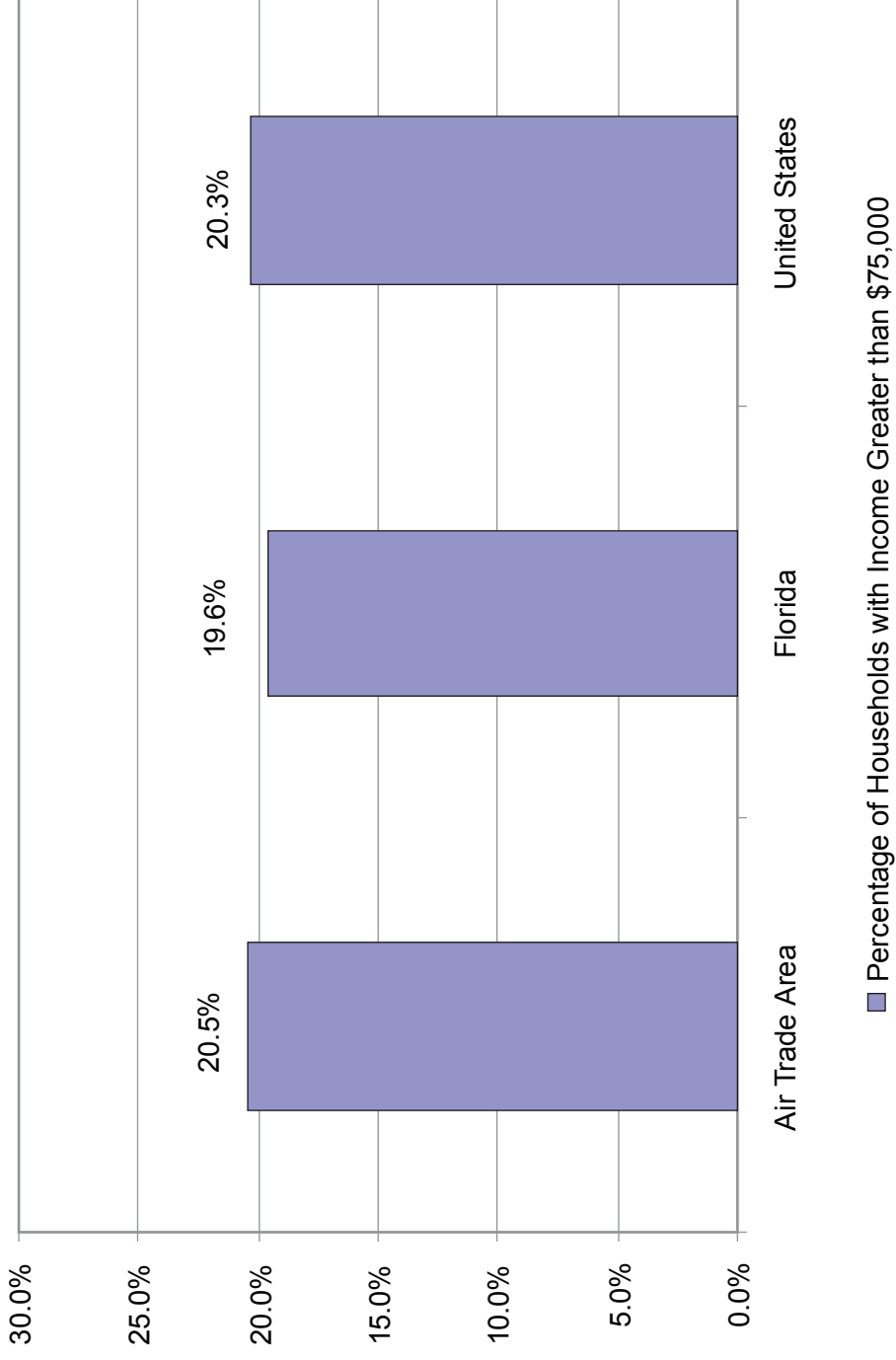
Prepared by: Ricondo & Associates, Inc., May 2009.



Source: TradeDimensions International, Inc., *Demographics USA 2008 - County Edition*.
Prepared by: Ricondo & Associates, Inc., May 2009.

Exhibit 2

Effective Buying Income – Historical 2007 vs. Projected 2012



Source: TradeDimensions International, Inc., *Demographics USA 2008 - County Edition*.
Prepared by: Ricondo & Associates, Inc., May 2009.

Exhibit 3

**Percentage of Households in Income Categories
Greater than \$75,000 (Historical 2007)**



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

3.3 Employment

Civilian labor force and unemployment rates for the Air Trade Area, the State of Florida, and the United States are presented in **Table 3**. As shown, the Air Trade Area's civilian labor force grew from approximately 848,000 workers in 1997 to approximately 1,120,000 workers in 2008. Over the 1997-2008 period, the Air Trade Area's civilian labor force increased by a CAGR of 2.6 percent, outpacing the CAGRs of both the State of Florida and the United States during the same period (CAGRs of 2.0 and 1.1 percent, respectively). As also shown in Table 3, average annual unemployment rates for the Air Trade Area during the 1997-2008 period are below or equal to those experienced by the State of Florida and the United States during the same period. For March 2009, the most recent month for which statistics are available, the Air Trade Area's unemployment rate was 9.9 percent, compared with 9.5 percent for the State of Florida and 9.0 percent for the United States over the same period.

An analysis of nonagricultural employment trends by major industry division is presented in **Table 4**, which compares the Air Trade Area's employment trends to those for the United States for 1997 and 2008. As shown, nonagricultural employment in the Air Trade Area increased from approximately 796,800 workers in 1997 to approximately 1,098,200 workers in 2008. This trend represents a CAGR of 3.0 percent during this period, compared to a CAGR of 1.0 percent for the United States for the same period.

With the exception of manufacturing, each of the major industry divisions in the Air Trade Area experienced positive growth between 1997 and 2008, with the highest growth occurring in the construction (CAGR of 4.4 percent), services (3.5 percent) and government (3.2 percent) divisions. The decrease in manufacturing employment between 1997 and 2008 was not unique to the Air Trade Area as manufacturing employment nationwide decreased by an even faster rate during this same period (-1.7 percent versus -2.3 percent). As shown in Table 4, with the exception of the services, government and manufacturing divisions, the divisions of nonagricultural employment in the Air Trade Area are generally in concert with the United States on a percentage basis in 2008.

A shifting of the Air Trade Area's employment mix occurred between 1997 and 2008, as manufacturing employment decreased from 6.3 percent of total employment in 1997 to 3.8 percent in 2008 and trade employment decreased from 16.5 percent of total employment in 1997 to 15.4 percent in 2008. However, services employment increased from 49 percent of total employment in 1997 to 51.7 percent in 2008 and construction employment increased from 5.8 percent of total employment in 1997 to 6.7 percent in 2008. This increase in the percentage of services and construction employment in the Air Trade Area can be partially attributed to the continuing expansion of the convention and tourism industry and the rapid growth of both commercial and residential construction during this period. The trends in the Air Trade Area's employment mix were roughly

Table 3

Civilian Labor Force and Unemployment Rates

Year	Civilian Labor Force (000's)		
	Air Trade Area	Florida	United States
1997	848	7,409	136,297
1998	885	7,573	137,673
1999	922	7,711	139,368
2000	895	7,870	142,583
2001	910	7,998	143,734
2002	918	8,125	144,863
2003	934	8,219	146,510
2004	966	8,389	147,401
2005	1,007	8,631	149,320
2006	1,050	8,889	151,428
2007	1,094	9,088	153,124
2008	1,120	9,231	154,287
Compounded Annual Growth Rate			
1997 - 2008	2.6%	2.0%	1.1%
Year	Unemployment Rates		
	Air Trade Area	Florida	United States
1997	3.5%	5.0%	4.9%
1998	3.1%	4.5%	4.5%
1999	2.8%	4.0%	4.2%
2000	3.1%	3.8%	4.0%
2001	4.2%	4.7%	4.7%
2002	5.6%	5.7%	5.8%
2003	5.1%	5.3%	6.0%
2004	4.4%	4.7%	5.5%
2005	3.6%	3.9%	5.1%
2006	3.2%	3.4%	4.6%
2007	3.8%	4.0%	4.6%
2008	5.8%	6.2%	5.8%

Sources: U.S. Department of Labor, Bureau of Labor Statistics, *Local Area Unemployment Statistics* (Air Trade Area and Florida) and *Current Population Survey* (U.S.), May 2009.

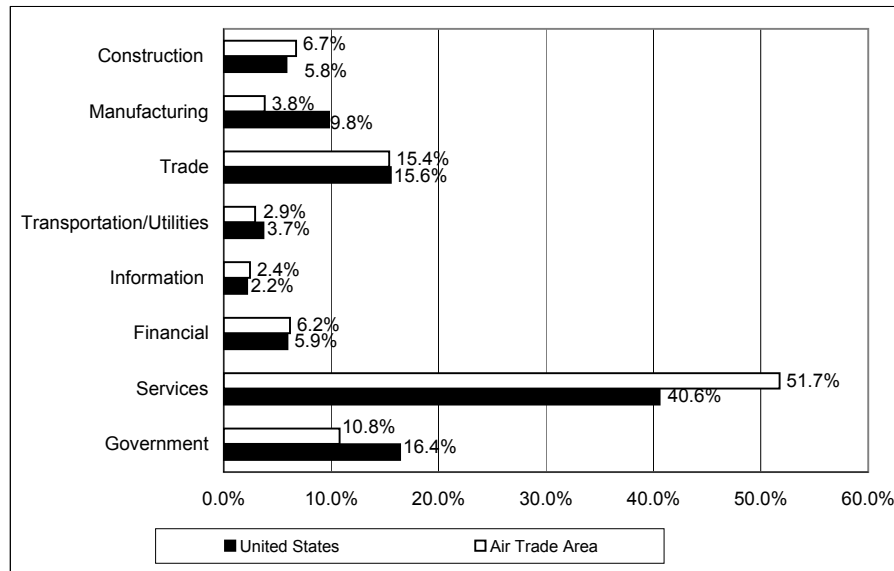
Prepared by: Ricondo & Associates, Inc., May 2009.

Table 4

Employment Trends by Major Industry Division

Industry	Air Trade Area			United States		
	Nonagricultural Employment (000's)			Nonagricultural Employment (000's)		
	1997	2008	Compounded Annual Growth Rate	1997	2008	Compounded Annual Growth Rate
Construction ^{1/}	46.0	73.8	4.4%	6,467	7,989	1.9%
Manufacturing	50.2	41.8	(1.7%)	17,419	13,431	(2.3%)
Trade	131.4	169.3	2.3%	20,053	21,321	0.6%
Transportation/Utilities	25.6	32.0	2.0%	4,647	5,065	0.8%
Information ^{2/}	20.2	26.9	2.6%	3,084	2,997	(0.3%)
Financial	48.9	67.7	3.0%	7,178	8,146	1.2%
Services ^{3/}	390.6	568.2	3.5%	44,265	55,621	2.1%
Government	83.9	118.5	3.2%	19,664	22,500	1.2%
Total	796.8	1,098.2	3.0%	122,777	137,070	1.0%

Percent of 2008 Nonagricultural Employment



Notes:

1/ Includes mining employment.

2/ The information sector includes communications, publishing, motion picture and sound recording, and on-line services.

3/ The nonagricultural employment for the services sector includes outsourcing from the manufacturing sector.

Source: U.S. Department of Labor, Bureau of Labor Statistics, May 2009.

Prepared by: Ricondo & Associates, Inc., May 2009.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

consistent with changes in the employment mix nationwide, as manufacturing decreased from 14.2 percent of total employment to 9.8 percent and services increased from 36.1 percent of total employment to 40.6 percent during the 1997-2008 period.

Major employers in the Air Trade Area in 2008 (the most recently available comprehensive list), as measured by the number of employees, are presented in **Table 5**. As shown, there are 25 organizations in the Air Trade Area with 1,950 or more employees. The largest employer in the Air Trade Area is the theme park & resort operator, Walt Disney Company (the Company), with 62,000 employees; followed by the Orange County Public Schools (23,373 employees); Darden Restaurants, Inc. (21,372 employees); Publix Super Markets Inc. (17,500 employees); and Florida Hospital Orlando (16,000 employees). The hospitality and leisure industries are well-represented in the Air Trade Area's top 25 employers. Healthcare and retail companies are also among the area's top employers.

Employment in the Air Trade Area is heavily influenced by the convention and tourism industry. According to the Orlando/Orange County Convention & Visitors Bureau, the tourism industry is the largest employer in Metro Orlando, directly accounting for 24 percent of jobs in the community. The annual earned wages of direct tourism industry employees reached \$9.0 billion in 2007.

3.4 Convention and Tourism Industry

Attendance at the Orange County Convention Center totaled 1,310,377 in 2008, and total of 231 events were held at the Convention Center. The Orange County Convention Center is currently ranked second in the United States in terms of prime exhibit space with 2,053,820 square feet. Additionally, according to the 2008 *Tradeshow Week* 200 survey, Orlando is the second-largest convention city by market share of the top 200 tradeshows (behind Las Vegas), hosting 24 of the nation's 200 largest trade shows.

On March 11, 2009, Fitch Ratings (Fitch) reaffirmed its 'A' credit rating on the Walt Disney Company based on the Company's leading market position in its core businesses, unique brand franchises, strong cash flows and significant financial flexibility. Regarding Disney's Parks & Resorts division, which includes the Walt Disney World Resort in the Air Trade Area, Fitch stated that the "Parks & Resorts division generally tracks the broader economy." Attendance at the Company's Air Trade Area facilities for Q1 2009 was approximately one percent lower than for the

Table 5

Major Employers

Employer	Number of Employees	Product or Service
Walt Disney Co.	62,000	Hospitality & Leisure
Orange County Public Schools	23,373	Education
Darden Restaurants Inc.	21,372	Hospitality & Leisure
Publix Super Markets Inc.	17,500	Retail Trade
Florida Hospital Orlando	16,000	Healthcare & Social Assistance
Wal Mart Stores, Inc.	15,170	Retail Trade
Orlando Health	14,300	Healthcare & Social Assistance
Universal Orlando	13,000	Hospitality & Leisure
University of Central Florida	9,500	Education
Seminole County Public Schools	8,365	Education
Westgate Resorts/C. Fla. Investments	7,220	Real Estate & Leasing
Lockheed Martin	7,000	Manufacturing & Professional Business Services
Orange County Government	6,893	Government
Lake County Public School District	6,160	Education
SeaWorld Orlando	6,000	Hospitality & Leisure
UPS	5,335	Transportation & Warehousing
Rosen Hotels & Resorts	5,000	Hospitality & Leisure
Walgreen Co.	4,025	Retail Trade & Transportation & Warehousing
City of Orlando	3,200	Government
Valencia Community College	2,938	Education
Wyndham Vacation Ownership	2,856	Real Estate & Leasing
Southwest Airlines	2,332	Transportation & Warehousing
Central Florida YMCA	2,300	Other Services
The Walt Disney World Swan and Dolphin Resort	2,000	Hospitality & Leisure
The Villages of Lake-Sumter Inc.	1,951	Real Estate & Leasing

Source: Orlando Business Journal, *Book of Lists 2009* and Orlando Sentinel.com, *Top Employers 2008*

Prepared by: Ricondo & Associates, Inc., May 2009.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

same period the previous year.³ However, due to various promotional efforts and stabilizing economic conditions, attendance at the Company's Air Trade Area facilities is tracking modestly higher for Q2 of 2009 than for the same period the previous year.⁴

According to Disney's CFO, the strongest segment of Parks and Resorts attendance last year continued to be international visitation to the Company's domestic parks, in part, due to the relatively weak U.S. dollar. A weaker U.S. dollar relative to foreign currencies helps the Air Trade Area's theme parks in two ways. The depreciation of the U.S. dollar has made foreign travel more expensive for Americans, thereby incentivizing vacationers to travel domestically. At the same time, the cost of visiting the U.S. and the Air Trade Area's major theme parks is now less expensive for foreigners. However, the benefits from these effects on the Air Trade Area economy may diminish as 2009 progresses if the U.S. dollar continues to strengthen.

In addition to Disney-owned theme parks, a number of other theme park & resorts are located within the Air Trade Area. In fact, the Air Trade Area has the largest concentration of theme parks in the nation. The top ten U.S. theme parks in 2007 and 2008, as measured by yearly attendance, are presented in **Table 6**. Seven of the top ten U.S. theme parks are located in the Air Trade Area.

Historical and projected yearly visitors to the Air Trade Area are illustrated in **Exhibit 4**. Due to the global economic downturn in the second half of 2008, combined domestic and international visitation to the Air Trade Area is expected to decline 3.3 percent from 48.7 million in 2007 to 47.1 million visitors in 2008, according to the April 2009 "State of the Market" forecast commissioned by the Orlando/Orange County Convention & Visitors Bureau.⁵ For 2009, total visitors are expected to decline by 8.1 percent to 43.4 million visitors, but increase by 1.4 percent to 44.0 million visitors by 2010. Domestic visitation, with 45.9 million visitors in 2007, is expected to shrink by 2010 to 41.0 million visitors. However, international visitation, with 2.8 million visitors in 2007, is expected to increase by 2010 to 3.0 million visitors.

³ Source: The Walt Disney Company, *Form 10Q – For the Quarterly Period Ending March 28, 2009*, May 5, 2009. Additionally, in March 2009, the Company implemented workforce reductions at its Air Trade Area facilities as part of an effort to improve operational efficiencies and restructure back office operations at all parks and resorts. Executive, management, professional, and administrative positions were primarily targeted by these reductions. The Company's reductions in the State of Florida included 900 layoffs and buyouts and 500 vacant jobs that will go unfilled. The majority of these reductions were at Walt Disney World, although the company eliminated jobs at other operations such as Disney Vacation Club and at a reservations center in Tampa.

⁴ This information was taken from a transcript of the Company's most recent earnings conference call.

⁵ Available at: <http://www.orlandoinfo.com/research/market/index.cfm>.

Table 6

Yearly Attendance at Top Ten U.S. Theme Parks (in millions)^{1/}

Theme Park	2007	2008	Annual Growth Rate
The Magic Kingdom, Walt Disney World Resort, Lake Buena Vista, FL	17.1	17.1	0.0%
Disneyland, Anaheim, CA	14.9	14.7	-1.0%
Epcot, Walt Disney World Resort, Lake Buena Vista, FL	10.9	10.9	0.0%
Disney's Hollywood Studios, Walt Disney World Resort, Lake Buena Vista, FL	9.5	9.6	1.1%
Disney's Animal Kingdom, Walt Disney World Resort, Lake Buena Vista, FL	9.5	9.5	0.5%
Universal Studios, Universal Orlando Resort, Orlando, FL	6.2	6.2	0.5%
SeaWorld Florida, Orlando, FL	5.8	5.9	2.2%
Disney's California Adventure, Anaheim, CA	5.7	5.6	-1.9%
Islands of Adventure, Universal Orlando Resort, Orlando, FL	5.4	5.3	-2.4%
Universal Studios Hollywood, Universal City, CA	4.7	4.6	-2.6%

Note:

1/ Theme parks located in the Air Trade Area are highlighted in bold.

Source: 2007 and 2008 TEA/ERA Attendance Report

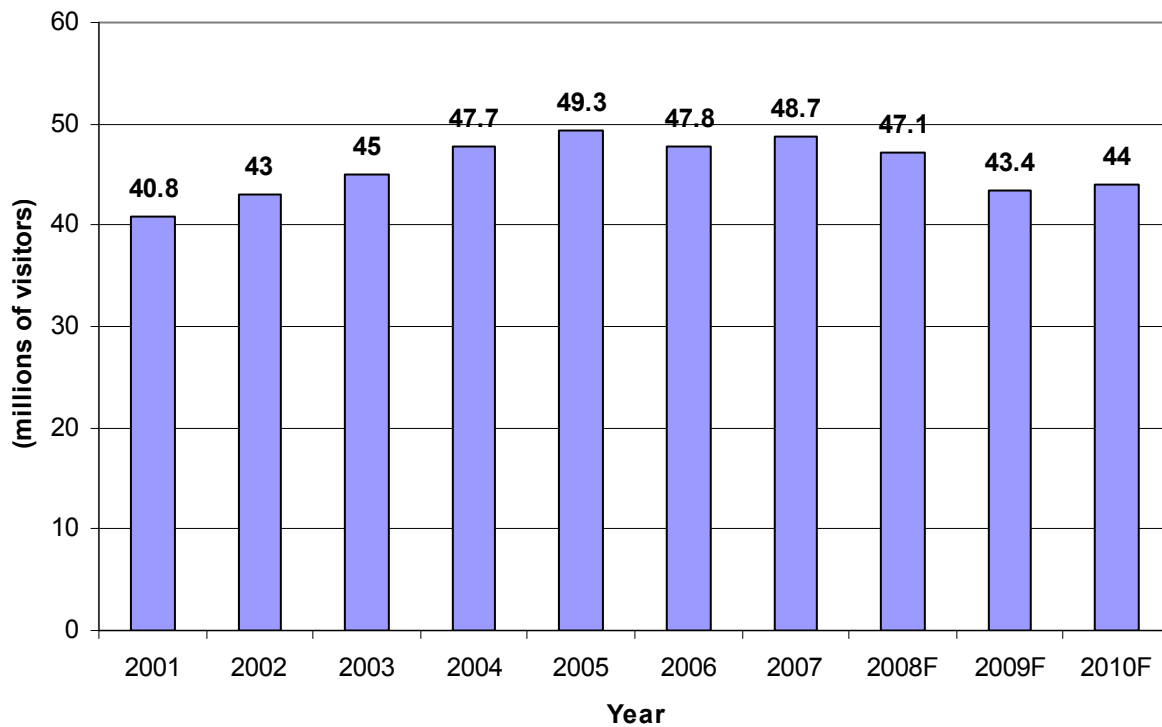
Prepared by: Ricondo & Associates, Inc., May 2009.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

Exhibit 4

Yearly Visitors to Air Trade Area (in millions)



Source: Orlando/Orange County Convention and Visitors Bureau Research Department (April 2009)
Prepared by: Ricondo & Associates, Inc., May, 2009.

3.5 Economic Outlook

According to a March 2009 economic overview from the Florida Legislature's Office of Economic and Demographic Research, the economy of the State of Florida is being affected by the same major shocks impacting the United States economy: (1) falling home prices; (2) credit market tightening; and (3) the global spreading of the United States economic recession.⁶ The State of Florida's economy has been particularly affected by falling home prices and the impact of tightening credit markets on reducing the excess supply of homes in the market. By Summer 2010 the State of Florida's economic growth is predicted to slowly return to more typical levels. The subsequent turnaround in housing will be led by: (1) falling home prices that begin to attract buyers and clear

⁶ Available at: http://edr.state.fl.us/presentations/recentpresentations/Fl%20Economic%20Overview_3-16-09.pdf



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

inventory (Florida's housing prices were already 19 percent below the national average in March 2009); (2) long-run sustainable demand caused by continued population growth and household formation (Florida is on track to break 20 million in population by 2015, surpassing New York to become the third most populous state); and (3) the State of Florida's unique demographics and the aging of the baby-boom generation. The Orlando Regional Realtor Association recently reported that as the median home sales price in the Air Trade Area fell 37.7 percent between March 2008 and March 2009, the Area's affordability index rose to a record high of 192 percent.⁷

While being impacted by the same economic forces affecting the United States and the State of Florida, the outlook for the Air Trade Area is relatively brighter. According to a recent 2009-2012 forecast by the University of Central Florida's Institute for Economic Competitiveness (prepared in March 2009), the Air Trade Area is expected to show modest economic growth over the next few years.⁸ Personal income and average annual wage growth are expected to be some of the highest in the State of Florida, growing at rates of 4.1 percent and 2.2 percent respectively. Employment growth is forecasted to average 1.5 percent annually, the highest in the State of Florida.

3.6 Summary

This section has presented an overview of several factors impacting the economic base of the Air Trade Area, including the major influence of the convention and tourism industry. General observations regarding the Air Trade Area can be summarized as follows:

- The population of the four-county Air Trade Area totaled over 2 million people in 2008. Orange County is the most populous county and was ranked as the 35th largest county in the nation by population in 2008.
- Population levels in the Air Trade Area are forecasted to increase at a CAGR of approximately 2.4 percent for the period 2008 through 2018. The growth rate of the Air Trade Area is higher than the projected population growth for the State of Florida and the United States during this same period (CAGRs of 1.8 and 1.0 percent, respectively).
- The market potential for air transportation demand in the Air Trade Area is indicated by a relatively high per capita effective buying income (EBI), which is essentially disposable personal income. Additional indicators that support demand for air travel include a percentage of households in higher income categories that is greater than the national average.

⁷ An affordability index of more than 100 means buyers earning the state-reported median income of \$52,250 make more than is necessary to qualify for a median-priced home.

⁸ Available at: <http://www.bus.ucf.edu/hitec/Pages/Forecasts/Florida%20&%20Metro%20Forecasts/REVISED-UCF-IEC-FLForecast-March09-Security.pdf>



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

- The Air Trade Area is home to two Fortune 500 companies and two Fortune 1,000 companies. International Assets Holding is ranked 140th with approximately \$18.4 billion in revenues, Darden Restaurants is ranked 374th with approximately \$6.7 billion in revenues, AirTran Holdings is ranked 765th with \$2.6 billion in revenues and Tupperware Brands is ranked 857th with \$2.2 billion revenues in 2008.
- The Air Trade Area continues to be a global leader in the convention and tourism industry. A number of theme parks & resorts are located within the region and the tourism industry is the Air Trade Area's largest source of jobs. The Air Trade Area has the largest concentration of theme parks in the nation including seven of the top ten U.S. theme parks by number of visitors. Hotwire.com, a discount travel website, recently named Orlando the nation's top value destination for 2009, and the American Society of Travel Agents recently ranked Orlando as the nation's most popular summer destination.
- In addition to the strong presence of the convention and tourism industry in the Air Trade Area, life science, biotech and medical technology industries are emerging. In the last 24 months, Orlando has made a \$2 billion investment in life sciences in the region. Additionally, ground was broken in February 2009 for the first facility (the Nemours Children's Hospital) in the Lake Nona Medical City that will, when complete in approximately 2012, include five medical facilities. The Medical City, when fully operational, will create 30,000 jobs and have an approximately \$7.6 billion economic impact.
- The high-capacity transportation infrastructure in the Air Trade Area is a significant catalyst for attracting new and expanded businesses to the region. Orlando International Airport is the third largest origin and destination airport in the United States, and in total passenger traffic ranks as the 11th busiest airport in the United States and the 22nd busiest airport in the world. In addition, the Air Trade Area has proximity to two deep water ports and extensive road and rail systems connecting the Area to the Southeast United States.
- The Air Trade Area offers a variety of cultural, recreational, and educational resources and activities. The Air Trade Area is also home to the nation's seventh-largest university, the University of Central Florida.
- The economic base of the Air Trade Area is healthier than that of the State of Florida in general and is considered capable of supporting increased demand for air travel at the Airport during the projection period.

4. Historical and Projected Airline Traffic

4.1 Historical Aviation Activity

This section of the letter report describes historical aviation activity at the Airport, including passenger enplanements, air service, and aircraft landed weight.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

Scheduled airline service for the Airport was obtained for the month of March 2009 from the Airport and Official Airline Guide (OAG). For this month, the Airport had scheduled passenger service by 23 U.S. flag scheduled passenger air carriers, including six legacy mainline carriers⁹ and five low-cost carriers¹⁰. In addition, 13 foreign flag carriers provided scheduled passenger service during the month of March at the Airport during FY 2009. Five all-cargo carriers provided scheduled cargo service at the Airport. Also seven charter airlines service the Airport in March 2009. **Table 7** lists the scheduled and charter airlines that operate at the Airport and **Table 8** presents the historical scheduled passenger air carrier base at the Airport since FY 1999.

As shown in Table 8, the Airport has had the benefit of a relatively large and stable air carrier base during the years depicted, which has helped promote competitive pricing and scheduling diversity in the Airport's major markets. Specific points concerning the Airport's historical air carrier base are presented below:

- The six U.S. legacy carriers and four low cost carriers have served the Airport the previous ten fiscal years in addition to eight foreign flag carriers. In addition, two low cost carriers, Frontier and jetBlue, and one foreign flag carrier, Copa, have served the Airport the last nine fiscal years.
- During the past five fiscal years eight new scheduled carriers added service. Of the eight new carriers, five were foreign flag carriers while the remaining three were regional carriers.

Table 9 presents historical data for enplaned passengers at the Airport and for the nation. As shown, passenger activity at the Airport increased from approximately 13.7 million enplanements in FY 1998 to approximately 18.2 million enplanements in FY 2008, the last FY for which final passenger data is available. This increase represents a compounded annual growth rate of 2.9 percent during this period. During the same period, U.S. total enplanements increased 1.9 percent. Historically, 8 of the last 10 years, the Airport have increased enplanements at a greater percentage than the nation.

The Airport's share of total U.S. passengers has increased from 2.1 percent in FY 1998 to 2.3 percent in FY 2008. The Airport's enplanement growth over the period FY 1998 through FY 2008 is consistent with the national trend where enplanement levels decreased in FY 2001 and FY 2002 as a result of the national economic slowdown that was accelerated by the terrorist attacks of September 11.

⁹ Legacy carriers include, American, Continental, Delta, Northwest, United, and US Airways.

¹⁰ Low cost carriers include, AirTran, Frontier, jetBlue, Southwest, and Spirit

Table 7

Airlines & Cargo Carriers Serving the Airport^{1/}

Scheduled U.S. Carriers (14)	Foreign Flag Carriers (13)	All-Cargo Carriers (5)
AirTran	Aer Lingus	Air Transport International
Alaska	Aerovias de Mexico SA de CV	ASTAR Air Cargo
American	Air Canada	Federal Express
Continental	Air Jamaica	Mountain Air Cargo
Delta	Air Transat	United Parcel Service
Frontier	Bahamasair	
jetBlue	British Airways	
Midwest	Compania Mexicana de Aviacion	
Northwest	Copa	
Southwest	Lufthansa	
Spirit	TAM	
Sun Country	Virgin Atlantic Airways	
United	WestJet	
US Airways		
U.S. Carrier Affiliates (9)	Charter (7)	
Continental Express operated by:	CanJet	
ExpressJet	Miami International, Inc.	
Gulfstream	Pace ^{2/}	
Delta Connection operated by:	SkyKing ^{2/}	
Comair	Skyservice	
Freedom	Sunwing	
Pinnacle	TACA ^{2/}	
Shuttle America		
NWA Airlink operated by:		
Compass		
US Airways Express operated by:		
Air Wisconsin		
Republic		

Notes:

1/ As of March 2009.

2/ Service at the Airport varies from month to month. For certain months, this carrier may not serve the Airport.

Source: Greater Orlando Aviation Authority, March 2009.

Prepared by: Ricondo & Associates, Inc., March 2009.

Table 8

Scheduled Air Carrier Base

Air Carrier ^{1/}	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Aerovias de Mexico SA de CV	•	•	•	•	•	•	•	•	•	•
Air Canada	•	•	•	•	•	•	•	•	•	•
Air Jamaica	•	•	•	•	•	•	•	•	•	•
AirTran Airways	•	•	•	•	•	•	•	•	•	•
American ^{2/}	•	•	•	•	•	•	•	•	•	•
ATA	•	•	•	•	•	•	•	•	•	•
Bahamasair	•	•	•	•	•	•	•	•	•	•
British Airways	•	•	•	•	•	•	•	•	•	•
Compania Mexicana de Aviacion S A de C V	•	•	•	•	•	•	•	•	•	•
Continental	•	•	•	•	•	•	•	•	•	•
Delta	•	•	•	•	•	•	•	•	•	•
Martinair Holland	•	•	•	•	•	•	•	•	•	•
Midwest	•	•	•	•	•	•	•	•	•	•
MN Airlines LLC (aka Sun Country)	•	•	•	•	•	•	•	•	•	•
Northwest	•	•	•	•	•	•	•	•	•	•
Southwest	•	•	•	•	•	•	•	•	•	•
Spirit	•	•	•	•	•	•	•	•	•	•
Sun Country	•	•	•	•	•	•	•	•	•	•
United	•	•	•	•	•	•	•	•	•	•
US Airways	•	•	•	•	•	•	•	•	•	•
Virgin Atlantic Airways	•	•	•	•	•	•	•	•	•	•
Comair		•	•	•	•	•	•	•	•	•
Copa		•	•	•	•	•	•	•	•	•
Frontier		•	•	•	•	•	•	•	•	•
Gulfstream International		•	•	•	•	•	•	•	•	•
jetBlue		•	•	•	•	•	•	•	•	•
TACA International			•				•	•	•	•
Alaska					•	•	•	•	•	•
Chautauqua					•	•	•	•	•	•
Condor Flugdienst					•	•	•	•	•	•
Zoom					•	•	•	•	•	•
Atlantic Southeast					•			•	•	•
Sky King						•	•	•	•	•
WestJet						•	•	•	•	•
Aer Lingus							•	•	•	•
Freedom							•	•	•	•
Republic								•	•	•
Air Comet SA										•
Air Wisconsin										•
Lufthansa										•

Air Carriers No Longer Serving the Airport

Cayman Airways	•	•	•		•	•	•	•	•	
Executive Airlines					•	•	•	•	•	
LTU International Airways	•	•	•	•	•	•	•	•	•	•
PSA						•	•	•	•	•
Shuttle America								•	•	•
Icelandair	•	•	•	•	•	•	•	•	•	•
Independence Air							•	•	•	•
American Eagle	•	•	•	•		•	•	•	•	•
Mesa		•	•	•	•	•	•	•	•	•
Britannia Airways	•	•	•	•		•				
Piedmont		•	•	•	•					
Vang Brazilian	•	•	•		•					
Canada 3000	•	•	•	•						
Iberia Airlines of Spain		•	•	•						
Midway	•	•	•	•						
Vanguard				•						
Aerpostal (LAV)	•	•	•							
Air Aruba		•	•							
Canadian	•	•	•							
EL AL Israel	•	•	•							
Florida Air			•							
JAL Japan			•							
Lineas Aereas Allegro Sa		•	•							
Saudi Arabian	•	•	•							
Transbrasil SA Lineas Aereas	•	•	•							
Aerolineas Argentinas		•								
Air 2000		•								
LACSA	•	•								
LanChile	•	•								
Lauda Air	•	•								
Swissair		•								
TAP Air Portugal		•								

Note:

^{1/} Does not include Charter Airlines

Source: Official Airline Guide, Inc., January 2009.

Prepared by: Ricondo & Associates, Inc., January 2009.

Table 9
Historical Enplanements

Fiscal Year	Airport Enplanements	Airport Growth	U.S. Total Enplanements	U.S. Growth	Market Share
1998	13,735,452	-	644,700,000	-	2.131%
1999	14,325,305	4.3%	665,800,000	3.3%	2.152%
2000	15,157,431	5.8%	697,600,000	4.8%	2.173%
2001	14,933,713	(1.5%)	682,500,000	(2.2%)	2.188%
2002	13,025,231	(12.8%)	626,300,000	(8.2%)	2.080%
2003	13,532,180	3.9%	641,200,000	2.4%	2.110%
2004	15,233,814	12.6%	689,000,000	7.5%	2.211%
2005	16,833,499	10.5%	735,900,000	6.8%	2.287%
2006	17,316,873	2.9%	740,000,000	0.6%	2.340%
2007	17,831,818	3.0%	764,700,000	^{1/} 3.3%	2.332%
2008	18,238,278	2.3%	776,500,000	^{2/} 1.5%	2.349%

Compounded Annual Growth Rate	
1998 - 2001	2.8%
2001 - 2002	(12.8%)
2002 - 2008	5.8%
1998 - 2008	2.9%

Notes:

1/ Estimated by the FAA.

2/ Projected by the FAA.

Sources: Greater Orlando Aviation Authority (historical Airport activity, January 2009); FAA (U.S. activity, March 2009).

Prepared by: Ricondo & Associates, Inc., May 2009.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

Table 10 presents historical Airport enplanements by carrier illustrating trends in airline market share over the period FY 2004 through FY 2008. From FY 2004 through FY 2008 low cost carriers have increased passenger enplanements at an annual rate of 19.4 percent. During this same period, legacy mainline carriers passenger enplanements have decreased at an annual rate of 1.1 percent. Comparing the low cost and legacy mainline carriers, jetBlue's passenger enplanements represent the highest compounded annual growth rate from FY 2004 through FY 2008 with an increase of 30.4 percent. Delta's passenger enplanements represent the lowest compounded annual growth rate at (7.6) percent. Southwest Airlines is the largest carrier, in terms of enplaned passengers, with a 21.4 percent market share. Since FY 2005, Southwest enplaned more passengers than Delta to become the Airport's largest carrier. In FY 2008, AirTran, another low cost carrier, became the Airport's second largest carrier. Delta, the Airport's largest carrier in FY 2004, is the third largest carrier in FY 2008.

Trends in air service at the Airport, including top domestic and international destinations, the share of low-cost carrier activity occurring at the Airport, and shifts in the air carrier fleet operating at the Airport, will likely impact future activity. The historical distribution of O&D markets at the Airport, which is a function of air travel demands and available services and facilities, is presented in **Table 11**. Table 11 presents data on the Airport's top 20 domestic O&D markets for FY 2008, as measured by the number of passengers. As shown, the top 20 markets accounted for approximately 57.8 percent of total domestic O&D passengers at the Airport. As of FY 2008, each of the Airport's top 20 markets had non-stop scheduled service from the Airport. Comparing FY 2000 to FY 2008, New York/Newark and Chicago remain as the top two destinations.

Table 12 presents the daily non stop markets on March 19th, 2009. Due to seasonal service and recent changes and uncertainty in future OAG schedules, a current date was used in determining daily non stop service at the Airport. There are 415 flights to 82 destinations. New York/Newark, Atlanta, and Chicago have the highest number of daily non stop flights with 36, 27 and 23 respectively. Southwest offers 115 daily non-stop flights, AirTran 58, and jetBlue 46. Low cost carriers operate 230 daily flights and the legacy carriers and their affiliates offer 157 flights. The Airport will see additional service by low cost carriers that have been announced to operate after this date includes, jetBlue's service to San Jose, Costa Rica and AirTran to Charlotte. Legacy carriers Continental and Delta have announced service to Tallahassee by their regional affiliates. In addition, international service to Mexico City has been announced by Delta and foreign flag carrier Virgin Atlantic is expected to add service to Glasgow in the United Kingdom.

From October 2008 through March 2009, enplanements at the airport have decreased by 11.4 percent compared to the same period in FY 2008. Landed weight at the Airport has decreased 12.1 percent during the first six months of FY 2009 compared to the same period in FY 2008. The decrease in enplanements and landed weight can be attributed to a decline in demand for air travel and a reduction in capacity. The significant increases in the price of jet fuel in 2008 primarily led to airlines reducing their capacity.

Table 10
Historical Enplaned Passengers by Airline

Rank in 2008	Airline	FY 2004			FY 2005			FY 2006			FY 2007			FY 2008		
		Enplaned Passengers	Share		Enplaned Passengers	Share		Enplaned Passengers	Share		Enplaned Passengers	Share		Enplaned Passengers	Share	
1	Southwest Airlines	2,241,320	14.7%		2,787,099	16.6%		3,282,444	19.0%		3,702,974	20.8%		3,906,340	21.4%	
2	AirTran Airways	870,770	5.7%		1,038,897	6.2%		1,367,849	7.9%		1,734,984	9.7%		2,014,584	11.0%	
3	Delta Air Lines	2,710,740	17.8%		2,700,939	16.0%		2,299,161	13.3%		2,090,439	11.7%		1,976,149	10.8%	
4	American Airlines	1,599,804	10.5%		1,705,375	10.1%		1,778,832	10.3%		1,687,264	9.5%		1,643,386	9.0%	
5	JetBlue Airways	555,280	3.6%		731,985	4.3%		1,025,011	5.9%		1,314,805	7.4%		1,605,247	8.8%	
6	US Airways	1,373,205	9.0%		1,403,200	8.3%		1,269,358	7.3%		1,199,284	6.7%		1,364,372	7.5%	
7	Continental Airlines	862,416	5.7%		951,100	5.7%		1,126,631	6.5%		1,193,733	6.7%		1,126,787	6.2%	
8	United Airlines	923,275	6.1%		1,058,331	6.3%		1,059,803	6.1%		1,066,408	6.0%		974,792	5.3%	
9	Northwest Airlines	857,043	5.6%		941,813	5.6%		936,380	5.4%		920,772	5.2%		890,592	4.9%	
10	Spirit Airlines	440,335	2.9%		489,946	2.9%		458,409	2.6%		497,120	2.8%		575,139	3.2%	
11	Virgin Atlantic Airways	390,133	2.6%		392,965	2.3%		369,392	2.1%		401,501	2.3%		447,067	2.5%	
12	Freedom Airlines	0	0.0%		94	0.0%		364,817	2.1%		485,076	2.7%		255,820	1.4%	
13	Air Canada	136,883	0.9%		133,714	0.8%		156,215	0.9%		159,738	0.9%		168,517	0.9%	
14	Midwest Airlines	104,781	0.7%		109,499	0.7%		138,624	0.8%		173,970	1.0%		155,105	0.9%	
15	Alaska Airlines	101,974	0.7%		99,456	0.6%		103,589	0.6%		104,524	0.6%		134,300	0.7%	
16	WestJet Airlines	3,426	0.0%		46,213	0.3%		73,306	0.4%		100,721	0.6%		114,600	0.6%	
17	Frontier Airlines	89,468	0.6%		98,210	0.6%		97,482	0.6%		110,362	0.6%		108,379	0.6%	
	Other ^v	1,972,961	13.0%		2,144,863	12.7%		1,409,570	8.1%		888,143	5.0%		777,102	4.3%	
	Airport Total	15,233,814	100.0%		16,833,499	100.0%		17,316,873	100.0%		17,831,818	100.0%		18,238,278	100.0%	

Note:

1/ Consists of airlines with less than 0.6% share. airlines no longer serving the Airport and/or charter activity.

Source: Greater Orlando Aviation Authority, January 2009.
Prepared by: Ricordo & Associates, Inc., January 2009

2008 Enplanements by Airline

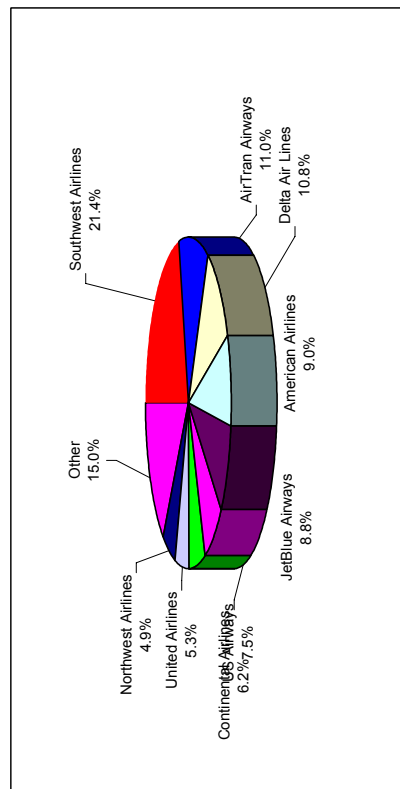


Table 11

Primary O&D Passenger Markets

FY 2000					FY 2008				
Rank	Market	Trip Length ^{1/}	Total O&D Passengers		Rank	Market	Nonstop Service ^{2/}	Trip Length ^{1/}	Total O&D Passengers
1	New York/Newark	MH	2,658,390		1	New York/Newark	●	MH	3,129,110
2	Chicago	MH	1,155,350		2	Chicago	●	MH	1,321,520
3	Boston	MH	853,390		3	Philadelphia	●	MH	1,292,210
4	Atlanta	SH	814,760		4	Detroit	●	MH	1,059,820
5	Detroit	MH	742,180		5	Washington DC	●	MH	954,090
6	Washington DC	MH	738,530		6	Boston	●	MH	902,470
7	Philadelphia	MH	729,830		7	San Juan	●	MH	885,370
8	Hartford	MH	613,680		8	Baltimore	●	MH	850,570
9	Baltimore	MH	607,450		9	Atlanta	●	SH	757,060
10	Minneapolis	MH	507,430		10	Dallas	●	MH	653,900
11	Los Angeles	LH	504,360		11	Minneapolis	●	MH	619,970
12	Dallas	MH	472,790		12	Pittsburgh	●	MH	520,070
13	San Juan	MH	466,090		13	Denver	●	MH	513,420
14	Indianapolis	MH	407,520		14	Houston	●	MH	503,650
15	Providence	MH	393,040		15	Los Angeles	●	LH	500,160
16	Denver	MH	376,750		16	Indianapolis	●	MH	478,730
17	Columbus, OH	MH	340,520		17	Buffalo	●	MH	476,190
18	Milwaukee	MH	331,920		18	Providence	●	MH	463,900
19	Houston	MH	329,660		19	Hartford	●	MH	453,580
20	Long Island	MH	327,870		20	Milwaukee	●	MH	389,810
Average					Average				
Airport ^{3/}		1,057			Airport ^{3/}			1,067	
United States		800			United States			867	

Notes:

1/ (SH) Short Haul = 0 to 600 miles

(MH) Medium Haul = 601 to 1,800 miles

(LH) Long Haul = over 1,800 miles

2/ Nonstop markets as of March 19, 2009 .

3/ Average calculated for all of the Airport's O&D markets.

Source: O&D Survey of Airline Passenger Traffic, U.S. DOT, January 2009.

Prepared by: Ricondo & Associates, Inc., January 2009.

Table 12 (1 of 2)

Nonstop Markets

Market	Daily Nonstop Flights	Number of Airlines	Airline(s)
Aguadilla, PR	1	1	jetBlue
Akron/Canton	1	1	AirTran
Albany	3	1	Southwest
Albuquerque	2	1	Southwest
Atlanta	27	2	AirTran (12), Delta (15)
Atlantic City	4	1	Spirit
Austin	3	2	jetBlue (1), Southwest (2)
Baltimore	14	2	AirTran (5), Southwest (9)
Birmingham	2	1	Southwest
Bloomington/Normal	1	1	AirTran
Bogota, Colombia	1	1	jetBlue
Boston	12	3	AirTran (2), Delta (4), jetBlue (6)
Buffalo	6	3	AirTran (1), jetBlue (1), Southwest (4)
Burlington	1	1	jetBlue
Calgary, Canada	1	1	WestJet
Cancun, Mexico	1	1	jetBlue
Charlotte	9	1	US Airways
Chicago	23	4	AirTran (4-MDW), American (5-ORD), Southwest (7-MDW), United (7-ORD)
Cincinnati	4	2	Comair (1), Delta (3)
Cleveland	5	2	Continental (4), Southwest (1)
Columbus, OH	4	2	AirTran (1), Southwest (3)
Dallas/Ft Worth	11	2	AirTran (1), American (10)
Dayton	2	1	AirTran
Denver	9	3	Frontier (1), Southwest (3), United (5)
Detroit	12	4	AirTran (2), Northwest (7), Spirit (2), Southwest (1)
Dublin	1	1	Aer Lingus
Flint	1	1	AirTran
Fort Lauderdale	8	2	Spirit (2), Southwest (6)
Fort Myers	4	1	Southwest
Frankfurt, Germany	1	1	Lufthansa
Grand Rapids	1	1	Compass
Harrisburg	1	1	AirTran
Hartford	5	2	Delta (2), Southwest (3)
Houston	13	2	Continental (7-IAH), ExpressJet (1-IAH), Southwest (5-HOU)
Indianapolis	7	3	AirTran (3), Compass (2), Southwest (2)
Islip	6	1	Southwest
Jackson	1	1	Southwest
Kansas City	3	1	Southwest
Las Vegas	3	2	Southwest (2), US Airways (1)
London, United Kingdom	3	2	British Airways (1-LGW), Virgin Atlantic (2-LGW)
Los Angeles	5	3	American (1), Delta (2), United (2)
Louisville	1	1	Southwest
Manchester, NH	4	1	Southwest
Manchester, United Kingdom	1	1	Virgin Atlantic
Memphis	3	1	Northwest
Mexico City, Mexico	2	2	Aeromexico, Mexicana
Miami	9	2	American (6), Gulfstream (3)
Milwaukee	5	2	AirTran (4), Midwest (1)
Minneapolis/St. Paul	9	3	AirTran (1), Northwest (6), Sun Country (2)
Montego Bay, Jamaica	1	1	Air Jamaica
Montreal, Canada	1	1	Air Canada (YUL)
Nashville	5	1	Southwest
Nassau	2	2	Bahamasair, jetBlue
New Orleans	4	1	Southwest
New York/Newark	36	5	AirTran (1-LGA), American (1-JFK, 1-LGA), Continental (10-EWR), Delta (4-JFK, 5-LGA), jetBlue (4-EWR, 9-JFK, 1-LGA)

Table 12 (2 of 2)

Nonstop Markets

Market	Daily Nonstop Flights	Number of Airlines	Airline(s)
Newburgh	1	1	jetBlue
Newport News/Williamsburg	1	1	AirTran
Norfolk	2	1	Southwest
Ottawa, Canada	1	1	Sunwing
Panama City, Panama	2	1	Copa
Pensacola	3	1	Gulfstream
Philadelphia	20	3	AirTran (4), Southwest (8), US Airways (8)
Phoenix	3	2	Southwest (1), US Airways (2)
Pittsburgh	5	2	AirTran (2), Southwest (3)
Ponce, PR	1	1	jetBlue
Portland, ME	1	1	jetBlue
Providence	6	1	Southwest
Raleigh/Durham	4	1	Southwest
Richmond	2	2	AirTran (1), jetBlue (1)
Rochester	2	2	AirTran, jetBlue
Salt Lake City	2	1	Delta
San Antonio	2	1	Southwest
San Francisco	1	1	United
San Juan, PR	9	3	AirTran (2), jetBlue (5), Spirit (2)
Santo Domingo, Dominican Rep.	1	1	jetBlue
Sao Paulo, Brazil	1	1	TAM
Seattle/Tacoma	2	1	Alaska
St. Louis	6	2	American (2), Southwest (4)
Syracuse	2	1	jetBlue
Toronto, Canada	7	2	Air Canada (4-YYZ), Sunwing, (YYZ), WestJet (2-YYZ)
Washington, DC	17	5	AirTran (1-DCA, 1-IAD), jetBlue (2-IAD), Southwest (2-IAD), United (6-IAD), US Airways (5-DCA)
White Plains	6	2	AirTran (2), jetBlue (4)
Total	415		

Source: OAG, March 19, 2009 Schedule, January 2009.

Prepared by: Ricondo & Associates, Inc., January 2009.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

4.2 Factors Affecting Aviation Demand

The projections of aviation demand developed for this analysis were, in part, prepared on the basis of quantitative factors (e.g., socioeconomic variables) that determine aviation activity at the Airport. Qualitative factors that could influence future aviation activity at the Airport are discussed in this section.

- **National Economy.** Air travel demand is directly correlated with income. For example, as consumer income and business profits increase, so does air travel. The current state of the national economy has been one of concern, given a weak housing sector, credit tightening, and high energy prices.
- **Local Economy.** The Air Trade Area continues to be a major tourist destination, and as such this industry remains a major driver of the region's economy. Major theme parks, hotels and resorts, and other forms of entertainment are the main employers in the service industry. In economic downturns this cyclical industry can experience little to no growth. As presented previously, unemployment in the Air Trade Area for 2008 increased to 5.8 percent, which remains below levels for the State of Florida and has for the past ten years. The 2008 unemployment rate for the nation was also 5.8 percent. We anticipate local unemployment levels to rise over the next two years, but remain below or near the national average.
- **Airline Industry.** The U.S. aviation industry recorded a \$3 billion net profit in 2006; and, the Air Transport Association reported that the U.S. airlines industry had a net profit of approximately \$5 billion in 2007. However, record oil prices in 2008 severely impacted the airline industry and the Air Transportation Association. As such, almost all U.S. major airlines have reduced capacity with the majority taking place in the fall of 2008. According to an April 2009 Air Transport Association (ATA) presentation, U.S. airlines experienced net losses in 2008 (estimated by this trade group to be an approximate \$8 billion loss).
- **Cost of Aviation Fuel.** As industry fundamentals go, the price of fuel is the most significant force affecting the airline industry today. The average price of jet fuel was \$0.82 per gallon in 2000 compared to \$3.07 in 2008, an increase of 275 percent. According to the Air Transport Association, every one-cent increase in the price per gallon increases annual airline operating expenses by approximately \$190 million to \$200 million. Also according to the ATA, U.S. airline fuel expense increased from \$16.4 billion in 2000 to \$57.8 billion in 2008, a compounded annual growth rate of 16.7 percent during this period. The most significant annual increase in U.S. fuel expense during this period occurred in 2008, from \$41.9 billion in 2007 to \$57.8 billion in 2008, a 16.0 percent increase. During 2008, oil prices were very volatile, reaching a peak of over \$145 a barrel in July before falling to approximately \$40 a barrel by the end of 2008. According to the most recent data available by the Bureau of Transportation Statistics, fuel cost averaged 35.9 percent of U.S. airline industry's operating expenses for the third quarter of 2008. The recent fluctuations in the price of jet fuel have contributed to airlines reducing their capacity and have had a significant impact on airline



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

profitability. Future increases, sustained higher prices, or ongoing volatility with respect of jet fuel prices could affect airfares, airline service, and the financial condition of airlines as the industry attempts to stabilize its overall cost structure.

Projected aviation activity growth in the earlier years of the projection period has been reduced from historical levels to reflect a downturn in the national and local economy, a general slowing of domestic capacity growth by the airline industry, and recent record level and fluctuating fuel prices.

4.3 Projections of Aviation Demand

Historical trends, factors influencing aviation demand, the current increased fuel prices and the local economy, were considered for future projections of aviation demand at the Airport. To forecast passenger enplanements for FY 2009, we estimated the amount of scheduled seats by the air carriers during this period. To estimate the amount of scheduled seats for FY 2009, OAG schedule seat data was analyzed for the same time period. OAG data has three inherent weaknesses associated with it: First, OAG scheduled data for FY 2009 is incomplete and only contains several months of advance data (e.g. through September 2009 at the time of our data pull). Second, some airlines, primarily low cost carriers (e.g. jetBlue and AirTran), only release future scheduled flight data for only a few months out in the future instead of a year as their business model is more reliant on internal sources of distribution (e.g. internet booking engine and in-house reservations) and to keep costs associated with distribution low. Third, the quality of data represented for future months farther out tends to be understated as airlines are still in the planning / design process for intermediate & future schedules (4 to 11 months out in the future). During this timeframe, airlines are still determining where to fly, frequencies, flight times, aircraft assignment and routes. As a result of these weaknesses, R&A discretely examines each air carrier's flight schedule on a month and route level basis to determine if the data requires an adjustment. R&A adjusted the data for the above factors to ensure the data is consistent with the air carrier intentions as known through official press releases and industry trends.

Based on the above, the following forecast assumptions were made with regard to estimated scheduled seats for FY 2009 at the Airport:

- Air carriers have made their planned domestic capacity cuts and will continue to optimize their schedules in the short-term due to the prior increase in the price of jet fuel, downturn of the U.S. economy, and weakness of the U.S. dollar.
- Absence of schedule data for the following carriers:
 - jetBlue (beyond mid-April 2009)
 - Sun Country (beyond mid-April 2009)
 - Midwest (beyond mid-April 2009)
 - AirTran (beyond mid-June 2009)



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

- Spirit (beyond August 2009)
- Regarding the Delta Air Lines / Northwest Airlines merger:
 - Assumes no current or intermediate impact to mainline capacity by merged entity at the Airport
 - Assumes further consolidation of Delta Connection partners, primarily Freedom Air (subsidiary of Mesa Airlines)
 - No backfill of core Freedom Air flying with other Delta Connection affiliates
- Shift of seasonal peak flying due to Easter holiday observed in April for 2009 instead of March
- Historically the Airport's load factors have ranged from the high 70 percentile to the lower 80 percentile. Based on fiscal year-to-date information for the FY 2009 projections, the Airport's load factor is anticipated to be in the mid to higher 70 percentile, due to a decrease in passenger demand.

Enplanement trends and characteristics for the Airport support the following key assumptions identified as a basis for developing the activity projections used in this analysis:

- The underlying economic conditions of the Air Trade Area are anticipated to drive future demand for O&D air travel at the Airport. Economic disturbances are expected to occur during the projection period, including the fluctuations in fuel prices, causing year-to-year traffic variations; however, a long-term increase in Airport and nationwide traffic is expected to occur.
- The Airport will continue its role as primarily serving O&D passengers and as a major tourist destination. The Airport will continue to be an international gateway for U.S. carriers, foreign flag carriers, and charter airlines. The Airport will also continue to serve all major O&D markets in the U.S.
- As the U.S. economy begins to rebound, domestic passenger traffic is projected to increase with the national average. Traffic for international passengers is projected to increase in line with the FAA forecasts.
- Low-cost carriers are anticipated to continue to increase service at the Airport during the projection period, at a greater rate than legacy carriers.
- Regional competition with other airports in or near the Air Trade Area is anticipated to continue as somewhat limited, given the Airport's major advantage of air service and area attractions as compared to other regional airports.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

- For these analyses, and similar to the FAA's nationwide projections, it is assumed that there will not be terrorist incidents during the projection period that negatively impact aviation demand.

Table 13 below presents historical aviation activity for the period FY 1998 through FY 2008, and projections of aviation activity for the Airport for the period of FY 2009 through 2014. **Exhibit 5** compares the regression analysis projections and R & A's selected projection.

It is important to note that these projections of aviation activity are intended for financial feasibility purposes, and reflect a conservative, yet reasonably realistic view of future activity levels at the Airport. Many of the factors influencing aviation demand cannot necessarily or readily be quantified; and any projection is subject to uncertainties. As a result, the projection process should not be viewed as precise. Actual future traffic levels at the Airport may differ from projections presented herein because events and circumstances do not occur as expected, and these differences may be material.

As shown in Table 13, FY 2009 enplanements are currently estimated at 16.4 million, a decrease of approximately 10.3 percent as compared to FY 2008. Total Airport enplanements are projected to decrease from 18.2 million in FY 2008 to approximately 18.0 million in FY 2014, representing a compounded annual growth rate of negative 0.2 percent.

R&A also analyzed projections on the basis of local socioeconomic and demographic factors. Statistical linear regression modeling was analyzed, with local socioeconomic factors as the independent variable and enplaned passengers as the dependent variable. Socioeconomic factors utilized in these analyses included population, income, and employment.

Regression analysis was conducted on Airport enplanements and each socioeconomic variable between FY 1998 and FY 2008. The coefficient of determination (R^2) for the socioeconomic factors, which measures how well each variable explained the annual variations in enplaned passengers at the Airport, ranged from a high of approximately 86 percent to a low of approximately 70 percent. The regression model produced compounded annual growth rates in the range of 2.4 percent to 3.6 percent for the multiple socioeconomic factors and trend analysis. Exhibit 5 presents the projected enplanements based on growth rates derived from the regression models and a comparison to R&A projections. The announcements of airline capacity cuts at the airport were the main reason for the difference between R&A's projections and the regression analysis projections for the first two years. As the economy recovers, activity at the Airport is projected to increase at rates comparable to the range of the regression analysis outcomes.

Table 13

Enplaned Passenger Projections

Fiscal Year	Actual Enplanements	Annual Growth
1998	13,735,452	-
1999	14,325,305	4.3%
2000	15,157,431	5.8%
2001	14,933,713	(1.5%)
2002	13,025,231	(12.8%)
2003	13,532,180	3.9%
2004	15,233,814	12.6%
2005	16,833,499	10.5%
2006	17,316,873	2.9%
2007	17,831,818	3.0%
2008	18,238,278	2.3%
Fiscal Year to Date ^{1/}		
2008	9,310,795	
2009	8,244,809	(11.4%)
Projections		
2009	16,356,300	(10.3%)
2010	16,470,800	0.7%
2011	16,684,900	1.3%
2012	17,035,300	2.1%
2013	17,478,200	2.6%
2014	18,002,400	3.0%
Compounded		
Annual Growth Rate		
1998 - 2008	2.9%	
2008 - 2014	(0.2%)	

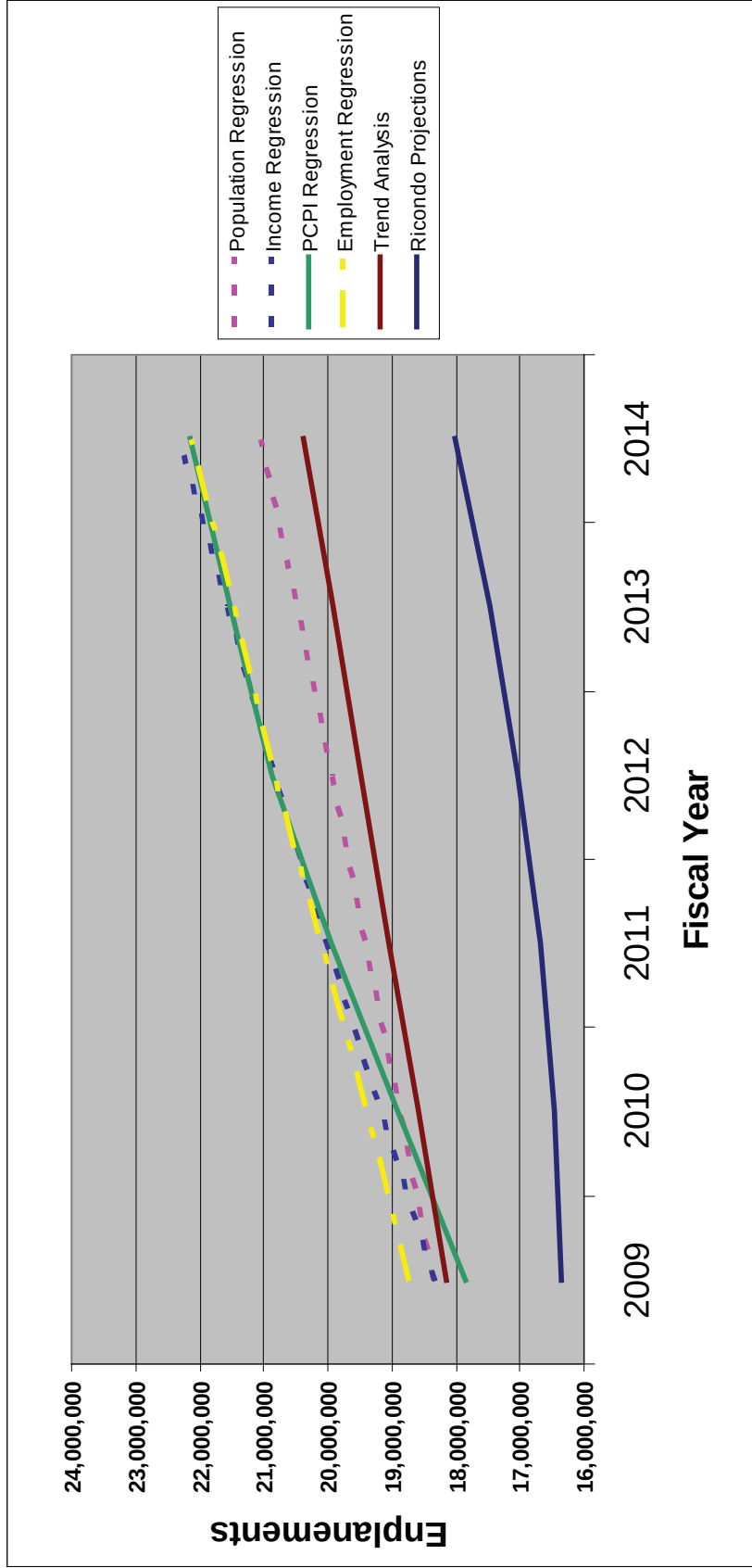
Note:

1/ Represents October 2008 through March 2009.

Sources: Greater Orlando Aviation Authority (Airport activity, May 2009)

Ricondo & Associates, Inc. (Projections, March 2009).

Prepared by: Ricondo & Associates, Inc., May 2009.



Source: Ricoondo & Associates, Inc.
Prepared by: Ricoondo & Associates, Inc.

Exhibit 5

Enplaned Passenger Projections



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

As stated in **Table 14**, projected landed weight for FY 2009 is anticipated to decrease substantially from FY 2008 levels by approximately 11.4 percent. The main driver for these projected decreases is the announced capacity cuts by generally all of the U.S. carriers. These actions are primarily driven by the recent significant increases in fuel prices, and both legacy and low-cost carrier enplanements are expected to decrease at the Airport.

Aircraft landed weight at the Airport is projected to decrease from approximately 23,034 million-pound units in FY 2008 to approximately 22,192 million-pound units in FY 2014. This decrease represents a negative compounded annual growth rate of approximately 0.6 percent over the period. The projections of aircraft landed weight reflect the estimated decrease in FY 2009 landed weight and the continued impacts of the shift of airline activity from mainline carriers to their regional affiliate carriers. The majority of projected future increases in landed weight can be attributed to additional service by low cost and foreign flag carriers.

For these projections, it is generally assumed that the lowest levels of aviation activity at the Airport during the projection period will occur in FY 2009. In FY 2010, it is assumed that Airport aviation activity will increase over FY 2009 levels; however, at relatively lower levels of growth and then increasing to more rapid levels toward the end of the projection period.

Table 15 reflects historical and projected enplaned passengers broken out into Signatory and Nonsignatory airlines, and also breaks out historical and projected landed weight into Signatory and Nonsignatory airlines, as well as passenger and cargo airlines.

5. Capital Improvement Program

Table 16 presents project description, estimated cost, cost center, and funding source information for each element of the Authority's 5-year Capital Improvement Program (CIP)—for FY 2009 to FY 2013. Project costs reflected on Table 16 include design and construction fees, contingencies and inflationary impacts. As shown, total CIP costs, in future dollars, are estimated to be \$667.7 million.

It should be noted that the Authority's current CIP (estimated to cost \$667.7 million) is lower than the approximate \$1 billion capital program approved by the Signatory Airlines as part of executing the new airline agreement (see Section 6) because certain capacity-driven projects in the CIP approved by the Signatory Airlines are expected to be deferred beyond the projection period of this report as a result of current airline traffic projections being lower than projections incorporated when the airline agreement was executed.

Table 14
Landed Weight Projections

Fiscal Year	Actual Landed Weight	Annual Growth
2004	20,278,009	
2005	22,086,369	8.9%
2006	22,154,189	0.3%
2007	22,608,366	2.1%
2008	23,034,206	1.9%
Fiscal Year to Date ^{1/}		
2008	12,021,158	
2009	10,561,312	(12.1%)
	Projections	
2009	20,413,800	(11.4%)
2010	20,597,500	0.9%
2011	20,880,700	1.4%
2012	21,264,000	1.8%
2013	21,701,900	2.1%
2014	22,192,400	2.3%
Compounded Annual Growth Rate		
2004 - 2008	3.2%	
2008 - 2014	(0.6%)	

Note:

1/ Represents October 2008 through March 2009.

Sources: Greater Orlando Aviation Authority (historical activity, May 2009)

Ricondo & Associates, Inc. (Projections, March 2009).

Prepared by: Ricondo & Associates, Inc., May 2009.

Table 15

Airline Traffic Projections (Fiscal Years Ending September 30)

	Historical					Projected					
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Enplaned Passengers											
Signatory	13,121,914	15,412,124	15,805,412	16,411,212	17,090,151	15,326,600	15,433,900	15,634,600	15,962,900	16,377,900	16,869,100
Nonsignatory	2,111,900	1,421,375	1,511,461	1,420,606	1,148,127	1,029,700	1,036,900	1,050,300	1,072,400	1,100,300	1,133,300
Total Enplaned Passengers	15,233,814	16,833,499	17,316,873	17,831,818	18,238,278	16,356,300	16,470,800	16,684,900	17,035,300	17,478,200	18,002,400
Annual % Change	12.6%	10.5%	2.9%	3.0%	2.3%	-10.3%	0.7%	1.3%	2.1%	2.6%	3.0%
Average Growth FY 2008-FY 2014											-0.2%
Historical Average Growth FY 2004-FY 2008											4.6%
Signatory as a % of Total	86%	92%	91%	92%	94%	94%	94%	94%	94%	94%	94%
Landed Weight (1,000 lb. Units)											
Passenger Airlines	19,146,509	20,906,813	21,149,265	21,620,223	22,132,423	19,614,600	19,791,100	20,063,200	20,431,500	20,852,300	21,323,600
Cargo Airlines	1,131,500	1,179,556	1,004,924	988,143	901,783	799,200	806,400	817,500	832,500	849,600	868,800
Total Landed Weight	20,278,009	22,086,369	22,154,189	22,608,366	23,034,206	20,413,800	20,597,500	20,880,700	21,264,000	21,701,900	22,192,400
Annual % Change	7.7%	8.9%	0.3%	2.1%	1.9%	-11.4%	0.9%	1.4%	1.8%	2.1%	2.3%
Average Growth FY 2008-FY 2014											-0.6%
Historical Average Growth FY 2004-FY 2008											3.2%
Signatory	16,496,719	18,327,291	18,683,810	19,823,344	20,597,366	18,254,200	18,418,400	18,671,700	19,014,400	19,406,000	19,844,600
Nonsignatory	3,781,290	3,759,078	3,470,379	2,785,022	2,436,840	2,159,600	2,179,100	2,209,000	2,249,600	2,295,900	2,347,800
Signatory as a % of Total	81%	83%	84%	88%	89%	89%	89%	89%	89%	89%	89%
Estimated Cargo Landed Weight as a % of Total	5.6%	5.3%	4.5%	4.4%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%

Sources: Greater Orlando Aviation Authority (Historical), May 2009; Greater Orlando Aviation Authority and Ricardo & Associates, Inc. (Projected), May 2009.
Prepared by: Ricardo & Associates, Inc., May 2009.

Table 16
CIP Projects—Estimated Costs and Sources of Funds

	Estimated Costs	Sources of Funds									Total
		TSA grants	Discretionary Grants	AIP Grants	State Grants	Future GOAA Funds	Other Funds ^{1/}	Pay-as-You-Go Funds	PFC	Future Bonds Paid with PFCs ^{2/}	
Terminal											
Airside 1 Rehabilitation	\$110,000,000	\$0	\$0	\$0	4,500,000	\$0	\$35,705,000	\$0	\$69,795,000	\$0	\$110,000,000
EDS Improvements	106,000,000	37,800,000	0	0	4,100,000	0	59,100,000	5,000,000	0	0	106,000,000
Ticket Lobby Improvements	11,000,000	0	0	0	0	0	0	0	6,000,000	5,000,000	11,000,000
Bag System Improvements	60,000,000	0	0	0	0	0	0	0	46,800,000	13,200,000	60,000,000
Vertical Circulation & Central Plant Improvs	13,000,000	0	0	0	0	0	0	0	0	13,000,000	13,000,000
Emergency Electrical System Improvs	10,000,000	0	0	0	0	0	2,000,000	8,000,000	0	0	10,000,000
Information Technology Improvements	9,523,000	0	0	0	0	9,523,000	0	0	0	0	9,523,000
Terminal Infrastructure Improvements	11,131,000	0	0	0	0	0	0	11,131,000	0	0	11,131,000
AGT System Renovations	2,350,000	0	0	0	0	0	0	2,350,000	0	0	2,350,000
Access Control Improvements	2,100,000	0	1,575,000	0	263,000	0	0	262,000	0	0	2,100,000
Total Terminal	\$335,104,000	\$37,800,000	\$1,575,000	\$8,863,000	\$9,523,000	\$96,805,000	\$26,743,000	\$122,595,000	\$31,200,000	\$335,104,000	
Airfield											
Airfield Pavement Rehabilitation	\$66,300,000	\$0	\$18,817,000	\$3,136,000	\$0	\$0	\$8,700,000	\$20,000,000	\$15,647,000	\$66,300,000	
Taxiway C Rehabilitation	39,900,000	0	24,366,000	4,061,000	0	0	11,473,000	0	0	39,900,000	
Taxiways Y&Z Rehabilitation	9,700,000	0	0	0	0	0	0	9,700,000	0	9,700,000	
Taxiways E&J	18,800,000	0	1,739,000	621,000	0	0	7,719,000	8,721,000	0	18,800,000	
Taxiway A Widening	8,900,000	0	6,650,000	0	0	0	2,250,000	0	0	8,900,000	
Airside 1 Apron Rehabilitation	3,273,000	0	0	0	0	0	0	3,273,000	0	3,273,000	
Airside 3 Apron Rehabilitation	3,273,000	0	0	0	0	0	0	0	3,273,000	0	3,273,000
Total Airfield	\$150,146,000	\$0	\$51,572,000	\$7,818,000	\$0	\$0	\$30,142,000	\$44,967,000	\$15,647,000	\$150,146,000	
Ground Transportation											
Rental Car Improvements	\$80,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$80,000,000	
Road, Curb, Cell Lot Improvements	42,180,000	0	0	375,000	0	0	0	27,906,000	13,899,000	42,180,000	
Utility/Infrastructure Improvements	5,700,000	0	0	0	0	5,700,000	0	0	0	5,700,000	
South Tradeport Drive Resurfacing	2,280,000	0	0	0	0	0	0	2,280,000	0	2,280,000	
Total Ground Transportation	\$130,160,000	\$0	\$0	\$375,000	\$5,700,000	\$80,000,000	\$2,280,000	\$27,906,000	\$13,899,000	\$130,160,000	
Other											
Environmental Mitigation	\$22,600,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,600,000	\$22,600,000	
Tradeport Drainage Improvements	10,000,000	0	0	0	0	0	0	0	10,000,000	10,000,000	
Hotel Lobby and Public Area Improvements	11,000,000	0	0	0	0	0	0	0	11,000,000	11,000,000	
Long Term Planning	6,739,000	0	5,055,000	842,000	0	0	842,000	0	0	6,739,000	
Noise Program Continuation	2,000,000	0	1,600,000	200,000	0	0	200,000	0	0	2,000,000	
Total Other	\$52,339,000	\$0	\$6,655,000	\$1,042,000	\$0	\$0	\$1,042,000	\$0	\$43,600,000	\$52,339,000	
Total	\$667,749,000	\$37,800,000	\$59,802,000	\$18,098,000	\$15,223,000	\$176,805,000	\$60,207,000	\$195,468,000	\$104,346,000	\$667,749,000	

Notes:

- 1/ For Airside 1 project, includes insurance proceeds, prior bond proceeds, and existing GOAA funds. For EDS project includes existing GOAA funds, and series 2008C bond proceeds on hand.
For Emergency Electrical project, includes existing GOAA funds. For Rental Car project, includes rental car customer facility charges (CFCs).
- 2/ Approximately \$45.2 million of approved PFC paygo amounts for improvements to Airside 1 and Airside 3 (that are not reflected on this Table 16 and are not a part of the \$667.7 mil CIP) is planned to be converted to future bond proceeds where associated debt service is paid with PFC revenues, and although this \$45.2 mil is not reflected here on Table 16, the associated debt service is reflected on Table 18 as part of the "PFC-Supported" line item under "Future Senior Bond Debt Service".

Source: Greater Orlando Aviation Authority, May 2009.
Prepared by: Ricordo & Associates, Inc., May 2009.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

It should also be noted that the future South Terminal complex at the Airport is not incorporated in the financial analysis reflected in this report. At the present time, the Authority estimates that the South Terminal complex would not be constructed until after the projection period reflected in this report.

As mentioned previously, estimated future debt service and operating expenses associated with CIP projects **are** incorporated in the financial analysis reflected in this letter report.

Key components of the Authority's 5-year CIP include:

5.1 Terminal

- **Rehabilitation of Airside 1.** Various improvements to building infrastructure and to bring the level of finish in Airside 1 to the same level in Airsides 2 and 4, including rehabilitate the transfer level of the three airside wings, the hub area and people mover station. The hub area will include an expansion to accommodate additional concession, public seating, and circulation areas. Estimated date of beneficial occupancy (DBO): Begin FY 2010.
- **Explosives Detection System (EDS) Improvements.** Includes the third and final phase of the in-line EDS program in the North Terminal. The EDS central system will serve the central ticketing areas of Terminals A and B and the southeast area of the terminal located on Terminal B. Estimated DBO date: Begin second quarter of FY 2010 (January 2010).
- **Ticket Lobby Improvements.** Includes new CUPPS, headend computer system replacement, and allowance for airline relocations to balance terminal capacity. Estimated DBO dates: Begin FY 2010 (CUPPS); Begin FY 2013 (Airline Relocation).
- **Bag System Improvements.** Improvements to the existing landside terminal baggage claim and make-up systems, including replace bag claim devices, replace slope plate carousels, replace sort piers, electrical system upgrades, replace bag pushers, install dynamic merging, and baggage reporting/tracking system project. Estimated DBO date: Begin FY 2012.
- **Vertical Circulation and Central Plant Improvements.** Includes replacement of eight (8) escalators in the landside terminal as well as to adding one escalator to the exit from the Airside 1 FIS. Project will also make central plant improvements to include the replacement of three (3) original chillers for the north terminal complex. Estimated DBO date: Begin FY 2011 (Chillers); Begin FY 2012 (Escalators).
- **Emergency Electrical System Improvements.** Project will segregate discretionary electrical loads from critical or life safety requirements throughout the north terminal complex. Project excludes additional emergency power for the terminal chillers and baggage systems. Estimated DBO date: Begin second quarter of FY 2010 (January, 2010).



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

- **Information Technology Improvements.** Includes a variety of IT projects such as the replacement of the voice communications switches and local area network switches. Projects will also include additional funding to complete the computerized maintenance management system (CMMS) project and the airport systems integration project. Estimated DBO date: Begin FY 2011.
- **Terminal Infrastructure Improvements.** Includes project to renovate landside restrooms. Estimated DBO date: Begin FY 2011.
- **Other Terminal Improvements.** Includes AGT System renovations, and access control improvements.

5.2 Airfield

- **Airfield Pavement Rehabilitation.** Includes rehabilitation to airfield pavement areas including: Runways (selected areas including blast pads for 18L/36R and 18R/36L), Taxiways and Associated Intersections, and Aprons & Holding Pads (Customs Ramp & Holding Pad adjacent to Taxiway B1). Also includes improvements to shoulders and fillets for Taxiways B, B1 and B10. Estimated DBO dates: Begin FY 2013 (Taxiways B and B10); Begin FY 2014 (pavement rehabilitation).
- **Taxiway Rehabilitation Projects.** Includes rehabilitation associated with Taxiways C, Y, and Z. Estimated DBO dates: Begin FY 2011 (Taxiway C); Begin FY 2014 (Taxiways Y and Z).
- **High-Speed Taxiways E & J.** Includes pavement strengthening and fillet improvements for Taxiways E and J. Estimated DBO date: Begin FY 2012.
- **Other Airfield Improvements.** Includes Taxiway A widening and rehabilitation associated with the Airside 1 apron and the Airside 3 apron.

5.3 Ground Transportation

- **Rental Car Improvements.** Includes the expansion and reconfiguration of the Terminal A Quick Turnaround Area (QTA), construction of a new Terminal B QTA and associated relocation of the bus and taxi hold facilities, addition of ready return spaces at Terminal A, and associated terminal roadway and signage improvements. Estimated DBO date: Begin second quarter of FY 2010 (January 2010).
- **Roadway, Curb, and Cell Lot Improvements.** Includes an extended return to terminal road and associated cell phone lot for Terminal A, improvements to both Terminal A and B commercial curb areas to improve pedestrian and vehicular movements, and minor modifications for use of the fourth curb. Estimated DBO dates: Begin FY 2009 (Fourth Curb Modifications); Begin FY 2013 (Other Elements).



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

- **Other Ground Transportation Improvements.** Includes utility/infrastructure improvements and South Tradeport Drive resurfacing. Estimated DBO date: FY 2011.

5.4 Other

- Includes environmental mitigation, drainage improvements, Hyatt lobby and public area improvements, long term planning, and Noise Program continuation.

As reflected on Table 16, approximately \$59.8 million of AIP discretionary funding is expected to be used for various terminal, airfield and other projects. Approximately \$37.8 million of TSA grant funding is expected to be used for planned EDS improvements. Approximately \$18.1 million of state grants are expected to be used for various terminal, airfield, ground transportation, and other projects. The Authority will continue to seek maximum federal and state funding, and any additional funding that may be secured would be expected to replace funding from other funding sources reflected on Table 16. The Authority intends to contribute approximately \$15.2 million of its own funds to finance certain terminal and ground transportation projects.

Approximately \$176.8 million of other funds--including prior bond proceeds, on-hand Authority funds, and rental car customer facility charge (CFC) revenues--is expected to be used for the Airside 1 rehabilitation project, EDS Improvements the Emergency Electrical Systems Improvement project, and the Rental Car Improvement project. The Authority began collecting a \$2.50 CFC per transaction day (with a 5-day maximum) in October 2008.

The Authority estimates that approximately \$255.7 million of passenger facility charge (PFC) funding (\$60.2 million of pay-as-you-go PFC funding and approximately \$195.5 million of PFC-supported Bond proceeds) will be used to fund various terminal, airfield, ground transportation, and other projects. It should be noted that the Authority's existing \$4.50 PFC level has been assumed to be constant (at the \$4.50 level) throughout the projection period (through FY 2014).

The remaining \$104.3 million of project costs are expected to be funded with proceeds from future revenue bonds (and for purposes of this report have been assumed to be Senior Bonds).

In addition to CIP projects reflected in Table 16, approximately \$78.5 million of Renewal and Replacement (R&R) project costs are estimated to be required for FY 2009 through FY 2013. Approximately \$36.9 million of such R&R expenditures are associated with the Terminal and Airfield cost centers. The Authority will fund the R&R expenditures with Authority funds and, as described in Section 7 of this letter report, will include amortization for Terminal and Airfield expenditures in the calculation of Terminal Rentals and Landing Fees.

The Authority expects that the projects included in the 5-year CIP, in addition to the R&R projects discussed above, are expected to provide Airport facilities necessary to satisfy future airline and air passenger needs through the projection period of this report (through FY 2014).



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

6. Financial Framework

6.1 Bond Resolution

The Authority issues Airport Facilities Revenue Bonds pursuant to the Airport Facilities Revenue Bond Resolution, originally adopted by the Authority in 1978 and restated September 17, 2008 (the Bond Resolution), and related supplemental resolutions. Airport Facilities Revenue Bonds are also referred to in this report as Bonds or Senior Bonds. The Bonds are secured by a pledge of and first lien on Revenues of the Airport System. Subject to certain conditions, the Authority may issue Additional Bonds and Refunding Bonds under the Bond Resolution on parity with Outstanding Bonds.

- **Rate Covenant.** In Section 711 of the Bond Resolution (referred to as the Rate Covenant), the Authority covenants and agrees to, at all times while any Bonds shall be Outstanding, establish, fix, prescribe and collect rates, fees, rentals and other charges for the use of the Airport System as shall be required in order that in each Fiscal Year the Net Revenues less the amounts, if any, required to be deposited from Revenues...into...the Operation and Maintenance Reserve Account, the Capital Expenditures Fund and the Renewal and Replacement Fund shall equal at least 1.25 times the sum of the Aggregate Debt Service...for such Fiscal Year, and in any event, as shall be required to pay or discharge all indebtedness, charges and liens whatsoever payable out of Revenues...under the...Resolution.
- **Refunding Bonds.** The Authority is authorized under Section 205 of the Bond Resolution, subject to certain conditions, to issue Refunding Bonds. In order to issue Senior Refunding Bonds to refund outstanding Senior Bonds (such as the Authority's plan to issue the proposed Series 2009 Bonds on a senior basis to refund outstanding Series 2002E Senior Bonds), the Authority must provide, among other things, certain documents to the Trustee pursuant to subsection 2 of Section 205 (Refunding Bonds) of the Bond Resolution, including 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 then Outstanding (A) with respect to the Bonds Outstanding immediately prior to the date of authentication and delivery of such Refunding Bonds, and (B) with respect to the Bonds 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;



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

or

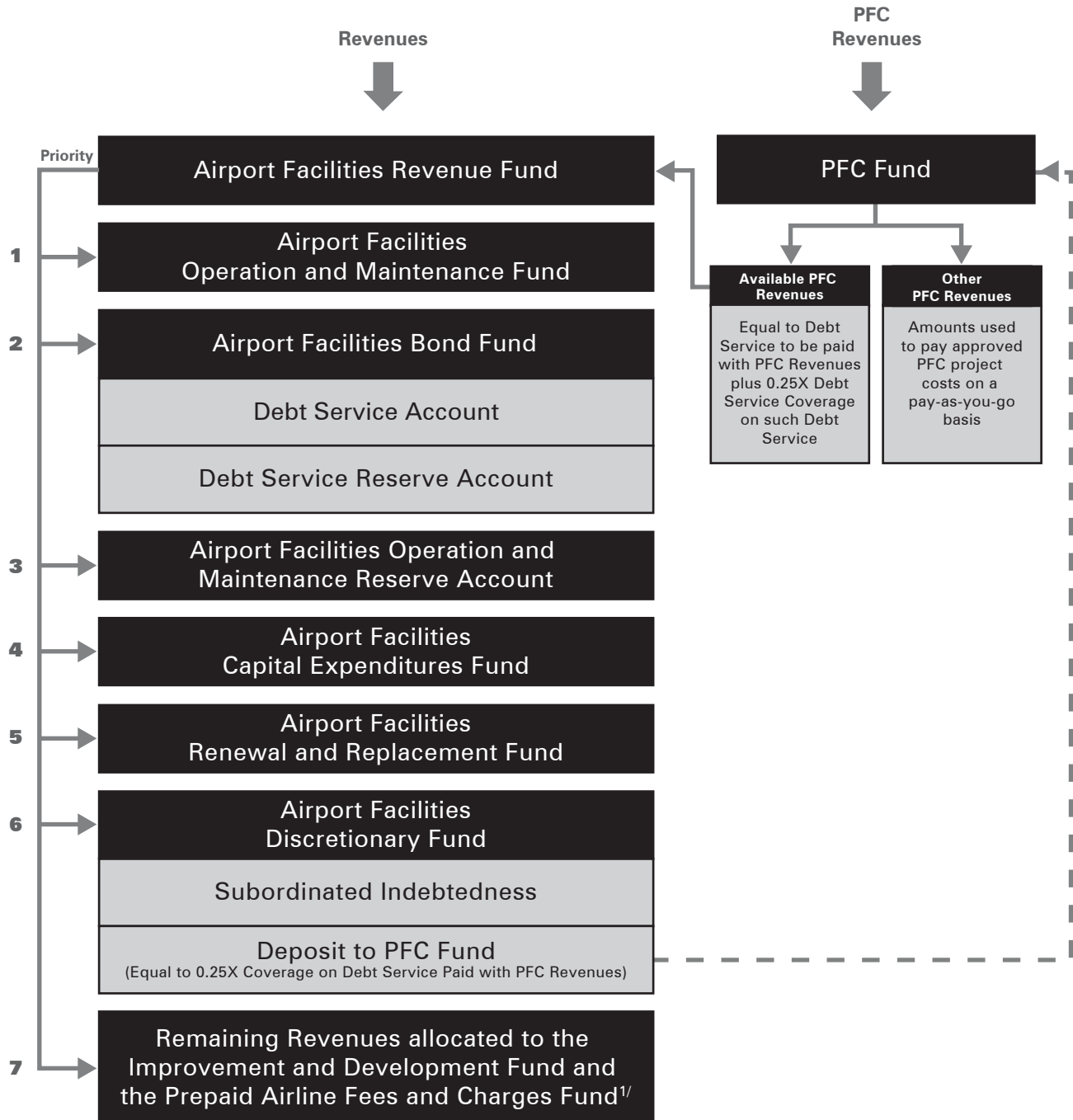
- (ii) a report of the Airport Consultant demonstrating that estimates of Net Revenues less amounts, if any, required to be deposited from Revenues into the Operation and Maintenance Reserve Account, the Capital Expenditures Fund, and the Renewal and Replacement Fund, shall equal at least 1.25 times Aggregate Debt Service on (1) Outstanding Bonds and (2) the proposed Refunding Bonds. The estimates of Net Revenues must satisfy these obligations for each of the three Fiscal Years following the Fiscal Year in which the Refunding Bonds are issued.
- **Flow of Funds.** Section 405 of the Bond Resolution establishes certain funds and accounts and the priority for the flow of Revenues and certain other moneys to such funds and accounts, as illustrated on **Exhibit 6**. All Revenues are deposited to the Airport Facilities Revenue Fund. Revenues are then applied as necessary on a monthly basis for various purposes to funds and accounts in the priority listed on Exhibit 6.
- **Available PFC Revenues.** Exhibit 6 also reflects the flow of PFC revenues for the Airport based on definitions and provisions of the Bond Resolution. All PFC revenues are deposited into the PFC Fund. For Bonds issued to finance approved PFC projects, PFC revenues in an amount equal to the associated Debt Service plus 0.25 times Debt Service coverage are defined in the Bond Resolution as Available PFC Revenues. Available PFC Revenues are deposited to the Revenue Fund. The portion of Available PFC Revenues being applied to Debt Service (under the normal flow of funds) should be deposited into the Airport Facilities Bond Fund, and the portion related to debt service coverage should eventually be deposited to the Airport Facilities Discretionary Fund (for subsequent transfer back to the PFC Fund). All other PFC revenues not included in Available PFC Revenues are expected to be used by the Authority on approved PFC projects on a pay-as-you-go basis.

6.2 Subordinated Indebtedness

The Authority has the right under the Bond Resolution to issue Subordinated Indebtedness or other obligations that are subordinate to the Airport Facilities Revenue Bonds as to the pledge of, lien on, and payment from Revenues. Subordinated Indebtedness is currently comprised of Subordinated Revenue Bonds, Subordinated Commercial Paper Notes, and Gulf Breeze Loans. The Authority has also entered into two interest rate swap arrangements where the payment obligations are payable from the Discretionary Fund.

6.3 Airport Cost Centers

Expenditures and revenues of the Authority are categorized into Cost Centers. Cost Centers include those areas or functional activities of the Airport used for the purposes of accounting for Revenues, O&M Expenses, Debt Service, and required fund deposits.



Note:

^{1/} As a result of the new Lease and Use Agreement with the Signatory Airlines operating at the airport, effective October 1, 2008, the Authority is no longer required to make any deposits into the Prepaid Airline Fees and Charges Fund and, to the extent any deposits into such Fund are made, they are not to be credited to the airlines.

Source: Greater Orlando Aviation Authority Bond Resolution.
Prepared by: Ricondo & Associates, Inc.

Exhibit 6

Flow of Funds Under the Bond Resolution



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

Cost Centers include, but are not necessarily limited to:

- **Terminal.** Includes the Landside Terminal Building and the Airside Terminal Buildings, together, as they and any other passenger handling facilities existing at the North Terminal prior to and after completion of any improvements or expansion.

Sub-Cost Centers of the Terminal include:

- **Airline Equipment.** Includes costs associated with certain airline equipment and facilities, including bag system equipment, loading bridges, PC Air, and 400 Hz
- **CUTE/CUSS/CUPPS.** Includes costs associated with common use terminal equipment (CUTE), common use self service (CUSS), or common use passenger processing system (CUPPS) operations
- **Airfield.** Includes those portions of the Airport and any buildings or building area, provided for the landing and takeoff, handling, servicing, loading and unloading, and other operations of aircraft. The Airfield includes, without limitation, approach and turning zones within the Airport property, runways, taxiways, runway and taxiway lights, clear zones, navigation or other easements, and other appurtenances related to the aeronautical use of the Airport, including any contiguous property purchased for noise mitigation purposes, as may be revised from time to time.

Sub-Cost Centers of the Airfield include:

- **Apron.** Apron Fee Requirement equal to 10.0 percent of Airfield Requirement to be allocated based on lineal feet
- **Fuel.** Fuel farm and related improvements
- **Ground Transportation.** Includes Airport parking facilities, rental car, commercial lane and Airport Roadways.
- **Hotel.** Includes hotel located at north terminal landside and any future developed hotel property.
- **Other Buildings and Grounds.** Includes all areas of the Airport not identified elsewhere.
- **Orlando Executive Airport.** General aviation reliever airport.

Indirect cost centers include Operations, Maintenance, Administration, ARFF, Police, Properties, Insurance, Contingency, and Other. Indirect cost centers are allocated to a direct cost center on a reasonable basis determined by the Authority.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

6.4 Airline Agreement

The Authority has recently entered into a new lease and use agreement (the “Airline Agreement”) with various airlines serving the Airport. The Airline Agreement became effective on October 1, 2008.

The financial projections contained in this report and accompanying tables (for FY 2009 through FY 2014) were developed based on the airline rates and charges methodology reflected in the Airline Agreement—as described below. As noted below, the Airline Agreement expires September 30, 2013 (the end of FY 2013). For purposes of the financial projections in this report, it was assumed that airlines currently serving the Airport (including Northwest now as part of Delta Air Lines) would continue to operate at the Airport under their current agreement status through FY 2014. It was also assumed for purposes of preparing financial projections that the business terms of the current Airline Agreement would extend one Fiscal Year beyond the FY 2013 expiration (through FY 2014). Assuming the continuation of current agreement status and the extension of current business terms beyond the current agreement expiration is reasonable and standard industry practice when specific changes to the current agreement have not been planned.

The Airline Agreement establishes procedures for annual adjustment of rates, fees, and charges collected from Signatory Airlines for the use of Airport facilities. The Airline Agreement permits Signatory Airlines to land at the Airport and governs airline use of certain airport facilities, including (among other areas) terminal, apron, baggage claim, ticket counters, and gate areas.

Key provisions of the Airline Agreement include:

- Effective date. October 1, 2008
- Expiration date. September 30, 2013
- Rate-making methodology (for the entire term of the Airline Agreement):
 - Compensatory terminal rate methodology (with a terminal rentable space divisor)—Terminal requirement is divided by rentable square feet to determine an average terminal rental rate that is applied to airline rented space
 - Cost center residual landing fee methodology (Airfield revenues other than landing fees are credited toward the Airfield Revenue Requirement)
 - Apron fee requirement is calculated as 10.0 percent of the Airfield Cost Center requirement—to be divided by total apron lineal feet to determine Apron fee
- **Nonsignatory Airline Premium.** Nonsignatory Airlines pay an additional 15.0 percent premium on Terminal Rental and Landing Fee rates (and other rates, fees, and charges).



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

- **Use of Terminal Premises.** Certain premises are leased on Exclusive Use basis: offices, operations, baggage storage/service, and VIP lounge. Certain premises are leased on a Preferential Use basis: ticket counter, ticket kiosks, holdrooms (including gate check-in podiums), baggage make-up, bag drop, baggage claim, curbside check-in, loading bridges, aircraft parking positions at assigned gate(s). Certain premises are leased on a Common Use basis: tug drive.
- **Revenue Sharing.** In any year in which there are net remaining revenues generated at the Airport, and all requirements of the Bond Resolution have been satisfied, including the minimum rate covenant requirement, the net remaining revenues shall be divided between the Signatory Airlines and the Authority as follows:
 - Fiscal Years (FY) 2009 and FY 2010--30% to Signatory Airlines; 70% to the Authority
 - FY 2011 through FY 2013--25% to Signatory Airlines; 75% to the Authority

The Signatory Airline revenue sharing shall be distributed among Signatory Airlines based on share of enplaned passengers for such Fiscal Year.

- **Capital Project/R&R Expenditure Coordination.** Majority-in-Interest (MII) consideration will only apply to capital projects or renewal and replacement (R&R) expenditures not previously approved by the airlines and undertaken in either the Airfield or Terminal cost centers with gross project costs expected to exceed \$5 million. The MII for Airfield projects shall be (a) more than 50% of all Signatory Airlines on the date the MII is requested and (b) Signatory Airlines who have paid more than 50% of the total landing fees paid by all airlines during the six full months preceding the MII request. The MII for Terminal projects shall be (a) more than 50% of all Signatory Airlines on the date the MII is requested and (b) Signatory Airlines who have paid more than 50% of the total Terminal rents paid by all airlines during the six full months preceding the MII request. Capital Expenditures not subject to MII consideration generally include, but are not limited to, the following:
 - Projects in the Terminal or Airfield Cost Centers with gross project costs equal to or less than \$5 million, and projects in Cost Centers other than the Airfield and Terminal Cost Centers
 - Projects required by the FAA, Department of Transportation, or similar governmental authority, other than Authority, having jurisdiction over the Airport
 - Projects to repair casualty damage to Airport property
 - Expenditures of an emergency nature which, if not made within forty-eight (48) hours, would result in the closing of any portion of the Airport
 - Projects for the increased requirements of any Signatory Airline(s) if such Signatory Airline(s) agree to increased rentals, fees, and charges sufficient to cover the annual debt service associated with the project



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

- The approximate \$1 billion CIP identified in the Airline Agreement, including an additional twenty-five percent (25%), by project, and
- Certain Renewal and Replacement (R&R) Expenditures identified in the Airline Agreement, including an additional twenty-five percent (25%), by project.

As noted previously, approximately \$330 million of CIP projects identified in the Airline Agreement are expected to be deferred by the Authority beyond the projection period of this report as a result of current airline traffic projections being lower than projections incorporated when the airline agreement was executed.

- **Other Rate Adjustments.** Rates for rentals, fees, and charges may be changed at any other time that unaudited monthly Authority financial data indicates that total rentals, fees, and charges payable pursuant to the then current rate schedules are reasonably estimated and anticipated by the Authority to increase or decrease by more than ten percent (10%) from the total rentals, fees, and charges that would be payable based upon the use of the monthly financial data then available for said Fiscal Year.
- **Extraordinary Coverage Protection.** Signatory Airlines shall pay Extraordinary Coverage Protection payments in the rates for rentals, fees, and charges at the Airport in any Fiscal Year in which the amount of Revenues less O&M Expenses and any required fund deposits is projected to be less than one hundred twenty-five percent (125%) of the annual Debt Service requirement. Any amount which must be collected for such Extraordinary Coverage Protection payments will be allocated to airline supported Cost Centers (i.e., Airfield and Terminal) on the basis of the Net Requirement of such Cost Centers.

7. Financial Analysis

7.1 Debt Service and Subordinated Indebtedness

As previously mentioned, the financial tables accompanying this report incorporate estimates of debt service associated with the proposed Series 2009 Bonds as well as future debt service associated with future bonds expected to be issued by the Authority for certain Capital Improvement Program projects.

- **Series 2009 Bonds.** The Series 2009 Bonds are being issued as Senior Bonds to (1) refund outstanding Series 2002E Senior Bonds, (2) pay an associated swap termination payment, and (3) pay for costs of issuance associated with the Series 2009 Bonds.

Table 17 presents a listing of estimated sources and uses of funds for the proposed Series 2009 Bonds. The assumptions, estimated sources and uses of funds, and debt service for the proposed Series 2009 were provided by Morgan Keegan & Company, Inc. Debt service estimates for the proposed Series 2009 are based on the following assumptions:

Table 17

Estimated Sources and Uses of Funds--Series 2009 Refunding Bonds

	Series 2009 A (AMT)	Series 2009 B (Taxable)	Total Series 2009 Bonds
Sources			
Par Amount of Bonds	\$112,960,000	\$10,495,000	\$123,455,000
Original Issue Discount	(2,490,000)	0	(2,490,000)
Transfer from Prior Reserves	3,777,000	0	3,777,000
Total Sources	\$114,247,000	\$10,495,000	\$124,742,000
Uses			
Deposit to Refunding Escrow	\$113,450,000	\$0	\$113,450,000
Swap Termination Payments	0	10,421,000	10,421,000
Other Costs of Issuance	797,000	74,000	871,000
Total Uses	\$114,247,000	\$10,495,000	\$124,742,000

Source: Morgan Keegan & Company, Inc.

Prepared by: Ricondo & Associates, Inc., May 2009.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

- \$123.5 million of bond principal
- First principal dates: October 1, 2015 for Series 2009A (AMT) and October 1, 2014 for Series 2009B (Taxable)
- Final maturity dates: October 1, 2023 for Series 2009A (AMT) and October 1, 2015 for Series 2009B (Taxable)
- True interest cost: 6.39 percent for Series 2009A (AMT) and 4.63 percent for Series 2009B (Taxable)
- No capitalized interest

Debt Service estimates for the Series 2009 Bonds are reflected on **Table 18**.

- **Future Bonds.** As shown previously in Table 16, the Authority expects to fund \$104.3 million of CIP project costs with proceeds from future Airport Facilities Revenue Bonds and expects to fund \$195.5 million of PFC-eligible projects costs through FY 2013 with PFC-supported Airport Facilities Revenue Bonds (with associated Debt Service being paid with PFC Revenues).

The following assumptions were incorporated into the calculation of the annual Debt Service for future Bonds (subsequent to the issuance of the Series 2009 Bonds):

- All future Bonds are assumed to be fixed-rate Senior Bonds (the Authority may elect to issue a portion of required future bonds on a Subordinate basis, but for purposes of this report, Senior Bonds were assumed to be conservative)
- Bond term = 30 years
- Level debt service
- Capitalized interest until the estimated DBO date
- 7.00 percent bond interest rate

Table 18 presents projections of Debt Service associated with outstanding Airport Facilities Revenue Bonds (reflected as Senior Bonds), the proposed Series 2009 Bonds, future Senior Bonds, and Subordinated Indebtedness—for FY 2008 through FY 2014. Table 18 also reflects the allocation of Debt Service and Subordinated Indebtedness to Airport cost centers.

As shown in Table 18, Senior Bond Debt Service is projected to increase from approximately \$96.6 million in FY 2008 to approximately \$130.9 million in FY 2014. Subordinated Indebtedness is projected to decrease from \$27.6 million in FY 2008 to \$7.7 million in FY 2014—primarily as a result of the refunding of the Series 1998 Subordinated Bonds and the Series 2002A Subordinated Bonds maturing in FY 2012.

Table 18 (1 of 2)

Debt Service (Fiscal Years Ending September 30)

	Actual		Projected			
	2008	2009	2010	2011	2012	2013
Airport Facilities Revenue Bonds (Senior Bonds)						
Existing Senior Bond Debt Service						
Series 1997	\$1,500,000	\$9,700,000	\$9,718,000	\$9,718,000	\$0	\$0
Series 1998	4,028,000	3,651,000	3,308,000	2,976,000	2,453,000	2,042,000
Series 1999 - PFC	2,735,000	2,736,000	2,741,000	2,737,000	2,736,000	2,736,000
Series 1999 - REV	8,464,000	21,894,000	21,833,000	21,750,000	23,641,000	24,873,000
Series 2002 - PFC	4,829,000	4,835,000	4,835,000	4,835,000	4,832,000	4,829,000
Series 2002 - REV	4,653,000	4,653,000	4,653,000	4,653,000	4,653,000	4,653,000
Series 2002 C&D	16,146,000	0	0	0	0	0
Series 2002 E	21,415,000	2,500,000	0	0	0	0
Series 2003 A	10,243,000	2,987,000	2,992,000	2,985,000	2,986,000	16,672,000
Series 2007	7,049,000	7,049,000	7,049,000	7,049,000	16,724,000	16,731,000
Series 2008 A	6,465,000	21,788,000	40,137,000	40,550,000	39,229,000	24,711,000
Series 2008 B	9,042,000	17,982,000	0	0	0	0
Series 2008 C - PFC	0	8,836,000	8,925,000	8,958,000	8,992,000	51,085,000
Existing Senior Bond Debt Service	\$96,569,000	\$108,611,000	\$106,191,000	\$106,211,000	\$106,246,000	\$148,332,000
Planned Senior Bond Debt Service						
Series 2009 A	\$0	\$2,395,000	\$6,632,000	\$6,632,000	\$6,632,000	\$6,632,000
Series 2009 B	0	171,000	474,000	474,000	474,000	474,000
Planned Senior Bond Debt Service	\$0	\$2,566,000	\$7,106,000	\$7,106,000	\$7,106,000	\$7,106,000
Future Senior Bond Debt Service						
Non-PFC-Supported	\$0	\$0	\$0	\$3,179,000	\$6,214,000	\$9,630,000
PFC-Supported	0	0	623,000	11,963,000	18,072,000	21,755,000
Future Senior Bond Debt Service	\$0	\$0	\$623,000	\$15,142,000	\$24,286,000	\$31,585,000
Total Senior Bond Debt Service	\$96,569,000	\$111,177,000	\$113,920,000	\$128,459,000	\$137,638,000	\$187,023,000
[D]=[A]+[B]+[C]						
Subordinated Indebtedness						
1997 B Gulf Breeze Loan	\$4,008,000	\$4,145,000	\$4,115,000	\$4,115,000	\$4,115,000	\$4,115,000
1998 B&C Gulf Breeze Loan	3,241,000	3,185,000	3,112,000	3,108,000	3,104,000	3,095,000
1998 Subordinated Refunding Bonds (PARS)	14,067,000	0	0	0	0	0
2002 A Subordinated Bonds	4,195,000	4,387,000	4,389,000	4,421,000	2,520,000	0
Commercial Paper Notes	2,100,000	915,000	2,100,000	471,000	471,000	471,000
Total Subordinated Indebtedness	\$27,611,000	\$12,612,000	\$13,716,000	\$12,115,000	\$10,210,000	\$7,681,000
[E]						
Total Indebtedness	\$124,180,000	\$123,789,000	\$127,636,000	\$140,574,000	\$147,848,000	\$194,704,000
= [D]+[E]						
Total Indebtedness	\$124,180,000	\$123,789,000	\$127,636,000	\$140,574,000	\$147,848,000	\$194,704,000

Table 18 (2 of 2)

Debt Service (Fiscal Years Ending September 30)

	Actual		Projected				
	2008	2009	2010	2011	2012	2013	2014
Senior Bond Debt Service							
Terminal (includes Airline Equipment and CUTE/CUPPS/CUSS if any)	\$60,640,000	\$81,498,000	\$83,379,000	\$95,227,000	\$102,142,000	\$144,834,000	\$85,577,000
Ground Transportation	10,935,000	15,005,000	15,191,000	15,205,000	14,832,000	18,931,000	19,560,000
Hotel	0	0	0	0	1,143,000	1,143,000	1,143,000
Airfield	17,284,000	11,735,000	12,198,000	12,524,000	14,069,000	15,657,000	17,138,000
Apron	0	0	0	0	0	0	0
Other Buildings and Grounds	5,323,000	1,315,000	1,523,000	3,871,000	3,869,000	4,907,000	5,893,000
Fuel	2,387,000	1,624,000	1,629,000	1,631,000	1,583,000	1,551,000	1,592,000
OEA	0	0	0	0	0	0	0
Total Senior Bond Debt Service	\$96,569,000	\$111,177,000	\$113,920,000	\$128,458,000	\$137,638,000	\$187,023,000	\$130,903,000
Subordinated Indebtedness							
Terminal (includes Airline Equipment and CUTE/CUPPS/CUSS if any)	\$9,490,000	\$129,000	\$128,000	\$128,000	\$128,000	\$128,000	\$128,000
Ground Transportation	7,082,000	4,004,000	3,975,000	3,975,000	3,975,000	3,975,000	3,975,000
Hotel	7,436,000	7,553,000	7,501,000	7,529,000	5,624,000	3,095,000	3,091,000
Airfield	1,033,000	12,000	12,000	12,000	12,000	12,000	12,000
Apron	16,000	0	0	0	0	0	0
Other Buildings and Grounds	2,198,000	914,000	2,100,000	471,000	471,000	471,000	471,000
Fuel	376,000	0	0	0	0	0	0
OEA	0	0	0	0	0	0	0
Total Subordinated Indebtedness	\$27,611,000	\$12,612,000	\$13,716,000	\$12,115,000	\$10,210,000	\$7,681,000	\$7,677,000

Sources: Morgan Kegan & Company, Inc. (Planned Series 2009 A & B Bonds), Rcondo & Associates, Inc. (future bonds), and Greater Orlando Aviation Authority (all existing).
Prepared by: Rcondo & Associates, Inc., May 2009.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

7.2 Operation and Maintenance Expenses

Table 19 presents projected Operation and Maintenance (O&M) Expenses for the Airport for FY 2008 through FY 2014. As reflected, O&M Expenses are broken into existing direct expenses, future direct expenses, and indirect expenses. Total O&M Expenses are also allocated to Airport cost centers described in Section 6 of this letter report.

O&M Expense projections were prepared on the basis of actual FY 2008 expenses, budgeted/estimated FY 2009 expenses, expected inflationary trends, and projected impacts of certain CIP projects. O&M Expenses increased at a compound annual growth rate of 6.1 percent for FY 2004 to FY 2008 and 4.5 percent for FY 2005 to FY 2008.

In FY 2009, the Authority has made certain adjustments to budgeted FY 2009 O&M Expenses as a result of lower-than-anticipated enplaned passengers in FY 2009 to date. These adjustments include a \$2.0 million decrease in Hotel expenses and a \$7.0 million decrease in Administration, Operations, Maintenance, and Insurance/Other expenses. This combined \$9.0 million decrease reflects a 4.5 percent reduction from the FY 2009 Budget. It should be noted that the Authority was able to reduce O&M Expenses in FY 2002 by approximately 14.0 percent from actual FY 2001 O&M Expenses following the downturn in passenger activity after the events of September 11, 2001—further demonstrating the Authority’s ability to respond to changing financial circumstances.

Key assumptions incorporated in the projections of O&M Expenses include:

- Annual growth in base O&M Expenses (to account for inflation and other general annual increases) at 5.0 percent
- Approximately \$1.5 million of estimated additional O&M Expenses for labor, utilities, and materials associated with the in-line EDS baggage system pods starting in FY 2010
- Approximately \$0.7 million of estimated additional O&M Expenses starting in FY 2010 in connection with CUTE/CUSS/CUPPS and other terminal improvements
- Approximately \$3.0 million of estimated additional Administration O&M Expenses in FY 2010 for required pension contributions for FY 2010 and thereafter.

As reflected on Table 19, Total O&M Expenses are projected to increase from \$181.1 million in FY 2008 to \$245.2 million in FY 2014, representing a compound annual growth rate of 5.2 percent. Total O&M Expenses increased at a compounded annual growth rate of 4.5 percent for FY 2005 through FY 2008.

7.3 Nonairline Revenues

Table 20 presents projected Nonairline Revenues for the Airport for FY 2008 through FY 2014. Nonairline Revenues includes revenues from concessions (food & beverage and retail merchandise),

Table 19
Operating and Maintenance Expenses (Fiscal Years Ending September 30)

	Actual	Projected					
	2008	2009	2010	2011	2012	2013	2014
Direct Expenses							
Terminal (excluding airline equipment)	\$61,195,000	\$65,049,000	\$69,476,000	\$72,950,000	\$76,598,000	\$80,428,000	\$84,449,000
Ground Transportation	13,157,000	16,167,000	16,895,000	17,740,000	18,627,000	19,558,000	20,536,000
Hotel	28,799,000	27,371,000	28,603,000	30,033,000	31,535,000	33,112,000	34,768,000
Airfield	2,649,000	3,098,000	3,237,000	3,399,000	3,569,000	3,747,000	3,934,000
Other Buildings and Grounds	833,000	1,175,000	1,228,000	1,289,000	1,353,000	1,421,000	1,492,000
Airline Equipment (Terminal)	1,760,000	1,555,000	1,625,000	1,706,000	1,791,000	1,881,000	1,975,000
	\$108,393,000	\$114,415,000	\$121,064,000	\$127,117,000	\$133,473,000	\$140,147,000	\$147,154,000
Annual % Change		5.6%	5.8%	5.0%	5.0%	5.0%	5.0%
Average Growth FY 2008 to FY 2014							5.2%
Future Direct Expenses							
CUTE/CUSS/CUPPS (Terminal)	\$0	\$0	\$668,000	\$701,000	\$736,000	\$773,000	\$812,000
	\$0	\$0	\$668,000	\$701,000	\$736,000	\$773,000	\$812,000
Indirect Expenses							
Administration ^{1/}	\$27,149,000	\$26,586,000	\$29,852,000	\$31,345,000	\$32,912,000	\$34,558,000	\$36,286,000
Operations	12,299,000	11,822,000	12,354,000	12,972,000	13,621,000	14,302,000	15,017,000
Maintenance	10,003,000	10,157,000	10,614,000	11,145,000	11,702,000	12,287,000	12,901,000
Aircraft Rescue and Firefighting	7,320,000	7,313,000	7,642,000	8,024,000	8,425,000	8,846,000	9,288,000
Airport Police and Security	7,845,000	8,500,000	8,883,000	9,327,000	9,793,000	10,283,000	10,797,000
Properties	1,538,000	1,401,000	1,464,000	1,537,000	1,614,000	1,695,000	1,780,000
Insurance and Other	11,120,000	9,624,000	10,057,000	10,560,000	11,088,000	11,642,000	12,224,000
Reimbursements ^{2/}	(4,579,000)	(862,000)	(901,000)	(946,000)	(993,000)	(1,043,000)	(1,095,000)
	\$72,695,000	\$74,541,000	\$79,965,000	\$83,964,000	\$88,162,000	\$92,570,000	\$97,198,000
Annual % Change		2.5%	7.3%	5.0%	5.0%	5.0%	5.0%
Average Growth FY 2008 to FY 2014							5.0%
Direct and Indirect--Total O&M Expenses	\$181,088,000	\$188,956,000	\$201,697,000	\$211,782,000	\$222,371,000	\$233,490,000	\$245,164,000
Total By Cost Center							
Terminal (excluding airline equipment)	\$103,690,000	\$108,816,000	\$117,289,000	\$123,154,000	\$129,312,000	\$135,778,000	\$142,567,000
Ground Transportation	20,986,000	23,023,000	24,320,000	25,537,000	26,814,000	28,154,000	29,562,000
Hotel	30,255,000	29,048,000	30,398,000	31,918,000	33,514,000	35,190,000	36,950,000
Airfield	20,710,000	22,198,000	23,480,000	24,654,000	25,887,000	27,180,000	28,539,000
Other Buildings and Grounds	3,092,000	3,729,000	3,944,000	4,140,000	4,347,000	4,565,000	4,793,000
OEA	306,000	286,000	303,000	318,000	334,000	351,000	368,000
Airline Equipment (Terminal)	2,049,000	1,856,000	1,963,000	2,061,000	2,163,000	2,272,000	2,385,000
	\$181,088,000	\$188,956,000	\$201,697,000	\$211,782,000	\$222,371,000	\$233,490,000	\$245,164,000
Annual % Change		4.3%	6.7%	5.0%	5.0%	5.0%	5.0%
Average Growth FY 2008 to FY 2014							5.2%
Average Growth FY 2005 to FY 2008							4.5%

Notes:

1/ Includes a net \$3.0 million increase in Administration O&M Expenses in FY 2010 for required pension contributions for FY 2010 and thereafter.

2/ Includes telecom reimbursements, and in FY2008 includes unbudgeted prior year reimbursement.

Sources: Greater Orlando Aviation Authority and Ricondo & Associates, Inc., May 2009.

Prepared by: Ricondo & Associates, Inc., May 2009.

Table 20
Nonairline Revenues (Fiscal Years Ending September 30)

	Actual	Projected			
	2008	2009	2010	2011	2012
Terminal					
Merchandise & Services	\$22,896,000	\$18,392,000	\$18,521,000	\$19,324,000	\$20,322,000
Food & Beverage	12,283,000	13,257,000	13,350,000	13,929,000	14,648,000
Advertising	3,038,000	2,205,000	2,271,000	2,339,000	2,409,000
Terminal Area Rents	3,961,000	5,181,000	7,438,000	9,856,000	10,406,000
Other ^{1/}	1,720,000	2,260,000	2,328,000	2,398,000	2,470,000
Total Terminal	\$43,898,000	\$41,295,000	\$43,908,000	\$47,846,000	\$50,255,000
Average Growth FY 2008-FY 2014					4.1%
Average Growth FY 2005-FY 2008					8.6%
Ground Transportation					
Rental Car (rent plus concession fees)	\$58,866,000	\$54,566,000	\$60,223,000	\$64,752,000	\$65,408,000
Auto Parking (including employee parking)	55,490,000	51,991,000	52,355,000	54,627,000	57,447,000
Ground Transportation (except commercial lane)	1,060,000	1,154,000	1,162,000	1,212,000	1,275,000
Commercial Lane	8,668,000	8,862,000	8,924,000	9,311,000	9,792,000
Total Ground Transportation	\$124,084,000	\$116,573,000	\$122,664,000	\$129,902,000	\$133,922,000
Average Growth FY 2008-FY 2014					3.0%
Average Growth FY 2005-FY 2008					4.8%
Other					
Hotel	\$39,455,000	\$34,162,000	\$35,870,000	\$37,664,000	\$39,547,000
Other Operating Revenue	2,723,000	2,510,000	2,585,000	2,663,000	2,743,000
Fuel System	1,851,000	1,850,000	1,890,000	1,933,000	1,978,000
Other Building and Grounds	11,076,000	10,958,000	11,287,000	11,626,000	11,975,000
Total Other	\$55,105,000	\$49,480,000	\$51,632,000	\$53,886,000	\$56,243,000
Average Growth FY 2008-FY 2014					1.8%
Average Growth FY 2005-FY 2008					7.4%
Total Nonairline Revenues	\$223,087,000	\$207,348,000	\$218,204,000	\$231,634,000	\$240,420,000
Annual % Change		-7.1%	5.2%	6.2%	3.8%
Average Growth FY 2008-FY 2014					4.5%
Average Growth FY 2005-FY 2008					5.6%
					2.9%
					6.1%

Note:
1/ Includes TSA Office rent, terminal portion of Towing/Parking, and utility reimbursement.
Sources: Greater Orlando Aviation Authority and Ricondo & Associates, Inc., May 2009.
Prepared by: Ricondo & Associates, Inc., May 2009.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

rental car contracts, automobile parking, hotel, nonairline terminal space rents, cargo, fuel system revenues, land and building rentals, and miscellaneous other revenues. Nonairline Revenues increased at a compounded annual growth rate of 6.1 percent for FY 2005 through FY 2008.

It should be noted that interest earnings and Available PFC Revenues (as defined in the Bond Resolution) are not reflected on Table 20, but are included as Revenues on Table 27 (Application of Revenues).

Nonairline Revenue projections were prepared on the basis of budgeted/estimated FY 2009 revenues, expected inflationary trends, historical Nonairline Revenues, impacts of CIP projects, activity projections, and nonairline lease terms and provisions. Key assumptions incorporated in the projections of Nonairline Revenues include:

- Terminal merchandise and services revenues were projected based on projected enplaned passengers and budgeted/estimated FY 2009 revenues per enplaned passenger (held constant for FY 2010 with 3.0 percent growth assumed in FY 2011 and thereafter for inflation). Terminal merchandise and services revenues per enplaned passenger grew at a compound annual growth rate of 5.5 percent from FY 2005 to FY 2008. As reflected on Table 20, revenues associated with merchandise and services are expected to decrease in FY 2009 as a result of decreased enplaned passengers.
- Terminal food and beverage revenues were projected based on projected enplaned passengers and budgeted/estimated FY 2009 revenues per enplaned passenger (held constant for FY 2010 and with 3.0 percent growth assumed in FY 2011 and thereafter for inflation). Terminal food and beverage revenues per enplaned passenger grew at a compound annual growth rate of 5.1 percent from FY 2005 to FY 2008. As reflected on Table 20, revenues associated with food and beverage revenues are expected to increase somewhat in FY 2009 as a result of new contracts.
- Rental car revenues were projected based on budgeted/estimated FY 2009 revenues and a new rental car agreement beginning in FY 2010. As reflected on Table 20, rental car revenues are assumed to decrease in FY 2009 based on decreased passenger activity and the assumption that the expected reduction in off-Airport rental car revenues in FY 2009 (from Enterprise, Thrifty, and EZ coming on-Airport) will not be offset by revenues from activity associated with the increased number of on-Airport operators. Beginning in FY 2010, in connection with the new rental car agreement, the Authority is expected to receive a substantial increase in rental car revenues as a result of the privilege fee (received by the Authority from rental car companies) increasing from 9.0 percent currently to 10.0 percent of gross rental car receipts, a revised and more inclusive definition of gross receipts, and



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

increased rents associated with ready/return spaces, terminal counter space, and quick turnaround facilities. Rental car revenues expected to be received by the Authority in connection with the new rental car agreement are reflected on Table 20 for FY 2010 through FY 2014.

- Parking revenues were projected based on projected origin/destination enplaned passengers and budgeted/estimated FY 2009 revenues per origin/destination enplaned passenger (held constant for FY 2010 and with 3.0 percent growth assumed in FY 2011 and thereafter for inflation). Parking revenues per enplaned passenger grew at a compound annual growth rate of 6.4 percent from FY 2005 to FY 2008. As reflected on Table 20, parking revenues are expected to decrease in FY 2009 as a result of decreased enplaned passengers.
- Ground Transportation and Commercial Lane revenues were projected based on projected enplaned passengers and budgeted/estimated FY 2009 revenues per enplaned passenger (held constant for FY 2010 and with 3.0 percent growth assumed in FY 2011 and thereafter for inflation).
- Other nonairline revenues were projected to increase 3.0 percent annually from budgeted/estimated FY 2009 amounts.

Total Nonairline Revenues are projected to increase from \$223.1 million in FY 2008 to \$265.4 million in FY 2014, representing a compounded annual growth rate of 2.9 percent. Nonairline Revenues increased at a compounded annual growth rate of 6.1 percent for FY 2005 through FY 2008.

7.4 Airline Revenues

Airline revenues include payments calculated for the Terminal, Airfield, and Apron cost centers. Certain costs included in the Terminal requirement will be recovered through separate airline fees including Airline Equipment Charges and CUTE/CUSS/CUPPS Fees. The rate-setting formulas for these airline revenues are based on provisions of the Airline Agreement and are summarized below.

Total airline revenues (including Signatory and nonsignatory airline revenues) are projected to be approximately 27.7 percent of Revenues in FY 2009. Total airline revenues are projected to range from approximately 27.7 percent to 30.6 percent of Revenues between FY 2009 and FY 2014, based on the airline rate-setting formulas in the Airline Agreement.

As reflected earlier on Table 15, for purposes of the financial projections in this report, it was assumed that 94 percent of enplaned passengers at the Airport would be Signatory Airline enplaned passengers (and that 89 percent of total aircraft landed weight at the Airport would be Signatory Airline landed weight)—based on actual FY 2008 data). As also stated earlier, the financial impacts of the CIP projects reflected on Table 16 are incorporated in the projected airline revenues.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

The items included in the total requirement for Terminal Rentals and Landing fees include the following:

- **O&M Expenses.** Includes the O&M Expenses (direct and allocated indirect) attributable to the specific rate-setting area.
- **Debt Service.** Includes the portion of Debt Service and Subordinated Indebtedness allocated to the specific rate-setting area
- **Amortization of Authority-Funded Assets.** Includes the portion of amortization allocated to the specific rate-setting area.
- **Amortization of Authority-Funded Renewal and Replacement Expenditures.** Includes the portion of amortization for Renewal and Replacement expenditures allocated to the specific rate-setting area.
- **O&M Reserve Requirement.** Includes amounts needed to establish or maintain the two-month O&M Reserve Requirement for the specific rate-setting area.
- **Credit for Available PFC Revenues Used to Pay Debt Service.** Includes the portion of Available PFC Revenues attributable to the specific rate-setting area.
- **Credit for Other Airline Fees.** Includes credits for certain airline fees paid to the Authority separately, including Airline Equipment Fees and CUTE/CUSS/CUPPS Fees.
- **Terminal Rentals.** **Table 21** presents the calculation of Signatory Airline terminal rental rates for FY 2009 through FY 2014, under the terminal rate methodology contained in the Airline Agreement. The terminal rate methodology contained in the Airline Agreement is based on a compensatory rate-making approach, using terminal rentable space as the divisor (as described below).

The requirement for the Terminal Building is equal to the sum of the components listed above for the Terminal cost center. Dividing the Terminal requirement by the rentable square feet in the Terminal cost center derives an average terminal rental rate. The average terminal rental rate is applied to airline rented space to determine the projected airline terminal requirement. The projected airline terminal requirement is divided by airline rented space to derive an average Signatory Airline Terminal Rental Rate.

As shown on Table 21, the Airline Terminal Requirement (including payments for Class 5 space) is projected to increase from \$56.4 million in FY 2009 to \$90.5 million in FY 2014. The average Signatory Airline Terminal Rental Rate is projected to increase from approximately \$97.08 in FY 2009 to \$116.37 in FY 2014.

Table 21
Terminal Rentals (New Lease Beginning FY 2009)

	Projections					
	2009	2010	2011	2012	2013	2014
Terminal Requirement (Includes Airline Equipment and CUTE/CUSS/CUPPS Requirements)						
O&M Expenses	\$110,671,000	\$119,252,000	\$125,215,000	\$131,475,000	\$138,050,000	\$144,952,000
O&M Reserve ^{1/}	0	752,000	978,000	1,026,000	1,078,000	1,132,000
Debt Service (Senior Bonds)						
Non-PFC Supported	\$66,567,000	\$67,730,000	\$68,549,000	\$70,569,000	\$71,171,000	\$63,000,000
PFC-Supported ^{2/}	14,929,000	15,649,000	26,678,000	31,572,000	73,663,000	22,577,000
	\$81,496,000	\$83,379,000	\$95,227,000	\$102,141,000	\$144,834,000	\$85,577,000
Subordinated Indebtedness	131,000	128,000	128,000	128,000	128,000	128,000
Amortization for GOAA-Funded Assets (CIP)	0	0	1,245,000	1,245,000	1,245,000	1,245,000
Amortization for GOAA-Funded R&R Projects	0	594,000	1,174,000	2,004,000	2,702,000	3,959,000
Capital Expenditures < \$250k	202,000	208,000	214,000	220,000	227,000	234,000
Less: Misc. Direct Reimbursements	(375,000)	(394,000)	(414,000)	(435,000)	(457,000)	(480,000)
Less: Common Facility and FIS Fees	(7,118,000)	(7,474,000)	(7,848,000)	(8,240,000)	(8,652,000)	(9,085,000)
Less: Tenant Hangar Payments	(201,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Less: Airline Equipment Charges	(1,882,000)	(2,118,000)	(2,360,000)	(2,614,000)	(2,884,000)	(3,169,000)
Less: CUTE/CUSS/CUPPS Fees	(618,000)	(881,000)	(941,000)	(987,000)	(1,036,000)	(1,087,000)
Less: PFC-Supported Debt Service (Terminal) ^{2/}	(14,929,000)	(15,649,000)	(26,678,000)	(31,572,000)	(73,663,000)	(22,577,000)
Net Terminal Requirement	\$167,377,000	\$177,597,000	\$185,740,000	\$194,191,000	\$201,372,000	\$200,629,000
Rentable Space	1,724,037	1,724,037	1,724,037	1,724,037	1,724,037	1,724,037
Average Rental Rate	\$97.08	\$103.01	\$107.74	\$112.64	\$116.80	\$116.37
Airline Rented Space	578,891	629,659	666,165	702,670	739,176	775,682
Airline Rentable Space	1,136,453	1,136,453	1,136,453	1,136,453	1,136,453	1,136,453
Airline Terminal Requirement	\$56,203,000	\$64,863,000	\$71,770,000	\$79,147,000	\$86,338,000	\$90,267,000
Class 5 Rented Space	74,576	75,375	76,174	76,973	77,773	77,773
Class 5 Payments at \$3 per sf	\$224,000	\$226,000	\$229,000	\$231,000	\$233,000	\$233,000
Airline Terminal Requirement Including Class 5	\$56,427,000	\$65,089,000	\$71,999,000	\$79,378,000	\$86,571,000	\$90,500,000
Airline Rented Space	578,891	629,659	666,165	702,670	739,176	775,682
Average Signatory Airline Terminal Rental Rate	\$97.08	\$103.01	\$107.74	\$112.64	\$116.80	\$116.37

Notes:

1/ For FY 2009 a deposit is not required based on the FY 2009 beginning balance in the O&M Reserve Fund.

2/ PFC-Supported Debt Service in FY 2013 are substantially higher than in other Fiscal Years in the projection period because of the structure of debt service on the Series 2008C Bonds--See Table 18.

Sources: Greater Orlando Aviation Authority and Ricordo & Associates, Inc., May 2009.

Prepared by: Ricordo & Associates, Inc., May 2009.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

The terminal rental rates for Nonsignatory airlines will be equal to the Signatory Airline Terminal Rental Rates plus a 15.0 percent premium.

- **Landing Fees.** **Table 22** presents the calculation of Landing Fees for FY 2009 through FY 2014, under the Landing Fee rate methodology contained in the Airline Agreement. The Landing Fee rate methodology contained in the Airline Agreement is based on a cost center residual rate-making approach (as described below).

The Landing Fee is calculated by combining the items described above for the Airfield cost center to determine the total Airfield Requirement. From the Airfield Requirement, certain credits are deducted including Airfield Area Nonairline Revenues to arrive at the Required Signatory Airline Landing Fees. The requirement is then divided by the Signatory Landed Weight to arrive at the Signatory Landing Fee.

As shown on Table 22, Signatory Landing Fees are projected to increase from \$25.9 million in FY 2009 to \$34.6 million in FY 2014. The Signatory Airline Landing Fee rate is projected to increase from approximately \$1.42 per 1,000-lb. unit in FY 2009 to \$1.74 in FY 2014.

The Landing Fee rate for Nonsignatory airlines will be equal to the Signatory Airline Landing Fee rate plus a 15.0 percent premium. As described previously, for purposes of this analysis, Signatory Airline landed weight is assumed to be 89.0 percent of total projected landed weight for FY 2009 through FY 2014 (based on actual FY 2008 data).

- **Apron Fees.** The Signatory Airline Apron requirement will be equal to 10.0 percent of the total Airfield requirement (before credits), as presented on **Table 23**. The Apron requirement is then divided by total apron lineal feet to determine a per lineal foot Apron fee. The calculated Apron fee will then be applied to leased Signatory Airline Apron lineal feet to determine projected Signatory Airline Apron fees.

Out of the total estimated 16,540 lineal feet of Apron at the Airport, Signatory Airlines are estimated to lease 9,570 lineal feet of Apron in FY 2009—increasing to approximately 13,851 lineal feet projected to be leased by Signatory Airlines in FY 2014.

As shown on Table 23, Signatory Airline Apron Fees are projected to increase from \$2.0 million in FY 2009 to \$3.9 million in FY 2014. The Signatory Airline Apron Fee is projected to increase from approximately \$210.17 per lineal foot in FY 2009 to \$278.05 in FY 2014.

The Apron Fee for Nonsignatory airlines will be equal to the Signatory Airline Apron Fee plus a 15.0 percent premium.

Table 22

Landing Fees (New Lease Beginning FY 2009) Fiscal Years Ending September 30

	Projected				
	2009	2010	2011	2012	2013
Airfield Requirement (Airfield/Apron/Fuel)					
O&M Expenses	\$22,198,000	\$23,480,000	\$24,654,000	\$25,887,000	\$27,180,000
O&M Reserve ^{1/}	0	151,000	196,000	205,000	216,000
Debt Service (Senior Bonds)					
Non-PFC Supported	12,508,000	12,976,000	12,964,000	13,215,000	13,989,000
PFC-Supported	851,000	851,000	1,191,000	2,436,000	3,219,000
	\$13,359,000	\$13,827,000	\$14,155,000	\$15,651,000	\$17,208,000
Subordinated Indebtedness	12,000	12,000	12,000	12,000	12,000
Amortization for GOAA-Funded Assets (CIP)	0	0	0	0	0
Amortization for GOAA-Funded R&R Projects	0	173,000	276,000	402,000	534,000
Capital Expenditures < 250,000	40,000	41,000	42,000	43,000	44,000
Less: PFC-Supported Debt Service (Airfield)	(851,000)	(851,000)	(1,191,000)	(2,436,000)	(3,219,000)
					(6,901,000)
Total Airfield Requirement	\$34,758,000	\$36,833,000	\$38,144,000	\$39,764,000	\$41,975,000
Less: Other Airfield Area Revenues					
Apron Requirement	(3,476,000)	(3,683,000)	(3,814,000)	(3,976,000)	(4,198,000)
Fuel System Revenues	(1,850,000)	(1,890,000)	(1,933,000)	(1,978,000)	(2,025,000)
Non-Signatory Landing Fees	(3,525,000)	(3,744,000)	(3,880,000)	(4,049,000)	(4,282,000)
	(\$8,851,000)	(\$9,317,000)	(\$9,627,000)	(\$10,003,000)	(\$11,381,000)
Required Signatory Airline Landing Fees	\$25,907,000	\$27,516,000	\$28,517,000	\$29,761,000	\$31,470,000
Signatory Airline Landed Weight (1,000-lb units)	18,254,200	18,418,400	18,671,700	19,014,400	19,406,000
Signatory Airline Landing fee (per 1,000-lb unit) ^{2/}	\$1.42	\$1.49	\$1.53	\$1.57	\$1.62
Nonsignatory Landing fee (per 1,000-lb. unit)	\$1.63	\$1.72	\$1.76	\$1.80	\$1.86
					\$2.01

Notes:

1/ For FY 2009 a deposit is not required based on the FY 2009 beginning balance in the O&M Reserve Fund.

2/ Budgeted 2009 Landing Fee is \$1.43 (based on budgeted landed weight).

Sources: Greater Orlando Aviation Authority and Ricordo & Associates, Inc., May 2009.

Prepared by: Ricordo & Associates, Inc., May 2009.

Table 23

Apron Fees (New Lease Beginning FY 2009) Fiscal Years Ending September 30

	Projected				
	2009	2010	2011	2012	2013
Signatory Apron Fees					
Airfield Requirement	\$34,758,000	\$36,833,000	\$38,144,000	\$39,764,000	\$41,975,000
% Allocable to Apron Apron Requirement	10%	10%	10%	10%	10%
	\$3,476,000	\$3,683,000	\$3,814,000	\$3,976,000	\$4,198,000
Lineal Apron Feet	16,540	16,540	16,540	16,540	16,540
Apron Rate Per Lineal Foot	\$210.17	\$222.67	\$230.59	\$240.39	\$253.81
Signatory Leased Apron Lineal Feet	9,570	10,431	11,286	12,141	12,996
					13,851
Signatory Apron Fee Revenues	\$2,011,000	\$2,323,000	\$2,602,000	\$2,919,000	\$3,299,000
					\$3,851,000

Sources: Greater Orlando Aviation Authority and Ricondo & Associates, Inc., May 2009.
Prepared by: Ricondo & Associates, Inc., May 2009.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

- **Airline Equipment Charges.** As shown on **Table 24**, the Airline Equipment requirement will consist of any debt service, amortization, and O&M Expenses related to Airline Equipment (including loading bridges, ground power, pre-conditioned air, and bag system equipment). The Airline Equipment requirement will be divided by the total number of Airport gates at which the Airline Equipment is used to derive a per gate charge.

As shown on Table 24, Airline Equipment Charges are projected to increase from \$1.9 million in FY 2009 to \$3.2 million in FY 2014. The Airline Equipment Charge per gate is projected to increase from approximately \$33,611 in FY 2009 to \$39,125 in FY 2014.

- **CUTE/CUSS/CUPPS Fees.** As shown on **Table 25**, the CUTE/CUSS/CUPPS requirement will consist of any debt service, amortization, and O&M Expenses allocable to CUTE/CUSS/CUPPS use. The CUTE/CUSS/CUPPS requirement will be divided by the total number of CUTE/CUSS/CUPPS positions to derive a per position fee.

As shown on Table 25, CUTE/CUSS/CUPPS Fees are projected to increase from \$0.6 million in FY 2009 to \$1.1 million in FY 2014. The CUTE/CUSS/CUPPS Fee per position is projected to increase from approximately \$6,120 in FY 2009 to \$10,763 in FY 2014.

7.5 Signatory Airline Payments Per Enplaned Passenger

Table 26 presents the calculation of Signatory Airline payments per enplaned passenger for the Airport from FY 2009 to FY 2014. Signatory Airline Payments per enplaned passenger represents the total payments by the Signatory Airlines (to the Authority) per enplaned passenger, incorporating Terminal Rentals, Landing Fees, Apron Fees, Airline Equipment Charges, CUTE/CUSS/CUPPS Fees, and the airline portion of revenue sharing.

As shown on Table 26, Signatory Airline payments per enplaned passenger (after incorporating revenue sharing) are projected to increase from approximately \$5.21 in FY 2009 to approximately \$6.90 in FY 2014. Signatory Airline payments per enplaned passenger were \$4.52 in FY 2007 and \$5.06 in FY 2008.

7.6 Application of Revenues

Table 27 presents the application of Revenues for FY 2009 to FY 2014--including Airline Revenues, Nonairline Revenues, interest earnings, Available PFC Revenues, O&M Expenses, Debt Service, Subordinated Indebtedness, O&M Reserve deposit, and other required fund deposits. Table 27 also reflects the allocation of remaining Revenues to the Authority and the Signatory Airlines based on the revenue sharing percentages included in the Airline Agreement. In FY 2009 and FY 2010, 70.0 percent of remaining Revenues is allocated to the Authority (with the remaining 30.0 percent allocated to the Signatory Airlines). For FY 2011 through FY 2013, the percentage of remaining Revenues to be allocated to the Authority increases to 75.0 percent. For FY 2014, it was also assumed that the percentage of remaining Revenues to be allocated to the Authority was 75.0

Table 24

Airline Equipment Charges (New Lease Beginning FY 2009) Fiscal Years Ending September 30

Airline Equipment Requirement ^{1/}	Projected					
	2009	2010	2011	2012	2013	2014
O&M Expenses						
Existing: Loading Bridges & PC Air	\$1,856,000	\$1,963,000	\$2,061,000	\$2,163,000	\$2,272,000	\$2,385,000
	\$1,856,000	\$1,963,000	\$2,061,000	\$2,163,000	\$2,272,000	\$2,385,000
Debt Service (Senior Bonds)						
Non-PFC Supported	\$0	\$0	\$0	\$0	\$0	\$0
PFC-Supported	0	0	0	0	0	0
	\$0	\$0	\$0	\$0	\$0	\$0
Subordinated Indebtedness	0	0	0	0	0	0
Amortization of Existing Equipment Balances	1,371,000	1,371,000	1,371,000	1,371,000	1,371,000	1,371,000
Amortization of Future GOAA-funded assets (CIP)	0	0	0	0	0	0
Total Airline Equipment Requirement	\$3,227,000	\$3,334,000	\$3,432,000	\$3,534,000	\$3,643,000	\$3,756,000
Total Airport gates at which Airline Equipment is used	96	96	96	96	96	96
Airline Equipment Charge per gate	\$33,611	\$34,729	\$35,750	\$36,813	\$37,948	\$39,125
Gates rented by airlines	56	61	66	71	76	81
Airline Equipment Charges	\$1,882,000	\$2,118,000	\$2,360,000	\$2,614,000	\$2,884,000	\$3,169,000
Note:						
1/	Includes requirements associated with loading bridges, pre-conditioned air, ground power, and bag system equipment.					

Note:

1/ Includes requirements associated with loading bridges, pre-conditioned air, ground power, and bag system equipment.

Sources: Greater Orlando Aviation Authority and Ricondo & Associates, Inc., May 2009.

Prepared by: Ricondo & Associates, Inc., May 2009.

Table 25
CUTE/CUSS/CUPPS Fees (Fiscal Years Ending September 30)

	Projected				
	2009	2010	2011	2012	2014
CUTE/CUSS/CUPPS Requirement					
O&M Expenses					
Existing: CUTE/CUSS	\$1,781,000	\$1,869,000	\$1,962,000	\$2,060,000	\$2,271,000
Future: CUTE/CUSS/CUPPS	0	668,000	701,000	736,000	812,000
	\$1,781,000	\$2,537,000	\$2,663,000	\$2,796,000	\$3,083,000
Debt Service (Senior Bonds)					
Non-PFC Supported	\$0	\$0	\$0	\$0	\$0
PFC-Supported	0	623,000	623,000	623,000	623,000
	\$0	\$623,000	\$623,000	\$623,000	\$623,000
Subordinated Indebtedness	0	0	0	0	0
LESS: PFC-Supported Debt Service (CUTE/CUSS/CUPPS)	0	(623,000)	(623,000)	(623,000)	(623,000)
Amortization of Future GOAA-Funded Assets (CIP)	0	0	49,000	49,000	49,000
Total CUTE/CUSS/CUPPS Requirement	\$1,781,000	\$2,537,000	\$2,712,000	\$2,845,000	\$3,132,000
Total CUTE Positions	291	291	291	291	291
Requirement per Position	\$6,120	\$8,718	\$9,320	\$9,777	\$10,763
Positions Rented by Signatory Airlines	101	101	101	101	101
Signatory CUTE/CUSS/CUPPS Fees	\$618,000	\$881,000	\$941,000	\$987,000	\$1,087,000

Sources: Greater Orlando Aviation Authority and Ricondo & Associates, Inc., May 2009.
Prepared by: Ricondo & Associates, Inc., May 2009.

Table 26

Signatory Passenger Airline Payments Per Enplaned Passenger (Fiscal Years Ending September 30)

	Projected				
	2009	2010	2011	2012	2014
Signatory Airline Payments					
Terminal Rents	\$56,427,000	\$65,089,000	\$71,999,000	\$79,378,000	\$86,571,000
Landing Fees	25,907,000	27,516,000	28,517,000	29,761,000	31,470,000
Apron Fees	2,011,000	2,323,000	2,602,000	2,919,000	3,299,000
Airline Equipment Charges	1,882,000	2,118,000	2,360,000	2,614,000	2,884,000
CUTE/CUSS/CUPPS Fees	618,000	881,000	941,000	987,000	1,036,000
Signatory Airline Space Use Agreements	1,219,000	1,256,000	1,294,000	1,333,000	1,373,000
Total Signatory Airline Payments	\$88,064,000	\$99,183,000	\$107,713,000	\$116,992,000	\$126,633,000
Less: Airline Portion of Revenue Sharing	(8,169,000)	(7,925,000)	(8,903,000)	(10,731,000)	(13,256,000)
Net Signatory Passenger Airline Payments	\$79,895,000	\$91,258,000	\$98,810,000	\$106,261,000	\$113,377,000
Signatory Enplaned Passengers	15,326,600	15,433,900	15,634,600	15,962,900	16,377,900
Net Signatory Passenger Airline Payments Per Enplaned Passenger	\$5.21	\$5.90	\$6.32	\$6.66	\$6.90

Sources: Greater Orlando Aviation Authority and Ricondo & Associates, Inc., May 2009.

Prepared by: Ricondo & Associates, Inc., May 2009.

Table 27
Application of Revenues (Fiscal Years Ending September 30)

	Projected				
	2009	2010	2011	2012	2013
Revenues					
Signatory Airline Rentals, Fees, and Charges	\$88,064,000	\$99,183,000	\$107,713,000	\$116,992,000	\$126,633,000
Non-signatory Airline Rentals, Fees, and Charges	7,408,000	7,821,000	8,161,000	8,544,000	9,002,000
Tenant Hangar Payments	201,000	200,000	200,000	200,000	200,000
Common Facility and FIS Fees	7,118,000	7,474,000	7,848,000	8,240,000	8,652,000
Nonairline Revenues	207,348,000	218,204,000	231,634,000	240,420,000	251,319,000
Interest Earnings ^{1/}	6,580,000	7,750,000	8,235,000	9,462,000	11,260,000
Debt Service Reserve amounts transferred to Revenue Fund	7,000,000	-	-	-	-
Available PFC Revenues ^{2/}	20,509,000	21,405,000	35,616,000	43,290,000	100,506,000
Revenues	\$344,228,000	\$362,037,000	\$399,407,000	\$427,148,000	\$507,572,000
Application of Revenues					
Operation and Maintenance Expenses	\$188,956,000	\$201,697,000	\$211,782,000	\$222,371,000	\$233,490,000
Less: OEA Expenses Paid with GOAA Funds	0	(303,000)	(318,000)	(334,000)	(351,000)
	\$188,956,000	\$201,394,000	\$211,464,000	\$222,037,000	\$233,139,000
Debt Service					
Non-PFC-Supported	\$94,770,000	\$96,796,000	\$99,966,000	\$103,006,000	\$106,618,000
PFC-Supported	16,407,000	17,124,000	28,493,000	34,632,000	80,405,000
	\$111,177,000	\$113,920,000	\$128,459,000	\$137,638,000	\$187,023,000
Subordinated Indebtedness	12,522,000	13,716,000	12,115,000	10,210,000	7,681,000
O&M Reserve Account Deposit	0	1,294,000	1,681,000	1,765,000	1,853,000
Deposit to PFC Fund (from Avail. PFC Revenues)	4,102,000	4,281,000	7,123,000	8,658,000	20,101,000
Amortization to GOAA for GOAA-Funded CIP Projects	0	0	1,245,000	1,245,000	1,245,000
Capital Expenditures <\$250k for airline Cost Centers	242,000	249,000	256,000	263,000	271,000
Amortization to GOAA for GOAA-Funded R&R Projects	0	767,000	1,450,000	2,406,000	3,236,000
Total Airport Requirements	\$316,999,000	\$335,621,000	\$363,793,000	\$384,222,000	\$454,549,000
Remaining Revenues	\$27,229,000	\$26,416,000	\$35,614,000	\$42,926,000	\$53,023,000
Split of Remaining Revenues					
GOAA	70%	70%	75%	75%	75%
Signatory Airlines	30%	30%	25%	25%	25%
GOAA	\$19,060,000	\$18,491,000	\$26,711,000	\$32,195,000	\$39,767,000
Signatory Airlines	\$8,169,000	\$7,925,000	\$8,903,000	\$10,731,000	\$13,256,000
					\$18,155,000

Notes:

1/ Excludes Subordinated Indebtedness Reserve Fund interest earnings.

2/ Available PFC Revenues in FY 2013 are substantially higher than in other Fiscal Years in the projection period because of the structure of debt service on the Series 2008C Bonds--See Table 18.

Sources: Greater Orlando Aviation Authority and Ricordo & Associates, Inc., May 2009.

Prepared by: Ricordo & Associates, Inc., May 2009.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

percent. As discussed previously in Section 6, for the purposes of preparing the financial projections for this report, it was assumed that the business terms of the current Airline Agreement would extend one Fiscal Year beyond the FY 2013 expiration (through FY 2014).

Interest earnings reflected on Table 27 include earnings associated with various Authority funds and accounts—including debt service accounts, debt service reserve accounts, the Operation and Maintenance Fund, the Operation and Maintenance Reserve Account, the Discretionary Fund, and the Revenue Fund. Interest earnings are projected based on recent earnings rates associated with each of the various funds—ranging from approximately 1.00 percent to 3.50 percent depending on the nature of the fund. Earnings rates were assumed to be constant throughout the projection period.

7.7 Debt Service Coverage

Table 28 presents calculations of debt service coverage ratios for Airport Facilities Revenue Bonds (reflected as Senior Bonds), Subordinated Indebtedness, and total indebtedness. As defined in the Bond Resolution, Subordinated Indebtedness is reflected net of interest earnings associated with Subordinated Indebtedness reserve funds for purposes of calculating debt service coverage.

As stated in Section 711 of the Bond Resolution (the Rates and Charges Covenant), Net Revenues less any required fund deposits (including the O&M Reserve deposit) are required to be at least 1.25 times Debt Service with respect to all Outstanding Bonds for such Fiscal Year. As shown on Table 28, the Debt Service coverage ratio for Senior Lien Debt is projected to increase from 1.40 in FY 2009 to 1.72 in FY 2014—exceeding the 1.25 times requirement in each year of the projection period. The coverage ratio for all indebtedness combined, including Subordinated Indebtedness is projected to be 1.25 times or greater in each year of the projection period.

* * * * *

On the basis of the assumptions and analyses described in this report, R&A is of the opinion that Net Revenues less required fund deposits will be sufficient to meet the rate covenant requirement, as set forth in Section 711 of the Bond Resolution, during the projection period FY 2009 through FY 2014.

The projects included in the 5-year CIP (in addition to planned R&R projects) discussed in Section 5 of this report are expected to provide Airport facilities necessary to satisfy future airline and air passenger needs through the projection period—at a cost that will produce reasonable levels of rates and charges to the users of the Airport facilities.

Except as defined otherwise, the capitalized terms used in this report are as defined in the Bond Resolution. The techniques used in this report are consistent with industry practices for similar studies in connection with airport revenue bond sales. The information and assumptions were provided by or reviewed with and agreed to by the Authority. Accordingly, the forecasts reflect the

Table 28

Debt Service Coverage

	Projected				
	2009	2010	2011	2012	2013
Revenues ^{1/}	\$344,228,000	\$362,037,000	\$399,407,000	\$427,148,000	\$507,572,000
Less: Operation and Maintenance Expenses	(188,956,000)	(201,697,000)	(211,782,000)	(222,371,000)	(233,490,000)
Net Revenues	\$155,272,000	\$160,340,000	\$187,625,000	\$204,777,000	\$274,082,000
	[A]				
Less: Required Fund Deposits	0	(1,294,000)	(1,681,000)	(1,765,000)	(1,853,000)
Operation and Maintenance Reserve Fund					
Total Required Deposits	\$0	(\$1,294,000)	(\$1,681,000)	(\$1,765,000)	(\$1,853,000)
	[B]				
Net Revenues Available for Airport Facilities Revenue Bond Debt Service	\$155,272,000	\$159,046,000	\$185,944,000	\$203,012,000	\$272,229,000
	[C]=[A]+[B]				
Aggregate Debt Service on Airport Facilities Revenue Bonds (including Series 2009 Bonds) ^{1/}	\$111,177,000	\$113,920,000	\$128,459,000	\$137,638,000	\$187,023,000
Debt Service on Subordinated Indebtedness					
Less: Interest earnings -- Subordinated Indebtedness Reserve Fund	\$12,522,000	\$13,716,000	\$12,115,000	\$10,210,000	\$7,681,000
	(113,000)	(113,000)	(113,000)	(113,000)	(113,000)
Net Debt Service on Subordinated Indebtedness	\$12,409,000	\$13,603,000	\$12,002,000	\$10,097,000	\$7,568,000
	[E]				
Total Debt Service	\$123,586,000	\$127,523,000	\$140,461,000	\$147,735,000	\$194,591,000
	[F]=[D]+[E]				
Debt Service Coverage Ratios:					
Airport Facilities Revenue Bond Debt	1.40	1.40	1.45	1.47	1.46
[C]/[D]					
All Indebtedness	1.26	1.25	1.32	1.37	1.40
[C]/[F]					

Note:

1/ Revenues and Debt Service in FY 2013 are substantially higher than in other Fiscal Years in the projection period because of the structure of Debt Service on the Series 2008C Bonds (to be paid with Available PFC Revenues).--See Tables 18 and 27.

Sources: Greater Orlando Aviation Authority and Riondo & Associates, Inc., May 2009.

Prepared by: Riondo & Associates, Inc., May 2009.



*Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
May 19, 2009*

Authority's current plans (recognizing that these plans are subject to change during the projection period) and, in the judgment of the Authority's management, fairly present the expected level of financial results during the projection period. While R&A believes the approach and assumptions utilized are reasonable, some assumptions regarding future trends and events may not materialize. Achievement of projections described in this report, therefore, is dependent upon the occurrence of future events, and variations may be material. R&A has no responsibility to update this report for events or circumstances occurring after the date of this report.

Sincerely,

A handwritten signature in black ink that reads "Ricondo & Associates, Inc." in a cursive, flowing script.

RICONDO & ASSOCIATES, INC.

APPENDIX E

FORM OF CO-BOND COUNSEL OPINION

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX E

FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A. WITH RESPECT TO THE 2009 BONDS

Upon delivery of the 2009 Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to such 2009 Bonds in substantially the following form:

[Closing Date]

Greater Orlando Aviation Authority
Orlando, Florida

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$98,550,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2009A (AMT) of the City of Orlando, Florida (the "2009A Bonds") and \$11,275,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2009B (Taxable) of the City of Orlando, Florida (the "2009B Bonds" and together with the 2009A Bonds, the "2009 Bonds").

The 2009 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 Airport Facilities Revenue Bond Resolution Authorizing Airport Facilities Revenue Bonds of the City of Orlando, Florida adopted by the Greater Orlando Aviation Authority (the "Authority") on June 13, 1978, as codified on September 17, 2008, and as amended and supplemented, in particular as supplemented by a resolution of the Authority adopted on May 20, 2009 (collectively, the "Bond Resolution").

The 2009 Bonds are dated and shall bear interest from the date hereof, except as otherwise provided in the Bond Resolution. The 2009 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. Interest on the 2009 Bonds shall be payable on October 1 and April 1 of each year, commencing on October 1, 2009. The 2009 Bonds are subject to redemption prior to maturity in accordance with the terms of the Bond Resolution.

The 2009A Bonds are issued for the principal purpose of refunding the Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2002E of the City of Orlando, Florida (the "Refunded Bonds"). Certain proceeds of the 2009A Bonds, together with other legally available moneys of the Authority, shall be deposited into an escrow deposit trust fund (the "Escrow Fund") established pursuant to the Escrow Deposit Agreement, dated as of the date hereof (the "Escrow Deposit Agreement"),

between the Authority and The Bank of New York Mellon Trust Company, N.A., and, except for a cash deposit, invested in direct obligations of the United States of America (the "Escrow Securities"), such that the principal of and interest on said obligations, together with any cash on deposit in the Escrow Fund, shall be sufficient to pay the principal of and interest on the Refunded Bonds, as the same become due or are redeemed prior to maturity. The 2009B Bonds are issued for the principal purpose of funding a swap termination payment with respect to an interest rate exchange agreement related to the Refunded Bonds.

As to questions of fact material to our opinion, we have relied upon the representations of the Authority contained in the Bond Resolution, the Escrow Deposit Agreement and in the certified proceedings relating thereto and to the issuance of the 2009 Bonds and other certifications of public officials furnished to us in connection therewith without undertaking to verify the same by independent investigation. We have also relied upon the opinion of Broad and Cassel as to the due creation and valid existence of the Authority and the opinion of the Office of Legal Affairs of the City of Orlando, Florida (the "City") as to the due adoption by the City of its approving resolution.

Based on the foregoing, 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 Revenues (as such term is defined in the Bond Resolution) and certain other funds and moneys described in Section 401 of the Bond Resolution (collectively, the "Pledged Funds"), 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 2009 Bonds, and the 2009 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 2009 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 2009 Bonds are issued on parity with certain other obligations of the Authority pursuant to the terms of the Bond

Resolution. The 2009 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 2009 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, the interest on the 2009A Bonds (a) is excluded from gross income for federal income tax purposes, except for any period during which a 2009A Bond is held by a "substantial user" of the facilities financed or refinanced with proceeds of the 2009A Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and (b) is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. 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 2009A 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 2009A Bonds to be so included in gross income retroactive to the date of issuance of the 2009A Bonds. The Authority has covenanted to comply with all such requirements. Ownership of the 2009A Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the 2009A Bonds. Interest on the 2009B Bonds is not excluded from gross income of 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 Merrill Lynch, Pierce, Fenner & Smith, Inc. relating to the computations of projected receipts of the Escrow Securities and any other amounts deposited in the Escrow Fund, and of the adequacy of such projected receipts and other sums to pay the principal of and interest on the Refunded Bonds and (b) the verifications of the arithmetical accuracy of such computations by Grant Thornton LLP.

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 it may rely) for the 2009 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 2009 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 2009 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 2009 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.

We have examined the forms of the 2009 Bonds and, in our opinion, the forms of the 2009 Bonds are regular and proper.

Respectfully submitted,

APPENDIX F

FORM OF FORM OF CONTINUING DISCLOSURE AGREEMENT

(THIS PAGE LEFT BLANK INTENTIONALLY)

CONTINUING DISCLOSURE AGREEMENT

by and between

GREATER ORLANDO AVIATION AUTHORITY

and

DIGITAL ASSURANCE CERTIFICATION, L.L.C.

relating to:

Greater Orlando Aviation Authority
\$ _____

Airport Facilities Refunding Revenue Bonds
Series 2009A (AMT)
of the City of Orlando, Florida
and
Airport Facilities Refunding Revenue Bonds
Series 2009B (Taxable)
of the City of Orlando, Florida

DATED AS OF MAY , 2009

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (this “Disclosure Agreement”) is dated as of May _____, 2009 by and between the **GREATER ORLANDO AVIATION AUTHORITY** (the “Authority”) and **DIGITAL ASSURANCE CERTIFICATION, L.L.C.** and any successor disclosure dissemination agent serving hereunder pursuant to Certification Section 12 hereof (in such capacity, the “Dissemination Agent” or “DAC”).

RECITALS:

A. Contemporaneously with the execution and delivery of this Disclosure Agreement, the Authority will issue its \$_____ Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2009A (AMT) of the City of Orlando, Florida (the “2009A Bonds”), and the \$_____ Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2009B (Taxable) of the City of Orlando, Florida (the “2009B Bonds” and together with the 2009A Bonds, the “2009 Bonds”) pursuant to the Authority’s Airport Facilities Revenue Bond Resolution adopted on June 13, 1978, as amended and supplemented from time to time, including but not limited to the certified version adopted by the Authority on September 17, 2008 and as particularly supplemented by the Supplemental Airport Facilities Revenue Bond Resolution adopted on May 20, 2009 (collectively, the “Bond Resolution”).

B. The 2009A Bonds are being issued for the purpose of providing funds sufficient, together with other available funds of the Authority, to: (a) currently refund and redeem the Greater Orlando Aviation Authority’s Airport Facilities Revenue Bonds, Series 2002E of the City of Orlando, Florida (the “Refunded Bonds”), and (b) pay certain costs of issuance of the 2009A Bonds [including, but not limited to, a portion of the cost of a municipal bond insurance policy.] The 2009B Bonds are being issued for the purpose of providing funds sufficient, together with other available funds of the Authority; to: (a) pay a swap termination payment with respect to an interest rate exchange agreement related to the Refunded Bonds, and (b) pay certain costs of issuance of the 2009B Bonds [including, but not limited to a portion of the cost of a municipal bond insurance policy.]

C. The Authority has authorized the preparation and distribution of the Preliminary Official Statement dated _____, 2009 with respect to the Series 2009 Bonds (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 Rule 15c2-12, as amended (the “Rule”), of the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended.

D. Upon the initial sale of the Series 2009 Bonds to the underwriters named in the herein referenced Official Statement (collectively, the “Underwriter”), the Authority authorized the preparation and distribution of the Official Statement dated _____, 2009 with respect to the Series 2009 Bonds (the “Official Statement”).

E. As a condition precedent to the initial purchase of the Series 2009 Bonds by the Underwriter in accordance with the Bond Purchase Agreement dated _____, 2009

(the “Bond Purchase Agreement”) by and among the Underwriter and the Authority, and in compliance with the Underwriter’s obligations under the Rule, the Authority has agreed to provide for the public disclosure of annual reports of financial information on an ongoing basis for so long as the Series 2009 Bonds remain outstanding as set forth herein and the Authority has agreed to retain the Dissemination Agent to perform certain disclosure dissemination tasks as provided for herein on its behalf.

NOW THEREFORE, in consideration of the purchase of the Series 2009 Bonds by the Underwriter and all subsequent Beneficial Owners of the Series 2009 Bonds, 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:

“Actual knowledge” as used herein, and for the purposes hereof, a party shall be deemed to have “actual knowledge” of the occurrence of any event only if and to the extent the individual or individuals employed by such party and directly responsible for the administration of this Disclosure Agreement on behalf of such party have actual knowledge of or receive written notice of the occurrence of such event.

“Annual Filing” means any annual report provided by the Authority, pursuant to and as described in Section 6 of this Disclosure Agreement.

“Annual Filing Date” means the date, set forth in Sections 4(a) and 4(f) herein, by which the Annual Filing is to be filed with the Repositories.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 6(a) of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Authority for the prior Fiscal Year, certified by an independent auditor as prepared in accordance with generally accepted accounting standards and Government Auditing Principles issued by the Comptroller General of the United States.

“Beneficial Owner” shall mean any individual beneficial owner of the Series 2009 Bonds. Beneficial ownership is to be determined consistent with the definition thereof contained

in Rule 13d-3 of the Securities Exchange Act of 1934, as amended, 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.

“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” 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 12 hereof.

“Effective Date” means June 1, 2009 or such later date as the SEC shall state as the effective date for the amendments to the rule pursuant to Release No. 34-59062 (December 5, 2008).

“Filing” means, as applicable, any Annual Filing or Notice Event Filing or any other notice or report made public under this Disclosure Agreement.

“Fiscal Year” shall mean 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 to be its fiscal year.

“Information” means the Annual Financial Information, the Audited Financial Statements (if any), the Notice Event Filings, and the Voluntary Reports.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor to its functions for the purpose of the Rule; the address, phone number and fax number of the MSRB for the purposes of the Rule as of the date hereof are set forth on Exhibit B hereto.

“National Repository” or **“NRMSIR”** means, prior to the Effective Date, each “nationally recognized municipal securities information repository” recognized for the purposes of the Rule, and thereafter the MSRB via its Electronic Municipal Market Access System, or other National Repository as designated by the SEC from time to time.

“Notice Event Filing” shall have the meaning specified in Section 5(a) hereof.

“Notice Event” shall have the meaning specified in Section 5(a) hereof.

“Repository” means each National Repository and the State Repository, if any, which as of the date hereof are set forth in Exhibit A hereto.

“State Depository” or **“SID”** means the information depository, if any, designated by the State of Florida for the purposes of the Rule or for similar municipal securities information depository purposes.

“Voluntary Report” 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, undertake the disclosure obligations hereunder and retain the Dissemination Agent to perform the disclosure dissemination tasks set forth herein on its behalf, all at the request of the Underwriter and as a condition precedent to the Underwriter’s purchase of the Series 2009 Bonds in order to assist the Underwriter with compliance with the Rule. The disclosure obligations of the Authority under this Disclosure Agreement relate solely to the Series 2009 Bonds. Such disclosure obligations are not applicable to any other securities issued or to be issued by the Authority, whether issued for the benefit of the Authority or otherwise, 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 Underwriter and each Beneficial Owner of the Series 2009 Bonds 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 the defeasance, redemption or payment in full of all Series 2009 Bonds, subject to the Dissemination Agent’s removal, or right to resign under Sections 11 and 12 hereof.

Section 4. Annual Filings. (a) The Authority shall provide, annually, an electronic copy of the Annual Filing to the Dissemination Agent not later than 15 days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Filing, the Dissemination Agent shall provide the Annual Filing to each National Repository and the State Depository (if any) not later than 210 days after the end of each Fiscal Year, commencing with the Fiscal Year ending September 30, 2009. Such dates and each anniversary thereof is the Annual Filing Date. The Annual Filing may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 hereof.

(b) If on the fifteenth (15th) 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 e-mail) 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 two (2) business days prior to the Annual Filing Date, or (ii) instruct the Dissemination Agent in writing that the Authority will not be able to file the Annual Filing within the time required under this Disclosure Agreement, state the date by which the Annual Filing for such year will be provided and instruct the

Dissemination Agent that a Notice Event as described in Section 5(a)(12) hereof has occurred and to immediately send a notice to each National Repository or the MSRB and the State Repository (if any) .

(c) If the Dissemination Agent has not received an Annual Filing by 12:00 noon on the first business day following the Annual Filing Date for the Annual Filing, a Notice Event described in Section 5(a)(12) hereof shall have occurred and the Authority irrevocably directs the Dissemination Agent to immediately send a notice to each National Repository or the MSRB and the State Repository (if any).

(d) If Audited Financial Statements of the Authority are prepared but not available prior to the Annual Filing Date, the Authority shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Dissemination Agent, accompanied by a Certificate for filing with each National Repository and the State Repository (if any).

(e) The Dissemination Agent shall:

- (i) determine the name and address of each Repository each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Filing received under Section 4(a) hereof with each National Repository, and the State Repository, (if any);
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 4(d) hereof with each National Repository, and the State Repository (if any);
- (iv) upon receipt, promptly file the text of each disclosure to be made with each National Repository and the State Repository (if any) together with a completed copy of the MSRB Material Event Notice Cover Sheet in the form attached as Exhibit D, describing the event by checking the box indicated below when filing pursuant to the Section of this Disclosure Agreement indicated:
 1. “Principal and interest payment delinquencies,” pursuant to Sections 5(c) and 5(a)(1) hereof;
 2. “Non-payment related defaults,” pursuant to Sections 5(c) and 5(a)(2) hereof;
 3. “Unscheduled draws on debt service reserves reflecting financial difficulties,” pursuant to Sections 5(c) and 5(a)(3) hereof;
 4. “Unscheduled draws on credit enhancements reflecting financial difficulties,” pursuant to Sections 5(c) and 5(a)(5) hereof;

5. “Substitution of credit or liquidity providers, or their failure to perform,” pursuant to Sections 5(c) and 5(a)(4) hereof;
6. “Adverse tax opinions or events affecting the tax-exempt status of the security,” pursuant to Sections 5(c) and 5(a)(6) hereof;
7. “Modifications to rights of Owners,” pursuant to Sections 5(c) and 5(a)(7) hereof;
8. “Unscheduled Bond calls,” pursuant to Sections 5(c) and 5(a)(8) hereof;
9. “Defeasances,” pursuant to Sections 5(c) and 5(a)(9) hereof;
10. “Release, substitution, or sale of property securing repayment of the Series 2009 Bonds,” pursuant to Sections 5(c) and 5(a)(10) hereof;
11. “Ratings changes,” pursuant to Sections 5(c) and 5(a)(11) hereof;
12. “Failure to provide annual financial information as required,” pursuant to Section 4(b)(ii) or Section 4(c) hereof;
13. “Other material event notice (specify),” pursuant to Section 8 hereof, together with the summary description provided by the Disclosure Representative.

- (v) provide the Authority evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Dissemination Agent under this Disclosure Agreement.

(f) 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 Repositories, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

- (g) Each Annual Filing shall contain the information set forth in Section 6 hereof.

Section 5. Reporting of Notice Events.

(a) The occurrence of any of the following events, if material, with respect to the Series 2009 Bonds constitutes a Notice Event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) Substitution of credit or liquidity providers or their failure to perform;
- (5) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (6) Adverse tax opinions or events affecting the tax-exempt status of the Series 2009A Bonds;
- (7) Modifications to rights of Owners;
- (8) Unscheduled Bond calls;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Series 2009 Bonds;
- (11) Rating changes;
- (12) Failure of the Authority to provide an Annual Filing as required hereunder; or
- (13) other material event notice (specify), pursuant to Section 8 hereof, together with the summary description provided by the Disclosure Representative.

The Authority shall promptly notify the Dissemination Agent in writing upon having actual knowledge of the occurrence of a Notice Event. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (c) of this Section 5. 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 the Authority desires for the Dissemination Agent to disseminate the information.

(b) 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 within five business days of receipt of such notice, 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 the Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 5, together with the text of the disclosure that the Authority desires to make, the written authorization of the Authority for the Dissemination Agent to disseminate such information, and the date the Authority desires for the Dissemination Agent to disseminate the information.

(c) If the Dissemination Agent has been instructed by the Authority as prescribed in subsection (a) or (b)(ii) of this Section 5 to report the occurrence of a Notice Event, the Dissemination Agent shall promptly file a notice of such occurrence with the State Depository (if any) and (i) each National Repository, or (ii) the MSRB and the State Repository (if any).

Section 6. Content of Annual Filings.

(a) Each Annual Filing of the Authority shall contain Annual Financial Information with respect to the Authority, including, to the extent not set forth in the CAFR (as hereinafter defined):

(1) Annual, updated historical financial and operating data for the Authority of the type included in those sections of the Official Statement captioned "AUTHORITY FINANCIAL INFORMATION" and "THE GREATER ORLANDO AVIATION AUTHORITY AIRPORT SYSTEM," consisting of information provided in the tables titled, "Historical Debt Service Coverage Per Bond Resolution," "Statement of Revenues and Expenses," "Historical Enplaned Passengers," "Historical Airline Market Shares," and "International Enplaned Passengers," [including Revenues, Available PFC Revenues as included in Revenues and Available Revenues, Operation and Maintenance Expenses, Net Revenues, debt service coverage, passenger enplanements, and airline passenger market shares]; and

(2) A description of any material litigation which would have been disclosed in the Official Statement if such litigation were pending at the time the Official Statement was prepared.

(b) If available at the time of such filing, the Audited Financial Statements of the Authority for the prior Fiscal Year. If the Authority's 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 in a format similar to the financial statements contained in the final Official Statement, and the Audited Financial Statements shall be filed in the same manner as the Annual Filing when they become available. Audited Financial Statements (if any) will be provided pursuant to Section 3(d) hereof.

(c) The Authority's Comprehensive Annual Financial Report ("CAFR") for the immediately preceding Fiscal Year.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Authority is an "obligated person" (as defined by the Rule), which have been previously filed with each of the National Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. 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. The Dissemination Agent shall not be responsible for reviewing or verifying the accuracy or completeness of any such Filings.

(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 2009 Bonds and shall be in substantially the form set forth in Exhibit C hereto. If an item of information contained in any Filing pursuant to this Disclosure Agreement would be misleading without additional information, the Authority shall additionally 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 in which made.

(c) Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Filing or Notice Event Filing, in addition to that which is required by this Disclosure Agreement. If the Authority chooses to include any information in any Annual Filing or Notice Event Filing in addition to the information specifically required by this Disclosure Agreement, then and in such cases, the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Filing or Notice Event Filing.

(d) Any report, notice or other filing to be made public pursuant to this Disclosure Agreement may consist of a single document or separate documents comprising a package and may incorporate by reference other clearly identified documents or specified portions thereof previously filed with each Repository (or, as applicable, the MSRB) or the SEC, provided that any final official statement incorporated by reference must be available from the MSRB.

(e) 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.

(f) Notwithstanding any provision herein to the contrary, the Authority shall not make public, or direct the Dissemination Agent to make public, information which is not permitted to be publicly disclosed under any applicable data confidentiality or privacy law or other legal requirement.

Section 8. Voluntary Reports.

(a) The Authority may instruct the Dissemination Agent to file information with the Repositories, from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a "Voluntary Report").

(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 Annual Report, Annual Financial Statement, Voluntary Report or Notice Event Filing, in addition to that required by this Disclosure Agreement. If the Authority chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event 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 Annual Report, Annual Financial Statement, Voluntary Report or Notice Event Filing.

(c) Notwithstanding the foregoing provisions of this Section 8, the Authority is under no obligation to provide any Voluntary Report.

Section 9. Defaults; Remedies.

(a) A party shall be in default of its obligations hereunder if it fails and refuses to carry out or perform its obligations hereunder for a period of five 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 business day notice period. An extension of such five 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 and, except as provided in subsection (b) hereof, may not be amended or modified except in writing executed by the Dissemination Agent and the Authority. 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) The listing of Repositories herein shall be automatically amended from time to time if the SEC designates or recognizes additional or other entities as "nationally recognized municipal securities information repositories" or "NRMSIRs" under the Rule, or if the SEC revokes the designation of an entity as a NRMSIR under the Rule, or if the State of Florida designates an information depository or changes its designated information depository, and the addresses, telephone numbers, et cetera, of any Repository or the MSRB shall be automatically amended from time to time as necessary.

(c) This Disclosure Agreement shall be amended or modified from time to time as may be necessary or desirable to conform the terms hereof to the Rule or any official release of the SEC with respect to the Rule, to the extent applicable to the subject matter hereof, provided, however, that (i) this Disclosure Agreement as so amended would have complied with the Rule at the time of initial issuance and sale of the Series 2009 Bonds, after taking into account any amendments or interpretative releases of the SEC with respect to the Rule and any change in circumstances occurring since such time of initial issuance and sale and (ii) the amendment does not materially impair the interests of the Beneficial Owners of the Series 2009 Bonds, as determined by either (1) an opinion of nationally recognized bond counsel firm or (2) approving vote of the owners of the Series 2009 Bonds in accordance with the procedures and requirements substantially similar to those applicable to amendments to the Bond Resolution (including, without limitation, the percentage of Bondholders whose approval is required).

(d) 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 5(a)(13) hereof.

Section 11. Reimbursement of Dissemination Agent's Expenses. The Dissemination Agent shall be reimbursed by the Authority for all out-of-pocket expenses incurred by it in performance of its duties under this Disclosure Agreement, payable promptly upon written request. The Dissemination Agent shall have the right to resign and terminate its agency relationship and all of its obligations under this Disclosure Agreement upon non-payment of its expenses by written notice to the Authority.

Section 12. 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 proved that the Dissemination Agent engaged in negligent 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 such reasonable compensation as it may deem proper to all such attorneys and agents, and the Dissemination Agent shall not be responsible for the acts or negligence of such attorneys, agents or counsel if selected with reasonable care.

(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) 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 include in any dissemination correspondence enclosing or furnishing any Notice Event Filings made public by it under this Disclosure Agreement the following disclaimer with respect to the source of the information contained in, and the identity of the party responsible for compiling or preparing, such reports or notices: "The information set forth in the attached notice has been provided by the Greater Orlando Aviation Authority (the "Authority") to Digital Assurance Certification, L.L.C. in its capacity as disclosure dissemination agent (the "Dissemination Agent") for the Authority, together with written dissemination directions to the Dissemination Agent. The Dissemination Agent has not prepared or verified, and is not responsible in any way for, the content of this notice or the accuracy, timeliness or completeness thereof. Under no circumstances shall the Dissemination Agent and the Authority have any obligation or 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 any error (negligent or otherwise) or other circumstances involved in processing, collecting, compiling or interpreting the data included in this notice or (b) for any direct, indirect, special, consequential, incidental or punitive damages whatsoever arising from any investment decision or otherwise. This notice has not been reviewed or approved by any state or federal regulatory body."

(h) 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.

(i) 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 themselves to serve as Dissemination Agent hereunder.

(j) Any 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 13. 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 under 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 2009 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 14. CUSIP Numbers. Whenever providing information to the Dissemination Agent, including but not limited to Annual Filing, documents incorporated by reference to the Annual Filing, Audited Financial Statements, Notice Event Filings, and Voluntary Reports filed pursuant to Section 8(a) hereof, the Authority shall indicate the full name of the Series 2009 Bonds and the 9-digit CUSIP numbers for the Series 2009 Bonds as to which the provided information relates.

**SIGNATURE PAGE TO
CONTINUING DISCLOSURE AGREEMENT**

IN WITNESS WHEREOF, the Authority and the Dissemination Agent have each caused their duly authorized officers to execute this Continuing Disclosure Agreement to be effective as of the day and year so specified hereinabove.

**GREATER ORLANDO AVIATION
AUTHORITY**

By: _____
Jeffry B. Fuqua, Chairman

**SIGNATURE PAGE TO
CONTINUING DISCLOSURE AGREEMENT**

IN WITNESS WHEREOF, the Authority and the Dissemination Agent have each caused their duly authorized officers to execute this Continuing Disclosure Agreement to be effective as of the day and year so specified hereinabove.

**DIGITAL ASSURANCE
CERTIFICATION, L.L.C.,**
as Dissemination Agent

By: _____
Name: _____
Title: _____

EXHIBIT A

[REPOSITORIES]

Bloomberg Municipal Repository

100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
Fax: (609) 279-5692
<http://www.bloomberg.com/markets/rates/municontacts/html>
Email: Munis@Bloomberg.com

DPC Data Inc.

One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
<http://www.dpcdata.com>
Email: nrmsir@dpcdata.com

FT Interactive Data

100 William Street, 15th Floor
New York, NY 10038
Attn: NRMSIR
Phone: (212) 771-6999; 800-689-8466
Fax: (212) 771-7390
<http://www.ftid.com>
Email: NRMSIR@interactivedata.com

Standard & Poor's Securities Evaluation, Inc.

55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
Fax: (212) 438-3975
www.jjkenny.com/jjkenny/pser_descrip_data_rep.html
Email: nrmsir_repository@sandp.com

EXHIBIT B

Municipal Securities Rulemaking Board

Municipal Securities Rulemaking Board
1640 King Street
Suite 300
Alexandria, Virginia 22314-2719
Phone: (202) 223-9503
Fax: (202) 872-0347/(703) 683-1930

EXHIBIT C

NOTICE TO NATIONAL REPOSITORIES **[OR**MSRB**]**
AND STATE REPOSITORY OF THE OCCURRENCE OF
[INSERT THE NOTICE EVENT]**

Relating to

**Greater Orlando Aviation Authority
\$ _____**

**Airport Facilities Refunding Revenue Bonds
Series 2009A (AMT)
of the City of Orlando, Florida**

and

Airport Facilities Refunding Revenue Bonds

Series 2009B (Taxable)

of the City of Orlando, Florida

**Originally Issued on [_____]
[**CUSIP NUMBERS**]**

Notice is hereby given by the Greater Orlando Aviation Authority (the “Authority”), as obligated person with respect to the above-referenced 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**]**, if material, as and when such information becomes available to the Authority. **[**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**].

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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: _____

EXHIBIT D

MATERIAL EVENT NOTICE COVER SHEET

This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board or to all Nationally Recognized Municipal Securities Information Repositories, and the State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Authority's and/or Other Obligated Person's Name: _____

Authority's Six-Digit CUSIP Number: _____ or Nine-Digit CUSIP Number(s) of the certificates to which this material event notice relates:

Number of pages of attached material event notice: _____

Description of Material Events Notice (Check One):

1. ☐ Principal and interest payment delinquencies
2. ☐ Non-payment related defaults
3. ☐ Unscheduled draws on debt service reserves reflecting financial difficulties
4. ☐ Unscheduled draws on credit enhancements reflecting financial difficulties
5. ☐ Substitution of credit or liquidity providers, or their failure to perform
6. ☐ Adverse tax opinions or events affecting the tax-exempt status of the Series 2009A Bonds
7. ☐ Modifications to rights of Bondholders
8. ☐ Unscheduled Bond calls
9. ☐ Defeasances
10. ☐ Release, substitution, or sale of property securing repayment of the Series 2009A Bonds
11. ☐ Rating changes
12. ☐ Failure to provide annual financial information as required
13. ☐ Other material event notice (specify) _____

I hereby represent that I am authorized by the Authority or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Employer: Digital Assurance Certification, L.L.C.

Address: _____

City, State, Zip Code: _____

Voice Telephone Number: _____

Please print the material event notice attached to this cover sheet in 10-point type or larger, The cover sheet and notice may be faxed to the MSRB at (703) 683-1930 or sent to CDINet, Municipal Securities Rulemaking Board, 1900 Duke Street, Suite 600, Alexandria, VA 22314. Contact the MSRB at (703) 797-6600 with questions regarding this form or the dissemination of this notice