

*In the opinion of Co-Bond Counsel, under existing statutes, regulations, rulings and court decisions, assuming continuing compliance with certain tax covenants and the accuracy of certain representations of the Authority (as defined below), interest on the 2008A Bonds (as defined below) will be excludable from gross income for federal income tax purposes, except interest on a 2008A Bond for any period during which that 2008A Bond is held by a "substantial user" or a "related person" as those terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended. Interest on the 2008A Bonds will be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the 2008A Bonds. Interest on the 2008B Bonds (as defined below) will not be excludable from gross income for federal income tax purposes. Co-Bond Counsel is further of the opinion that the 2008 Bonds and the interest thereon will not be subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, *Florida Statutes*, on interest, income or profits on debt obligations owned by corporations, as defined in Chapter 220. For a more complete discussion of certain tax aspects relating to the 2008 Bonds, see "TAX MATTERS" herein.*

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: See "RATINGS" herein

GREATER ORLANDO AVIATION AUTHORITY

\$248,070,000
Airport Facilities Refunding Revenue Bonds,
Series 2008A (AMT)
of the City of Orlando, Florida



\$26,110,000
Airport Facilities Refunding Revenue Bonds,
Series 2008B (Taxable)
of the City of Orlando, Florida

Dated: Date of Delivery

Due: As shown on inside cover

The \$248,070,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2008A (AMT) of the City of Orlando, Florida (the "2008A Bonds") and the \$26,110,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2008B (Taxable) of the City of Orlando, Florida (the "2008B Bonds" and together with the 2008A Bonds the "2008 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, adopted by the Authority on June 13, 1978, 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 March 19, 2008 (the "2008 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 2008A 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 or a portion of the Greater Orlando Aviation Authority Airport Facilities Variable Rate Subordinated Revenue Refunding Bonds, 1998 Series A, B, C and D of the City of Orlando, Florida (the "Refunded Bonds") and (b) pay certain costs of issuance of the 2008A Bonds, including, but not limited to, a portion of the cost of a municipal bond insurance policy.

The 2008B Bonds are being issued for the purpose of providing funds sufficient, 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 2008B Bonds, including, but not limited to, a portion of the cost of a municipal bond insurance policy.

See "THE 2008 REFUNDING PROGRAM" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The 2008 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 2008 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 2008 Bonds will accrue from their dated date and will be payable on April 1 and October 1 of each year commencing on October 1, 2008. Purchasers of beneficial interests in the 2008 Bonds will not receive physical delivery of certificates. Transfers of beneficial interests in the 2008 Bonds will be effected through the DTC book-entry system as described herein. The 2008 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 2008 Bonds will be payable by The Bank of New York Trust Company, N.A., as paying agent in Jacksonville, Florida for the 2008 Bonds to Cede & Co., as nominee of DTC. See "BOOK-ENTRY ONLY SYSTEM" herein.

The 2008 Bonds are not subject to redemption prior to maturity.

The scheduled payment of principal of and interest on the 2008 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by FINANCIAL SECURITY ASSURANCE INC. For a description of the terms and provisions of such policy, including the limitations thereof, see "MUNICIPAL BOND INSURANCE" herein.



The 2008 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 2008 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 2008 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 2008 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 2008 BONDS, OR THE INTEREST OR PREMIUM, IF ANY, THEREON. THE AUTHORITY HAS NO TAXING POWER. THE PRINCIPAL OF AND INTEREST ON THE 2008 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 2008 Bonds. Investors should read this entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2008 Bonds are offered when, as and if issued, and subject to the approval of legality by Greenberg Traurig, P.A., Orlando, Florida, and Ruye H. Hawkins, P.A., Orlando, Florida, Co-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 Ometrias D. Long and Associates, P.A., Winter Park, Florida have served as Co-Disclosure Counsel. Certain legal matters in connection with the 2008 Bonds will be passed upon for the Underwriters by Robert P. Saltsman, P.A., Winter Park, Florida, counsel to the Underwriters. Merrill Lynch & Co. Inc., Orlando, Florida and National Minority Consultants, Inc., Winter Park, Florida are Co-Financial Advisors to the Authority. It is expected that the 2008 Bonds in definitive form will be ready for delivery in New York, New York on or about March 31, 2008.



UBS Investment Bank

Bear, Stearns & Co. Inc.
Citi
First Southwest Company
M. R. Beal & Company

Raymond James
Estrada Hinojosa & Company, Inc. DEPFA First Albany Securities LLC
Gardnry Michael Capital
RBC Capital Markets
Loop Capital Markets, LLC
SunTrust Robinson Humphrey

Dated: March 27, 2008

GREATER ORLANDO AVIATION AUTHORITY

\$248,070,000

**Airport Facilities Refunding Revenue Bonds,
Series 2008A (AMT)
of the City of Orlando, Florida**

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

<u>Maturity</u> <u>October 1,</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Number¹</u>
2009	\$ 8,930,000	5.000%	3.000%	392274VY9
2010	27,725,000	5.000	3.550	392274VZ6
2011	29,525,000	5.000	3.800	392274WA0
2012	29,680,000	5.250	4.120	392274WB8
2013	16,720,000	5.250	4.270	392274WC6
2014	27,950,000	5.250	4.450	392274WD4
2015	29,880,000	5.250	4.600	392274WE2
2016	20,430,000	5.250	4.760	392274WF9
2017	30,915,000	5.250	4.900	392274WG7
2018	26,315,000	5.250	5.000	392274WH5

GREATER ORLANDO AVIATION AUTHORITY

\$26,110,000

**Airport Facilities Refunding Revenue Bonds,
Series 2008B (Taxable)
of the City of Orlando, Florida**

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

<u>Maturity</u> <u>October 1,</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Number¹</u>
2008	\$ 8,655,000	2.810%	2.810%	392274WJ1
2009	17,455,000	3.020	3.020	392274WK8

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>
Jeffry Fuqua	Chairman
Jacqueline Bradley	Vice-Chairperson
Jose A. Rey	Treasurer
The Honorable Buddy Dyer	Mayor, City of Orlando
The Honorable Richard T. Crotty	Mayor, Orange County
Robert W. Theisen, Jr.	Member
The Honorable Jeanne Van Meter	Member

City Council Commissioners

Buddy Dyer, Mayor	Phil Diamond
Daisy W. Lynam	Betty T. Wyman*
Patty Sheehan	Robert F. Stuart
	Samuel B. Ings

Authority Management

<u>Name</u>	<u>Position</u>
G. Steve Gardner	Executive Director
Robert L. Gilbert	Deputy Executive Director-Facilities
C. Christian Schmidt	Deputy Executive Director -Properties and Economic Development
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

Co-Bond Counsel

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Orlando, Florida

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

Co-Disclosure Counsel

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Orlando, Florida

OMETRIAS D. LONG AND ASSOCIATES, P.A.
Winter Park, Florida

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Orlando, Florida

NATIONAL MINORITY CONSULTANTS, INC
Winter Park, Florida

Airport Consultant

RICONDO & ASSOCIATES, INC.
Cincinnati, Ohio

Independent Auditors

ERNST & YOUNG LLP
Orlando, Florida

* Tony Ortiz will succeed Betty T. Wyman as of May 1, 2008.

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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 2008 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 2008 BONDS AND THERE SHALL BE NO SALE OF THE 2008 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.

OTHER THAN WITH RESPECT TO INFORMATION CONCERNING FINANCIAL SECURITY ASSURANCE INC. ("FINANCIAL SECURITY") CONTAINED UNDER THE CAPTION "BOND INSURANCE" AND EXHIBIT "G" SPECIMEN "MUNICIPAL BOND INSURANCE POLICY" HEREIN, NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY FINANCIAL SECURITY AND FINANCIAL SECURITY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO (I) THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION; (II) THE VALIDITY OF THE 2008 BONDS; OR (III) THE TAX EXEMPT STATUS OF THE INTEREST ON THE 2008 BONDS.

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 2008 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.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL AS OF ITS DATE BY THE AUTHORITY FOR PURPOSES OF RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15C2-12.

IN CONNECTION WITH THE OFFERING OF THE 2008 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2008 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 2008 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC

OFFERING PRICE STATED ON THE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THE 2008 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 2008 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE 2008 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 2008 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT
relating to
GREATER ORLANDO AVIATION AUTHORITY

GREATER ORLANDO AVIATION AUTHORITY	
\$248,070,000	\$26,110,000
Airport Facilities Refunding Revenue Bonds, Series 2008A (AMT) of the City of Orlando, Florida	Airport Facilities Refunding Revenue Bonds, Series 2008B (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 \$248,070,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2008A (AMT) of the City of Orlando, Florida (the "2008A Bonds") and the \$26,110,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2008B (Taxable) of the City of Orlando, Florida (the "2008B Bonds" and together with the 2008A Bonds the "2008 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 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), \$746,985,000 aggregate principal amount of which were outstanding as of March 1, 2008, (the "Outstanding Airport Facilities Revenue Bonds"). The 2008 Bonds are being issued as Refunding Bonds 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 2008 Bonds. See "SECURITY FOR THE 2008 BONDS – Additional Bonds – Refunding Bonds" herein. The Outstanding Airport Facilities Revenue Bonds, the 2008 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.

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 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 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. Authority management serves at the pleasure of the Executive Director.

AUTHORIZATION AND PURPOSE OF THE 2008 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 2008 Bonds are being authorized and issued under and pursuant to the Act and the Airport Facilities Revenue Bond Resolution, adopted by the Authority on June 13, 1978, 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 March 19, 2008 (the "2008 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 2008 BONDS" herein and in "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION" attached hereto as APPENDIX A.

The 2008A 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 or a portion of the Greater Orlando Aviation Authority Airport Facilities Variable Rate Subordinated Revenue Refunding Bonds, 1998 Series A, B, C and D of the City of Orlando, Florida (the "Refunded Bonds") and (b) pay certain costs of issuance of the 2008A Bonds, including, but not limited to, a portion of the cost of a municipal bond insurance policy.

The 2008B 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 2008B Bonds, including, but not limited to, a portion of the cost of a municipal bond insurance policy.

THE 2008 REFUNDING PROGRAM

The Refunded Bonds will be called for redemption on April 1 and April 3, 2008 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 2008A Bonds, together with other available funds of the Authority, will be deposited with the Trustee in an account held under and pursuant to the Subordinated Indenture. The proceeds of the 2008A 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 2008A Bonds held by the Trustee 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 2008A Bonds.

Upon deposit with the Trustee of a portion of the proceeds of the Series 2008A Bonds, together with other available funds of the Authority, and giving of certain notice and instructions, and satisfaction of certain conditions set forth in the Master Indenture, then and in that case, the right, title and interest of the Trustee under the Master Indenture and the pledge of and lien on the Pledged Revenues relating to the Refunded Bonds, and all other pledges and liens created by the Master Indenture relating to the Refunded Bonds shall thereupon cease, determine and become void.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the 2008 Bonds are expected to be applied as follows:

Sources:	<u>2008A</u>	<u>2008B</u>
Par Amount of 2008 Bonds	\$248,070,000.00	\$26,110,000.00
Net Original Issue Premium	9,033,867.25	0.00
Release of the Refunded Bonds' Reserve Fund.....	<u>30,000,000.00</u>	<u>0.00</u>
Total Sources	<u>\$287,103,867.25</u>	<u>\$26,110,000.00</u>

Uses:		
Redemption of Refunded Bonds	\$282,325,000.00	\$0.00
Swap Termination Payment	0.00	25,723,985.00
Costs of Issuance ⁽²⁾	<u>4,778,867.25</u>	<u>386,015.00</u>
Total Uses	<u>\$287,103,867.25</u>	<u>\$26,110,000.00</u>

⁽¹⁾ Includes, but is not limited to, a portion of the premium for the hereinafter described Municipal Bond Insurance Policy and the Underwriters' Discount.

DESCRIPTION OF THE 2008 BONDS

General

The 2008 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 2008 Bonds will be paid by The Bank of New York Trust Company, N.A., as registrar, paying agent and trustee for the 2008 Bonds (the "Trustee") in Orlando, Florida on April 1 and October 1 of each year commencing on October 1, 2008, 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 are 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 2008 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 and interest on the 2008 Bonds will be payable at the 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 2008 Bonds may arrange for the payment of principal and interest with respect to the 2008 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 2008 Bonds are being issued as Refunding Bonds solely in the form of fully registered bonds in the principal amount of \$5,000 and any integral multiple thereof. See "SECURITY FOR THE 2008 BONDS— Refunding Bonds" herein. For every exchange or

transfer of the 2008 Bonds, the Authority, the City and the Trustee, as Bond Registrar, may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required (other than by the City or the Authority) to be paid with respect to the registration of such transfer and may require that such amount be paid before any such new 2008 Bonds is delivered. Neither the Authority nor the Trustee is required to exchange or transfer any 2008 Bond for a period of 20 days next preceding any selection of a 2008 Bond to be redeemed and thereafter until after the first publication or mailing of an notice of redemption, and, in addition, for a period of 20 days next preceding an interest payment date with respect to the 2008 Bonds.

The City, the Authority, the Bond Registrar and the Paying Agent may deem and treat the registered owner of any 2008 Bond as the absolute owner of such 2008 Bond for the purpose of receiving payment of the principal thereof and the interest thereon. Subject to the provisions of the Bond Resolution, a 2008 Bond may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of 2008 Bonds of other authorized denominations of the same series and maturity.

Redemption

The 2008 Bonds are not subject to optional or mandatory redemption prior to maturity.

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 2008 Bonds. The 2008 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2008 Bond certificate will be issued for each maturity of the 2008 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 2008 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2008 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2008 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 2008 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2008 Bonds, except in the event that use of the book-entry system for the 2008 Bonds is discontinued.

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

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

In either of the situations described in the two immediately preceding paragraphs, definitive replacement 2008 Bonds shall be issued only upon surrender to the Bond Registrar of the 2008 Bonds of each maturity of each series by DTC, accompanied by registration instructions for the definitive replacement 2008 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 2008 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.

SECURITY FOR THE 2008 BONDS

Brief descriptions of the source of payment of the 2008 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 2008 Bonds are being issued as Refunding Bonds pursuant to the Bond Resolution. As such, the 2008 Bonds 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 2008 Bonds.

THE 2008 BONDS ARE LIMITED OBLIGATIONS PAYABLE SOLELY FROM THE REVENUES 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 2008 BONDS, OR THE INTEREST OR PREMIUM, IF ANY, THEREON. THE AUTHORITY HAS NO TAXING POWER. THE PRINCIPAL OF AND INTEREST ON THE 2008 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 2008 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 all funds, and investment earnings thereon, held pursuant to the Bond Resolution, including amounts on deposit in the Debt Service Reserve Account, until applied for the purposes permitted in the Bond Resolution. The Bond Resolution requires an amount equal to the Debt Service Reserve Requirement to be maintained in the Debt Service Reserve Account. The amount on deposit in the various subaccounts of the Debt Service Reserve Account after issuance of the 2008 Bonds will equal the Debt Service Reserve Requirement.

Under the Bond resolution, the term "Revenues" includes 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 as approved by the FAA.

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, 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 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 may be adjusted by Authority at any time if not prohibited under the terms of the Lease and Use Agreements.

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

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. The Bond Resolution also permits adjustments by the Authority without Majority-In-Interest approval absent anything to the contrary in any Lease and Use Agreement.

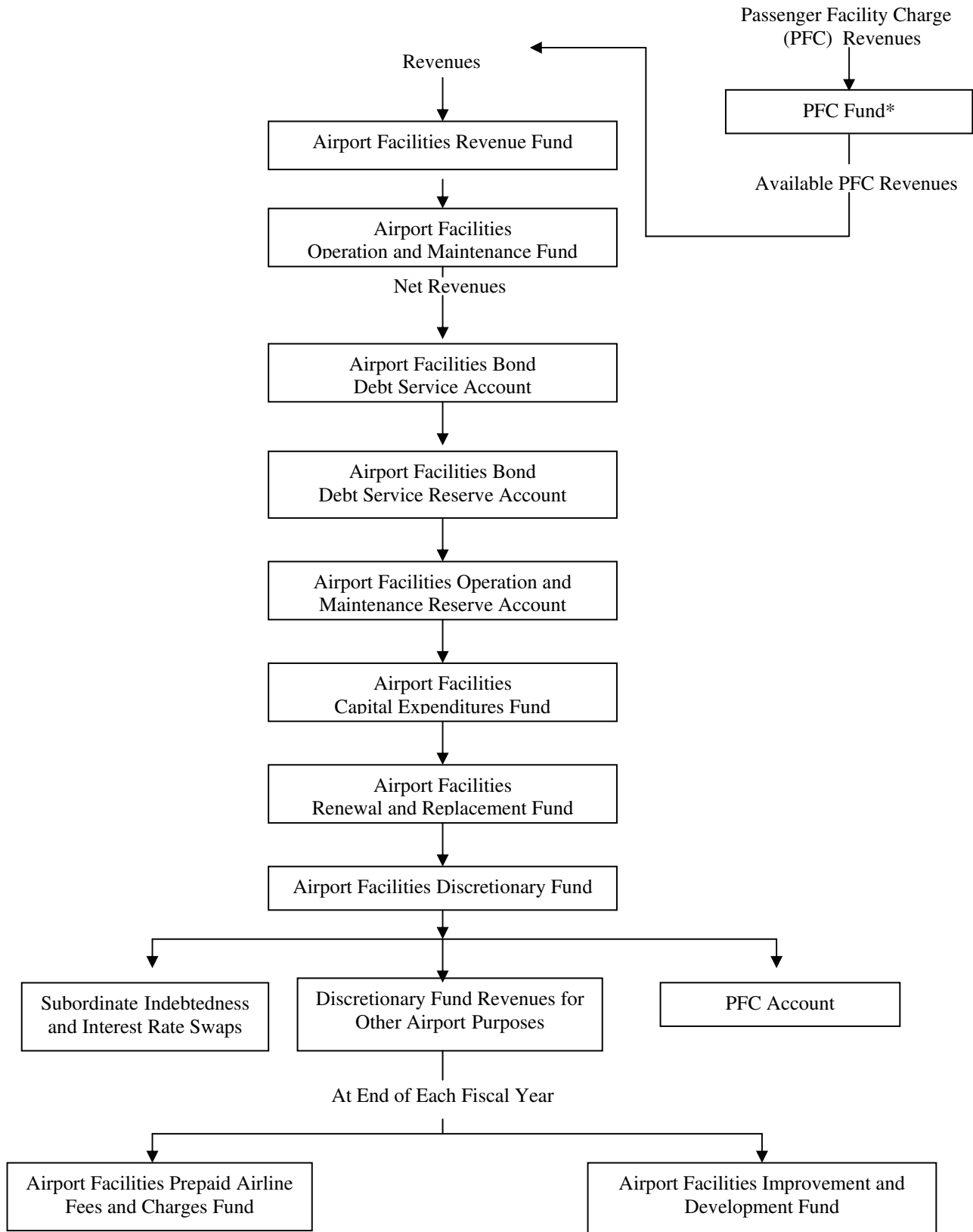
the beneficiary thereof. In no event shall the use of such Reserve Product be permitted if it would cause any existing rating on the Bonds or any Series thereof to be lowered, suspended or withdrawn. If a disbursement is made from a Reserve Product as provided above, the Authority shall be obligated 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. The deposit required to be made into the Prepaid Airline Fees and Charges Fund may be modified or eliminated commencing with the fiscal year that begins on October 1, 2008 as a result of negotiations of the Lease and Use Agreements with the Signatory Airlines as described below.

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 2008 BONDS – Revenues" herein for a description of the types of income and revenues of the Authority included in the definition of "Revenues."

APPLICATION 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 as approved by 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. 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. 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, pursuant to the Bond Resolution.

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

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 2008 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 2008 Bonds or any Outstanding Bonds.

Bond Insurance

The scheduled payment of principal of and interest on the Insured Bonds when due will be guaranteed under an insurance policy to be issued upon the delivery of the 2008 Bonds by Financial Security Assurance Inc. ("Financial Security" or the "Insurer"). For a description of the terms and provisions of such policy, including the limitations thereof, see "MUNICIPAL BOND INSURANCE" herein.

Subject to certain limitations set forth in the 2008 Supplemental Resolution, the Insurer will be deemed to be the Bondholder of the 2008 Bonds insured by the Insurer for purposes of the provisions of the Bond Resolution relating to events of default and the exercise of remedies, the removal and appointment of fiduciaries and certain amendments to the Bond Resolution, except that the Insurer shall not be deemed to be the Bondholder of the 2008 Bonds insured by the Insurer for purposes of consenting to amendments with respect to changes in the maturity, principal amount, interest rate or payment dates with respect to the 2008 Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION" attached hereto as APPENDIX A.

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 Subordinated Bonds, Other Parity Indebtedness and other Subordinated Indebtedness). Amounts in the Prepaid Airline Fees and Charges Fund at the end of each Fiscal Year are required to be deposited into the Revenue Fund under the Bond Resolution in equal amounts in each of the first three months of the following Fiscal Year.

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.

The 2008 Bonds are not Additional Bonds.

Refunding Bonds

The Bond Resolution provides that Refunding Bonds may be issued to refund Subordinated Indebtedness upon satisfaction of the following conditions, among others:

- (a) Receipt by the Trustee of a certificate of an Authorized Officer of the Authority, in general stating that the conditions and tests applicable to the issuance of Additional Bonds have been satisfied; 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 Subordinated Indebtedness.

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

The 2008 Bonds are being issued as Refunding Bonds under the Bond Resolution.

MUNICIPAL BOND INSURANCE

The following information has been furnished by the Insurer for use in this Official Statement and neither the Authority nor the Underwriters makes any representation or warranty or takes any responsibility for the accuracy or completeness of such information. Reference is made to APPENDIX G attached hereto for a specimen of the Insurer's municipal bond insurance policy.

Bond Insurance Policy

Concurrently with the issuance of the 2008 Bonds, Financial Security Assurance Inc. ("Financial Security") will issue its Municipal Bond Insurance Policy for the 2008 Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the 2008 Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Financial Security Assurance Inc.

Financial Security is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Financial Security Assurance Holdings Ltd. ("Holdings"). Holdings is an indirect subsidiary of Dexia, S.A., a publicly held Belgian corporation, and of Dexia Credit Local, a direct wholly-owned subsidiary of Dexia, S.A. Dexia, S.A., through its bank subsidiaries, is primarily engaged in the business of public finance, banking and asset management in France, Belgium and other European countries. No shareholder of Holdings or Financial Security is liable for the obligations of Financial Security.

At December 31, 2007, Financial Security's consolidated policyholders' surplus and contingency reserves were approximately \$2,703,119,716 and its total net unearned premium reserve was approximately \$2,274,576,959 in accordance with statutory accounting principles. At December 31, 2007, Financial Security's consolidated shareholder's equity was approximately \$2,962,301,379 and its total net unearned premium reserve was approximately \$1,796,984,819 in accordance with generally accepted accounting principles.

The consolidated financial statements of Financial Security included in, or as exhibits to, the annual and quarterly reports filed after December 31, 2007 by Holdings with the Securities and Exchange Commission are hereby incorporated by reference into this Official Statement. All financial statements of Financial Security included in, or as exhibits to, documents filed by Holdings pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this Official Statement and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement. Copies of materials incorporated by reference will be provided upon request to Financial Security Assurance Inc.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

The Policy does not protect investors against changes in market value of the 2008 Bonds, which market value may be impaired as a result of changes in prevailing interest rates, changes in applicable ratings or other causes. Financial Security makes no representation regarding the 2008 Bonds or the advisability of investing in the 2008 Bonds. Financial Security makes no representation regarding the Official Statement, nor has it participated in the preparation thereof, except that Financial Security has provided to the Issuer the information presented under this caption for inclusion in the Official Statement.

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 the Subordinated Bonds 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.

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Outstanding Subordinated Indebtedness as of December 31, 2007¹

Type of Subordinated Indebtedness ¹	Date Originated	Original Principal Amount	Current Outstanding Principal
Series 1997 Secondary Subordinated Indebtedness	December 1997	\$90,055,000	\$90,055,000
Commercial Paper Program	October 26, 1994 ²	\$400,000,000	\$78,680,000
Gulf Breeze Loans	June 1998	\$33,990,000	\$19,980,000
Refunded Bonds*	August 1998	\$380,725,000	\$282,325,000
2002A Taxable Subordinated Bonds	June 28, 2002	\$30,015,000	\$17,290,000

1. Excludes swaps which are described in the following table.

2. The Commercial Paper Program currently in effect by the Fourth Supplement to Indenture of Trust dated November 1, 2006.

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 December 31, 2007³

Associated Debt Issue	Notional Amount July 1, 2007	Effective Date	Authority Pays	Authority Receives	Swap Expiration
1997 Secondary Subordinated Indebtedness	\$90,055,000	January 1, 2003	4.45%	SIFMA ⁴	October 1, 2027
Refunded Bonds*	\$282,325,000	September 1, 1998	4.389%	SIFMA ^{4,5} / 70% of LIBOR ⁵	October 1, 2018
Series 2002A Taxable Subordinated Bonds	\$16,890,000	August 8, 1999	140% of SIFMA ⁴	6.51%	October 1, 2008
Series 2002E Bonds	\$128,745,000	October 1, 2002	4.31%	SIFMA ⁴	October 1, 2021

3. 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, 2006 And 2007 attached hereto as APPENDIX C.

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

5. The Authority receives 70% of London InterBank Offer Rate ("LIBOR") on a notional amount of \$211,743,750 and SIFMA on a notional amount of \$70,581,250.

* The Refunded Bonds will be refunded and redeemed and the related interest rate swap agreement will be terminated upon the issuance of the 2008 Bonds.

Source: The Greater Orlando Aviation Authority.

THE AIRPORT SYSTEM

General

The Airport is located in central Florida, nine miles southeast of downtown Orlando in Orange County, Florida. The Airport occupies approximately 13,500 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. Inclusion of the Orlando Executive Airport within the definition of the Airport System will also require the consent of a Majority-In-Interest of the Signatory Airlines during the period that the Lease and Use Agreements are in effect.

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 600 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.

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 of Properties and Economic Development for Authority. He is responsible for the day-to-day activity and management of commercial properties, marketing and public 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 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 \$365 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 parking positions 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 gate positions. The combined capacity of the Federal Inspection Services facilities is approximately 2,600 passengers per hour.

Of the 96 aircraft parking positions, 13 are Authority "common-use" gates used for charter airline activity, new airlines serving the Airport and for expansion by airlines already serving the Airport, 9 of which are currently leased to air carriers. There are currently 18 unassigned gates as a result of various airline bankruptcies. Of the 18 unassigned gates, 16 were returned due to Delta Airlines' bankruptcy and subsequent rejection of their signatory agreement in January, 2006. Since April, 2006 eight (8) unassigned gates have been leased to signatory carriers.

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 and Expiration of the Lease and Use Agreements" herein.

The following table sets forth the distribution of aircraft parking positions among the airlines at the Airport as of December 31, 2007:

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**Number of Aircraft
Airline Parking Positions**

Air Canada	1
AirTran Airways	7
American Airlines	8
Brendan Airways	1
British Airways	1
Continental Airlines	6
Delta Air Lines	8
jetBlue Airways	6
Midwest Airlines	1
Northwest Airlines	6
Southwest Airlines	14
Spirit Airlines	2
United Airlines	7
US Airways	4
Virgin Atlantic	1
Westjet	1
Authority	4
Unassigned Gates	18
Total	<u>96</u>

Source: The Greater Orlando Aviation Authority.

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Enplaned Passengers at the Airport

The following table sets forth the historical number of enplaned passengers at the Airport for Fiscal Years 1998 to 2007 and for the three-month periods ended December 31, 2005, 2006 and 2007, as well as the annual percentage change in enplaned passengers during such periods.

Historical Enplaned Passengers Fiscal Years 1998 through 2007 and the Three-Month Periods ended December 31, 2005, 2006 and 2007

<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	16,264,085	1,052,788	17,316,873	2.9
2007	16,747,601	1,084,217	17,831,818	3.0

Three-Month Periods Ended December 31

<u>Year</u>	<u>Domestic Passengers</u>	<u>International Passengers</u>	<u>Total Enplaned Passengers</u>	<u>Percent Change from Previous Year</u>
2005	3,876,492	258,255	4,134,747	4.3
2006	3,846,641	239,871	4,086,512	(1.2)
2007	4,134,898	297,269	4,432,167	8.5

Source: The Greater Orlando Aviation Authority.

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Airlines Serving Orlando International Airport

As of December 31, 2007, the following airlines served the Airport:

U.S. Passenger Airlines

Signatory

AirTran Airways
American Airlines
Brendan Airways
Continental Airlines
Delta Air Lines
Delta Connection/Comair
jetBlue Airways
Midwest Airlines
Northwest Airlines
Southwest Airlines
Spirit Airlines
United Airlines
US Airways

Nonsignatory

ATA Airlines
Alaska Airlines
American West Airlines
Atlantic Southeast Airlines
Frontier Airlines
Sun Country Airlines

Regional/Commuter

Continental Connection/Gulfstream
Delta Connection/Chautauqua
Delta Connection/Freedom Airlines
Delta Connection/Shuttle America
US Airways Express/Air Wisconsin
Executive Airlines
PSA Airlines
Republic Airlines

Foreign-Flag Passenger Airlines

Signatory

Air Canada
British Airways
Virgin Atlantic
WestJet

Nonsignatory

Scheduled Service

Aeromexico
Aer Lingus
Air Jamaica
Air Transat
Bahamasair
CanJet Airlines
Cayman Airways
Condor
COPA Airlines
LTU International Airways
Lufthansa
Martinair
Mexicana
SkyService Airlines
Sunwing Airlines

Nonsignatory Charter

Domestic

Champion Air
Miami Air International
Pace Airlines
Ryan International
Sky King
Xtra Airways

Foreign

Aladia Airlines
Mexicana
Omni Air International
TACA International
Zoom Airlines

Airlines Providing Cargo Service

Air Transport International
ABX Air
ASTAR
Capital Cargo International Airlines
DHL
FedEx
Kalitta Air
Kalitta Charters
Mountain Air Cargo
United Parcel Service

Source: The Greater Orlando Aviation Authority.

Airline Market Shares

A diverse group of airlines provide passenger service at the Airport including, in Fiscal Year 2007, 33 U.S. airlines and 23 foreign-flag airlines. Passenger traffic at the Airport is fairly evenly distributed among several airlines with no one carrier dominating passenger traffic. As of December 31, 2007, the largest market shares were held by (a) Southwest Airlines (21.0 percent), (b) Delta Air Lines (10.8 percent), and AirTran Airways (10.5). 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 91.8 percent of total passengers at the Airport in Fiscal Year 2007. The following table sets forth comparative passenger market share information for air carriers serving the Airport during Fiscal Years 2002 through 2007 and for the three-month periods ended December 31, 2005, 2006 and 2007.

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**Historical Airline Market Shares
Orlando International Airport
Percentage of Total Passengers
Fiscal Years 2002-2007 and the Three-Month Periods ended December 31, 2005, 2006 and 2007**

	<u>Fiscal Year Ended September 30</u>						<u>Three-Months Ended December 31</u>		
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Signatory Airlines									
Southwest Airlines	14.6%	14.98%	14.69%	16.52%	18.91%	20.70%	18.05%	20.01%	21.00%
Delta Air Lines ⁽¹⁾	20.85	18.8	17.78	16.01	9.31	11.70	14.03	12.38	10.81
AirTran Airways	3.66	5.25	5.7	6.16	7.89	9.70	7.21	8.47	10.50
American Airlines	10.49	11.16	10.49	10.14	10.31	9.50	10.12	10.17	9.44
jetBlue Airways	1.97	2.67	3.65	4.37	5.94	7.40	5.50	7.10	7.95
US Airways ⁽²⁾	10.06	2.42	2.83	8.33	7.34	6.80	6.96	7.02	7.33
Continental Airlines	6.28	6.16	5.65	5.62	6.5	6.70	6.58	6.88	6.78
United Airlines ⁽³⁾	5.91	6.02	6.06	6.28	6.14	6.00	5.79	5.88	5.15
Northwest Airlines	5.85	5.35	5.66	5.59	5.4	5.20	5.66	5.88	4.85
Spirit Airlines	2.45	3.06	2.91	2.91	2.64	2.80	2.39	2.10	3.20
Virgin Atlantic	2.5	2.43	2.56	2.33	2.13	2.30	2.41	2.38	2.63
Midwest Airlines ⁽⁴⁾	—	—	—	—	0.41	1.00	0.65	0.93	0.91
Air Canada ⁽⁵⁾	—	—	—	—	0.04	0.90	—	0.81	0.82
British Airways	0.88	0.82	0.7	0.56	0.5	0.50	0.53	0.52	0.49
WestJet ⁽⁶⁾	—	—	—	—	—	0.50	—	0.53	0.63
Brendan Airways ⁽⁷⁾	—	—	—	0.05	0.19	0.10	0.32	0.06	0.06
Independence Air ⁽⁸⁾	—	—	—	1.03	0.19	—	0.33	—	—
American Trans Air ⁽⁹⁾	3.54	3.35	3.44	1.15	—	—	—	—	—
Sun Country	0.07	—	—	—	—	—	—	—	—
Subtotal Signatory Airlines	<u>89.11</u>	<u>82.47</u>	<u>82.12</u>	<u>87.05</u>	<u>83.84</u>	<u>91.80</u>	<u>86.20</u>	<u>91.12</u>	<u>92.55</u>
Nonsignatory Airlines	<u>7.43</u>	<u>8.93</u>	<u>9.04</u>	<u>3.98</u>	<u>9.8</u>	<u>2.70</u>	<u>4.55</u>	<u>5.51</u>	<u>2.09</u>
Foreign Flag Airlines	<u>0.03</u>	<u>3.17</u>	<u>3.33</u>	<u>3.13</u>	<u>3.02</u>	<u>1.40</u>	<u>2.77</u>	<u>1.50</u>	<u>2.00</u>
Commuter Airlines									
Comair (Delta Connection) ⁽¹⁰⁾	2.63	2.38	1.3	1.14	0.7	0.40	1.13	0.32	0.09
Other	<u>0.81</u>	<u>3.05</u>	<u>4.22</u>	<u>4.7</u>	<u>2.65</u>	<u>3.70</u>	<u>5.02</u>	<u>1.55</u>	<u>3.27</u>
Subtotal-Commuter	<u>3.43</u>	<u>5.43</u>	<u>5.51</u>	<u>5.84</u>	<u>3.34</u>	<u>4.10</u>	<u>6.15</u>	<u>1.87</u>	<u>3.36</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>	<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) Midwest Airlines became a Signatory Airline on April 1, 2006.

(5) Air Canada became a Signatory Airline on September 1, 2006.

(6) WestJet became a Signatory Airline on November 1, 2006.

(7) Brendan Airways became a Signatory Airline on September 1, 2005.

(8) Independence Air became a Signatory Airline on October 1, 2004. Independence Air filed for bankruptcy on November 6, 2005 and ceased operations on January 5, 2006.

(9) American Trans Air filed for bankruptcy and rejected their Lease and Use Agreement with the Authority on October 26, 2004. They ceased operations in May, 2005.

(10) Comair is also a Signatory Airline.

Source: The Greater Orlando Aviation Authority.

International Airline Traffic

The Airport is linked by scheduled passenger air service to international destinations in four geographical regions in the world. As of December 31, 2007, a total of 16 air carriers operated non-stop passenger flights to 16 airports in the Bahamas, Canada, Caribbean, Central America, United Kingdom and Europe. The Airport experienced its fifth consecutive year of increase in scheduled international flights during the fiscal year ended September 30, 2007.

At Orlando International Airport international service continues to improve. Efforts continue to attract additional international air service to support the growing Central Florida economy, which resulted most notably in 2007 with Aer Lingus and Lufthansa starting international service to Dublin and Frankfurt, and Copa more than doubling its capacity to Panama City and beyond into South America. Additions already scheduled for 2008 include Cancun and Santo Domingo, and an increase to year-round daily service to Montego Bay, Jamaica. All of these are predominantly outbound markets, which is in contrast to the traditional view of Orlando as an inbound market. The other notable change in the predominantly foreign-flag dominated international market at Orlando is the expansion of U.S.-flag carrier international service which by March will include service to Cancun, Freeport, Mexico City, Nassau and Santo Domingo, with more additions expected. Two carriers are scheduled to terminate service in 2008, Martinair, due to consolidation in Miami by its parent company KLM, and Brendan Airways which operated 2-3 flights per week to Frankfurt, which is being replaced by Lufthansa which currently operates 6 flights per week. The number of international passenger flights at the Airport has increased by 38.3% since 2002. The Authority anticipates increases in international airline service with international enplanements forecast to outpace domestic passenger growth for the next several years.

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 some international charter 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. For the 12 months ended December 31, 2007, 29 % of international enplanements in the Orlando area occurred at the Sanford Airport compared to 32.5% in the previous year.

The table that follows presents historical data regarding international enplaned passengers at the Airport during Fiscal Years 1998 through 2007 and for the three-month periods ended December 31, 2005, 2006 and 2007.

**Orlando International Airport
International Enplaned Passengers
Fiscal Years 1998-2007
and Three-Month Periods ended December 31, 2005, 2006 and 2007**

Fiscal Year	International Enplaned Passengers Scheduled	International Enplaned Passengers Charter	International Enplaned Passengers Total	Average Annual Increase (Decrease)	Percent of Enplaned Total Passengers
1998	704,947	291,190	996,137	(6.9)	7.8%
1999	842,571	265,015	1,107,586	39.1	7.7%
2000	1,003,063	232,816	1,235,879	11.6	8.2%
2001	951,122	162,013	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	895,036	78,169	973,205	13.6	6.4%
2005	997,113	75,531	1,072,644	10.2	6.4%
2006	992,255	60,533	1,052,788	(1.9)	6.1%
2007	1,030,561	53,636	1,084,217	3.0	6.1%
<u>Three-Month Periods Ended December 31</u>					
2005	238,060	20,195	258,255	5.2	6.2%
2006	230,982	8,889	239,871	(7.1)	5.9%
2007	289,640	7,629	297,269	23.9	6.4%

Source: Authority records.

Airline Activity at the Airport

In 2007, the airport was the 4th largest domestic origin and destination market in the United States according to the United States Department of Transportation and 13th busiest in the United States and 24th in the world in terms of total passengers according to the Airports Council International-North America. The Airport was the 8th fastest growing major airport in the United States and the 20th fastest growing in the world in 2007.

Orlando has a diverse mix of legacy and low-cost carriers creating a competitive and robust 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 2007 were Southwest Airlines, AirTran Airways, and jetBlue Airways in domestic markets, and Lufthansa, Aer Lingus and Copa in international markets. Lufthansa started service from the Airport on October 30, 2007. In addition, Aer Lingus began service on October 27, 2007. The seat capacity outlook for 2008 is positive.

Commercial Property Development

The Authority has pursued and intends to continue to pursuing commercial development of the Tradeport area on the west of the Airport and the Heinzelman Corridor on the east side of Airport property. The development is in accordance with the Tradeport Master Plan and increases access and development opportunities to the East of the Airport while allowing aviation related and various non-aviation facilities to build infrastructure. Facilities include long term parking, air cargo, aircraft parking aprons, cargo handling facilities, an aircraft fuel farm, aircraft maintenance hangars and shops. The Tradeport area comprises approximately 1,350 acres in addition to the Heinzelman Corridor 440 acres.

Signature Flight Support Corporation and Galaxy Aviation of Orlando Inc. are the fixed base operators at the Airport. Both have facilities at the Tradeport for the handling of corporate aircraft. The United States Postal Service operates a 290,000 square foot regional center on approximately 27 acres of land in the Tradeport. This activity serves nine counties and employs approximately 1,440 people. The United States Department of Agriculture also leases an inspection station facility at the Tradeport. A Foreign Trade Zone which began operations in September 1979 is also located in the Tradeport under special grant from the United States 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 Cessna Citation Service Center in the Tradeport. Phase I of the Citation Service Center opened in 2003 and included a 148,000 square foot building and approximately 200,000 square foot aircraft apron. Phase II of the Citation Service Center, included an expansion of the Phase I facility and was opened in 2004. FlightSafety International, an aviation training company, completed construction of its eight-bay pilot training simulation facility at the Tradeport to support the new Cessna Citation Service Center in February 2003.

Continental Airlines operates a major maintenance facility in two hangars. Continental currently employs more than 600 mechanics whose average wage is over \$50,000 annually. These mechanics provide maintenance to Continental's fleet of 737, 747 and 777 aircraft.

jetBlue Airways operates a flight support campus 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 holds up to six Airbus A320 full-flight simulators and two Embraer E190 simulators. The airline opened a \$24 million dollar LiveTV three bay hangar for installation of airline in-seat digital entertainment systems. In addition, jetBlue Airways has plans for a \$20 million dollar lodge to accommodate crew members in the future.

AirTran Airways announced plans to fill and operate a \$4.7 million, 16,000 square-foot building next to its existing corporate headquarters to house the airline's national operations center that will monitor over 700 daily flights nationally. AirTran Airways plans to place the operations center in service around the middle of 2009. AirTran Airways will enter into a 15-year lease with the Authority for the property and add an additional 121 jobs on Authority property.

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, 2006 AND 2007" 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. As is common and ordinary in Florida for structures comparable in size and value to the Airport, the property insurance policy includes a deductible of 5 percent of the value of each building damaged for losses arising from a named windstorm. 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 \$170.3 million per occurrence resulting from a covered property loss, including covered terrorism losses. The Authority currently maintains property insurance with per occurrence limits of \$400 million for both certified and non-certified terrorism events whether caused by international or domestic persons or organizations with per occurrence limits of \$400 million. 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 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 general aviation liability insurance. The Authority's airport general aviation liability insurance for airport operations has a limit of \$300 million annually and does not exclude includes war and terrorism exposures. The Authority maintains workers compensation insurance with statutory limits and associated employers' liability insurance with and a self-insured retention of \$150,000 per occurrence.

AIRLINE REVENUES AND OTHER REVENUE SOURCES

Payments by Airlines Pursuant to Lease and Use Agreements

The Authority has entered into 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: AirTran Airways, Inc. ("AirTran"), American Airlines, Air Canada, British Airways, PLC ("British Airways"), Comair, Inc. ("Comair"), Continental Airlines, Inc. ("Continental"), Delta Air Lines, Inc. ("Delta"), jetBlue Airways, Corp. ("jetBlue"), Midwest Airlines ("Midwest"), Northwest Airlines, Inc. ("Northwest"), Southwest Airlines, Co. ("Southwest"), Spirit Airlines, Inc. ("Spirit"), United, US Airways, Brendan Airways, Virgin Atlantic Airways, Ltd. ("Virgin") and WestJet (collectively, the "Signatory Airlines"). 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) an annual charge for tenant improvements financed by the Authority, (d) an annual charge for preferential use of aircraft parking aprons, and (e) a landing fee, based on maximum gross landed weight, the number of landings, and the applicable landing fee rate.

Under the Lease and Use Agreements, fees and charges are reviewed at least annually and adjusted as necessary so that for each Fiscal Year, Revenues (as defined in the Lease and Use Agreements, which expressly excludes PFC Revenues) less operating expenses, amounts required to pay Subordinated Indebtedness, amounts required to pay third parties under interest rate swap agreements or other derivative financial product agreements approved by a Majority-In-Interest of the Signatory Airlines, 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 and less all amounts required to be reimbursed to the PFC Account pursuant to the Bond Resolution due to withdrawals to cure deficiencies to the extent not previously reimbursed, shall be equal to or greater than (a) the sum of 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 2008 Bonds and any Additional Bonds or Refunding

Bonds hereafter issued under the Bond Resolution, less (b) Available PFC Revenues for such Fiscal Year.

There shall be deposited into the Discretionary Fund, on a monthly basis one-twelfth of the amount equal to \$0.165 per passenger based on the prior calendar year's actual total passenger traffic, plus in each Fiscal Year amounts required to pay Subordinated Indebtedness (as defined herein), amounts required to pay third parties under interest rate swap agreements or other derivative financial product agreements, required deposits to the PFC Account and certain additional amounts, plus any deficiencies from deposits in prior months. See "SECURITY FOR THE BONDS- Flow of Funds" herein.

Under the current Lease and Use Agreement, fees and charges payable by the Signatory Airlines in each of the first three months of a Fiscal Year are reduced by the amount if any, transferred from the Prepaid Airline Fees and Charges Fund into the Revenue Fund (both of which are established under the Bond Resolution). Payments made to the Authority by the Signatory Airlines under the Lease and Use Agreements totaled approximately \$89,442,000 (before the application of prepaid airline fees and charges in the amount of \$18,490,025), or approximately 28 percent of total Revenues for Fiscal Year 2007, and approximately \$24,606,000 for the three months ended December 31, 2007, as compared with \$20,346,000 for the three months ended December 31, 2006.

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 "SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AND USE AGREEMENTS" attached hereto as APPENDIX B for a more detailed description of the terms and provisions of the current Lease and Use Agreements which is set to expire on September 30, 2008.

Expiration of the Lease and Use Agreements

The Lease and Use Agreements are scheduled to expire on September 30, 2008. The Authority is in the process of negotiating with the Signatory Airlines a new Lease and Use Agreement. However, the format and terms of the new Lease and Use Agreement is unknown at this time. It is not anticipated that the terms of the new Lease and Use Agreements which are set to commence on October 1, 2008 will be determined prior to the issuance of the 2008 Bonds. There is no assurance that agreement will be reached between the Authority and the Signatory Airlines on a new Lease and Use Agreement or that any new Lease and Use Agreements will contain residual airline fees and charges provisions similar to those contained in the current Lease and Use Agreements. However, the Authority will remain obligated under the rate covenant provided in the Bond Resolution notwithstanding the expiration or termination of the current Lease and Use Agreements. See "SECURITY FOR THE 2008 BONDS – Rate Covenant" herein. In the event no new agreement is reached with the Signatory Airlines, the Authority is permitted to unilaterally impose fees and charges by resolution in accordance with FAA regulations. The amount of debt service coverage required under the Bond Resolution is permitted by regulation to be included in the fees and charges the Authority may unilaterally impose by resolution.

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

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. Any shortfall in Revenues as a result of a rejection of a Lease and Use Agreement by a Signatory Airline in bankruptcy would be paid by the remaining Signatory Airlines under their Lease and Use Agreements in the form of a rate increase. There is no assurance that the remaining Signatory Airlines would be financially able to absorb the additional costs resulting from the bankruptcy of any other Signatory Airline.

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. 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. The Airport has imposed the Passenger Facility Charge since February 1993. 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.

**Passenger Facility Charges
December 31, 2007
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	8,123,927
95-03-C-02-MCO (Closed)	18,637,986	18,637,986	18,637,985
96-04-C-06-MCO	94,799,455	94,799,455	56,204,737
98-05-C-04-MCO ²	119,178,876	119,178,876	115,393,800
99-06-C-02-MCO	86,619,348	86,619,348	55,447,975
00-07-C-03-MCO ²	181,271,854	181,271,854	47,747,709
00-08-C-01-MCO	253,632,770	50,251,409	23,054,168
02-09-C-04-MCO	163,040,998	-	78,446,138
05-10-C-01-MCO ²	540,350,706	-	109,787,980
07-11-C-00-MCO	48,580,000	-	1,420,956
Total Authority:	\$ 1,553,168,834	\$ 597,815,769	\$ 548,365,216

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

² Includes Amendments approved by the Federal Aviation Administration on December 7, 2007.

Source: The Greater Orlando Aviation Authority.

No assurance can be given that PFC Revenues will actually be received in the amounts and at the times necessary to provide 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 actual levels of qualified enplaned passengers at the Airport. In addition to the other effects, reduced passenger enplanements at the Airport will result in a longer collection period.

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.

Food and beverage facilities in the Landside Terminal and Airside Terminals 1 and 4 are operated by Host International, Inc. ("Host") under an exclusive concession agreement. In December 2002, the Authority entered into a new 10-year food and beverage concession agreement with Host to provide food and beverage services in the Landside Terminal Food Court and the Airside 1 and 4 hubs. The minimum annual concession fee from Host is \$5,253,000. Additionally, Host agreed to contribute \$11,180,000 toward the Authority's share of the concession redevelopment costs, which was paid to the Authority in two equal installments in 2003 and 2004.

As discussed above, additional Revenues for the Airport are derived from the rental car services provided at the Airport. In recent years, the rental car industry has undergone significant transitions. On Airport rental car companies include: Avis, Budget, Dollar, L & M and Alamo/National. In August 2007, Enterprise Rent A Car acquired Vanguard which owned National Car Rental and Alamo Rent A Car. Any material reduction in Revenues derived from rental car or other concessions, if not offset by increases in other sources of Revenues, could increase the rate burden on the Signatory Airlines under the residual rate setting provisions of the Lease and Use Agreements. There is no assurance that the remaining Signatory Airlines would be financially able to absorb the additional costs resulting from such reduction in Revenues.

The Authority is in the process of implementing a Customer Facility Charge (CFC) of \$2.50 based on a per-day basis, not to exceed five days per transaction. The CFC will be collected from customers by the on-site rental car companies and will fund on-site rental car capacity improvements.

Amounts derived from concessions and consumer services, including automobile parking and the Hotel, totaled approximately \$191,773,000 in Fiscal Year 2007, and represented approximately 60 percent of total Revenues received by the Authority during such period. For the three-month period ended December 31, 2007, such concession and consumer services revenues totaled approximately \$50,194,000 compared with \$44,986,000 for the three-month period ended December 31, 2006.

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 \$10,918,000 for Fiscal Year 2007, and approximately \$2,355,000 for the three-months ended December 31, 2007, compared with approximately \$2,508,000 for the three-months ended December 31, 2006.

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 \$14,627,000 for Fiscal Year 2007. Airfield area revenue sources amounted to approximately \$3,697,000 for the three-months ended December 31, 2007, compared with approximately \$3,634,000 for the three-months ended December 31, 2006.

Tradeport and Other Area Revenue

Tenants of buildings and sites at the Tradeport pay rentals and fees for the use of such buildings and sites. Revenues from the Tradeport amounted to approximately \$10,654,000 for Fiscal Year 2007, and approximately \$2,684,000 for the three-months ended December 31, 2007, compared with approximately \$2,534,000 for the three-months ended December 31, 2006. For a description of the Tradeport facilities, see "THE AIRPORT SYSTEM – The Tradeport" herein.

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⁽²⁾	2008A Bonds Principal	2008A Bonds Interest	2008B Bonds Principal	2008 Bonds Interest	Total 2008 Bonds Debt Service	Total Bonds Debt Service
2008	81,042,246.76		\$6,464,829.79	\$8,655,000.00	\$387,313.10	\$15,507,142.89	\$96,549,389.65
2009	69,356,606.26	\$8,930,000.00	12,858,225.00	17,455,000.00	527,141.00	39,770,366.00	109,126,972.26
2010	68,989,638.76	27,725,000.00	12,411,725.00			40,136,725.00	109,126,363.76
2011	68,571,249.00	29,525,000.00	11,025,475.00			40,550,475.00	109,121,724.00
2012	69,896,661.00	29,680,000.00	9,549,225.00			39,229,225.00	109,125,886.00
2013	84,412,493.26	16,720,000.00	7,991,025.00			24,711,025.00	109,123,518.26
2014	56,059,612.76	27,950,000.00	7,113,225.00			35,063,225.00	91,122,837.76
2015	55,598,646.50	29,880,000.00	5,645,850.00			35,525,850.00	91,124,496.50
2016	66,616,018.50	20,430,000.00	4,077,150.00			24,507,150.00	91,123,168.50
2017	57,203,737.76	30,915,000.00	3,004,575.00			33,919,575.00	91,123,312.76
2018	63,426,019.26	26,315,000.00	1,381,537.50			27,696,537.50	91,122,556.76
2019	72,345,852.50						72,345,852.50
2020	72,354,996.26						72,354,996.26
2021	72,362,552.50						72,362,552.50
2022	31,948,098.76						31,948,098.76
2023	19,312,562.50						19,312,562.50
2024	14,844,550.00						14,844,550.00
2025	14,799,106.26						14,799,106.26
2026	14,759,475.00						14,759,475.00
2027	14,719,106.26						14,719,106.26
2028	36,251,725.00						36,251,725.00
2029	4,831,593.76						4,831,593.76
2030	4,832,593.76						4,832,593.76
2031	4,833,006.26						4,833,006.26
2032	4,832,312.50						4,832,312.50
Totals	1,124,200,461.14	\$248,070,000.00	\$81,522,842.29	\$26,110,000.00	\$914,454.10	\$356,617,296.39	\$1,480,817,757.53

⁽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.

⁽²⁾ The debt service on the 2002E Bonds has been calculated taking into consideration the payment obligations to and from the Authority under the 1999 Forward Swap plus the ongoing liquidity support costs and the estimated alternative minimum tax interest rate premium.

Source: The Greater Orlando Aviation Authority.

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 2002-2007.

**Orlando International Airport
Historical Debt Service Coverage Per Bond Resolution
Fiscal Years 2002-2007
(in thousands)**

	Fiscal Year					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues Per Bond Resolution ⁽¹⁾	\$266,926	\$266,507	\$285,834	\$309,290	\$330,800	\$346,916
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>
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>
Less: Required Account Deposits						
Airport Facilities Operations and Maintenance Reserve Fund	—	—	605	1,117	2,339	3,903
Airport Facilities Capital Expenditure Fund	7,676	4,232	3,620	4,103	5,533	7,180
Airport Facilities Renewal and Replacement Fund	<u>—</u>	<u>700</u>	<u>371</u>	<u>204</u>	<u>5,420</u>	<u>420</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>
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>
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>
Coverage Ratio for Bonds	2.05	2.10	2.15	2.26	2.07	2.21

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 2007 and unaudited amounts for the three-month periods ended December 31, 2005, 2006 and 2007. 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, 2006 AND 2007” 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 2002-2007
(in thousands)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Operating Revenues:						
Airfield Area ⁽¹⁾	\$29,889	\$34,912	\$37,035	\$34,438	\$31,731	\$34,814
Terminal Area	165,850	170,893	180,807	194,207	205,621	219,276
Hotel	25,667	25,379	27,546	27,974	33,941	34,565
Other Bldgs. And Site Rentals	<u>8,521</u>	<u>8,493</u>	<u>9,201</u>	<u>9,402</u>	<u>9,671</u>	<u>10,310</u>
Total Operating Revenues	<u>229,927</u>	<u>239,677</u>	<u>254,589</u>	<u>266,021</u>	<u>280,964</u>	<u>298,965</u>
Operating Expenses						
Operation and Maintenance	(80,558)	(93,095)	(102,247)	(114,927)	(114,435)	(123,029)
General and Administrative	(20,649)	(23,277)	(25,322)	(25,506)	(30,405)	(30,795)
Hotel	(18,642)	(19,823)	(21,235)	(22,140)	(24,995)	(26,505)
Depreciation and Amortization	<u>(74,424)</u>	<u>(77,417)</u>	<u>(81,692)</u>	<u>(90,644)</u>	<u>(92,416)</u>	<u>(91,535)</u>
Total Operating Expenses	<u>(194,273)</u>	<u>(213,612)</u>	<u>(230,496)</u>	<u>(253,217)</u>	<u>(262,251)</u>	<u>(271,864)</u>
Operating Income	35,654	26,065	24,093	12,804	18,713	27,101
Non-Operating Revenues (Expenses):						
Investment Income	16,422	10,679	8,813	14,101	24,874	30,006
Interest Expense	(65,761)	(72,607)	(72,021)	(71,556)	(68,790)	(67,150)
Passenger Facility Charges	34,405	34,779	41,287	43,436	45,933	59,302
Federal and State Grants	2,984	2,345	4,168	10,115	11,693	1,964
Other	<u>1,477</u>	<u>1,193</u>	<u>7,131</u>	<u>29,878</u>	<u>2,188</u>	<u>957</u>
Income Before Capital Contributions	\$25,181	\$2,454	\$13,471	\$38,778	\$34,611	\$52,180
Capital Contributions	28,562	47,556	44,272	35,672	46,740	44,245
Net Income	<u>\$53,743</u>	<u>\$50,010</u>	<u>\$57,743</u>	<u>\$74,450</u>	<u>\$81,351</u>	<u>\$96,425</u>

1. Airfield area revenues may fluctuate depending upon operations and the adjustment for Signatory Airline prepaid credits.

Source: The Greater Orlando Aviation Authority

**Orlando International Airport
Statement of Revenues and Expenses
Three-Month Periods Ended December 31, 2005, 2006 and 2007
(In Thousands)**

Unaudited Three-Months Ended December 31

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Operating Revenues:			
Airfield Area ⁽¹⁾	\$10,952	\$10,409	\$11,754
Terminal Area	50,056	50,867	54,655
Hotel	7,726	7,944	9,621
Other Bldgs. And Site Rentals	<u>2,527</u>	<u>2,456</u>	<u>2,674</u>
Total Operating Revenues	<u>71,261</u>	<u>71,676</u>	<u>78,704</u>
Operating Expenses			
Operation and Maintenance	(27,841)	(29,928)	(33,419)
General and Administrative	(7,832)	(7,859)	(8,605)
Hotel	(6,565)	(7,159)	(7,811)
Depreciation and Amortization	<u>(22,847)</u>	<u>(22,551)</u>	<u>(23,180)</u>
Total Operating Expenses	<u>(65,085)</u>	<u>(67,497)</u>	<u>(73,015)</u>
Operating Income	6,176	4,179	5,689
Non-Operating Revenues (Expenses):			
Investment Income	4,654	6,546	6,655
Interest Expense	(16,841)	(15,832)	(14,642)
Passenger Facility Charges	10,902	10,616	17,326
Federal and State Grants	77	710	307
Other	<u>(451)</u>	<u>141</u>	<u>36</u>
Income Before Capital Contributions	\$4,517	\$6,360	\$15,371
Capital Contributions	<u>5,765</u>	<u>6,875</u>	<u>3,067</u>
Net Income	<u>\$10,282</u>	<u>\$13,235</u>	<u>\$18,438</u>

1. Airfield area revenues may fluctuate depending upon operations and the adjustment for Signatory Airline prepaid credits.

Source: The Greater Orlando Aviation Authority

Analysis of Airport Operations

Fiscal Year Ended September 30, 2006. The Airport reported operating income of \$18,713,000 and net income of \$81,351,000.

Because of the strengthening economy and renewed confidence in air safety, enplanements have increased over the prior year and the Airport closed its Fiscal Year with operating revenue increasing \$14,943,000 or 5.6 percent. Terminal revenues reflected the largest increase of \$11,414,000 or 5.9 percent, with the largest increases in public parking and food and beverage concessions. Airfield Area Revenues were \$52,660,000 and \$54,558,000, respectively for the Fiscal Year ended September 30, 2006, and September 30, 2005, prior to the adjustment of the Signatory Airlines prepaid credit payable from surplus funds at year end. After the adjustment, Airfield Area Revenues were \$31,731,000 and \$34,438,000, respectively for the Fiscal Year end September 30, 2006 and September 30, 2005 or a \$2,707,000 decrease as compared to Fiscal Year 2005. Hotel revenues reflected an increase of \$5,967,000 as a result of higher occupancy rates over the prior year because of the completion of major guest room renovations.

Operating expenses excluding depreciation increased \$7,232,000 or 4.4 percent compared to the prior Fiscal Year as a result of increased hotel expenses due to increased occupancy following the renovation of guest rooms, increases in insurance premiums for additional coverage and safety and security programs, as well as the Authority adopted GASB 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions".

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 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 prepaid airline credits available in Fiscal Year 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 Facilities. 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.

Three-Month Periods Ended December 31, 2007 and 2006. The Authority reported operating income of \$5,689,000 and net income of \$18,438,000 for the three-month period ended December 31, 2007, compared to operating income of \$4,179,000 and net income of \$13,235,000 for the three-month period ended December 31, 2006.

Operating revenues increased approximately \$7,028,000 or 10 percent with the primary increase in landing fees, terminal space rentals, ground transportation and the hotel.

Operating expenses excluding depreciation increased approximately \$4,889,000 or 10.9 percent because of increased costs associated with increases in contractual services for security, and ground support equipment and baggage systems. These increases in costs are partially offset by payments received from the airlines for the use of those systems.

Non-operating revenues increased approximately \$7,501,000 as a result of an increase from \$3.00 to \$4.50 in the Passenger Facility Charge rate, effective July 1, 2007.

THE CAPITAL IMPROVEMENT PROGRAM

The 2009-2013 Capital Improvement Program

In 2008, the Airport presented a \$977 million capital improvement program (the “Capital Improvement Program” or “CIP”) to the Airlines. While the program has not yet received approval, it is included in the negotiations for the new Lease and Use Agreement for fiscal years 2009 through 2013. The CIP includes improvements in the terminal, airfield, ground transportation and other areas. Of the \$977 million, the Authority plans on financing \$76 million from federal and state grants, \$68 million from Authority funds, \$488 million from passenger facility charges, \$215 million from future revenue bonds, and \$128 million from existing bond proceeds, Authority funds or customer facility charges.

In 2007 the Authority initiated a study by the General Consultant to determine the maximum passenger capacity which can be accommodated in the existing terminal facility. The study considered those capacity improvements which were economically feasible and maintained acceptable levels of customer service. The study concluded the existing terminal could support 45 million annual passengers with certain capital improvements included within the referenced CIP. The study also concluded that given the dynamic changes to passenger traffic, security requirements, and air carrier operations, the Authority must re-evaluate the available terminal capacity on a periodic basis. Implementation of the recommended action will allow the Authority to defer construction of the initial phase of the South Terminal. This is consistent with the Authority’s approach to implementing demand-driven capital and capacity improvement projects to optimize use of available funds.

Capacity Enhancement Projects: include ticket lobby, bag system capacity enhancements, rental car, road, curb, cell lot and parking improvements. The rental car improvements will increase the number of on-site rental car contracts for airport customers to as much as 95%; increasing revenues from rental car concessions considerably.

Airside 1 Rehabilitation: this program entails the rehabilitation of one of the original airside terminal buildings. Certain components of this structure have reached their useful life and are in need of rehabilitation including mechanical, electrical systems and building envelope. In addition, this program will improve existing concessions to levels comparable to newer airside terminals.

Security Improvement/Explosion Detection System (EDS): the EDS project includes the construction of an in-line baggage system on the second and third levels of the landside terminal. This project includes the modification of existing space to accommodate the proposed system, as well as the installation and implementation of the new system.

Technology Improvement Program: this program entails upgrading the Authority's LAN infrastructure, facilitating the flow of information through the implementation of a central interoperable database system linking a wide range of existing systems used by the Airport. This project also includes the upgrade of common use and self-service check-in equipment (CUSS, CUTE and CUPPS) as well as technology components of the Airport's security system.

Airfield Improvement Program: this project entails the rehabilitation of various portions of the airfield pavement, such as the West Ramp area, which have deteriorated to levels where structural repairs are needed. Also included in this program are other airfield projects, including rehabilitation of taxiways and improvements to the fuel farm.

Roadway Improvements: included in these projects are enhancements to the rental car quick turn around areas, rental car road improvements, rental car return road relocation and other on-airport roadway improvements.

Parking Improvements: included in the parking improvements are the expansion of the existing employee parking lot, remote parking facilities, cell lot enhancements and associated infrastructure.

Rental Car facility: this project includes the expansion and reconfiguration of the Terminal A Quick Turnaround Area (QTA), building a new Terminal B QTA and associated relocation of the bus hold facility, addition of ready return spaces at Terminal A and associated terminal roadway and signage improvements.

Other Projects: included in this project are the purchase of property, demolition to certain buildings on airport property that have reached their useful life or whose property can be developed in a different manner, drainage and property drainage improvements, environmental mitigation, master plan update, and other related improvements.

Other Future Projects

In addition to the 2009-2013 Capital Improvement Program, the Authority is also contemplating other long-term projects to comply with new or changing requirements regarding security, mitigation of wildlife attractants and terminal capacity. These requirements are currently being developed; consequently, their complete quantifiable impact cannot be defined at this time.

South Terminal Program: This program provides for an initial 24-gate terminal with “swing gates” to accommodate both domestic and international passengers and with an ultimate capacity of 120 additional gates. Future phases of the South Terminal will ultimately accommodate the Authority’s long term growth. With the Authority’s implementation of capacity enhancements to the existing terminal facilities, the construction of the initial phase of the South Terminal can be deferred until approximately 2014. The actual schedule will remain flexible, consistent with the Authority’s strategy to construct facilities on a demand-driven basis.

Airside and Hotel Renovations: in order to maintain operational efficiency, the Authority is also planning to perform a renovation of the existing hotel in 2016-2017. This renovation is timed so that existing facilities are maintained in a manner consistent with newer facilities. Renovations may include room finishes, room layout, circulation space, conference rooms as well as associated facilities. The Authority also plans to rehabilitate Airside Terminal 4 in 2019-2022. This project will ensure that all airtides will have similar finishes of comparable age.

Taxiways and Connectors Improvements: the Authority will also be performing Taxiway extensions and rehabilitations to accommodate the proposed South Terminal Complex. In addition, the Authority is in the early stages of implementing airfield capacity improvements to existing runways and taxiways. These improvements are planned starting 2015-2021.

Roadway Improvements: proposed roadway improvements include the extension of Heintzelman Boulevard to Weatherbee Road, the widening of Dowden Road and other improvements to enhance traffic flow and facilitate property development. These improvements are planned in 2012-2015. Also included are improvements to Tradeport drive planned for 2017 as well as Cargo Road in 2015-2017.

Future Financings: the Authority is currently considering funding for various projects, including but not limited to the South Terminal, Taxiway and Roadway Improvements. Among the sources of funds that the Authority may consider for the 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.

THE 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 March 19, 2008, prepared by Ricondo & Associates, Inc. (the “Airport Consultant”) that was commissioned by the Authority to study the historical and projected airline traffic and revenues of the Airport and certain other proposed projects included within the 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 Airport Consultant is of the opinion that the Net Revenues less the required fund deposits will be sufficient to meet the rate covenant of the Bond Resolution during the projection

period of fiscal year 2009 through 2013. 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 calculations of debt service coverage ratios for the Authority's Bonds, subordinated indebtedness and total indebtedness.

**Projected Debt Service Coverage
Fiscal Years 2009-2013**

DEBT SERVICE COVERAGE
Fiscal Years Ending September 30

		Projected				
		<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues		\$ 384,877,000	\$ 410,033,000	\$ 444,700,000	\$ 478,198,000	\$ 522,570,000
Less: Operation and Maintenance Expenses		<u>(206,198,000)</u>	<u>(218,333,000)</u>	<u>(228,936,000)</u>	<u>(240,384,000)</u>	<u>(254,338,000)</u>
Net Revenues	[A]	178,679,000	191,700,000	215,764,000	237,814,000	268,232,000
Less: Required Deposits under Bond Resolution						
O&M Reserve Fund		<u>(1,753,000)</u>	<u>(2,023,000)</u>	<u>(1,767,000)</u>	<u>(1,908,000)</u>	<u>(2,326,000)</u>
Total Required Deposits	[B]	(1,753,000)	(2,023,000)	(1,767,000)	(1,908,000)	(2,326,000)
Net Revenues Available for Senior Lien Debt	[C]=[A]+[B]	176,926,000	189,677,000	213,997,000	235,906,000	265,906,000
Debt Service on Senior Lien Bonds		108,857,000	110,593,000	123,679,000	132,124,000	145,278,000
Less: Interest earnings -- Senior Debt Reserve Fund		<u>(2,920,000)</u>	<u>(3,480,000)</u>	<u>(4,593,000)</u>	<u>(4,983,000)</u>	<u>(5,594,000)</u>
Net Debt Service on Senior Lien Bonds	[D]	105,937,000	107,113,000	119,086,000	127,141,000	139,684,000
Debt Service on Subordinated Indebtedness		13,481,000	13,624,000	12,034,000	10,138,000	7,618,000
Less: Interest earnings -- Subordinated Reserve Fund		<u>(404,000)</u>	<u>(477,000)</u>	<u>(481,000)</u>	<u>(406,000)</u>	<u>(305,000)</u>
Net Debt Service on Subordinated Indebtedness	[E]	<u>13,077,000</u>	<u>13,147,000</u>	<u>11,553,000</u>	<u>9,732,000</u>	<u>7,313,000</u>
Total Debt Service	[F]=[D]+[E]	<u>\$ 119,014,000</u>	<u>\$ 120,260,000</u>	<u>\$ 130,639,000</u>	<u>\$ 136,873,000</u>	<u>\$ 146,997,000</u>
Coverage Ratios:						
Senior Lien Debt	[C]/[D]	1.67	1.77	1.80	1.86	1.90
Subordinated Indebtedness	[C-D]/[E]	5.43	6.28	8.22	11.18	17.26
All Indebtedness	[C]/[F]	1.49	1.58	1.64	1.72	1.81

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

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 Exchange Act, 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, NW 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.

Factors and Events Affecting The Air Transportation System

Numerous factors affect air traffic generally and air traffic at the Airport specifically, including without limitation, the following: declining demand partly resulting from decreasing levels of disposable income and increase in prices; national and international disasters and hostilities; service and fare competition; mergers; the availability and costs of fuel and other necessary supplies; high fixed costs; high capital requirements; the cost and availability of financing; technological changes; the cost and availability of employees; strikes and employee disruptions; the maintenance and replacement requirements of aircraft; the availability of routes and slots at various airports; litigation liability; regulation by the federal government; environmental risks and regulations; noise abatement concerns and regulation; deregulation; federal and state bankruptcy and insolvency laws; acts of terrorism; world health concerns and other risks. A number of these factors are expected to have a further adverse effect on demand for air travel and airline industry earnings, the full extent of which cannot be predicted. Although the Authority has developed contingency plans that make assumptions as to factors described above and suggest a prudent response to such events, the Authority may anticipate but

cannot predict the occurrence of any particular event or trend that could adversely impact airline activity or Airport Revenues.

Certain airlines have filed for bankruptcy protection and certain other airlines have warned investors of the potential for bankruptcy if passenger demand remains low and costs cannot be contained. See "THE AIRLINE INDUSTRY- Recent Airline Bankruptcies". Further bankruptcy filings, liquidations or major restructurings by members of the airline industry are possible. Additionally, many domestic airlines have had their credit ratings downgraded by national credit rating agencies and all domestic airlines were placed on credit review lists maintained by such agencies. Potential investors are urged to review the airlines' recently filed financial information. See "Airline Reports" herein.

There is some discussion within the airline industry regarding the potential for airline mergers. The continued increasing cost of oil combined with reported cumulative losses since 2000 make airline mergers a possibility. Additionally, the military conflict in the Middle East, combined with accompanying heightened threat of terrorist activity, and the costs of fuel may cause a reduction in air travel and place additional negative pressure on the airline industry. The Air Transit Association noted in September 2007 that jet fuel accounted for up to 26.5% of an airline's expenses, up from between 10% and 15%. It has overtaken labor as a top cost for many carriers. The extent of the impact of these factors on the airline industry is unknown.

Proposed FAA Legislation

Long-term funding authorization for the Federal Aviation Administration ("FAA") expired on September 30, 2007. Since then, a number of short-term extensions have been enacted for the FAA, the latest of which was set to expire on February 29, 2008. On February 28, 2008, the President signed into law the Airport and Airway Extension Act of 2008, H.R. 5270. H.R. 5270, now Public Law No. 110-190, which extends the FAA's funding authorization through June 30, 2008. On September 20, 2007, the U.S. House of Representatives passed H.R. 2881 which would reauthorize funding for the FAA through fiscal year 2011. H.R. 2881 was received by the U.S. Senate on September 24, 2007, read twice and placed on the Senate Legislative Calendar, with no further action to date. In the Senate, the Committee on Commerce, Science, and Transportation approved S. 1300 and the Committee on Finance approved S. 2345, both of which would reauthorize funding for the FAA through fiscal year 2011 and both of which have been placed on the Senate Legislative Calendar. 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.

Federal Security Measures

The Aviation and Transportation Security Act (the "ATSA") was enacted on November 19, 2001. This federal legislation makes airport security the responsibility of the newly created Transportation Security Administration in the United States Department of Transportation (the "TSA"). The ATSA calls for, among other things, stronger cockpit doors on planes and an increased presence of armed federal marshals on flights. All scheduled passenger air carriers are required to develop and implement security awareness programs for airport employees, ground crews, gate, ticket and curbside agents and others employed at airports. The ATSA also requires air carriers to develop and implement training programs for flight and cabin crews to prepare

crew members for potential threat conditions. Pursuant to the ATSA, all security screeners became federal employees, except at airports participating in a pilot program providing for passengers and property screening by personnel of a qualified private screening company under contract with the Under Secretary of Transportation for Security (the "Security Under Secretary") and under the supervision of federal government supervisors. Security screeners must meet certain qualifications, including being U.S. citizens, and must undergo background checks, including a criminal history check, and must receive specialized training. In 2005, airports that meet increased security guidelines have the option to continue using federal employees or return to private security companies. The Authority continues to use federal employees for its screening personnel. Airports participating in the pilot programs mentioned above may elect to continue to have screening performed by the private security company. Airports are permitted to use state or local law enforcement to provide security services.

The new federal security screening services are paid for by charging passengers \$2.50 per departure or connection, not to exceed \$5.00 per one-way trip. To the extent such fees are estimated to be insufficient, the ATSA also authorizes the imposition of fees on air carriers not to exceed for Fiscal Years 2003 and 2004, the amount paid by that carrier in calendar year 2000 for screening of passengers and property and for Fiscal Year 2005, and thereafter, amounts that may be determined based on market share or other appropriate measure (not to exceed in the aggregate the amounts paid in calendar year 2000 by air carriers for screening of passengers and property).

For an analysis of possible effect on the Airport traffic, Revenues and operating expenses resulting from the terrorist attacks and related events, see "AUTHORITY FINANCIAL INFORMATION – Analysis of Airport Operations" and "Factors And Events Affecting The Air Transportation System" herein.

Recent Events

On March 18, 2008 Delta announced that as a result of rising fuel costs and a slowing economy, it plans to eliminate non-stop service from the Airport to seven cities. Although the effects of the reduction in flights and service by Delta at the Airport is unknown, under the current Lease and Use Agreement, Delta may not reduce the number of gates it has leased at the Airport and the Signatory Airlines, as a group, remain obligated to pay rents, charges and fees sufficient to satisfy the Authority's rate covenant obligation under the Bond Resolution regardless of changes in flights and service to the Airport. With regard to any future Lease and Use Agreement, or with respect to rates established by the Authority by resolution, the Authority is obligated to establish rates and charges on a system wide basis sufficient to satisfy its rate covenant obligation under the Bond Resolution. For a more thorough discussion of the Lease and Use Agreements see "AIRLINE REVENUES AND OTHER REVENUE SOURCES- Payments by Airlines Pursuant to Lease and Use Agreements and Expiration of the Lease and Use Agreements" herein."

On March 19, 2008 jetBlue Airways announced its intentions to develop the Airport into the airline's seventh focus city. The designation of Orlando as a key city in jetBlue's growing route network underscores the airline's commitment to the Central Florida economy, with more flights and destinations, an expansion from six gates to as many as 10 gates at the Airport, the development of a 292-room jetBlue Crew Lodge and the establishment of a local crew base for

jetBlue's pilots and inflight crewmembers. jetBlue also has announced intentions to expand flights and destinations including to the Caribbean and Latin America.

The Airport Consultant has considered the potential impacts of the reduction in service by Delta as well as the increase in service by jetBlue and concluded that changes in service by individual airlines is common and is not expected to have a material impact in the forecast.

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 "Factors And Events Affecting The Air Transportation System" 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.

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 2008 Bonds or questioning or affecting the validity of the 2008 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 2008 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 effect on the Revenues available to pay debt service on the 2008 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.

De Araujo v. GOAA (Charge No. 151-2004-01231) (27064-0030). In May 2004, Antonio De Araujo filed a charge of discrimination with the EEOC, and the FCHR. Mr. De Araujo alleges that he was fined and subjected to other discrimination because of his race, color and national origin. The Authority filed its initial position statement denying Mr. De Araujo's allegations and disputing the EEOC's and FCHR's jurisdiction over a charge filed by a self-employed limousine driver. The Authority intends to contest this matter. After a preliminary analysis of the legal and factual issues regarding this matter, it is probable that the Authority will obtain a favorable outcome with respect to this matter. In the event that Mr. De Araujo prevails, he could recover economic damages, non-economic damages, punitive damages, attorneys' fees and costs, none of which have been quantified. The EEOC has dismissed Mr. De Araujo's charge and we are unaware of any civil action commenced by Mr. De Araujo. At this time, no further action is required by the Authority unless requested to do so by the FCHR.

Hussain v. GOAA (Charge No. 15FA400633 (EEOC); 461A4513M (City of Orlando)) (27064-0030). In September 2004, Mr. Hussain filed a charge of discrimination with the City of Orlando Human Relations Department and the EEOC. Mr. Hussain alleges that he was denied a promotion on the basis of his race and gender. The Authority has filed its position statement denying Mr. Hussain's allegations and provided documentation supporting its position. The Authority intends to contest this matter. After a preliminary analysis of the legal and factual issues regarding this matter, it is probable that the Authority will obtain a favorable outcome with respect to this matter. In the event that Mr. Hussain prevails, he could recover back pay, economic damages, non-economic damages, punitive damages, attorneys' fees and costs, none of which have been quantified. The City issued a "no cause" determination. On December 20, 2005, the EEOC issued its determination that it was unable to conclude that the information obtained established a violation of the statutes, and concluded its proceedings. Mr. Hussain was required to file suit under federal law within ninety (90) days after receipt of that letter, but may have a longer period to file suit under state law. The Authority is not aware of any suit being filed by Mr. Hussain against the Authority.

Williams v. GOAA (Charge No. 15FA500012 (EEOC); 461A5003-003 (City of Orlando). (27064-0215). On or about October 4, 2004, Keith Williams filed a charge of discrimination with the City of Orlando Human Relations Division and the EEOC. Mr. Williams alleges that he was subjected to retaliation because he filed charges of discrimination. The Authority filed its Position Statement denying Mr. Williams' allegations and requesting specific information supporting the Charge, and the Authority provided documentation supporting its position. The Authority intends to contest this matter. The Authority faces a potential loss in the amount of \$300,000.00, plus back pay, attorneys' fees and costs with respect to this matter. Assuming that Mr. Williams obtains an award in his favor, this firm believes that the award will be substantially less \$300,000.00 because this firm is unaware of any evidence which would support a significant claim for damages. The EEOC issued a "Right to Sue" letter on May 4, 2005, but was unable to conclude that the Authority violated the statutes. The EEOC and the City of Orlando have concluded their proceedings. Mr. Williams was required to file suit under federal law within 90 days after receipt of the "Right to Sue" letter, but may have a longer period to file suit under state law. The Authority is not aware of any suit being filed by Mr. Williams against the Authority.

Galal v. GOAA (Charge No. 15FA500279 (EEOC); 461A5267M (City of Orlando)) (27064-0030). In April 2005, Mr. Galal filed a charge of discrimination with the City of Orlando Human Relations Department and the EEOC. Mr. Galal alleges that he was denied a promotion on the bases of his religion and gender, and was subject to illegal retaliation. The Authority filed its position statement denying Mr. Galal's allegation. Recently, the City requested certain documents, and the Authority will provide documentation supporting its position. The Authority intends to contest this matter. After a preliminary analysis of the legal and factual issues regarding this matter, this firm believes that it is probable that the Authority will obtain a favorable outcome with respect to this matter. In the event that Mr. Galal prevails, he could recover back pay, economic damages, non-economic damages, punitive damages, attorneys' fees and costs, none of which have been quantified. The City issued a "no cause" determination and dismissed the Charge. The EEOC adopted the findings of the City and dismissed the Charge. The Authority is not aware of any civil action commenced by Mr. Galal against the Authority.

Glover v. GOAA (Charge No. 15FA500366 (EEOC); 461A5354 (City of Orlando)) (27064-0030). In June 2005, Ms. Glover filed a charge of discrimination with the City of Orlando Human Relations Department and the EEOC. Ms. Glover alleges that she was denied a promotion on the basis of her national origin, and was subject to illegal retaliation. The Authority filed its position statement denying Ms. Glover's allegations and provided documentation supporting its position. The Authority intends to contest this matter. After a preliminary analysis of the legal and factual issues regarding this matter, the Authority believes that it is probable that the Authority will obtain a favorable outcome with respect to this matter. In the event that Ms. Glover prevails, she could recover back pay, economic damages, non-economic damages, punitive damages, attorneys' fees and costs, none of which have been quantified. The City issued a "no cause" determination and dismissed the Charge. The EEOC adopted the findings of the City and dismissed the Charge. The Authority is not aware of any civil action commenced by Ms. Glover against the Authority.

Humphrey v. GOAA (Charge No. 15FA500367 (EEOC); 461A5355 (City of Orlando)) (27064-0030). In June 2005, Mr. Humphrey filed a charge of discrimination with the City of

Orlando Human Relations Department and the EEOC. Mr. Humphrey alleges that he was denied a promotion on the basis of his race and gender. The Authority filed its position statement denying Mr. Humphrey's allegations and provided documentation supporting its position. The Authority intends to contest this matter. After a preliminary analysis of the legal and factual issues regarding this matter, the Authority believes that it is probable that the Authority will obtain a favorable outcome with respect to this matter. In the event that Mr. Humphrey prevails, he could recover back pay, economic damages, non-economic damages, punitive damages, attorneys' fees and costs, none of which have been quantified. On December 2, 2005, the City requested additional information and documents from the Authority, and the Authority submitted its response to that request. The City issued a "no cause" determination and dismissed the Charge. The EEOC adopted the findings of the City and dismissed the Charge. The Authority is unaware of any civil action being commenced by Mr. Humphrey against the Authority.

Giles v. GOAA. In August 2006, John Giles, through an attorney, sent a letter containing allegations of discrimination. Mr. Giles alleges that he was denied a job on the basis of his disability. The Authority denied Mr. Giles' allegations. The Authority intends to contest this case during any subsequent proceedings. The Authority faces a potential loss of in the amount of \$300,000.00, plus back pay, attorneys' fees and costs with respect to this matter. The Authority is not aware of any proceedings being filed by Mr. Giles against the Authority.

Williams. v. GOAA (Charge No. 15F200607626 (EEOC)); 4612006285 (City of Orlando). In June 2006, Keith Williams filed a charge of discrimination with the City of Orlando Human Relations division and the EEOC. Mr. Williams alleges that he was retaliated against because of prior EEOC charges, and was discharged on the basis of his race. The Authority filed its Position Statement denying Mr. Williams' allegations and provided documentation supporting its position. The Authority intends to contest this case during any subsequent court proceedings. The evidence available suggests that it is probable that the Authority will obtain a favorable outcome with respect to this matter. The Authority faces a potential loss in the amount of any economic and non-economic damages, plus back pay, attorneys' fees and costs with respect to this matter. The Authority is not aware of any suit being filed by Mr. Williams against the Authority. The City issued a "no cause" determination and dismissed the Charge. The EEOC adopted the findings of the City and dismissed the Charge.

Brown v. GOAA (Charge No. 510200602334 (EEOC)). In July 2006, Angela Brown filed a charge of discrimination with the EEOC. Ms. Brown alleges that she was subjected to discrimination and terminated on the basis of her gender. The Authority filed a Position Statement denying Ms. Brown's allegations, provided documentation supporting its position, and responded to the EEOC's Request for Information. The Authority intends to contest this case during any subsequent court proceedings. The evidence available suggests that the Authority has a good chance of obtaining a favorable outcome with respect to this matter. The Authority faces a potential loss in the amount of \$300,000.00, plus back pay, attorneys' fees and costs with respect to this matter. On December 11, 2006, the EEOC issued a "no cause" determination and dismissed the Charge. The Authority is not aware of any suit being filed by Ms. Brown against the Authority.

Young v. GOAA (Charge No. 510-2006-03284 (EEOC)). In October 2006, Diane Young filed a charge of discrimination with the EEOC. Ms. Young alleges that she was subjected to discrimination and terminated on the basis of her race. The Authority filed a Position Statement

denying Ms. Young's allegations, provided documentation supporting its position, and responded to the EEOC's Request for Information. The Authority intends to contest this case during any subsequent court proceedings. The evidence available suggests that the Authority has a good chance of obtaining a favorable outcome with respect to this matter. The Authority faces a potential loss in the amount of any economic and non-economic damages, plus back pay, attorneys' fees and costs with respect to this matter. On February 26, 2007, the EEOC issued a "no cause" determination and dismissed the Charge. The Authority is not aware of any suit being filed by Ms. Young against the Authority.

White v. GOAA (Charge No. 510-2007-00562 (EEOC)). In November 2006, Jerry White filed a charge of discrimination with the EEOC. Mr. White alleges that he was discriminated against, harassed and discharged on the basis of his age and alleged disability. The Authority filed its Position Statement denying Mr. White's allegations and provided documentation supporting its position. The Authority intends to contest this case during any subsequent court proceedings. The evidence available suggests that it is probable that the Authority will obtain a favorable outcome with respect to this matter. The Authority faces a potential loss in the amount of any economic and non-economic damages, plus back pay, attorneys' fees and costs with respect to this matter. On August 24, 2007, the EEOC issued a "no cause" determination and dismissed the Charge. The Authority is not aware of any suit being filed by Mr. White against the Authority.

Ray v. GOAA (Charge No. 510-2007-01778 (EEOC)). In February 2007, Catherine Ray filed a charge of discrimination with the EEOC. Ms. Ray alleges that she was retaliated against because she complained about alleged discrimination, and was discriminated against on the basis of her gender. The Authority filed its Position Statement denying Ms. Ray's allegations and provided documentation supporting its position. The Authority intends to contest this case during any subsequent court proceedings. The evidence available suggests that it is probable that the Authority will obtain a favorable outcome with respect to this matter. The Authority faces a potential loss in the amount of any economic and non-economic damages, plus back pay, attorneys' fees and costs with respect to this matter. The Authority is aware of any suit being filed by Ms. Ray against the Authority. At this time, no further action is required by the Authority unless requested by the EEOC.

Ray v. GOAA (Charge No. 510-2007-04881 (EEOC)). In July 2007, Catherine Ray filed a charge of discrimination with the EEOC. Ms. Ray alleges that she was discriminated against on the basis of her gender. The Authority filed its Position Statement denying Ms. Ray's allegations and provided documentation supporting its position. The Authority intends to contest this case during any subsequent court proceedings. The evidence available suggests that it is probable that the Authority will obtain a favorable outcome with respect to this matter. The Authority faces a potential loss in the amount of any economic and non-economic damages, plus back pay, attorneys' fees and costs with respect to this matter. The Authority is not aware of any suit being filed by Ms. Ray against the Authority. At this time, no further action is required by the Authority unless requested by the EEOC.

Baez v. GOAA (Charge No. 15F-2007-00272 (EEOC); 4612007257M (City of Orlando)). In July 2007, Ana Baez filed a charge of discrimination with the EEOC and the City of Orlando Human Relations division. Ms. Baez alleges that she was discriminated against on the basis of her alleged disability. The Authority filed its Position Statement denying Ms. Baez's

allegations and provided documentation supporting its position. The Authority intends to contest this case during any subsequent court proceedings. The evidence available suggests that it is probable that the Authority will obtain a favorable outcome with respect to this matter. The Authority faces a potential loss in the amount of any economic and non-economic damages, plus back pay, attorneys' fees and costs with respect to this matter. The Authority is not aware of any suit being filed by Ms. Baez against the Authority. The City issued a "no cause" determination and dismissed the Charge. It is anticipated that the EEOC will adopt the findings of the City and dismiss the Charge.

Shearer v. GOAA (Case No. CA-2008-006). In January 2008, Scott Shearer filed an unfair labor practice charge with the Public Employees Relations Commission ("PERC"). Mr. Shearer alleges that he was terminated and retaliated against because of his union activities. The Authority denies Mr. Shearer's allegations and intends to contest this matter. The evidence available suggests that it is probable that the Authority will obtain a favorable outcome with respect to this matter. The Authority faces a potential loss in the amount of any damages, plus back pay, attorneys' fees and costs with respect to this matter. It is anticipated that an evidentiary hearing will be scheduled during May 2008.

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 February 25, 2008, there are forty-eight (48) open claims being managed by the Authority's insurance carrier. Total amounts reserved by the insurance carrier for these claims are \$148,780.00.

Lawsuits have been filed in five of those cases. Yazmin Bonilla alleges being struck by a contractor's flat bed card, Judith Sharpe alleges tripping and falling, Margaret Brunjes alleges tripping and injuring herself, Shelly Christo alleges a door fell on her foot, Alvin Linares alleges injury resulting from colliding with a segway and Hugh Billingham alleges personal injury but the Authority has currently been dropped as a defendant in that lawsuit. None of these lawsuits is expected to have a material financial impact on the Authority.

Other Liability Claims.

Deborah Burbrink- Date of loss May 15, 2003. 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 Ms. Burbrink 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.

Ms. Louise Rideout, Ms. Constance Federici, Ms. Patrice Gibbs, Ms. Brenda Bravo- Date of Injury July 12, 2004. - Four Transportation Security Administration employees allege exposure to paint fumes during the course of their employment. The Authority's construction contractor, PCL, was painting in the vicinity. No lawsuit has been filed against the Authority. PCL has indemnified the Authority. If a lawsuit is filed, the Authority's insurance coverage may not be available because of the environmental component of this claim.

Worker's Compensation Claims.

As of February 1, 2008, there are thirty-five open workers compensation claims reserved by the Authority's third party administrator at a total of \$332,852.81.

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 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 of 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 of 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, 2006 AND 2007" 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 preparation 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"), includes requirements which the Authority must continue to meet after the issuance of the 2008A Bonds in order for interest on the 2008A Bonds to be and remain excludable from gross income for federal income tax purposes. The Authority's failure to meet these requirements may cause interest on the 2008A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2008A Bonds. The Authority has covenanted to take the actions required by the Code in order to maintain the excludability from federal gross income of interest on the 2008A Bonds.

In the opinion of Co-Bond Counsel, to be rendered on the date of issuance of the 2008A Bonds, under existing statutes, regulations, rulings and court decisions, assuming continuing compliance by the Authority with the tax covenants referred to above and the accuracy of the certifications and representations of the Authority, interest on the 2008A Bonds will be excludable from gross income for federal income tax purposes, except interest on a 2008A Bond for any period during which that 2008A Bond is held by a "substantial user" or a "related person" as those terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended.

Interest on the 2008B Bonds will not be excludable from gross income for federal income tax purposes.

Interest on the 2008A Bonds will be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Co-Bond Counsel is further of the opinion that the 2008A Bonds and the interest thereon will not be subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined therein.

Except as described above, Co-Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt of interest on, or disposition of the 2008A Bonds. Prospective purchasers of the 2008A Bonds should be aware that the ownership of 2008A Bonds may result in other collateral federal tax consequences, including, without limitation, (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry 2008A Bonds or, in the case of a financial institution, that portion of an owner's interest expense allocable to interest on the 2008A Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on the 2008A Bonds; (iii) the inclusion of interest on the 2008A Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on the 2008A Bonds in passive investment income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on the 2008A Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits.

Co-Bond Counsel will express no opinion regarding federal tax consequences arising with respect to the 2008A Bonds other than the excludability from gross income of the interest thereon. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the 2008A Bonds. Prospective purchasers of the 2008 Bonds should consult their own tax advisors as to the impact of these other tax consequences.

From time to time, there are legislative proposals pending in Congress that, if enacted into law, could alter or amend one or more of the federal tax matters described above including, without limitation, the excludability from gross income of interest on the 2008A Bonds, adversely affect the market price or marketability of the 2008A Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would apply to the 2008A Bonds.

LEGAL MATTERS

Certain legal matters incident to the validity of the 2008 Bonds and the issuance thereof by the Authority are subject to the approval of Greenberg Traurig, P.A., Orlando, Florida, and Ruye H. Hawkins, P.A. Orlando, Florida, Co-Bond Counsel. The proposed form of the opinions of Co-Bond Counsel is attached hereto as APPENDIX D. 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 Ometrias D. Long and Associates, P.A., Winter Park, Florida, Co-Disclosure Counsel. Certain legal matters in connection with the 2008 Bonds will be passed on for the Underwriters by their counsel, Robert P. Saltsman, P.A., Winter Park, Florida.

Greenberg Traurig, P.A. and Ruye H. Hawkins, P.A., Co-Bond Counsel, have not undertaken independently to verify and therefore express no opinion as to the accuracy, completeness, fairness or sufficiency of any of the information or statements contained in this Official Statement, or any exhibits, schedules or appendices hereto, except the portions hereof captioned "THE 2008 REFUNDING PROGRAM," "DESCRIPTION OF THE 2008 BONDS," "SECURITY FOR THE 2008 BONDS" (other than the information under the subcaption "Bond Insurance" therein), "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION" to the extent the same purport to summarize the Bond Resolution.

RATINGS

The 2008 Bonds are expected to be assigned ratings of "Aaa" by Moody's Investors Service, Inc. ("Moody's"), "AAA" by Fitch Ratings ("Fitch") and "AAA" by Standard & Poor's, a Division of The McGraw-Hill Companies ("S&P") based upon the issuance of the Policy by the Insurer with respect to the 2008 Bonds. In addition, the 2008 Bonds have been assigned underlying ratings of "Aa3" by Moody's, "AA-" by Fitch and "A+" by S&P, without regard to the Policy.

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

UBS Securities LLC, on behalf of itself and the other Underwriters (collectively the "Underwriters") has agreed, subject to certain conditions to closing, to purchase the 2008A Bonds at an aggregate purchase price of \$255,859,611.25, which represents the initial aggregate principal amount of the 2008A Bonds plus an original issue premium of \$9,033,867.25 and less an Underwriters' discount of \$1,244,256.00. The Underwriters have agreed, subject to certain conditions to closing, to purchase the 2008B Bonds at an aggregate purchase price of \$26,038,727.23, which represents the initial aggregate principal amount of the 2008B Bonds less an Underwriters' discount of \$71,272.77. The Underwriters will be obligated to purchase all of the 2008 Bonds if any 2008 Bonds are purchased. The 2008 Bonds may be offered and sold to the Underwriters and certain dealers (including the Underwriters and other dealers depositing such 2008 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.

FINANCIAL ADVISORS

Merrill Lynch, Pierce, Fenner & Smith Incorporated, Orlando, 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 2008 Bonds and provided other advice the Co-Financial Advisors are not obligated to undertake and have not undertaken independently to verify and therefore make no representation as to the accuracy, completeness, fairness or sufficiency of any of the information or statements contained in this Official Statement or the appendices hereto.

AIRPORT CONSULTANT

Ricondo & Associates, Inc., Cincinnati, Ohio has served as the consultant to the Authority. See “THE AIRPORT CONSULTANT’S REPORT” herein and attached hereto as Exhibit D.

FINANCIAL STATEMENTS

The Authority’s financial statements for the year ended September 30, 2006 and 2007, 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 2008 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 2008 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 2008 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 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 Municipal Securities Rulemaking Board 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.

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 Summary of Certain Provisions 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, 2006 and 2007 (APPENDIX C), the Airport Consultant's Report (APPENDIX D), the proposed forms of opinions of Co-Bond Counsel (APPENDIX E), the proposed form of Continuing Disclosure Agreement (APPENDIX F) and the Form of Municipal Bond Insurance Policy (APPENDIX G). 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.

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**AUTHORIZATION OF AND CERTIFICATION CONCERNING
OFFICIAL STATEMENT**

This Official Statement has been authorized and approved by the Authority. Upon the delivery of the 2008 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 2008 Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included herein for the purpose for which this Official Statement is to be used, or which is necessary in order to make the statements contained herein, in light of the circumstances under which they were made, not misleading.

**GREATER ORLANDO
AVIATION AUTHORITY**

By: /s/ Jeffry B. Fuqua, Chairman
Jeffry B. Fuqua, Chairman

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.

Certain Definitions

The following are definitions in summary form of certain terms contained in the Airport Facilities Bond Resolution (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. Upon the Retirement Date of the Prior Lien Bonds, "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 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.

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

2008 Bond Insurer. Means with respect to the 2008 Bonds, Financial Security Assurance Inc.

Bond Insurance Policy. Means with respect to the 2008 Bonds, the municipal bond insurance policy issued by the 2008 Bond Insurer insuring the payment when due of the principal of and interest on the 2008 Bonds.

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 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.

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) after the Retirement Date of Prior Lien Bonds, 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 after the Retirement Date of Prior Lien Bonds, “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; and provided further, that prior to the Retirement Date of Prior Lien Bonds, “Revenues” shall include all revenues and income included in the definition of “revenues” under the Trust Agreements, whether or not such revenues and income have been specifically included or excluded from “Revenues” hereunder. The term “Revenues” shall not include PFC Revenues except after the Retirement Date of Prior Lien Bonds, and then 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.

Sinking Fund Installment. An amount so designated which is established pursuant to 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; and (ii) 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 Net Revenues (taking into account the effect of any Anticipated Additional Projects) 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:

(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 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 certificates of an Authorized Officer of the Authority: (i) 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) demonstrating that the tests set forth in the Bond Resolution for the issuance of Additional Bonds in connection with issuance of the refunding Bonds have been met, treating the refunding Bonds as Additional Bonds for all purposes of such certificate and tests. See “SUMMARY OF CERTAIN PROVISIONS OF THE 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 a certificate of an Authorized Officer of the Authority, in general stating that the conditions and tests applicable to the issuance of Additional Bonds have been satisfied; 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 Subordinated 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 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.

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 Discretionary Fund (which includes the PFC Account)	Authority
Airport Facilities Improvement and Development Fund	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 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) 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 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) 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 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 may be adjusted by Authority at any time if not prohibited under the terms of the Lease and Use Agreements.

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.

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 makeup 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 under the Resolution 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 the provision of the Resolution concerning required deposits to the 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. Provided, however, 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 optional redemption at the applicable sinking fund Redemption Prices, 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. 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 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 amount 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. 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.

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 may, at the discretion of the Authority and, with respect to amounts in the PFC Account, subject to the requirements described in paragraph 5 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, 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.

4.11(5) of bond resolution.

5. Amounts in the PFC Account in the Airport Facilities Discretionary Fund not required to meet a deficiency as described in paragraphs 1 and 2 may be withdrawn by the Authority at any time and shall be applied by the Authority, in its discretion, 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.

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, 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 shall be paid into the Airport Facilities Revenue Fund.

All funds and accounts under the Bond Resolution shall be valued semiannually at the lower of cost or principal amount thereof, except 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, Subtitled 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 of the pledge of Revenues provided in the Resolution shall be discharged and satisfied, or (ii) Subordinated Indebtedness.

Insurance

So long as any Bonds are outstanding, the Authority shall at all times carry insurance with a responsible insurance company or companies, 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 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, 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 Authority covenants to file annually with the Trustee an annual report, 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 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 files such amended budget w/ trustee. .

The reports, statements and other documents required to be furnished to the Trustee 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, and any payments received with respect to a lease, contract, license, easement or other right, not used to replace such property and such payments 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 permit the Authority to issue Special Purpose Facilities revenue bonds provided that such bonds are secured solely by the rentals and other charges derived by the Authority pursuant to the leasing or other agreement with respect to such facility and provided that certain other requirements are satisfied, as provided in the Bond Resolution.

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 after payment of reasonable charges and expenses of the Trustee and reasonable fees and disbursements of its counsel, to the payment of interest and principal and redemption price then due on the Bonds.

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).

The Trustee may, and upon the request of 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 2008 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 2008 SUPPLEMENTAL RESOLUTION HAVE BEEN MET, THE 2008 BOND INSURER SHALL BE DEEMED TO BE THE HOLDER OF ALL OF THE THEN OUTSTANDING 2008 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 2008 BONDS WILL NOT BE PERMITTED TO EXERCISE SUCH RIGHTS OR MAKE SUCH ELECTIONS.

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 2008 SUPPLEMENTAL RESOLUTION HAVE BEEN MET, THE 2008 BOND INSURER SHALL BE DEEMED TO BE THE HOLDER OF ALL THEN OUTSTANDING 2008 BONDS AND THE ACTUAL HOLDERS OF SUCH 2008 BONDS WILL NOT BE PERMITTED TO EXERCISE SUCH RIGHTS.

Supplemental Resolutions

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 in the Bond Resolution 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.

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 actions 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.

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 (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 2008 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 2008 SUPPLEMENTAL RESOLUTION HAVE BEEN MET, THE 2008 BOND INSURER SHALL BE DEEMED TO BE THE HOLDER OF ALL THEN OUTSTANDING 2008 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 2008 BONDS.

Defeasance

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.

Supplemental Redemption Provisions

In addition, each notice of redemption and payment of the Redemption Price with respect to the 2008 Bonds shall meet the requirements set forth in (a), (b), (c), (d) and (e) below; provided, however, that failure of such notice of redemption or payment to comply with the following requirements shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as described in the Official Statement.

(a) Each notice of redemption shall set forth the date fixed for redemption, the complete name and series designation of the 2008 Bonds to be redeemed, the name and address of the Paying Agent, a contact person with the Paying Agent and his or her telephone number and the CUSIP numbers, if any, of the 2008 Bonds called for redemption, the date of publication of the notice, the Redemption Price, the date of the issue, the interest rate and the stated maturity date with respect to the 2008 Bonds to be redeemed; and with respect to owners of \$1,000,000 or more in principal amount to be redeemed, such notice shall be sent by certified mail, return receipt requested.

(b) Each notice of redemption shall be sent at least thirty-five (35) days before the redemption date and to the extent possible, so that such notice is received at least two days prior to the general publication date by certified mail, return receipt requested or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the 2008 Bonds (such depositories now being The Depository Trust Company, New York, New York and Midwest Securities Trust Company,

Chicago, Illinois) and to two or more national information services that disseminate notices of redemption of obligations such as the 2008 Bonds.

(c) Each notice of redemption shall be published one time in THE BOND BUYER, New York, New York, or in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the 2008 Bonds as directed by the Authority, such publication to be made at least 30 days prior to the date fixed for redemption.

(d) Upon the payment of the Redemption Price of the 2008 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear or be accompanied by an advice showing the CUSIP number identifying, by issue and maturity, the 2008 Bonds being redeemed with the proceeds of such check or other transfer.

(e) A second notice of redemption shall be mailed in the manner provided above to any registered owner who has not tendered 2008 Bonds that have been called for redemption within sixty (60) days after the applicable redemption date.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AND USE AGREEMENTS

The various Lease and Use Agreements with the Signatory Airlines are substantially similar to each other, differing primarily with respect to the dollar amount of certain specific rentals payable thereunder. In addition, the Lease and Use Agreements entered into by Signatory Airlines after December 15, 1995, lease space on a preferential rather than an exclusive basis. Furthermore, the Lease and Use Agreements entered into after December 15, 1995, provide for the loss of Majority-In-Interest voting privileges and of participation in the rates and charges credit from the Prepaid Airlines Fees and Charges Fund, if the Signatory Airline fails to satisfy the Service Commitment for a consecutive period of six (6) months or twelve (12) months, depending on the airline. The Service Commitment obligates a Signatory Airline that executed a Lease and Use Agreement after December 15, 1995, to provide a minimum number of seats on flights departing from the Airport per gate per day equal to an average of five hundred seats per gate per day. American Trans Air, Inc., Southwest Airlines Co., AirTran Airways, Inc., JetBlue Airways Corp., British Airways, Spirit Airlines, Inc. and Virgin Atlantic Airways, Ltd. are the Signatory Airlines with Lease and Use Agreements executed after December 15, 1995. The Service Commitment contained in the Lease and Use Agreements for British Airways and Virgin Atlantic Airways, Ltd. (the "International Airline Agreements") varies from the Service Commitment contained in the other Lease and Use Agreements entered into after December 15, 1995. The International Airline Agreements provide for a Domestic Service Commitment and an International Service Commitment, which establish an annual minimum landed weight requirement, as opposed to the seat requirement contained in the other Lease and Use Agreements entered into after December 15, 1995.

The following is a summary of certain provisions of each Lease and Use Agreement. The summary is subject in all respects to the detailed provisions of the Lease and Use Agreements, copies of which are available from the Office of the Treasurer, One Airport Boulevard, Orlando, Florida 32827-4399.

Definitions

The capitalization of any word or phrase which is not defined herein or elsewhere in this Appendix B indicates such word or phrase is defined in the Lease and Use Agreements.

"Airline" means Signatory Airline or Signatory Airlines.

"Airport" means the Orlando International Airport owned by the City of Orlando and operated by the Greater Orlando Aviation Authority, the boundaries of which are shown on Exhibit A attached to the Lease and Use Agreements.

"Airport System" means (i) the Orlando International Airport owned by the City and operated by the Authority, including all existing improvements and facilities, as said Orlando International Airport may be 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 the Herndon Airport (now known as the Orlando Executive Airport) or any additions, extensions or improvements thereto. "Airport System" includes

Special Purpose Facilities the revenue and income from which are not pledged to the payment of Authority obligations, but "Airport System" does not include any airport or aviation facility thereafter acquired or constructed by the Authority with funds other than proceeds of bonds issued under the Bond Resolution or Revenues generated by the Airport System.

"Available PFC Revenues" means PFC Revenues to be received by the Authority in a Fiscal Year not to exceed Airport Debt Service accruing during such Fiscal Year with respect to that portion of the Additional Revenue Bonds issued to finance PFC Projects, as allocated by a certificate of an authorized officer of the Authority.

"Bonds" means the Airport Revenue Bonds authorized and issued by the Authority pursuant to the Lease and Use Agreements and the Bond Resolution including Additional Revenue Bonds.

"Contract Security" means a contract bond, irrevocable letter of credit or other security acceptable to Authority.

"Counsel's Opinion" means an opinion signed by an attorney or firm of attorneys (who may be counsel or of counsel to the Authority) selected by the Authority and satisfactory to the Trustee under the Bond Resolution.

"Fiscal Year" means the then-current annual accounting period of the Authority for its general accounting purposes.

"Majority-In-Interest of Airlines" or **"Majority-In-Interest"** means at least fifty percent (50%) in number of the Signatory Airlines which as of the time when approval of a particular undertaking is requested, collectively paid more than one-half of the following:

(i) Terminal fees and charges payable directly to the Authority by all Signatory Airlines during the most recent six month period; and

(ii) Landing fees payable directly to the Authority by all Signatory Airlines during the most recent six month period during which none of the Signatory Airlines experienced schedule reductions at the Airport because of labor disputes.

"PFC Account" means a subaccount in the Airport Facilities Discretionary Fund established by the Bond Resolution.

"PFCs" means the passenger facility charges authorized to be charged by the Authority pursuant to the Aviation Safety and Capacity Expansion Act of 1990, as amended (now codified in Section 40117 of the United States Code), and Section 158.5 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158).

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

"PFC Revenues" means amounts derived by the Authority from the imposition of PFCs, exclusive of the amounts retained by the air carriers collecting the PFCs pursuant to Section 158.53 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158).

"Revenues" means:

(i) all income and revenues from all sources, collected or received by the Authority in the operation of the Airport System, including without limitation except as expressly provided in the Bond Resolution, all rentals, charges, landing fees, use charges and concession revenue received by or on behalf of the Authority in its capacity as the operator of the Airport System in connection with the operation, improvement and enlargement of the Airport System, or any part thereof;

(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 Bonds and Additional Revenue Bonds;

(iii) income received on any investment of moneys held pursuant to the Bond Resolution and paid into the Airport Facilities Revenue Fund established under the Bond Resolution pursuant to the terms of the Bond Resolution; and

(iv) amounts deposited into the Airport Facilities Revenue Fund established under the Bond Resolution from the Prepaid Airlines Fees and Charges Fund established under the Bond Resolution pursuant to the terms of the Bond Resolution.

The term "Revenues" shall not include any moneys held by the Authority in any special fund or account not subject to the lien and pledge of the Bond Resolution or any revenue or income from any such moneys or from any Special Purpose Facilities, except ground rentals therefor, or revenue or income from Herndon Airport (now known as Orlando Executive Airport) or any additions, extensions or improvements thereto; provided, however, "Revenues" shall include revenue or income from Special Purpose Facilities which are not pledged to the payment of obligations of the Authority issued to finance such Facilities; and "Revenues" do not include any PFCs.

"Subordinated Indebtedness" means Subordinated Indebtedness as defined in the Bond Resolution.

"Swap Agreement" means an interest rate swap agreement or other derivative financial product agreement between the Authority and a third party.

Term

Each Lease and Use Agreement and the various fees and charges thereunder became effective prior to the date hereof. Some Lease and Use Agreements terminate on September 30, 2008, while others terminate on October 1, 2008.

Use of Airport Facilities

The Airline shall have the right to the use, in common with others so authorized, of the Airport and appurtenances, together with all facilities, improvements, equipment and services which have been or may be provided for common use at or in connection with the Airport. Such use includes, among other things, (i) operation of a transportation system by aircraft for the

carriage of persons, property and mail, (ii) landing, taking off, flying over, taxiing, pushing, towing, loading, unloading, repairing, maintaining, conditioning, servicing, parking, storing and testing of aircraft or other equipment, (iii) sale of tickets, documentation of shipments, handling of reservations, and the loading and unloading of persons, property and mail, (iv) training of personnel and testing of aircraft, and (v) customary fueling and servicing of aircraft. The Airline leases from the Authority designated space in the Airport terminal building for its exclusive or preferential use and in the case of certain adjoining premises, joint use, and also leases from the Authority designated aircraft parking aprons and taxiing, servicing, loading and unloading facilities for its preferential but nonexclusive use, in common with others.

Bonds and Additional Bonds

In accordance with the Lease and Use Agreements and the Bond Resolution, the Authority may, without Majority-In-Interest approval, issue Bonds on a parity with the then outstanding Bonds to refund any outstanding Bonds, or to issue Subordinated Indebtedness, provided that the debt service on such refunding bonds or Subordinated Indebtedness in any year is not greater than the debt service which would have been due in such year on the Bonds or Subordinated Indebtedness being refunded. The Authority may also issue Subordinated Indebtedness or Additional Revenue Bonds without the approval of a Majority-In-Interest under the circumstances described below under the caption "Additional Projects."

Additional Projects

Under certain conditions, the Authority may finance the cost of acquisition and construction of additional aviation facilities for the Airport System or any additions, extensions, improvements and betterments thereto and reconstruction thereof through the issuance of Additional Revenue Bonds or Subordinated Indebtedness, or the use of any funds lawfully available. However, the Authority must obtain Majority-In-Interest approval of any Additional Project prior to financing the same with Additional Revenue Bonds or Subordinated Indebtedness, except for the following purposes: (i) to expand the terminal complex for the increased requirements of any Signatory Airline, provided such Signatory Airline agrees in writing to increased fees and charges sufficient to cover payment of debt service on such Additional Revenue Bonds or Subordinated Indebtedness; (ii) to expand the terminal complex to accommodate an airline, other than a present Signatory Airline, provided such airline enters into a Lease and Use Agreement in which it agrees to pay fees and charges sufficient to cover the payment of debt service on such Additional Revenue Bonds or Subordinated Indebtedness, and its allocated portion of the cost to construct the public areas of the terminal complex and of any terminal complex unassigned space assigned to it; (iii) to finance projects for public safety when directed by the FAA, National Transportation Safety Board or similar governmental authority having jurisdiction; (iv) to repair casualty damage to Airport System property, the cost of which exceeds proceeds of insurance, which property must be rebuilt or replaced in order to satisfy an Authority obligation with respect to such property or maintain a source of revenue; and (v) after contracts have been awarded, to finance the cost of change orders initiated by one or more Signatory Airlines or the Authority as to unassigned areas, for its or their sole benefit, provided that the party initiating such change orders agrees to pay fees and charges sufficient to cover such costs. In addition, the Authority has covenanted that it shall not acquire or construct any additional airport or aviation facility, except as provided above, with the proceeds of bonds issued under the Bond Resolution or from Revenues generated by the Airport System without Majority-In-Interest approval.

Flow of Funds

The Authority shall apply all Revenues in accordance with the Bond Resolution.

Terminal Fees and Charges and Apron Fees

The Airline is required to pay the Authority (i) a specified annual rental with respect to space leased exclusively, preferentially or jointly to the Airline, payable in advance in equal monthly installments, (ii) a monthly charge for the use in common with others of Non-Exclusively Assigned Premises, computed on a square foot basis and allocated among the Airlines in part on the basis of the number of scheduled air transportation companies having the right to use the area and in part on the basis of the number of passengers of the Airline enplaning in the preceding six month period, (iii) an annual charge for tenant improvements financed by the Authority payable in monthly installments, and (iv) an annual charge for preferential use of aircraft parking aprons, payable in monthly installments.

The fees and charges specified in clauses (i) and (ii) of the preceding paragraph will be adjusted at least annually as described in the Lease and Use Agreements.

Landing Fees

The Airline is required to pay the Authority a monthly landing fee. Fees and charges for use of the premises, facilities, rights, licenses and privileges granted to the Airline, except for those fees and charges specifically provided for under "Terminal Fees and Charges and Apron Fees" above, shall be combined and represented by a landing fee which shall be calculated at least annually. The landing fee is expressed in cents per thousand pounds of the approved maximum gross landing weight of each type of aircraft of the Airline and is multiplied by the number of Revenue Landings at the Airport by each type of aircraft. The landing fee will be adjusted at least annually as described in the Lease and Use Agreements.

Fees and Charges

Airline fees and charges are calculated so that for each Fiscal Year, Revenues less the sum of:

- (i) Operation and Maintenance Expenses; and
- (ii) all amounts required to be paid or deposited by the terms of any financing documents relating to Subordinated Indebtedness incurred pursuant to the terms of the Lease and Use Agreements; and
- (iii) all payments the Authority is required to make to any third party under any Swap Agreement entered into by the Authority with the approval of a Majority-In-Interest of Airlines; and
- (iv) required deposits from Revenues into the Operation and Maintenance Reserve Account in the Operation and Maintenance Fund, the Capital Expenditures Fund and the Renewal and Replacement Fund established under the Bond Resolution; and

(v) all amounts required to be reimbursed to the PFC Account pursuant to the Bond Resolution due to withdrawals to cure deficiencies, to the extent not previously reimbursed, shall at least equal Airport Debt Service, less Available PFC Revenues. Airport Debt Service, for any Fiscal Year, means an amount equal to 1.25 times the amounts required by the Bond Resolution (exclusive of any funds made available as capitalized interest) to be paid in such Fiscal Year into the Debt Service Account in the Bond Fund established under the Bond Resolution.

Before the beginning of each Fiscal Year, the Authority shall adopt its Annual Budget substantially in accordance with information submitted to Airlines for purposes of recalculation of fees and charges, as the latter may have been readjusted through negotiations with the Airlines or through mediation.

The Lease and Use Agreement provides for mediation of budget disputes between the Airline and the Authority at the request of either party by a mediator or mediators chosen by the parties. The mediator shall attempt mediation for not to exceed 30 days from the date of appointment, and thereafter the Authority shall adopt its budget taking into consideration in good faith the recommendations and suggestions of the Airline and the mediator. However, the Authority has final and sole discretion in the adoption of its budget. If adjustment of fees and charges is not completed prior to the end of a Fiscal Year, existing fees and charges continue until adjustment is made; provided, however, that during any such period when the Authority is required to expend 25% or more of funds which should be properly on deposit in the operation and maintenance reserve accounts under the Bond Resolution, if the Authority elects, the amount expended shall become a surcharge applied to landing fees for the month in which such expenditures are made from such accounts. In the first month after adjustment of fees and charges is made, the Airline's adjusted landing fees shall be credited with any such surcharge but only to the extent that such credit will not create a deficiency in Revenues to be received by the Authority under the Bond Resolution.

Once the Annual Budget is adopted, the total budgeted amount of expenses may not be exceeded without the written approval of a Majority-In-Interest of the Airlines, unless such increase is due to circumstances beyond the control of the Authority or is the result of maintenance or repair of an emergency nature which would have the effect of closing the Airport for a period of 48 hours, or is the result of increases in the interest rate payable by the Authority on Bonds or Subordinated Indebtedness approved by a Majority-In-Interest of Airlines that bear a variable rate of interest, or is the result of increases in the payments the Authority is required to make to a third party under a Swap Agreement entered into by the Authority with the approval of a Majority-In-Interest of Airlines, or is the result of amounts required to be reimbursed to the PFC Account pursuant to the Bond Resolution due to withdrawals to cure deficiencies not previously reimbursed.

After adjustments to fees and charges have been made for a particular Fiscal Year, fees and charges shall be reduced by the amount deposited into the Revenue Fund established under the Bond Resolution in such Fiscal Year from amounts accumulated in the Prepaid Airlines Fees and Charges Fund established under the Bond Resolution in the previous Fiscal Year.

Maintenance and Operation; Concessions

The Authority has covenanted to develop prudently, improve and at all times maintain and operate with adequate, efficient and qualified personnel, the Airport and to keep the Airport in good repair, to keep the Airport and its aerial approaches free from obstruction and interference and to develop, maintain and operate the Airport in all respects in a manner at least equal to the standards or rating established by the FAA and any other governmental agency having jurisdiction, except for conditions beyond the control of the Authority.

The Authority has agreed to award non-aeronautical concessions with a term in excess of one year in the terminal complex at the Airport either through competitive bidding or competitive proposals, in accordance with the Authority's Concession Policy (this Concession Policy also gives the Authority the right to award concessions to minority business enterprises on a negotiated basis). The Authority's Concession Policy may not be amended to change the manner of awarding concessions without the approval of a Majority-In-Interest of Airlines. The Airlines may not unreasonably withhold their approval.

Contract Security

An Airline that has not provided regularly scheduled passenger flights to and from the Airport for the 18 months prior to the Airline's execution of a Lease and Use Agreement shall provide the Authority with Contract Security. This Contract Security, in the amount of three months' fees and charges payable by the Airline under the Lease and Use Agreement, shall guaranty the performance of the Airline's obligations and its payment of all fees and charges under the Lease and Use Agreement. The Airline is obligated to maintain this Contract Security in effect until the expiration of 18 consecutive months (including any prior period during which the Airline provided regularly scheduled passenger flights to and from the Airport) during which the Airline commits no monetary Event of Default under the Lease and Use Agreement.

The Authority has the right to reimpose this Contract Security requirement on any Airline that commits a monetary Event of Default under its Lease and Use Agreement.

Insurance; Indemnity

The Airline agrees fully to indemnify and save harmless the Authority from and against all claims, suits, actions, judgments, damages and losses, including costs, fees and expenses in connection therewith, for death or injury to third parties or for loss or damage to or destruction of property of third parties caused by or resulting from or incident to the negligence of the Airline. The Airline agrees to carry and keep in force comprehensive general liability insurance with limits of liability of not less than \$200,000,000 for public liability, property damage and bodily injury, and comprehensive automobile liability insurance covering on-airport automotive vehicles with combined single limits of not less than \$2,000,000, with respect to some of the Lease and Use Agreements, and \$5,000,000 with respect to the other Lease and Use Agreements. The Authority has the right, on at least 30 days notice to the Airline, reasonably to amend these monetary limits or coverages in accordance with insurance requirements in effect at other large hub airports.

Assignment or Sublease

The Airline may not at any time assign the Lease and Use Agreement or assign or sublet any portion of the space assigned to the Airline without the prior consent in writing of the Authority (which consent shall not be unreasonably withheld); provided, however, that without such consent the Airline may assign the Lease and Use Agreement to any corporation with which it may merge or consolidate or which may succeed to its business.

Special Covenant

To the extent permitted by law, the Authority will not permit the use of Herndon Airport (now known as Orlando Executive Airport) or any other airport operated by it within 30 statute miles of the Airport for scheduled service or charter service by any airline providing scheduled service to the Airport, and the Airlines have agreed not to provide any such service to any airport within such distance of the Airport.

Default and Termination

Each of the following constitutes an Event of Default by the Airline: (i) if the Airline fails to make due and punctual payment of fees and charges payable under the Lease and Use Agreement, and such default continues for a period of 10 days after receipt of written notice thereof from the Authority; (ii) if the Airline fails to keep, perform or observe any material term, covenant or condition of the Lease and Use Agreement (other than those referred to in clause (i) above or (iv) below) for a period of 20 days after receipt of written notice thereof from the Authority; provided, however, that if by its nature such default cannot be cured within such 20-day period, then such default shall not constitute an Event of Default if the Airline commences to cure such default within said 20-day period and thereafter pursues its curing with due diligence; (iii) certain events of bankruptcy, insolvency or receivership occur with respect to the Airline; or (iv) if the Airline shall fail to provide, renew or replace the Contract Security on or before the date on which the same is required. On the occurrence of an Event of Default by the Airline, the Authority may re-enter and take possession of the Airline's premises and relet such premises or terminate the Lease and Use Agreement. Upon any reletting, the Airline is liable to pay to the Authority the cost of reletting and any loss of fees or charges for the period of such reletting.

Each of the following constitutes an Event of Default by the Authority: (i) if the Authority fails to keep, perform or observe any material term, covenant or condition of the Lease and Use Agreement for 30 days after receipt of written notice from the Airline; (ii) if the Authority closes the Airport to flying in general or to the flights of Airline for reasons other than weather, acts of God or reasons beyond its control, and fails to reopen the Airport to such use for more than 90 days; (iii) unless an Event of Default has occurred by the Airline, the Authority has deprived the Airline of its right to occupy and use its premises for more than 30 days. After an Event of Default by the Authority, the Airline may suspend or terminate the Lease and Use Agreement upon 30 days' written notice to the Authority, in which event all fees and charges payable by the Airline shall abate. Notwithstanding the foregoing, any such termination by the Airline requires 30 days' advance written notice to the Authority specifying the cause for termination and the date thereof. The Authority may cure the default, or in certain cases commence its cure, during the 30-day period after the date of such written notice.

The Airline may suspend or terminate the Lease and Use Agreement upon notice as set forth above if (i) the Airline is permanently deprived, for any reason beyond its control, of rights, certificates or authorizations necessary under applicable law to operate at the Airport or (ii) the Airport is closed on a permanent basis in general or to the Airline for any reason beyond the Airline's control. In the event of such suspension or termination, fees and charges payable by the Airline abate and the Airline may remove any trade fixtures, furniture or furnishings in accordance with the Lease and Use Agreement. Any periods of suspension must be added to the term of the Lease and Use Agreement.

Conforming of Lease and Use Agreements

In the event the Authority enters into a Lease and Use Agreement with any other air transport operator at the Airport containing more favorable terms, then the same terms must be made concurrently and automatically available to the Airline. (This provision is not contained in Lease and Use Agreements executed after December 15, 1995.)

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APPENDIX C

**AUDITED FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT
AUDITORS THEREON FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2006
AND 2007**

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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, 2007 and 2006, 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, 2007 and 2006, 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 4, 2008 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 4, 2008



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The following discussion and analysis of the Greater Orlando Aviation Authority (the Authority) is to provide an introduction to the basic financial statements for the fiscal years ended September 30, 2007 and 2006, with selected comparative information for the fiscal year ended September 30, 2005. 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 other 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. Reconciliations follow these statements to assist in the understanding of the differences between cash flows from operating activities and operating income.

AUTHORITY ACTIVITY HIGHLIGHTS

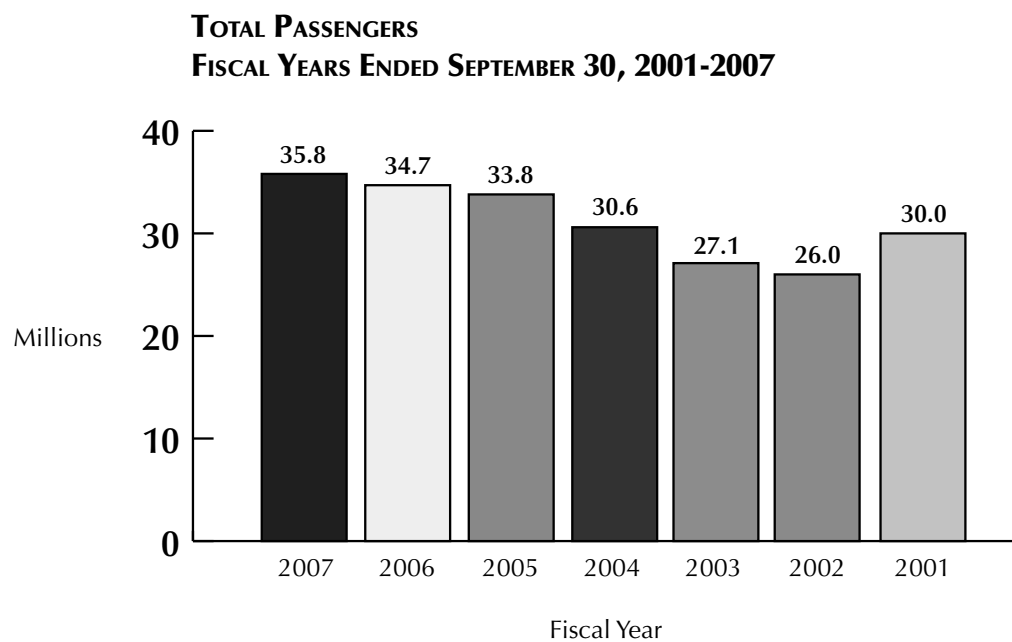
Enplanements at Orlando International Airport increased 3.0 percent in fiscal year 2007 over fiscal year 2006. This trend is expected to continue during the next few years. Enplanements were up 2.8 percent in fiscal year 2006 from fiscal year 2005. A variety of construction projects were completed during fiscal year 2007. These include the completion of several landside and airside terminal projects together with the first phase of the in-line baggage screening system, as well as the expansion of the Authority's access control system. In the landside terminal, the Authority completed major renovations to the hotel roof and envelope, as well as the rehabilitation of the lighting soffits in the great hall, and the smoke control system rehabilitation. Also completed were several airside and terminal projects including building envelope repairs to the Airside Terminal 2 Automated Guideway System (AGT) Station D and gate modifications in Airside Terminal 4. Airfield projects completed at Orlando International Airport included the rehabilitation of Taxiways E and F and their associated connectors, and the second phase of the airfield wildlife habitat reduction project. Other projects finished at Orlando International Airport include capacity improvements in the North Terminal, roadway and pavement projects. On-going projects include the rehabilitation of Airside Terminals 1 and 3, the in-line baggage screening system, modifications to the Taxiway F bridge and Taxiway B shoulder and fillet improvements, and Airside Terminals 2 and 4 ramp joints rehabilitation. Orlando Executive Airport has completed the East Quadrant ramp improvements, the construction of a new administrative building along with various security improvements.

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 2005 TO 2007

	2007	2006	2005
Enplaned Passengers	17,831,818	17,316,608	16,844,689
Operations	331,080	327,078	323,476

The following graph represents total passenger activity at Orlando International Airport for the fiscal years ended September 30:



FINANCIAL HIGHLIGHTS

The Authority's total passengers served during fiscal year 2007 increased approximately 1.1 million from fiscal year 2006. This follows an increase of nearly 1.0 million total passengers during fiscal year 2006 and an increase of 3.2 million total passengers during fiscal year 2005. This trend is expected to continue over the next few years as the growth in travel returns to a more normal pattern. The Authority continues to monitor changes in passenger levels, making adjustments when necessary to accommodate the increased demands of the airport facilities.

REVENUES

Orlando International Airport has a residual use and lease agreement with various signatory airlines that expires on September 30, 2008. This type of agreement provides 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, 2006, 2005 and 2004, the beginning of the fiscal years, signatory airline prepaid credits totaled \$18.7 million, \$22.0 million, and \$13.0 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 2007, 2006, and 2005 represented about 24 percent, 21 percent, and 25 percent respectively, of total operating revenue.

The Authority's total revenues reflect increases in each of the last three years over the preceding years. The increases in revenues are primarily the result of continued increase in passenger traffic. Those results are as follows:

TOTAL REVENUES (IN THOUSANDS)

	2007	2006	2005
Total Operating Revenues	\$ 302,568	\$ 284,312	\$ 269,061
Total Nonoperating Revenues	93,668	87,469	99,321
Total Revenues	\$ 396,236	\$ 371,781	\$ 368,382

OPERATING REVENUES

Overall, the operating revenues of the Authority increased \$18.3 million in fiscal year 2007 or 6.4 percent 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 a reduction in the prepaid airline credits available in fiscal year 2007. The increase of \$13.7 million in terminal area revenue included general merchandise and food and beverage revenue increases of \$2.8 million, and rental car and parking revenue increases of \$8.7 million attributed to a 3 percent increase in passenger traffic. The hotel experienced an increase in revenue earnings over the prior year as a result of a 2.38 percent occupancy level increase and a 2.15 percent increase in rates.

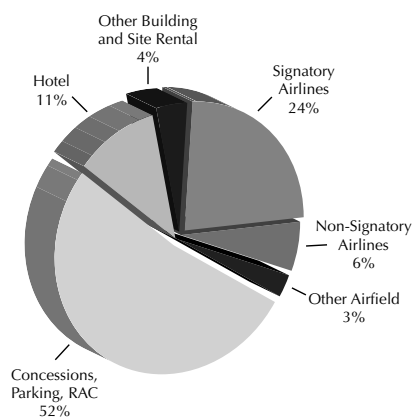
Operating revenues of the Authority increased \$15.3 million or 5.7 percent in fiscal year 2006 from the previous year, primarily from increased concession and hotel revenues. Concession revenues increased \$6.1 million or 4.4 percent over fiscal year 2005. Included in concession revenues are public parking, up \$4.2 million or 9.8 percent; food and beverage, up \$0.5 million or 4.6 percent; and rental car, up \$0.9 million or 1.6 percent. This performance can primarily be attributed to increased passenger traffic and increased parking rates. In 2006, the hotel generated revenues of \$33.9 million, an increase in revenues of \$6.0 million or 21.3 percent over 2005. Hotel occupancy was up 11.1 percent from the prior year because of the completion of the guest room renovations.

OPERATING REVENUES BY MAJOR SOURCE (IN THOUSANDS)

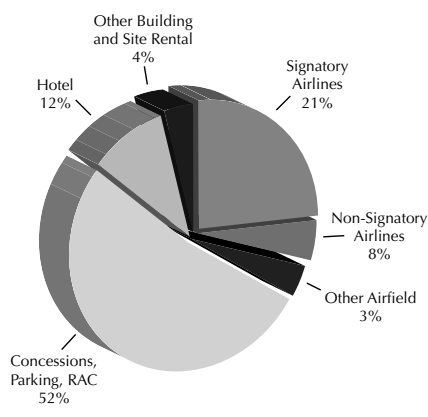
	2007	2006	2005
Signatory Airlines			
Net Landing Fees	\$ 20,202	\$ 14,005	\$ 17,339
Terminal Area Rents	50,764	45,981	48,517
Signatory Airline Revenues	70,966	59,986	65,856
Non-Signatory Airlines			
Landing Fees	5,519	8,657	7,284
Terminal Area Rents	10,918	13,715	5,865
Non-Signatory Airline Revenues	16,437	22,372	13,149
Other Airfield Revenues	9,558	9,442	10,112
Concession			
General Merchandise	14,531	13,007	15,295
Food and Beverage	11,526	10,220	9,772
Rental Car (RAC)	57,631	55,478	54,619
Public Auto Parking	54,172	47,655	43,411
Other Terminal Area	19,919	19,750	16,911
Concession	157,779	146,110	140,008
Other Building and Site Rentals	13,263	12,461	11,962
Hotel	34,565	33,941	27,974
Total Operating Revenues	\$ 302,568	\$ 284,312	\$ 269,061

The following charts show major sources and the percentage of operating revenues for the fiscal years ended September 30, 2007, 2006, and 2005:

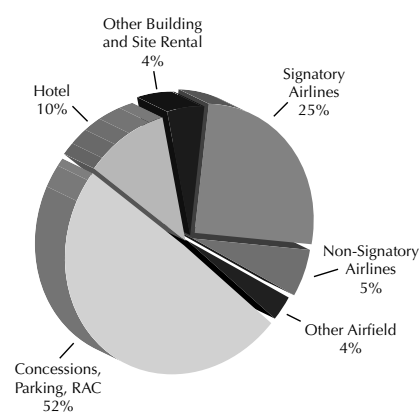
2007 Operating Revenue



2006 Operating Revenue



2005 Operating Revenue



NONOPERATING REVENUES

Nonoperating revenues consist mainly of investment income, passenger facility charges (PFC's), and federal and state operating grants. Investment income was \$30.8 million in fiscal year 2007, \$25.5 million in fiscal year 2006, and \$14.3 million in fiscal year 2005. Interest rates rebounded from the lows of 2004. PFC's were \$59.3 million in fiscal year 2007, \$45.9 million in fiscal year 2006, and \$43.4 million in fiscal year 2005. The continuing growth is a result of increased passenger traffic and an increase from \$3.00 to \$4.50 in the PFC rate, effective July 1, 2007. Federal and state operating grants decreased in fiscal year 2007 to \$2.5 million. This is the result of the decrease in hurricane related assistance as repairs have been completed. Other nonoperating revenue decreased by \$2.6 million resulting from insurance proceeds received for hurricane-related damage during fiscal year 2006.

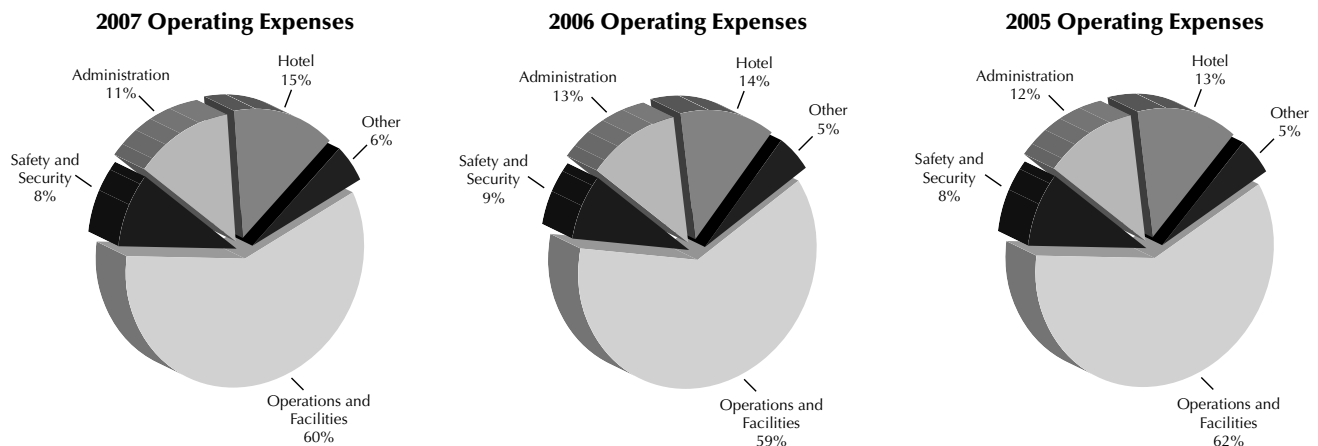
OPERATING EXPENSES

Operating expenses, before depreciation, increased \$9.8 million or 5.6 percent 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. The Authority continues to monitor operating expenses closely to ensure budget objectives are met.

OPERATING EXPENSES BY COST CENTER (IN THOUSANDS)

	2007	2006	2005
Operations and Facilities	\$ 109,595	\$ 102,056	\$ 103,508
Safety and Security	15,409	15,097	13,857
Administration	20,658	21,849	19,019
Hotel	26,505	24,995	22,140
Other	11,110	9,503	7,536
Total Operating Expenses Before Depreciation	183,277	173,500	166,060
Depreciation	93,352	94,220	92,472
Total Operating Expenses	\$ 276,629	\$ 267,720	\$ 258,532

The following charts show major cost centers and the percentage of operating expenses (excluding depreciation) for the years ended September 30, 2007, 2006, and 2005:



NONOPERATING EXPENSES

Nonoperating expenses consist mainly of interest expense. Interest expense was \$67.2 million in fiscal year 2007, \$68.8 million in fiscal year 2006 and \$71.6 million in fiscal year 2005.

CHANGES IN NET ASSETS

Capital contributions received from the federal and state governments amounted to \$47.0 and \$48.0 million during fiscal years 2007 and 2006, respectively, as the Authority completed major construction projects such as security improvement projects and several other terminal rehabilitation projects, including restoration work from hurricane damages. Capital contributions increased \$12.0 million in fiscal year 2006 from fiscal year 2005. Grant funding received on major projects for fiscal year 2007 was as follows (in millions):

CAPITAL CONTRIBUTIONS (IN MILLIONS)

In-line Baggage System	\$ 13.9
Rehabilitation of Airside Terminals 1 & 3	11.2
Additions to Fourth Runway	5.9
Wildlife Habitat Reduction	3.7
Taxiway Improvements	2.9
Mid-Crossfield Taxiway Bridge Expansion	3.4
Security Improvements	1.9
North Crossfield Taxiway	2.0
Miscellaneous	2.1
Total Capital Contributions	\$ 47.0

The change in net assets for the fiscal years ended September 30, are as follows (in thousands):

CHANGES IN NET ASSETS (IN THOUSANDS)

	2007	2006	2005
Operating Revenues	\$ 302,568	\$ 284,312	\$ 269,061
Operating Expenses	276,629	267,720	258,532
Operating Income	25,939	16,592	10,529
Other Nonoperating Revenues (Expenses)	26,518	18,679	27,765
Income Before Capital Contributions	52,457	35,271	38,294
Capital Contributions	47,639	47,959	36,030
Increase in Net Assets	\$ 100,096	\$ 83,230	\$ 74,324

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 for the fiscal years ended September 30, (in thousands):

NET ASSETS (IN THOUSANDS)

	2007	2006	2005
Assets:			
Current Assets			
Unrestricted Assets	\$ 152,125	\$ 122,706	\$ 118,163
Restricted Assets	352,702	303,862	305,382
Noncurrent Assets	191,223	212,857	236,844
Capital Assets	1,897,728	1,842,947	1,827,490
Total Assets	2,593,778	2,482,372	2,487,879
Liabilities:			
Current (payable from current assets)	64,149	53,631	53,149
Current (payable from restricted assets)	132,849	129,461	118,976
Noncurrent Liabilities	1,195,822	1,198,418	1,298,122
Total Liabilities	1,392,820	1,381,510	1,470,247
Net Assets:			
Invested in Capital Assets, net of related debt	758,380	658,885	578,271
Restricted	327,979	351,097	355,135
Unrestricted	114,599	90,880	84,226
Total Net Assets	\$ 1,200,958	\$ 1,100,862	\$1,017,632

The majority of the Authority's net assets at September 30, 2007 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. 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, 2007, represent funds that are subject to external restrictions under the Authority's Bond Resolution dated June 13, 1978, as amended, and PFC's restricted by federal regulations. The unrestricted portion of net assets, \$114.6 million at September 30, 2007, may be used to meet the Authority's ongoing obligations.

AIRLINE RATES AND CHARGES

At September 30, 2007, the Authority has a negotiated and executed Airline Lease and Use Agreement in effect with seventeen airlines known collectively as the signatory airlines. This agreement establishes the rates and charges methodology for the signatory airlines and their affiliates each year and will expire on September 30, 2008.

SIGNATORY AIRLINE RATES AND CHARGES

	Rates effective for 2007	Rates effective for 2006	Rates effective for 2005
Terminal Average Square Foot Rate	\$ 55.5300	\$ 54.9400	\$ 47.7000
Landing Fee – per 1,000 lbs. Unit (gross)	1.9469	1.9698	2.0489
Landing Fee – per 1,000 lbs. Unit (net)	1.1363	0.6199	1.4667
Cargo Landing Fee – per 1,000 lbs. Unit	2.0000	1.9500	1.8600

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 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. PFC's may be used either to pay for eligible capital improvements or to pay debt service on bonds issued to finance projects eligible for PFC funding. Through September 2007, the Authority has approved applications to impose PFC's of approximately \$1.6 billion to fund project costs of various airport improvements. PFC collections to date (including investment earnings) are \$579.6 million. Expenditures on PFC approved projects and debt service to date are \$513.3 million.

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

During fiscal year 2007, the Authority expended \$139.9 million on capital projects. This included \$26.1 million funded by FAA contributions, \$21.0 million funded by Florida Department of Transportation (FDOT) contributions, and \$51.8 million funded by PFC's. The balance was paid from tenant and other Authority funds. Major projects completed and the amounts transferred to fixed assets during the fiscal year are listed as follows (in millions):

Administration Building	\$ 12.4
Security	6.7
Roofing	3.7
Signage	3.6
Wildlife Habitat Reduction	3.4
North Terminal Capacity Improvements	2.4
Total	\$ 32.2

Major projects under construction and the amounts expended during fiscal year 2007 are listed as follows (in millions):

Rehabilitation of Airside Terminals 1 & 3	\$ 50.4
In-line Baggage System	33.0
Airside Terminal 4 Improvements Program	6.2
Roadway & Pavement	6.1
Taxiway Improvements	3.9
Terminal Design Services	3.5
Automated People Mover	2.8
Security Program	2.6
Infrastructure Development Analysis	1.5

More detailed information about the Authority's capital assets is presented in Note 9 to the financial statements.

DEBT ACTIVITIES

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. Additional commercial paper in the amount of \$60.1 million was also issued during 2007.

The Authority had no new debt transactions for fiscal year 2006.

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, 2007, was \$783.3 million. 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 Variable Rate Subordinated Revenue Refunding Bonds, Series 1998; 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, 2007, the aggregate principal amount of all other parity-subordinated indebtedness was \$506.9 million, including \$90.1 million of secondary-subordinated indebtedness and other such principal amounts as further discussed below.

As of September 30, 2007, the Authority has outstanding \$88.1 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 \$35.0 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, 2007, was \$22.0 million.

The Florida Department of Transportation made certain interest-free loans to the Authority in the principal amount of \$10.0 million for capital improvements and land acquisition. The balance of \$1.2 million at September 30, 2006 was paid off during fiscal year 2007.

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 percent of the debt service on the senior lien airport revenue bonds and 100 percent of the debt service on subordinated bonds and other parity indebtedness. Coverage ratios for the past three years are shown in the following table.

COVERAGE RATIOS

	2007	2006	2005
Senior lien debt	2.21%	2.07%	2.26%
All indebtedness	1.37%	1.41%	1.41%

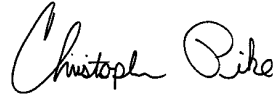
More detailed information about the Authority's noncurrent liabilities is presented in Note 14 to the financial statements.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Greater Orlando Aviation Authority, One Airport Boulevard, Orlando, FL 32827-4399.

A handwritten signature in black ink that reads "J. Churchill". The signature is written in a cursive, flowing style.

Jacki Churchill
Chief Financial Officer

A handwritten signature in black ink that reads "Christopher Pike". The signature is written in a cursive, flowing style.

Christopher Pike
Assistant Director of Finance



GREATER ORLANDO AVIATION AUTHORITY
BALANCE SHEETS
(in thousands)

ASSETS	September 30, 2007	2006
Current Assets		
Unrestricted:		
Cash and cash equivalents	\$ 94,458	\$ 77,431
Accounts and grants receivable, less allowance for uncollectibles of \$125 and \$112	18,027	13,130
Investments	33,115	25,964
Interest receivable	768	615
Prepaid expenses	5,757	5,566
Total unrestricted assets	<u>152,125</u>	<u>122,706</u>
Restricted:		
Cash and cash equivalents	326,491	224,299
Accounts and grants receivable, less allowance for uncollectibles of \$0	16,599	22,672
Investments	6,949	53,403
Interest receivable	2,491	3,465
Prepaid expenses	172	23
Total restricted assets	<u>352,702</u>	<u>303,862</u>
Total current assets	<u>504,827</u>	<u>426,568</u>
Noncurrent Assets		
Investments, restricted	191,223	212,857
Total long-term investments	<u>191,223</u>	<u>212,857</u>
Capital assets, net of accumulated depreciation:		
Property and equipment	996,842	1,011,623
Property held for lease	550,094	577,497
Construction in progress	350,792	253,827
Total capital assets, net of accumulated depreciation	<u>1,897,728</u>	<u>1,842,947</u>
Total noncurrent assets	<u>2,088,951</u>	<u>2,055,804</u>
Total Assets	<u>\$ 2,593,778</u>	<u>\$ 2,482,372</u>

GREATER ORLANDO AVIATION AUTHORITY
BALANCE SHEETS
(in thousands)

LIABILITIES AND NET ASSETS	September 30, 2007	2006
Current Liabilities (Payable from Unrestricted Current Assets)		
Accounts payable and accrued liabilities	\$ 31,979	\$ 24,344
Deferred revenue	25,561	20,998
Deposits	4,940	4,798
Advance rent from tenants, current	1,669	3,491
Total current liabilities (payable from unrestricted current assets)	<u>64,149</u>	<u>53,631</u>
Current Liabilities (Payable from Restricted Assets)		
Accrued interest	17,489	20,491
Accounts payable and accrued liabilities	46,508	30,489
Deferred revenue	13,928	18,766
Notes payable, current	9,424	10,270
Revenue bonds payable, current	45,500	49,445
Total current liabilities (payable from restricted assets)	<u>132,849</u>	<u>129,461</u>
Total current liabilities	<u>196,998</u>	<u>183,092</u>
Noncurrent Liabilities		
Notes payable, long-term	78,681	29,480
Revenue bonds payable, long-term	1,114,225	1,165,828
Advance rent from tenants, long-term	2,916	3,110
Total noncurrent liabilities	<u>1,195,822</u>	<u>1,198,418</u>
Total liabilities	<u>1,392,820</u>	<u>1,381,510</u>
NET ASSETS		
Invested in capital assets, net of related debt	758,380	658,885
Restricted:		
For debt service	174,601	178,222
For capital acquisitions	153,378	172,875
Unrestricted	114,599	90,880
Total net assets	<u>1,200,958</u>	<u>1,100,862</u>
Total Liabilities and Net Assets	<u>\$ 2,593,778</u>	<u>\$ 2,482,372</u>

See accompanying notes to basic financial statements

GREATER ORLANDO AVIATION AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN ASSETS
(in thousands)

	Years Ended September 30,	
	2007	2006
Operating Revenues		
Airfield area	\$ 35,264	\$ 32,104
Terminal area	219,461	205,806
Hotel	34,565	33,941
Other buildings and site rentals	13,278	12,461
Total operating revenues	<u>302,568</u>	<u>284,312</u>
Operating Expenses		
Operations and facilities	109,595	102,056
Safety and security	15,409	15,097
Administration	20,658	21,849
Hotel	26,505	24,995
Other	11,110	9,503
Total operating expenses before depreciation	<u>183,277</u>	<u>173,500</u>
Operating income before depreciation	119,291	110,812
Depreciation	<u>(93,352)</u>	<u>(94,220)</u>
Operating income	25,939	16,592
Nonoperating Revenues (Expenses)		
Investment income	30,833	25,478
Interest expense	(67,150)	(68,790)
Passenger facility charges	59,302	45,933
Federal and state grants	2,531	12,463
Other	1,002	3,595
Income before capital contributions	<u>52,457</u>	<u>35,271</u>
Capital Contributions	<u>47,639</u>	<u>47,959</u>
Increase in net assets	100,096	83,230
Total Net Assets, Beginning of Year	1,100,862	1,017,632
Total Net Assets, End of Year	<u>\$ 1,200,958</u>	<u>\$ 1,100,862</u>

See accompanying notes to basic financial statements

GREATER ORLANDO AVIATION AUTHORITY
STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended September 30,	
	2007	2006
Cash flows from operating activities		
Cash received from customers and tenants	\$ 287,854	\$ 282,561
Cash paid to suppliers	(126,646)	(125,869)
Cash paid to employees for services	(50,606)	(50,258)
Net cash provided by operating activities	<u>110,602</u>	<u>106,434</u>
Cash flows from non-capital financing activities		
Operating grants received, passenger facility charges and insurance proceeds received	<u>7,047</u>	<u>16,539</u>
Net cash provided by non-capital financing activities	<u>7,047</u>	<u>16,539</u>
Cash flows from capital and related financing activities		
Proceeds from issuance of bonds	149,845	-
Proceeds from issuance of commercial paper notes	60,100	-
Passenger facilities charges and insurance proceeds	55,788	45,452
Principal payments - bonds and notes	(221,463)	(93,635)
Bond issue costs	(479)	-
Discount on bonds	(726)	-
Interest paid	(64,622)	(63,190)
Acquisition and construction of capital assets (including capitalized interest)	(130,127)	(105,807)
Capital contributed by federal and state agencies	56,106	51,438
Net cash used for capital and related financing activities	<u>(95,578)</u>	<u>(165,742)</u>
Cash flows from investing activities		
Purchase of investments	(185,852)	(178,355)
Proceeds from sale and maturity of investments	252,562	184,465
Interest received	30,438	24,613
Net cash provided by investing activities	<u>97,148</u>	<u>30,723</u>
Net increase (decrease) in cash and cash equivalents	119,219	(12,046)
Cash and Cash Equivalents, Beginning of Year	301,730	313,776
Cash and Cash Equivalents, End of Year (1)	<u>\$ 420,949</u>	<u>\$ 301,730</u>
(1) Cash and Cash Equivalents - Current Assets	\$ 94,458	\$ 77,431
Cash and Cash Equivalents - Restricted Assets	326,491	224,299
	<u>\$ 420,949</u>	<u>\$ 301,730</u>

(continued)

GREATER ORLANDO AVIATION AUTHORITY
STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended September 30,	
	<u>2007</u>	<u>2006</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	<u>\$ 25,939</u>	<u>\$ 16,592</u>
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	93,352	94,220
Noncash operating revenue	(4,710)	-
(Increase) Decrease in operating assets		
Accounts and grants receivable	(7,718)	476
Prepaid expenses	(191)	(913)
Increase (Decrease) in operating liabilities		
Accounts payable and accrued liabilities	5,885	(1,722)
Deferred revenues	(275)	(1,120)
Deposits	142	(46)
Advanced rent from tenants	(1,822)	(1,053)
Total adjustments	<u>84,663</u>	<u>89,842</u>
Net cash provided by operating activities	<u><u>\$ 110,602</u></u>	<u><u>\$ 106,434</u></u>

Noncash Investing, Capital and Financing Activities

Increase in fair value of investments	\$ 1,043	\$ 480
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See accompanying notes to financial statements

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

1. ORGANIZATION AND PURPOSE

The Greater Orlando Aviation Authority (the Authority) was established by the Florida State Legislature pursuant to the Greater Orlando Aviation Authority Act, Chapter 57-1658, Special Laws of Florida, 1957, as amended. The Authority operates Orlando International Airport and Orlando Executive Airport. For reporting purposes, these airports are combined into a single enterprise fund.

2. REPORTING ENTITY

In defining the Greater Orlando Aviation Authority for financial reporting purposes, management applied the requirements of Governmental Accounting Standards Board Statement No. 14 and Governmental Accounting Standards Board Statement No. 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. The Authority would be a component unit of another entity if it were financially accountable to that unit. Financial accountability occurs when an entity appoints a voting majority of the board of the potential component unit and (1) is able to impose its will on the potential component unit and/or (2) is in a relationship of financial benefit or burden with the potential component unit. An entity would also be considered financially accountable if the potential component unit is fiscally dependent, regardless of whether the entity appoints the voting majority of the potential component unit's board. Additionally, the Authority considers any potential component units for which exclusion from their financial statements would cause the financial statements to be misleading. Certain organizations warrant inclusion as part of the financial reporting entity because of the significance of their relationship with the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by the individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Based on the application of these criteria, the following is a brief review of each potential component unit considered in defining the Authority's reporting entity.

The Authority is not financially accountable to the City of Orlando. The Authority Board consists of five members appointed by the Governor, one member appointed by the Orlando City Council, and one member appointed by the Orange County Commission. The Governor, the Orlando City Council, or the Orange County Commission cannot remove the Board members without cause. The City of Orlando does not participate in the designation of management of the Authority. The Authority Board approves the appointment of executives who are responsible for staffing their respective departments. The City of Orlando does not have the ability to significantly influence operations, and is not involved in any daily activities or operations of the Authority. The City of Orlando does not exercise budgetary authority. The City of Orlando does not approve or disapprove the Authority's budget, and does not participate in preparing or reviewing the budget. The City of Orlando does, however, provide the forum for holding the public budget hearing in accordance with the Operation and Use Agreement (Note 4). The City of Orlando does not guarantee the Authority's deficits or exercise any control over the use of surplus funds. The Authority issues revenue bonds that are payable solely from operating revenues derived by the airport system. These bonds are not general obligations of the City of Orlando, and neither the faith and credit nor the taxing power of the City of Orlando is pledged to their payment. There are no significant financing arrangements between the Authority and the City of Orlando. The City of Orlando does not exercise any control over collecting revenues, nor disbursing of funds for the Authority. The City of Orlando does not participate in establishing fees and charges nor in contract negotiations. However, the City Council approves leases in excess of ten years and purchases and sales of real property. Based on the above analysis, the Authority is considered to be a separate reporting entity.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

2. REPORTING ENTITY (continued)

The Authority applied these same criteria to determine if any other entity should be a component unit of the Authority. The Authority considers no other entities as component units based on a review of the criteria.

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. The Authority recognizes revenues when they are earned and expenses when incurred. Pursuant to Government Accounting Standards Board (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.

In July 2004, the GASB issued Statement No. 45 ("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 implemented GASB 45 in fiscal year 2006. The Authority obtained an actuarial valuation report for its OPEB plan. For the year ended September 30, 2007, the Authority's expense is equal to the actuarially determined contribution of \$3.3 million of which \$0.8 million was funded on a "pay-as-you-go" basis. The remaining balance of \$2.5 million is reflected as a liability on the Authority's financial statements as the Authority reviews its funding options.

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.

Cash and Cash Equivalents: Demand deposits, certificates of deposits, 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.

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 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) noncancelable agreements for land, buildings, terminal space and privileges, most of which expire between the years 2008 and 2013. The Authority accounts for revenue from these agreements under the operating method and reports over the terms of the agreements.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

Property and Equipment and Property Held for Lease: The Authority records property and equipment held for lease at cost when purchased or fair value when donated, with a capitalization threshold of \$1,000.

Depreciation: Property and equipment depreciate 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 40 years
Improvements	5 to 40 years
Equipment	3 to 5 years
Motor vehicles	5 to 20 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. Employer contributions to each plan are recognized when due, and the employer made a formal commitment to provide contributions.

Compensated Absences: The Authority recognizes expenses relating to compensated absences as incurred and includes those liabilities in accrued expenses.

Passenger Facility Charges: The Federal Aviation Administration (FAA) approved the collection of passenger facility charges (PFC's). The Authority uses PFC's 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 estimated the rebate payable and reduced 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 – Airline 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 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 Subordinated Revenue Refunding Bonds, Series 1998, 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 accrues as interest income or expense and is recognized over the life of the agreement. The related amount payable to or receivable from counterparties is included in interest receivable or accrued interest. The fair values of the swap agreements are not recognized in the financial statements.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

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.

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 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 provides certain police and fire protection services to the Authority. Total charges for these services amounted to approximately \$7.8 million and \$8.0 million for 2007 and 2006, respectively. Approximately, \$1.0 million has been recorded as a liability in connection with these services.

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. The resolution was within the amounts recorded at September 30, 2007.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

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 noninterest-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 percent 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 percent, 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 Statement No. 31 (GASB 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, 2007 and 2006, the fair value of all securities regardless of the balance sheet classification was as follows (in thousands):

	2007	2006
U.S. Treasury and government agency securities	\$ 216,265	\$ 279,298
Repurchase agreements	82,410	69,684
Commercial paper	29,813	22,902
Local government investment pool	91,620	38,122
Investment in money market funds	229,887	180,124
U.S. Equities (bankruptcy settlements)	4,089	-
Securities total	<u>\$ 654,084</u>	<u>\$ 590,130</u>

These securities are classified on the balance sheet as follows (in thousands):

	2007	2006
Current assets		
Cash and cash equivalents	\$ 420,949	\$ 301,730
Investments	40,064	79,367
Noncurrent Assets		
Investments	191,223	212,857
Total cash and investments	<u>652,236</u>	<u>593,954</u>
Adjustment for cash on deposit	1,848	(3,824)
Total securities, at fair value	<u>\$ 654,084</u>	<u>\$ 590,130</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

5. CASH DEPOSITS AND INVESTMENTS (continued)

The Authority is authorized to invest in securities as described in its investment policy and in each bond resolution. As of September 30, 2007 and 2006, the Authority held the following investments as categorized below in accordance with GASB Statement No. 40:

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>

The Authority reallocated investments in the local government investment pool subsequent to September 30, 2007 as disclosed in Note 22, Subsequent Events.

Investment Maturities at September 30, 2006 (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	\$ 91,254	\$ 101,709	\$ 52,520	\$ 33,815	\$ 279,298
Repurchase Agreements	69,684	-	-	-	69,684
Commercial paper	22,902	-	-	-	22,902
Local government investment pool	38,122	-	-	-	38,122
Money market funds	180,124	-	-	-	180,124
	<u>\$ 402,086</u>	<u>\$ 101,709</u>	<u>\$ 52,520</u>	<u>\$ 33,815</u>	<u>\$ 590,130</u>

Interest Rate Risk: 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.

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 investment are either held in the name of the Authority or held in trust under the Authority's name.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

5. CASH DEPOSITS AND INVESTMENTS (continued)

Concentration of Credit Risk: At September 30, 2007, the Authority held investments exceeding 5 percent of the total investment portfolio with three issuers; Federal Home Loan Bank (12%), Federal Home Loan Mortgage Corporation (14%), and Federal National Mortgage Association (7%). At September 30, 2006, the Authority held investments exceeding 5% of the total investment portfolio with three issuers; Federal Home Loan Bank (15%), Federal Home Loan Mortgage Corporation (14%), and Federal National Mortgage Association (17%). 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.

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)		
	2007	2006
Current Assets		
Accounts receivable	\$ 17,517	\$ 12,464
Allowance for doubtful accounts	(125)	(112)
Grants receivable	635	778
	<u>\$ 18,027</u>	<u>\$ 13,130</u>
Restricted Assets		
Accounts receivable	\$ 8,716	\$ 5,544
Grants receivable	7,883	17,128
	<u>\$ 16,599</u>	<u>\$ 22,672</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 share 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 (GASB 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, 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, 2007 and 2006

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>2007</u>	<u>2006</u>
Maximum Obligation	<u>\$ 73,680</u>	<u>\$ 73,680</u>
Collected in prior years	\$ 56,800	\$ 51,180
Collected in current year	<u>5,900</u>	<u>5,620</u>
Collected to date	<u>62,700</u>	<u>56,800</u>
Balance to be collected	<u>\$ 10,980</u>	<u>\$ 16,880</u>
Schedule of balance to be collected:		
2007	\$ -	\$ 5,900
2008	6,200	6,200
2009	<u>4,780</u>	<u>4,780</u>
	<u>\$ 10,980</u>	<u>\$ 16,880</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>2007</u>	<u>2006</u>
Maximum Obligation	<u>\$ 37,583</u>	<u>\$ 37,583</u>
Collected in prior years	\$ 33,583	\$ 31,583
Collected in current year	<u>2,000</u>	<u>2,000</u>
Collected to date	<u>35,583</u>	<u>33,583</u>
Balance to be collected	<u>\$ 2,000</u>	<u>\$ 4,000</u>
Schedule of balance to be collected:		
2007	\$ -	\$ 2,000
2008	<u>2,000</u>	<u>2,000</u>
	<u>\$ 2,000</u>	<u>\$ 4,000</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

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 that impact rates and charges at 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)		
	2007	2006
Debt Service Accounts	\$ 194,724	\$ 200,606
Capital Acquisition Accounts	178,129	125,835
Bond Construction Accounts	69,265	78,381
Passenger Facility Charges Account	59,050	68,303
Operating Reserve Account	28,829	24,927
Prepaid Airlines Fees and Charges Account	13,928	18,667
Total Restricted Assets	<u>\$ 543,925</u>	<u>\$ 516,719</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

9. CAPITAL ASSETS

A summary of capital assets activity for the years ended September 30, 2007 and 2006 follows (in thousands):

	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, 2007 and 2006

9. CAPITAL ASSETS (continued)

	Balance October 1, 2005	Additions and Reclass- ifications	Deductions	Balance September 30, 2006
Property and Equipment				
Capital Assets not Depreciated				
Land	\$ 185,704	\$ 517	\$ -	\$ 186,221
Other Property and Equipment				
Building	218,737	29,363	-	248,100
Improvements	1,186,184	17,104	-	1,203,288
Equipment	62,035	7,131	1,154	68,012
Motor Vehicles	16,615	1,161	1,150	16,626
	<u>1,483,571</u>	<u>54,759</u>	<u>2,304</u>	<u>1,536,026</u>
Accumulated Depreciation				
Building	69,619	7,235	-	76,854
Improvements	523,797	50,400	-	574,197
Equipment	41,058	6,579	1,151	46,486
Motor Vehicles	13,334	903	1,150	13,087
	<u>647,808</u>	<u>65,117</u>	<u>2,301</u>	<u>710,624</u>
Net Property and Equipment	<u>1,021,467</u>	<u>(9,841)</u>	<u>3</u>	<u>1,011,623</u>
Property and Equipment - Held for Lease				
Capital Assets not Depreciated				
Land	8,154	-	-	8,154
Other Property and Equipment				
Building	859,827	-	-	859,827
Improvements	74,071	65	-	74,136
	<u>933,898</u>	<u>65</u>	<u>-</u>	<u>933,963</u>
Accumulated Depreciation				
Building	313,999	24,976	-	338,975
Improvements	21,518	4,127	-	25,645
	<u>335,517</u>	<u>29,103</u>	<u>-</u>	<u>364,620</u>
Net Property and Equipment Held for Lease	<u>606,535</u>	<u>(29,038)</u>	<u>-</u>	<u>577,497</u>
Construction Work in Progress				
Capital Assets not Depreciated				
Construction Work in Progress	199,488	105,013	50,674	253,827
Net Capital Assets	<u>\$ 1,827,490</u>	<u>\$ 66,134</u>	<u>\$ 50,677</u>	<u>\$ 1,842,947</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

9. CAPITAL ASSETS (continued)

During 2007 and 2006, 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.

10. LEASE AND CONCESSION AGREEMENTS

The following is a schedule by years of minimum future revenues on noncancelable agreements:

2008	\$ 140,728
2009	52,193
2010	32,180
2011	26,516
2012	31,657
Later Years	<u>161,960</u>
Total Minimum future revenues	<u>\$ 445,234</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 \$32.7 million and \$28.3 million for the years ended September 30, 2007 and 2006, respectively.

The Authority is currently in negotiation with the signatory airlines for leases that expire September 30, 2008. The outcome is currently unknown. Of the 2008 minimum future revenues, \$59.7 million represents signatory revenue from these leases currently under negotiation.

11. PENSION PLANS

The Authority maintains two defined benefit plans for its employees, a single-employer plan covering nonfirefighter employees and a multi-employer plan for firefighters. Additionally, the Authority provides two defined contribution plans, a single-employer defined contribution retirement plan for nonfirefighter 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 percent of the average of the three years of highest annual earnings multiplied by years of credited service with a maximum of 75 percent of the average earnings.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

11. PENSION PLANS (continued)

In the event of early retirement, there is a 3 percent 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 percent vested after the first year of credited service and achieves 100 percent 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, the participant's 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 percent annuity.

If a vested participant dies before becoming eligible for early retirement, the participant's 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 percent 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, 2007 and 2006 were 41.41 percent and 37.39 percent of annual covered payroll, respectively. The Authority's covered payroll for employees under the Plan was \$14.8 million and \$15.2 million for the years ended September 30, 2007 and 2006, 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)	\$ 5,979,783
Interest on net pension obligation	(112,143)
Adjustment to ARC	<u>213,702</u>
Annual pension cost	6,081,342
Contributions made	<u>(5,979,783)</u>
Increase in net pension obligation	101,559
Net pension obligation - 10/1/06	<u>(1,495,242)</u>
Net pension obligation - 9/30/07	<u><u>\$ (1,393,683)</u></u>

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2005	\$ 4,971,669	118.0%	\$ (1,028,480)
9/30/2006	5,518,127	108.5	(1,495,242)
9/30/2007	6,081,342	98.3	(1,393,683)

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

11. PENSION PLANS (continued)

Funded Status and Funding Progress: As of October 1, 2006, the most recent actuarial valuation date, the plan was 65 percent funded. The actuarial accrued liability for benefits was \$76.2 million, and the actuarial value of assets was \$49.8 million resulting in an unfunded actuarial accrued liability (UAAL) of \$26.4 million. The covered payroll was \$14.8 million, and the ratio of the UAAL to the covered payroll was 178 percent.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions: The October 1, 2005 actuarial valuation determined the required contribution for the 2007 fiscal year. The actuarial assumptions for fiscal years 2007 and 2006 include: (a) rate of return on investments of 7.5 percent per year, (b) projected salary increases of 5.0 percent, (c) inflation adjustments of 3.5 percent, 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.

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, 2007, the plan consisted of 309 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, through the action of its 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 percent of base wages and up to another 4 percent as a matching contribution. The employee contributes up to 10 percent. The plan allows the employee's first 4 percent contribution to be pre-tax or after-tax. Employee contributions and earnings are 100 percent vested. The Authority's contributions vest at 20 percent 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 \$ 12.1 million and \$10.8 million for the year ending September 30, 2007 and 2006, respectively. The Authority contributed \$1.2 million and \$1.0 million for the years ending September 30, 2007 and 2006, respectively. Participants contributed \$0.5 million and \$0.4 million for the years ending September 30, 2007 and 2006, respectively. A contribution by the Authority of \$1.0 million and participant contributions of \$0.4 million were made for the year ending September 30, 2005.

GREATER ORLANDO AVIATION AUTHORITY
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11. 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 is 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 percent 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 percent. Effective July 1, 2006 the contribution rate changed to 20.92 percent. The Authority's contributions to the System for the years ended September 30, 2007, 2006, and 2005 were \$0.9 million, \$0.8 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 percent for regular to 20 percent 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, 2007 and 2006, the Authority had no participants in this plan.

12. 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 participant's 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.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

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, 2007, the GOAAHP provides benefits to 168 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, if paid on an ongoing basis, 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 11.6 percent of annual covered payroll. For the fiscal years ended September 30, 2007 and 2006, the Authority's annual other postemployment benefit (OPEB) costs (expenses) were calculated based on the actuarially determined annual contribution of \$3.3 million. The following table shows the components of the Authority's annual OPEB cost for the year ended September 30, 2007, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation to GOAAHP:

Annual contribution	\$ 3,278,220
Interest on net OPEB obligation	-
Adjustment to annual contribution	-
Annual OPEB cost (expense)	<u>3,278,220</u>
Contributions made	<u>(770,693)</u>
Increase in net OPEB obligation	2,507,527
Net OPEB obligation – 10/1/06	<u>2,661,619</u>
Net OPEB obligation – 9/30/07	<u><u>\$ 5,169,146</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, 2007 and 2006 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2006	\$ 3,253,051	18.00%	\$ 2,661,619
9/30/2007	\$ 3,278,220	23.51%	\$ 5,169,146

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2005, the most recent actuarial valuation date is as follows:

Actuarial Accrued Liability (a)	\$25,288,646
Actuarial Value of Plan Assets (b)	<u>-</u>
Unfunded Actuarial Accrued Liability (a) – (b)	<u><u>\$25,288,646</u></u>
Funded Ratio (b) / (a)	0.00%
Covered Payroll *(c)	\$27,983,670
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll [(a) – (b)] / (c)	90.37%

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 2004-2005 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 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	January 1, 2005
Actuarial Cost Method	Unit Credit
Amortization Method	Level Dollar amounts open
Remaining Amortization Period	29
Asset Valuation Method	N/A
Actuarial Assumptions:	
Investment Rate of Return	5.00%
Projected Salary Increase	3.50%
Healthcare Inflation Rate	8.00% initial 5.75% ultimate

GREATER ORLANDO AVIATION AUTHORITY
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13. RISK MANAGEMENT

Various risks expose the Authority, including risks of losses related to theft of, damage to and destruction of assets, torts and other liabilities, and natural disasters for which the Authority carries commercial insurance. The supplemental section of the Comprehensive Annual Financial Report of the Authority contains specific details regarding deductibles and coverage.

Effective October 1, 2000, the Authority became self-insured for workers compensation and employer's liability insurance up to \$150,000 per occurrence. Excess coverage for workers compensation claims was purchased to provide stop loss coverage for claims in excess of \$150,000 per occurrence up to 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 is reasonably estimated. Liabilities include an amount for the claims that have been incurred but not reported (IBNR). Liabilities for unpaid claims at year-end are included in accrued expenses as current liabilities.

A third party actuary performs a review of claim history for all claim years which open claims are outstanding. The actuary projects the ultimate claim payment obligation (including incurred but not reported) 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.

Unpaid Claims
As of September 30,
(in thousands)

Changes in the Authority's workers compensation claims liability are as follows:

	2007	2006
Unpaid claims and claims adjustment expenses at beginning of year	\$ 779	\$ 804
Incurred claims and claims adjustment expenses:		
Provisions for insured events of the current fiscal year	314	316
Decrease in provision for insured events of prior years	(85)	(71)
Total incurred claims and claims adjustment expenses	229	245
Payments:		
Claims and claims adjustment expenses attributable to insured events of prior years	(146)	(188)
Claims and claims adjustment expenses attributable to insured events of current year	(83)	(82)
Total payments	(229)	(270)
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, 2007 and 2006

14. NONCURRENT LIABILITIES

A summary of noncurrent liability activity for the years ended September 30, 2007 and 2006, was as follows (in thousands):

	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						
Advanced Rent	3,304	-	194	3,110	194	2,916
Total Other Liabilities	3,304	-	194	3,110	194	2,916
Total NonCurrent Liabilities	\$ 1,258,327	\$ 201,585	\$ 208,972	\$ 1,250,940	\$ 55,118	\$ 1,195,822

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

14. NONCURRENT LIABILITIES (continued)

	Balance October 1, 2005	Additions	Deductions	Balance September 30, 2006	Amounts Due Within One Year	Amounts Due After One Year
Airport Facilities Revenue Bonds						
Senior Lien Bonds						
Series 1997	\$ 169,880	\$ -	\$ -	\$ 169,880	\$ -	\$ 169,880
Series 1998	28,265	-	3,085	25,180	3,180	22,000
Series 1999A	186,875	-	615	186,260	640	185,620
Series 1999B	13,035	-	235	12,800	245	12,555
Series 2002A	51,255	-	950	50,305	975	49,330
Series 2002B	110,665	-	405	110,260	420	109,840
Series 2002C	56,050	-	13,150	42,900	13,670	29,230
Series 2002D Taxable	2,435	-	570	1,865	595	1,270
Series 2002E	170,490	-	13,265	157,225	13,905	143,320
Series 2003A	75,695	-	4,010	71,685	9,095	62,590
Subordinated Indebtedness						
Series 1998B Gulf Breeze	6,425	-	1,825	4,600	1,910	2,690
Series 1998C Gulf Breeze	19,290	-	-	19,290	-	19,290
Series 1998A,B,C,D	310,000	-	9,100	300,900	2,275	298,625
Series 2002A Taxable	25,480	-	2,415	23,065	2,535	20,530
Secondary Subordinated Indebtedness						
Series 1997	90,055	-	-	90,055	-	90,055
Total Revenue Bonds	1,315,895	-	49,625	1,266,270	49,445	1,216,825
Less unamortized discounts and premiums	15,758	-	612	15,146	-	15,146
Less unamortized deferred amounts	41,483	-	5,632	35,851	-	35,851
Net Revenue Bonds	1,258,654	-	43,381	1,215,273	49,445	1,165,828
Notes Payable						
Commercial Paper	80,560	-	42,010	38,550	9,070	29,480
Florida Department of Transportation	3,200	-	2,000	1,200	1,200	-
Total Notes payable	83,760	-	44,010	39,750	10,270	29,480
Other Liabilities						
Advanced Rent	3,498	-	194	3,304	194	3,110
Total Other Liabilities	3,498	-	194	3,304	194	3,110
Total NonCurrent Liabilities	\$ 1,345,912	\$ -	\$ 87,585	\$ 1,258,327	\$ 59,909	\$ 1,198,418

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

14. NONCURRENT LIABILITIES (continued)

A schedule of debt maturities is as follows (in thousands):

Airport Facilities Revenue Bonds	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
	2008	\$ 45,500	\$ 51,871
	2009	60,700	52,191
	2010	64,130	49,465
	2011	67,380	46,370
	2012	70,795	43,108
	2013-2017	346,045	166,290
	2018-2022	324,870	88,598
	2023-2027	139,840	35,689
	2028-2032	78,280	6,747
	2033	4,595	119
		<u>1,202,135</u>	<u>\$ 540,448</u>
Less unamortized premiums and discounts		(8,621)	
Less unamortized deferred amounts		<u>(33,789)</u>	
Total Revenue Bonds		<u>\$ 1,159,725</u>	
 Notes Payable			
	2008	\$ 9,424	
	2009	60,000	
	2010	<u>18,681</u>	
 Total Notes Payable		<u>\$ 88,105</u>	

A description of the bonds and notes payable is as follows:

Airport Facilities Revenue Bonds

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 percent due semi-annually on April 1 and October 1; unamortized discount of \$251,000 and \$2,069,000.

\$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 percent to 5.50 percent due semi-annually on April 1 and October 1; unamortized premium of \$185,000 and \$235,000.

\$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 4.50 percent to 5.25 percent due semi-annually on April 1 and October 1; unamortized discount of \$2,276,000 and \$2,494,000.

GREATER ORLANDO AVIATION AUTHORITY
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14. NONCURRENT LIABILITIES (continued)

\$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 4.25 percent to 5.25 percent due semi-annually on April 1 and October 1; unamortized discount of \$168,000 and \$179,000.

\$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 3.38 percent to 5.25 percent due semi-annually on April 1 and October 1; unamortized discount of \$1,204,000 and \$1,281,000.

\$111,445,000 Airport Facilities Revenue Bonds, Series 2002B, 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 3.50 percent to 5.50 percent due semi-annually on April 1 and October 1; unamortized discount of \$2,764,000 and \$2,968,000.

\$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 3.00 percent to 5.25 percent due semi-annually on April 1 and October 1; unamortized premium of \$88,000 and \$285,000.

\$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 4.73 percent to 5.06 percent due semi-annually on April 1 and October 1; unamortized premium of \$4,000 and \$13,000.

\$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 3.88 percent on September 30, 2007; interest is due monthly on the first business day of each calendar month; unamortized discount of \$1,289,000 and \$1,474,000.

The 2002E bonds are classified as long-term debt obligations. 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.

\$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 2.00 percent to 5.00 percent due semi-annually on April 1 and October 1; unamortized premium of \$2,949,000 and \$3,342,000.

\$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 percent to 5.00 percent due semi-annually on April 1 and October 1; unamortized premium of \$3,425,000. These bonds refunded \$143,800,000 of the Airport Facilities Revenue Bonds Series 1997.

GREATER ORLANDO AVIATION AUTHORITY
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14. NONCURRENT LIABILITIES (continued)

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 is 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 4.50 percent to 4.55 percent due semi-annually on June 1 and December 1; unamortized discount of \$41,000 and \$50,000.

\$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 percent to 5.05 percent due semi-annually on June 1 and December 1; unamortized discount of \$54,000 and \$66,000.

\$380,725,000 Airport Facilities Variable Rate Subordinated Revenue Refunding Bonds, 1998 Series A, B, C and D, dated August 1998, principal payable October 1 of each year beginning 1999 through 2018. Interest rate on the Series A is currently in a daily Auction Period, which was 3.85 percent on September 30, 2007. Interest rate on the Series B and Series C is currently in the 7-day Auction Period, which was 4.10 percent and 4.20 percent, respectively, on September 30, 2007. Interest rate on the Series D is currently in a 28-day Auction Period, which was 4.20 percent on September 30, 2007. Interest is paid monthly; unamortized discount of \$1,604,000 and \$1,867,000.

\$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 4.73 percent to 5.64 percent due semi-annually on April 1 and October 1; unamortized discount of \$156,000 and \$217,000.

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 3.80 percent at September 30, 2007, due quarterly on January 1, April 1, July 1 and October 1; unamortized discount of \$6,207,000 and \$6,356,000.

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. The Authority entered into Letter of Credit and Reimbursement Agreements with respect to Program A and Program B 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 (which shall mean the close of business on February 3, 2010), or any subsequent date to which the letter of credit is extended.

With respect to Program B, the Letter of Credit and Reimbursement Agreement, dated as of 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 shall mature 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.

GREATER ORLANDO AVIATION AUTHORITY
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14. NONCURRENT LIABILITIES (continued)

The Authority paid a noninterest-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, 2007, 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)				
Calendar Year	Principal	Interest	Interest Rate Swaps, Net	Total
2008	\$ 26,670	\$ 20,275	\$ 1,917	\$ 48,862
2009	30,900	19,204	1,800	51,904
2010	32,765	17,927	1,714	52,406
2011	34,745	16,572	1,623	52,940
2012	36,960	15,136	1,526	53,622
2013-2017	176,860	54,790	6,163	237,813
2018-2022	72,170	22,579	3,655	98,404
2023-2027	90,055	10,939	1,871	102,865
	<u>\$ 501,125</u>	<u>\$ 177,422</u>	<u>\$ 20,269</u>	<u>\$ 698,816</u>

Fixed Rate Bonds: Using interest rates as of September 30, 2007, 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 Requirement (in thousands)				
Calendar Year	Principal	Interest	Interest Rate Swaps, Net	Total
2008	\$ 3,415	\$ 930	\$ (195)	\$ 4,150
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>\$ 17,290</u>	<u>\$ 2,753</u>	<u>\$ (517)</u>	<u>\$ 19,526</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

14. NONCURRENT LIABILITIES (continued)

Other Debt Information

The Airport Facilities Revenue Bonds, Series 1997, 1998, 1999, 2002, 2003 and 2007 are collateralized by revenues of the airport system. The Airport Facilities Subordinated Revenue Bonds, Series 1998 and 2002 are collateralized by revenues of the Airport Facilities Discretionary Account subject to the Resolution of the Authority adopted on June 13, 1978 authorizing the issuance of Airport Facilities Revenue Bonds. The Airport Facilities Secondary Subordinated Revenue Bonds, Series 1997 are collateralized by revenues of the Airport Facilities Discretionary Account subject to the Resolution of the Authority adopted on June 13, 1978 and authorizing the issuance of the Airport Facilities Subordinated Revenue Bonds.

The Authority agreed to maintain rates and charges each year to provide net revenues 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. Net revenues are defined as revenues remaining after operating expenses and after required deposits into the Airport Facilities Operation and Maintenance Reserve Account, the Airport Facilities Capital Expenditures Account, and the Airport Facilities Renewal and Replacement Account established under the Bond Resolution.

The Bond Resolutions established certain accounts and the order in which revenues are to be deposited into these accounts. The purpose of the accounts in order of priority of monthly revenue transfers is as follows:

Airport Facilities Revenue Account: Deposit all revenues from the operation of the Airport System.

Airport Facilities Bond Account: Debt Service - Deposit 1/6 of the interest due on the next semi-annual interest payment date and 1/12 of the principal due on the next maturity date of the 1997, 1998, 1999A, 1999B, 2002A, 2002B, 2002C, 2002D, 2002E, 2003A and 2007A bonds.

Airport Facilities Bond Account: Reserve - Deposit amount necessary to bring the account balance equal to the maximum amount of principal and interest becoming due in any ensuing fiscal year on the 1997, 1998, 1999A, 1999B, 2002A, 2002B, 2002C, 2002D, 2002E, 2003A and 2007A bonds.

Airport Facilities Operation and Maintenance Account: Deposit 1/12 of the annual budget for operating expenses of the airport system and pay operating expenses.

Airport Facilities Operation and Maintenance Reserve Account: Deposit amount necessary together with the monies then on deposit to equal 1/6 of the annual operation and maintenance budget for the airport system, for payment of operating expenses when monies in operating and maintenance accounts are insufficient.

Airport Facilities Capital Expenditures Account: Deposit 1/12 of the money appropriated as set forth in the current annual budget to purchase items of a capital nature.

Airport Facilities Renewal and Replacement Account: Deposit 1/12 of the money appropriated as set forth in the current annual budget for payment of unanticipated or emergency replacements and repairs to the airport system.

Airport Facilities Discretionary Account: Deposit \$458,333 fiscal year 2002 and 1/12 of the amount equal to \$.165 per passenger based on the prior calendar year's actual total passenger traffic plus any amount or amounts required to repay in a timely manner all subordinated indebtedness incurred to finance specific additional projects.

At the end of each fiscal year, the monies remaining in the Airport Facilities Revenue Account and the Airport Facilities Operation and Maintenance Account are allocated equally between the Airport Facilities Improvement and Development Account and the Airport Facilities Prepaid Airline Fees and Charges Account, pursuant to the Airline Lease and Use Agreement (Note 19).

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

15. 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.

Terms, fair values, and credit risk: 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, 2007 and 2006, 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, 2007 Fair Values</u>	<u>Swap Termination Date</u>	<u>Counterparty Credit Rating</u>
1997B	\$90,055,000	Jan. 1, 2003	4.45%	BMA*	\$ (5,255,000)	Oct. 2027	AAA/AA+
1998 PARS Subordinated	298,625,000	Sept. 1, 1998	4.389	BMA* LIBOR**	(13,475,000)	Oct. 2018	Aa3/A+
2002E	143,320,000	Oct. 1, 2002	4.31	BMA*	(5,148,000)	Oct. 2021	AAA/AA+

<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, 2006 Fair Values</u>	<u>Swap Termination Date</u>	<u>Counterparty Credit Rating</u>
1997B	\$90,055,000	Jan. 1, 2003	4.45%	BMA*	\$ (5,469,000)	Oct. 2027	AAA/AA+
1998 PARS Subordinated	306,325,000	Sept. 1, 1998	4.389	BMA* LIBOR**	(13,915,000)	Oct. 2018	Aa3/A+
2002E	157,225,000	Oct. 1, 2002	4.31	BMA*	(5,248,000)	Oct. 2021	AAA/AA+

*The Bond Market 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, 2007 and 2006. The fair values were obtained from the swap counterparty as of September 30, 2007.

Credit Risk: As of September 30, 2007, 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

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

15. DERIVATIVES AND HEDGING ACTIVITIES (continued)

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.

Goldman Sachs Capital Markets, L.P. (GSCM) has 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 does not provide sufficient credit support or collateral to GSCM. Such an early termination would result in a cash settlement, based upon market conditions at the time of termination. The 1998 Subordinated Bonds Swap also contains 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 BMA 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 1998 Subordinated Bonds Swap, GSCM has the right to convert the BMA Index based rate to a rate based upon a percentage of LIBOR with respect to a portion of the notional amount upon the occurrence of certain taxability events prior to, or at any time, after October 1, 2003 upon notice from GSCM upon the occurrence of such taxability events on or after October 1, 2003. GSCM formally asserted that the conditions permitting a conversion to the LIBOR-based rate on October 1, 2003, occurred, and GSCM gave notice to cause such a conversion. The Authority began paying the alternate rate in October 2003 on a portion of the notional amount. The conversion to the LIBOR-based rate could result in a mismatch in the tax-exempt variable rate payable by the Authority under the 1998 Subordinated Bonds and the LIBOR-based rate received by the Authority from GSCM under the 1998 Subordinated Bonds Swap. Such a mismatch could result in the Authority having to pay the difference between the LIBOR-based rate and the tax-exempt variable rate with respect to the portion of the notional amount subject to the LIBOR-based rate.

Under the 1999 Forward Swap, GSMMDP has the right to convert the BMA 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 mismatch could result in the Authority having to pay the difference between the LIBOR-based rate and the tax-exempt variable rate.

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 credit risk: The terms, fair value and credit rating of the outstanding swaps as of September 30, 2007, were as follows.

Associated Bond Issue	Notional Amount *	Effective Date	Variable Rate Paid	Fixed Rate Received	Sept. 30, 2007	Swap Termination Date	Counterparty Credit
2002A Subordinated	\$19,795,000	Aug. 6, 1999	140% of BMA	6.505%	\$ 430,000	Oct. 2008	AAA/AA+

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

15. DERIVATIVES AND HEDGING ACTIVITIES (continued)

Associated Bond Issue	Notional Amount *	Effective Date	Variable Rate Paid	Fixed Rate Received	Fair Value Sept. 30, 2006	Swap Termination Date	Counterparty Credit
2002A Subordinated	\$22,470,000	Aug. 6, 1999	140% of BMA	6.505%	\$ 747,000	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 \$430,000 as of September 30, 2007. 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, 2007. 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 \$430,000 fair value.

Interest Rate Risk: The swap increases the Authority’s exposure to interest rate risk. As BMA increases, the Authority’s net payment on the swap increases.

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 Insurance Corporation (“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, 2007 and 2006

16. CONDUIT DEBT OBLIGATIONS

The Authority has outstanding the following series of conduit debt obligations:

Amounts Outstanding As of September 30, (in thousands)	2007	2006
Special Purpose Facilities Revenue Bonds issued to provide for the acquisition, construction and installation of an aircraft maintenance hanger; 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.	\$ 532	\$ 836
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 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, 2007 and 2006

17. DEFERRED AMOUNT ON REFUNDING OF BONDS

On August 9, 2007, the Authority issued \$141,485,000 in 2007A Series Airport Facilities Refunding Revenue Bonds with an average interest rate of 4.69 percent to partially advance refund \$143,800,000 of outstanding Series 1997A Airport Facilities Revenue Bonds with an average interest rate of 5.21 percent. The net proceeds of \$144,956,000 (including a premium of \$5,418,137 less expenses of \$1,946,816 for underwriting fees, insurance and other issuance costs) plus an additional \$2,942,098 of 1997A Series debt services and debt service reserve monies were used to purchase U.S. governmental securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1997A Bonds with maturities of October 1, 2012 and beyond. As a result, the 1997A Bonds maturing on October 1, 2012 and beyond are considered to be defeased and the liability for those bonds has been removed from the Authority's financial statements. The proceeds were escrowed until required for the scheduled interim debt service payments prior to the call date, or escrowed until required for the final call payments on October 1, 2007.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$3,221,000. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2023 using the effective-interest method. The Authority completed the advance refunding to reduce its total debt service payments over the next sixteen years by approximately \$7,352,000 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$4,716,000.

18. 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):

	2007	2006
Federal Grants	\$ 26,104	\$ 33,946
State of Florida Grants	20,759	13,891
Other Grants	776	122
	<u>\$ 47,639</u>	<u>\$ 47,959</u>

19. AIRLINE LEASE AND USE AGREEMENT

The Authority entered into residual lease and use agreements with various signatory airlines that extend through 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.

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 airlines' share is shown in the Balance Sheet as deferred revenue payable from restricted assets.

For the years ended September 30, 2007 and 2006, deferred revenues allocable to the airlines amounted to approximately \$13.9 million and \$18.7 million, respectively. Airfield area revenues on the Statements of Revenues, Expenses and Changes in Net Assets have been reduced by \$18.5 million and \$20.9 million, respectively, for 2007 and 2006 fiscal years. This includes additional amounts being deferred that are not allocable to the airlines.

For years ended September 30, 2007 and 2006, no signatory airline's revenues under the lease and use agreement represented more than 5 percent of operating revenues.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

20. OUTSTANDING CONTRACTS

As of September 30, 2007 and 2006, the Authority had entered into construction contracts totaling approximately \$958.3 million and \$816.0 million, respectively, for construction, engineering services and equipment. Approximately \$274.1 million and \$171.0 million, remained unincurred as of September 30, 2007 and 2006, respectively. Grants and passenger facility charges will be utilized to fund a portion of these projects.

21. 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) provided for certain future payments by the Authority to the City of Orlando in the amount of \$2.0 million in total plus 6 percent 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, 2007, this contingent liability of the Authority amounted to approximately \$1.7 million.

Rental Car Agencies: The Authority 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, 2007, this contingent liability of the Authority amounted to approximately \$4.7 million.

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 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.

The Authority implemented wetland mitigation activities through the acquisition of necessary land, construction of wetland creation projects, and preparation of conservation easements. The Authority executed and funded an agreement to purchase mitigation credits of approximately \$2.8 million. 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.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2007 and 2006

22. SUBSEQUENT EVENT

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 million for liquidity purposes, and on November 15, 2007, the Authority withdrew another \$57 million, leaving a balance of about \$25 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 subprime 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 pools. Pool A consisted of all money market appropriate assets, which was approximately \$12 billion or 86 percent of Pool assets. Pool 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 billion or 14 percent of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

As of December 7, 2007, Pool A participants may withdraw 15 percent of their balance or \$2 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2 percent redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. The Authority exercised its option to withdraw (without penalty) \$13.5 million from Pool A, leaving a balance of \$11.5 million in the two pools. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAm" principal stability fund rating to Pool A.

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principle value of Pool B assets is not readily determinable.

As of January 4, 2008, the Authority had \$11.6 million invested in the Pool with \$8.0 million in Pool A and \$3.6 million invested in Pool B. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENT INFORMATION
SINGLE-EMPLOYER PENSION PLAN
SCHEDULE OF FUNDING PROGRESS
(in thousands)

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)
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
2004	52,309,643	75,806,709	23,497,066	69	15,206,105	155
2003	50,144,063	70,417,609	20,273,546	71	14,884,627	136

GREATER ORLANDO AVIATION AUTHORITY
SINGLE-EMPLOYER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS
(in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Dec. 31, 2005	\$ -	\$ 25,288,646	\$ 25,288,646	-	\$ 27,983,670	90.37%

APPENDIX D
AIRPORT CONSULTANT'S REPORT

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APPENDIX D

Greater Orlando Aviation Authority
Orlando International Airport
Airport Facilities Refunding Revenue Bonds, Series 2008A (AMT)
Airport Facilities Refunding Revenue Bonds, Series 2008B (Taxable)
Of the City of Orlando, Florida

LETTER REPORT OF THE AIRPORT CONSULTANT

Ricondo & Associates, Inc.
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March 19, 2008

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 2008A (AMT)
Airport Facilities Refunding Revenue Bonds, Series 2008B (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 2008A (AMT) (Series 2008A Bonds) and Airport Facilities Refunding Revenue Bonds, Series 2008B (Taxable) (Series 2008B Bonds) (collectively the Series 2008 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 2008 Bonds as Appendix A: Letter Report of the Airport Consultant.

This letter report includes information regarding the Series 2008 Bonds; the Authority; historical airline traffic activity at the Airport; the Authority's 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 through fiscal year (FY) 2013.¹ Airport Facilities Revenue Bonds are also referred to in this letter report as Bonds or Senior Bonds.

The financial tables accompanying this letter report incorporate estimates of debt service associated with the Authority's outstanding Bonds, the proposed Series 2008 Bonds, and future Bonds expected to be issued by the Authority in connection with Capital Improvement Program projects.

1. SERIES 2008 REFUNDING BONDS

The Series 2008 Bonds are being issued as Senior Bonds to refund outstanding Subordinated Series 1998 Bonds. Proceeds of the Series 2008 Bonds will also be used to fund the swap termination

¹ The Authority's fiscal year is the 12-month period ending September 30.



Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
March 19, 2008

payment amount associated with the refunding of the Subordinated Series 1998 Bonds and other costs of issuance associated with the Series 2008 Bonds.

The Series 2008 Bonds are being issued in accordance with a master resolution authorizing the issuance of City of Orlando Airport Facilities Revenue Bonds adopted in 1978, as subsequently amended and supplemented, and a supplemental resolution authorizing the issuance of the Series 2008 Bonds. 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 2008 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 5 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 2008 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 695 employees.

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 letter report, certain indirect 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. THE AUTHORITY'S AIRLINE TRAFFIC PROJECTIONS

Enplanements at the Airport decreased in FY 2001 and FY 2002 due to the effects of 9/11 and nationwide economic recession. Activity began to recover in FY 2003, and by FY 2004 passenger levels had surpassed the prior peak enplaned passenger level in FY 2000. Enplanements at the



Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
March 19, 2008

Airport increased at a compounded annual growth rate of 2.3 percent between FY 2000 and FY 2007, and 7.1 percent between FY 2003 and FY 2007.

Table 1 presents historical enplanement activity at the Airport for FY 1997 through FY 2007. **Table 2** presents historical landed weight activity at the Airport for FY 1997 through FY 2007.

Enplanements are projected by the Authority to increase at an annual growth rate of 2.9 percent to 3.0 percent during the period FY 2008 through FY 2013. Landed weight is projected to increase at a compound annual growth rate of 3.0 percent for the period FY 2007 through FY 2013. **Table 3** presents historical and projected enplanements and landed weight for the Airport for FY 2004 – FY 2013. Projected enplanements and landed weight reflected in this report are from the Authority's Traffic Forecast Update, dated May 25, 2007.

For purposes of the analysis reflected in this report, Signatory Airline enplaned passengers projected for FY 2009 through FY 2013 are assumed to be 92.0 percent of total projected enplaned passengers—based on historical data. Also, Signatory Airline landed weight is assumed to be 88.0 percent of total projected landed weight.

R&A has reviewed the Authority's projections of aviation activity including assumptions regarding projected enplanement and landed weight activity at the Airport. Based on the Airport's long-term growth trend; the strong O&D nature of passenger traffic at the Airport; and recent growth trends; R&A is comfortable with incorporating the Authority's aviation activity projections in the financial analysis reflected in this letter report.

4. CAPITAL IMPROVEMENT PROGRAM

Table 4 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 4 include design and construction fees, contingencies and inflationary impacts. As shown, total CIP costs, in future dollars, are estimated to be \$976.9 million.

It should be noted that certain ongoing projects at the Airport that are expected to be completed by September 2008 (the end of FY 2008) such as Airside 3 rehabilitation, the refurbishment of the Automated Guideway Transit system for Airside 4, in-line explosives detection system (EDS) improvements Phase A (Patios A and B), in-line EDS improvements Phase B (Northeast), and ramp pavement improvements at Airsides 2 and 4 are not reflected in Table 4. 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.

Table 1
Historical Enplanements (Fiscal Years Ending September 30)

Orlando International Airport
 Greater Orlando Aviation Authority

Fiscal Year	DOMESTIC ACTIVITY					INTERNATIONAL ACTIVITY		TOTAL ACTIVITY	
	[A]					[B]		[A]+[B]	
	Airport Enplanements ^{1/}	Airport Annual Growth	U.S. Enplanements ^{1/}	U.S. Annual Growth	Airport Share of U.S. Enplanements	Airport International Enplanements ^{1/}	Annual Growth	Airport Enplanements ^{1/}	Annual Growth
1997	12,340,621	-	577,800,000	-	2.1%	1,070,508	-	13,411,129	-
1998	12,739,315	3.2%	590,400,000	2.2%	2.2%	996,137	(6.9%)	13,735,452	2.4%
1999	13,217,719	3.8%	610,900,000	3.5%	2.2%	1,107,586	11.2%	14,325,305	4.3%
2000	13,921,552	5.3%	641,200,000	5.0%	2.2%	1,235,879	11.6%	15,157,431	5.8%
2001	13,820,578	(0.7%)	626,800,000	(2.2%)	2.2%	1,113,135	(9.9%)	14,933,713	(1.5%)
2002	12,188,801	(11.8%)	574,600,000	(8.3%)	2.1%	836,430	(24.9%)	13,025,231	(12.8%)
2003	12,675,396	4.0%	587,800,000	2.3%	2.2%	856,784	2.4%	13,532,180	3.9%
2004	14,260,609	12.5%	628,500,000	6.9%	2.3%	973,205	13.6%	15,233,814	12.6%
2005	15,760,855	10.5%	668,000,000	6.3%	2.4%	1,072,644	10.2%	16,833,499	10.5%
2006	16,264,085	3.2%	667,700,000 ^{2/}	(0.0%)	2.4%	1,052,788	(1.9%)	17,316,873	2.9%
2007	16,747,601	3.0%	692,300,000 ^{3/}	3.7%	2.4%	1,084,217	3.0%	17,831,818	3.0%
Compound Annual Growth Rate									
1997 - 2001	2.9%		2.1%			1.0%		2.7%	
2001 - 2003	(4.2%)		(3.2%)			(12.3%)		(4.8%)	
2003 - 2007	7.2%		4.2%			6.1%		7.1%	

Notes:

^{1/} Twelve months ending September 30.

^{2/} Estimated by the FAA.

^{3/} Projected by the FAA.

Sources: Greater Orlando Aviation Authority (Airport activity); FAA (U.S. activity)
 Prepared by: Ricondo & Associates, Inc.

Table 2

Historical Landed Weight (Fiscal Years Ending September 30)

Orlando International Airport

Greater Orlando Aviation Authority

Fiscal Year	Signatory Airlines	Annual Growth	Nonsignatory Airlines	Annual Growth	Cargo Airlines	Annual Growth	Total	Annual Growth
1997	15,076,806	-	3,229,996	-	934,310	-	19,241,112	-
1998	15,087,053	0.07%	3,187,359	(1.3%)	1,133,253	21.29%	19,407,665	0.87%
1999	15,968,006	5.84%	2,723,477	(14.6%)	1,230,185	8.55%	19,921,668	2.65%
2000	18,082,154	13.24%	1,866,827	(31.5%)	1,333,234	8.38%	21,282,215	6.83%
2001	17,850,658	(1.3%)	1,697,424	(9.1%)	1,314,199	(1.4%)	20,862,281	(2.0%)
2002	16,045,409	(10.1%)	1,421,034	(16.3%)	1,212,132	(7.8%)	18,678,575	(10.5%)
2003	15,002,392	(6.5%)	2,639,596	85.75%	1,181,985	(2.5%)	18,823,973	0.78%
2004	15,953,189	6.34%	3,195,075	21.04%	1,129,745	(4.4%)	20,278,009	7.72%
2005	18,406,287	15.38%	2,500,525	(21.7%)	1,179,557	4.41%	22,086,369	8.92%
2006	17,747,201	(3.6%)	3,409,213	36.34%	997,775	(15.4%)	22,154,189	0.31%
2007	19,823,344	11.70%	1,796,879	(47.3%)	988,143	(1.0%)	22,608,366	2.05%
Compound Annual Growth Rate								
1997 - 2001	4.3%		(14.9%)		8.9%		2.0%	
2001 - 2003	(8.3%)		24.7%		(5.2%)		(5.0%)	
2003 - 2007	7.2%		(9.2%)		(4.4%)		4.7%	

Source: Greater Orlando Aviation Authority

Prepared by Ricondo & Associates, Inc.

Table 3

Airline Traffic Projections (Fiscal Years Ending September 30)

Orlando International Airport

Greater Orlando Aviation Authority

	Historical				Projected					
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Enplaned Passengers (1,000s)										
Signatory	13,121,914	15,412,124	15,805,412	16,411,212	16,771,000	17,417,000	17,923,000	18,453,000	18,981,000	19,535,000
Nonsignatory	2,111,900	1,421,375	1,511,461	1,420,606	1,604,000	1,508,000	1,552,000	1,597,000	1,643,000	1,691,000
Total Enplaned Passengers	15,233,814	16,833,499	17,316,873	17,831,818	18,375,000	18,925,000	19,475,000	20,050,000	20,624,000	21,226,000
Annual % Change	12.6%	10.5%	2.9%	3.0%	3.0%	3.0%	2.9%	3.0%	2.9%	2.9%
Average Growth FY 2007-FY 2013										3.0%
Historical Average Growth FY 2003-FY 2007										7.1%
Signatory as a % of Total	86%	92%	91%	92%	91%	92%	92%	92%	92%	92%
Landed Weight (1,000 lb. UNITS)										
Passenger Airlines	19,146,509	20,906,813	21,149,265	21,620,054	22,134,000	22,897,000	23,677,000	24,496,000	25,178,000	25,888,000
Cargo Airlines	1,131,500	1,179,556	1,004,924	988,312	1,025,000	1,035,000	1,046,000	1,056,000	1,067,000	1,077,000
Total Landed Weight	20,278,009	22,086,369	22,154,189	22,608,366	23,159,000	23,932,000	24,723,000	25,552,000	26,245,000	26,965,000
Annual % Change	7.7%	8.9%	0.3%	2.1%	2.4%	3.3%	3.3%	3.4%	2.7%	2.7%
Average Growth FY 2007-FY 2013										3.0%
Historical Average Growth FY 2003-FY 2007										4.7%
Signatory	16,496,719	18,327,291	18,683,810	19,823,344	20,306,000	20,984,000	21,677,000	22,404,000	23,012,000	23,643,000
Nonsignatory	3,781,290	3,759,078	3,470,379	2,785,022	2,853,000	2,948,000	3,046,000	3,148,000	3,233,000	3,322,000
	20,278,009	22,086,369	22,154,189	22,608,366	23,159,000	23,932,000	24,723,000	25,552,000	26,245,000	26,965,000
Signatory as a % of Total	81%	83%	84%	88%	88%	88%	88%	88%	88%	88%
Estimated Cargo Landed Weight as a % of Total	5.6%	5.3%	4.5%	4.4%	4.4%	4.3%	4.2%	4.1%	4.1%	4.0%

Source: Greater Orlando Aviation Authority (Historical and Projected)

Prepared by: Ricondo & Associates, Inc.

Table 4

CIP Projects--Estimated Costs and Sources of Funds

Orlando International Airport
Greater Orlando Aviation Authority

	Sources of funds										Total
	Estimated	AIP	State	Future	Other	PFC	Bonds	Future			
	Costs	Discretionary	Grants	GOAA	Funds	Pay-as-You-	Paid with	Revenue Bond			
		Grants	Grants	Funds		Go Funds	PFCs	Proceeds			
Terminal											
Airside 1 Rehabilitation	\$ 122,101,000	\$ -	\$ -	\$ -	\$ 23,915,000	\$ 98,186,000	\$ -	\$ -	\$ 122,101,000		
EDS Improvements	114,839,000	-	-	-	-	114,839,000	-	-	114,839,000		
NT Capacity--Ticket Lobby Improvements	123,000,000	-	-	45,200,000	-	-	67,800,000	10,000,000	123,000,000		
NT Capacity--Bag Systems	90,400,000	-	-	-	-	22,000,000	48,400,000	20,000,000	90,400,000		
Vertical Circulation & Central Plant Improvs	28,250,000	-	-	-	-	-	-	28,250,000	28,250,000		
Emergency Electrical System Improvs	13,000,000	-	-	-	2,000,000	8,000,000	-	3,000,000	13,000,000		
Information Technology Improvements	11,865,000	-	-	11,865,000	-	-	-	-	11,865,000		
Terminal Infrastructure Improvements	11,131,000	-	-	-	-	8,701,000	-	2,430,000	11,131,000		
Expand Duct Bank at Airsides 1 & 3	7,910,000	-	-	-	-	-	6,314,000	1,596,000	7,910,000		
AGT System Renovations	5,567,000	-	-	-	-	2,317,000	-	3,250,000	5,567,000		
Access Control Improvements	6,100,000	4,574,000	763,000	-	-	763,000	-	-	6,100,000		
Total Terminal	\$ 534,163,000	\$ 4,574,000	\$ 763,000	\$ 57,065,000	\$ 25,915,000	\$ 254,806,000	\$ 122,514,000	\$ 68,526,000	\$ 534,163,000		
Airfield											
Airfield Pavement Rehabilitation	\$ 64,251,000	\$ 18,817,000	\$ 3,136,000	\$ -	\$ -	\$ 11,603,000	\$ 10,262,000	\$ 20,433,000	\$ 64,251,000		
Taxiway C Rehabilitation	32,488,000	24,366,000	4,061,000	-	-	4,061,000	-	-	32,488,000		
Airfield Capacity	29,530,000	-	3,180,000	-	-	26,350,000	-	-	29,530,000		
Taxiways Y&Z Rehabilitation	11,046,000	-	-	-	-	-	11,046,000	-	11,046,000		
Taxiways E&J	10,079,000	1,739,000	621,000	-	-	7,719,000	-	-	10,079,000		
Taxiway A Widening	8,866,000	6,650,000	-	-	-	-	2,216,000	-	8,866,000		
Fuel Farm	5,000,000	-	-	-	-	-	-	5,000,000	5,000,000		
Airside 1 Apron Rehabilitation	3,273,000	-	-	-	-	-	3,273,000	-	3,273,000		
Airside 3 Apron Rehabilitation	3,273,000	-	-	-	-	-	3,273,000	-	3,273,000		
Cargo Apron Rehabilitation	1,893,000	-	-	-	-	-	-	1,893,000	1,893,000		
Total Airfield	\$ 169,699,000	\$ 51,572,000	\$ 10,998,000	\$ -	\$ -	\$ 49,733,000	\$ 30,070,000	\$ 27,326,000	\$ 169,699,000		
Ground Transportation											
NT Capacity--Rental Car	\$ 102,600,000	\$ -	\$ -	\$ -	\$ 102,600,000	\$ -	\$ -	\$ -	\$ 102,600,000		
NT Capacity--Road, Curb, Cell Lot	42,180,000	-	-	-	-	-	28,500,000	13,680,000	42,180,000		
NT Capacity--Parking	23,370,000	-	-	-	-	-	-	23,370,000	23,370,000		
Employee Parking Lot Expansion	11,400,000	-	-	-	-	-	-	11,400,000	11,400,000		
Utility/Infrastructure Improvements	11,400,000	-	-	11,400,000	-	-	-	-	11,400,000		
South Tradeport Drive Resurfacing	2,280,000	-	-	-	-	2,280,000	-	-	2,280,000		
Total Ground Transportation	\$ 193,230,000	\$ -	\$ -	\$ 11,400,000	\$ 102,600,000	\$ 2,280,000	\$ 28,500,000	\$ 48,450,000	\$ 193,230,000		
Other											
Environmental Mitigation	\$ 22,600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,600,000	\$ 22,600,000		
Tradeport Drainage Improvements	20,000,000	-	-	-	-	-	-	20,000,000	20,000,000		
Hotel Lobby and Public Area Improvements	16,800,000	-	-	-	-	-	-	16,800,000	16,800,000		
Purchase Army Property	9,154,000	-	-	-	-	-	-	9,154,000	9,154,000		
Long Term Planning	6,739,000	5,055,000	842,000	-	-	842,000	-	-	6,739,000		
Post Office Demolition	2,536,000	-	-	-	-	-	-	2,536,000	2,536,000		
Noise Program Continuation	2,000,000	1,600,000	200,000	-	-	200,000	-	-	2,000,000		
Total Other	\$ 79,829,000	\$ 6,655,000	\$ 1,042,000	\$ -	\$ -	\$ 1,042,000	\$ -	\$ 71,090,000	\$ 79,829,000		
Total	\$ 976,921,000	\$ 62,801,000	\$ 12,803,000	\$ 68,465,000	\$ 128,515,000	\$ 307,861,000	\$ 181,084,000	\$ 215,392,000	\$ 976,921,000		

Note:

^{1/} For Airside 1 project includes FEMA, prior bond proceeds, and existing GOAA funds. For Emergency Electrical project, includes existing GOAA funds.

For NT Capacity--Rental Car project, includes assumed future bond proceeds with associated debt service to be paid from rental car customer facility charges (CFCs).

Source: Greater Orlando Aviation Authority

Prepared by: Ricondo & Associates, Inc.



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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:

Terminal:

- **Rehabilitation of Airside 1.** Various improvements 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.
- **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 FY 2012.
- **North Terminal Capacity Program. Ticket Lobby Improvements.** Project includes proposed improvements to the level 3 landside terminal ticketing areas spanning the space from the ticket counter backwall to the enplanement curb. The improvements are proposed to be made as part of the effort to recapture ticket lobby areas following the implementation of the in-line EDS program. Includes new ticket counter modules with CUSS/CUPPS, lobby renovation, new doghouses, replacement airline ticket office space, new vestibules at doors, relocation of back wall, renovate back wall, lighting, renovate existing doghouses, and related improvements. Estimated DBO date: Begin FY 2013.
- **North Terminal Capacity Program. 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 six (6) original chillers for the north terminal complex. The chiller replacement project will include the addition of emergency power to serve these units and ensure continuous operation in the event of a power failure. Estimated DBO date: Begin FY 2011.
- **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



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systems. That scope will be performed as part of the respective chiller or baggage system projects. Estimated DBO date: Begin FY 2011.

- **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.
- **Other Terminal Improvements.** Includes various infrastructure improvements, expansion of duct banks at Airsides 1 and 3, AGT renovations, and access control improvements.

Airfield:

- **Pavement Rehabilitation.** Includes rehabilitation to airfield pavement areas identified in the May 2007 report including: Runways (selected areas including blast pads for 18L/36R and 18R/36L), Taxiways and Associated Intersections (Y, Z, B, A2, High Speed Taxiways E & J), and Aprons & Holding Pads (Customs Ramp & Holding Pad adjacent to Taxiway B1). Estimated DBO date: Begin FY 2013.
- **Taxiway Rehabilitation Projects.** Includes rehabilitation associated with Taxiways C, Y, and Z. Estimated DBO date: Begin FY 2013.
- **Airfield Capacity Projects.** Includes construction of new Taxiway B2; improvements to shoulders and fillets for Taxiways B, B1 and B10. Estimated DBO date: Begin FY 2013.
- **High-Speed Taxiways E & J.** Includes pavement strengthening and fillet improvements for Taxiways E and J. Estimated DBO date: Begin FY 2013.
- **Other Airfield Improvements.** Includes Taxiway A widening, fuel farm system improvements, and rehabilitation associated with the cargo apron, the Airside 1 apron, and the Airside 3 apron.

Ground Transportation:

- **North Terminal Capacity Program – 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 hold facility, addition of ready return spaces at Terminal A, and associated terminal roadway and signage improvements. Estimated DBO date: Begin FY 2011.
- **North Terminal Capacity Program – Roadway, Curb, and Cell Lot Improvements.** Includes an extended return to terminal road and associated cell phone lot for Terminal A, addition of a lane to the entrance road approaching the Terminal A curbs, improvements to both Terminal A and B commercial curb areas to improve pedestrian and vehicular



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movements, and minor modifications for use of the fourth curb. Estimated DBO date: Begin FY 2011.

- **North Terminal Capacity Program – Parking Improvements.** Includes addition of satellite parking at the Blue Lot. Two phases to the project include the initial use of the northwest terminal support area ramp for overflow holiday parking purposes and then ultimately, on a demand driven basis, expansion of the satellite Blue Lot by approximately 3,000 spaces. The project will also include expansion of the entrance and exit toll plaza areas. Estimated DBO date: Begin FY 2013.
- **Other Ground Transportation Improvements.** Includes employee parking lot expansion (an additional 1,500 spaces), utility/infrastructure improvements, and South Tradeport Drive resurfacing.

Other:

- Includes environmental mitigation, drainage improvements, Hyatt lobby and public area improvements, acquisition of Army property, long term planning, Post Office demolition, and Noise Program continuation.

As reflected on Table 4, approximately \$62.8 million of AIP discretionary funding is expected to be used for various terminal, airfield, and other projects. Approximately \$12.8 million of state grants are expected to be used for various 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 4. The Authority intends to contribute approximately \$68.5 million of its own funds to finance certain terminal and ground transportation projects.

Approximately \$128.5 million of other existing funds (including prior bond proceeds, on-hand Authority funds, and future rental car CFC-supported bond proceeds) is expected to be used for the Airside 1 rehabilitation project, the Emergency Electrical Systems Improvement project, and the Rental Car Improvements project that is part of the North Terminal Capacity Program. Because a plan of finance for this rental car project has not been finalized, for purposes of the financial analysis in this report, the future CFC-supported bonds were assumed to be stand-alone CFC bonds, with no impact to Revenues or debt service coverage (for Senior Bonds) reflected in the tables included in this report. The Authority expects to begin collecting a \$2.50 CFC per transaction day (with a 5-day maximum) in September 2008.

The Authority estimates that approximately \$488.9 million of passenger facility charge (PFC) funding (\$307.9 million of pay-as-you-go PFC funding and approximately \$181.1 million of PFC-supported Bond proceeds) will be used to fund various terminal, airfield, security, and other projects.



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The remaining \$215.4 million of project costs are expected to be funded with proceeds from future Senior Bonds.

In addition to CIP projects reflected in Table 4, 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 6 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 (through FY 2013) at a cost that will produce reasonable levels of rates and charges to the users of the Airport facilities.

5. FINANCIAL FRAMEWORK

Bond Resolution

The Authority issues Airport Facilities Revenue Bonds pursuant to the Airport Facilities Revenue Bond Resolution, adopted by the Authority in 1978, as amended and supplemented from time to time (the Bond Resolution). 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 Subordinated Indebtedness (such as the Authority's plan to issue the proposed Series 2008 Bonds on a senior basis to refund the Subordinated Series 1998 Bonds), the Authority must provide certain documents to the Trustee pursuant to subsection 2



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of Section 204 (Additional Bonds) of the Bond Resolution. One of these required documents includes 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.

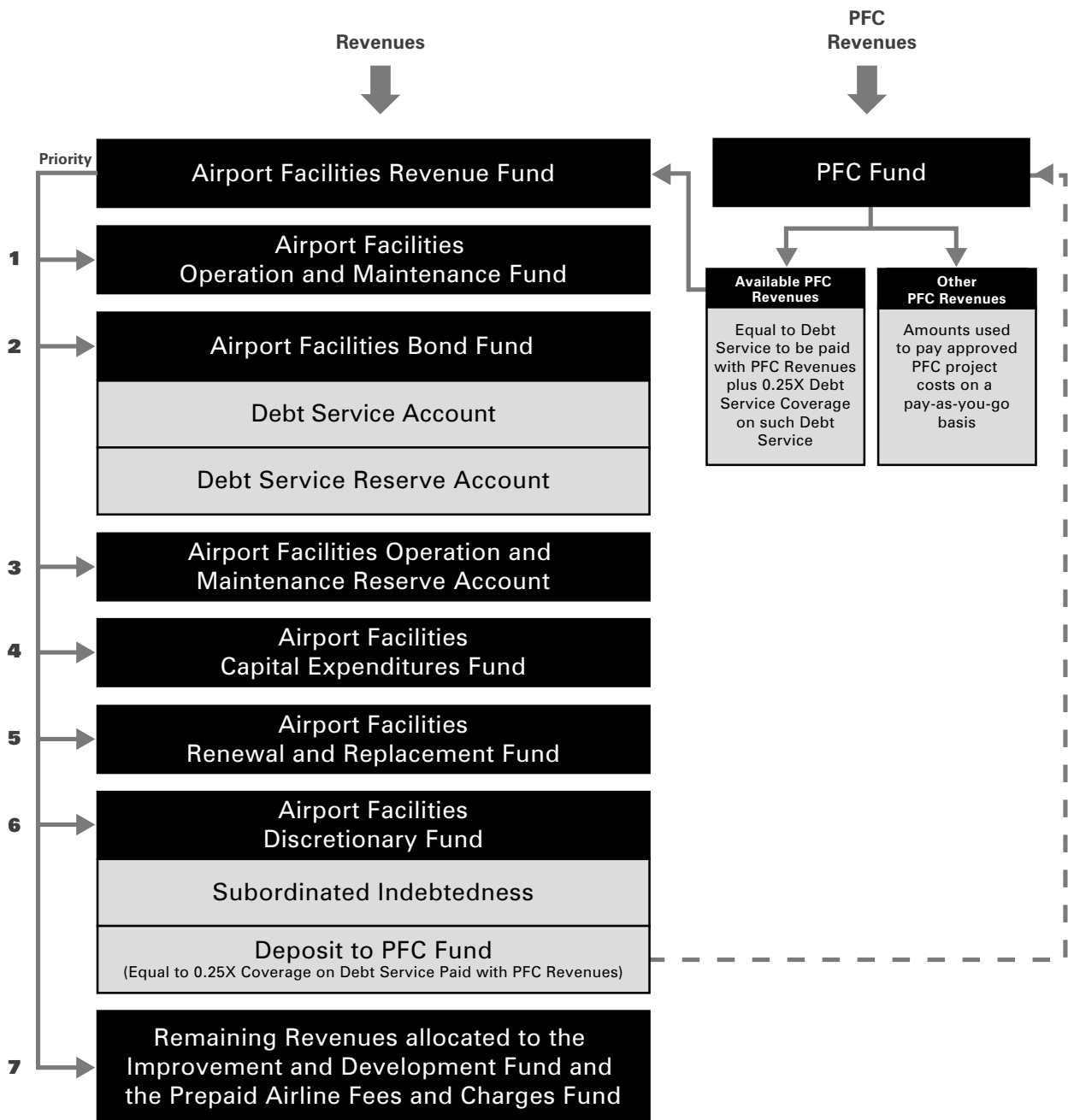
- **Flow of Funds.** Section 405 of the Bond Resolution establishes certain funds and accounts and the priority for the flow of Revenues and certain other moneys to such funds and accounts, as illustrated on **Exhibit 1**. All Revenues are deposited to the Airport Facilities Revenue Fund. Revenues are then applied as necessary on a monthly basis for various purposes to funds and accounts in the priority listed on Exhibit 1.
- **Available PFC Revenues.** Exhibit 1 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.

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 several interest rate swap arrangements where the payment obligations are payable from the Discretionary Fund.

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.



Prepared by: Ricondo & Associates, Inc.

Exhibit 1

Flow of Funds Under the Bond Resolution



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Cost Centers under the pending Airline Agreement (described later in this section) 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 excluding aircraft aprons 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.



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Existing Airline Agreements

Currently, certain airlines at the Airport operate under separate but substantially similar Lease and Use Agreements (the Existing Airline Agreements) with the Authority. The Existing Airline Agreements are scheduled to expire on September 30, 2008. The Existing Airline Agreement, among other things, sets forth the terms and conditions governing use of the airfield and apron areas of the Airport and the use and occupancy of space in the Landside Terminal and Airside Buildings, and also established procedures for the annual review and adjustment of Signatory Airline rents, fees, and charges.

Certain airlines operating at the Airport (including American Airlines, Continental Airlines, Northwest Airlines, and United Airlines) lease certain terminal space on an exclusive use basis—pursuant to Existing Airline Agreements. Subsequent to December 15, 1995, airlines executing an Existing Airline Agreement can only lease space in the terminal on a preferential, rather than an exclusive, use basis. In addition, such airlines are obligated to meet certain service commitments.

Under the Existing Airline Agreements, the Authority calculates airline terminal rental rates and landing fees using a “residual” rate-setting methodology. The airlines signatory to the Existing Airline Agreement collectively assume the risk of the Airport’s financial performance by agreeing to make up any shortfall after all Airport costs have been offset by nonairline revenues (such as rental car, parking, and terminal concession revenues). In return for assuming such risk, the airlines signatory to the Existing Airline Agreement receive the benefit of increases in nonairline revenues (as such increases lower the amount payable by the airlines as opposed to increasing amounts received by the Authority).

Terminal rents under the Existing Airline Agreements are calculated using a cost center residual methodology, where costs in the Terminal cost center are offset by nonairline revenues in the Terminal cost center. Landing fees under the Existing Airline Agreements are calculated using a residual methodology, where costs for the entire Airport are offset by all Airport revenues (other than airline landing fees) to determine required airline landing fees.

The financial projections contained in this report and accompanying tables (for FY 2009 through FY 2013) were developed based on the airline rates and charges methodology reflected in the pending Airline Agreement, as described below.

Pending Airline Agreement

The Authority expects to enter into a new lease and use agreement (the “Pending Airline Agreement”) with various airlines serving the Airport. The Pending Airline Agreement, if executed,



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is expected to become effective October 1, 2008, after expiration of the Existing Airline Agreement On September 30, 2008.

The Authority has received a letter from the Chairman of the Airlines/Airport Affairs Committee (AAAC) at the Airport stating that a Majority-in-Interest of the current Signatory Airlines have approved, in principle, the general business terms of the Pending Airline Agreement. The Authority and certain airlines involved in the agreement negotiations are currently negotiating the specific terms and language contained in the Pending Airline Agreement.

The financial projections contained in this report and accompanying tables (for FY 2009 through FY 2013) were developed based on the airline rates and charges methodology reflected in the Pending Airline Agreement—as described below.

The Pending Airline Agreement establishes procedures for annual adjustment of rates, fees, and charges collected from Signatory Airlines for the use of Airport facilities. The Pending Airline Agreement would permit Signatory Airlines to land at the Airport and govern airline use of certain airport facilities, including (among other areas) terminal, apron, baggage claim, ticket counters, and gate areas.

Key provisions of the Pending Airline Agreement include:

- **Planned effective date.** October 1, 2008
- **Expiration date.** September 30, 2013
- **Rate-making methodology (for the entire term of the Pending 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 will be 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 will pay an additional 15.0 percent premium on Terminal Rental and Landing Fee rates (and other rates, fees, and charges).
- **Use of Terminal Premises.** Certain premises will be leased on Exclusive Use basis: offices, operations, baggage storage/service, and VIP lounge. Certain premises will be 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,



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aircraft parking positions at assigned gate(s). Certain premises will be 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 new capital projects or renewal and replacement (R&R) expenditures 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 at least 50% of all Signatory Airlines and those Signatory Airlines who have paid at least 50% of the total landing fees paid by all Signatory Airlines during the preceding FY. The MII for Terminal projects shall be at least 50% of all Signatory Airlines who have paid at least 50% of the total Terminal rents paid by all Signatory Airlines during the preceding FY. 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
- The approximate \$1 billion CIP identified in the Pending Airline Agreement, including an additional twenty-five percent (25%), by project, and
- Certain Renewal and Replacement (R&R) Expenditures identified in the Pending Airline Agreement, including an additional twenty-five percent (25%), by project.



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- **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.

In the event that the Authority and airlines serving the Airport do not execute the Pending Airline Agreement prior to October 1, 2008, the Authority expects to implement (by ordinance) airline rates and charges similar to the rates and charges prescribed by the rate methodology contained in the Pending Airline Agreement beginning October 1, 2008.

6. FINANCIAL ANALYSIS

Debt Service and Subordinated Indebtedness

As previously mentioned, the financial tables accompanying this report incorporate estimates of debt service associated with the proposed Series 2008 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 2008 Bonds. The Series 2008 Bonds are being issued to refund outstanding Subordinated Series 1998 Bonds. Proceeds of the Series 2008 Bonds will also be used to fund the swap termination payment amount associated with the refunding of the Subordinated Series 1998 Bonds and other costs of issuance associated with the Series 2008 Bonds.

The estimated sources and uses of funds and debt service for the proposed Series 2008 Bonds were provided by UBS Securities LLC, the Authority's underwriter for the Series 2008 Bonds. Debt Service estimates for the proposed Series 2008 Bonds are based on the following assumptions:

Series 2008A Bonds (AMT)

- Issued to fund refunding escrow for all Outstanding Subordinated Series 1998 Bonds (and related costs of issuance)



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- \$30.0 million of existing debt service reserve fund is released and used as a source for the Series 2008A Bonds
- Estimated true interest cost: 4.44 percent
- Final maturity of Series 2008A Bonds: October 1, 2018

Series 2008B Bonds (Taxable)

- Assumed to fund swap termination payments associated with the Subordinated Series 1998 Bonds (and related costs of issuance)
- Estimated true interest cost: 5.04 percent
- Final maturity of Series 2008B Bonds: October 1, 2018

Table 5 presents a listing of estimated sources and uses of funds for the proposed Series 2008 Bonds, broken out into the Series 2008A Bonds (AMT) and the Series 2008B Bonds (Taxable). A total of \$272.7 million of Series 2008 Bond principal is estimated to be required to provide the \$313.9 million for the refunding escrow, swap termination payments, and other costs of issuance. Debt Service estimates for the Series 2008 Bonds are reflected on **Table 6**. The Authority does not plan to use PFC revenues to pay Series 2008 Debt Service (nor does it have approval to do so).

Future Bonds. As shown previously in Table 4, the Authority expects to fund \$215.4 million of CIP project costs with proceeds from future Airport Facilities Revenue Bonds and expects to fund \$181.1 million of PFC-eligible projects costs 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 2008 Bonds):

- All future Bonds are assumed to be fixed-rate senior lien bonds (the Authority may elect to issue a portion of required future bonds on a Subordinate basis, but for purposes of this report, senior lien bonds were assumed to be conservative)
- Bond term = 30 years
- Level debt service
- Capitalized interest until the estimated DBO date (with the exception of future PFC-supported bonds where there is no capitalized interest)
- 6.00 percent bond interest rate for bonds issued through FY 2010
- 6.50 percent bond interest rate for bonds issued after FY 2010

Table 5

Estimated Sources and Uses of Funds--Series 2008 Refunding Bonds

Orlando International Airport

Greater Orlando Aviation Authority

	Series 2008 A	Series 2008 B	Total Series
	(AMT)	(Taxable)	2008 Bonds
Sources:			
Par Amount of Bonds	\$ 247,555,000	\$ 25,165,000	\$ 272,720,000
Bond Premium	11,243,000	-	11,243,000
Debt Service Reserve Fund Release	30,000,000	-	30,000,000
Total Sources	\$ 288,798,000	\$ 25,165,000	\$ 313,963,000
Uses:			
Deposit to Refunding Escrow	\$ 282,325,000	\$ -	\$ 282,325,000
Swap Termination Payments	-	24,500,000	24,500,000
Other Costs of Issuance	6,473,000	665,000	7,138,000
Total Uses	\$ 288,798,000	\$ 25,165,000	\$ 313,963,000

Source: UBS Securities LLC.

Prepared by: Ricondo & Associates, Inc.

Table 6 (1 of 2)

Debt Service (Fiscal Years Ending September 30)

Orlando International Airport
Greater Orlando Aviation Authority

		Projected					
		2008	2009	2010	2011	2012	2013
Airport Facilities Revenue Bonds (Senior Bonds)							
<u>Existing Senior Bond Debt Service</u>							
Series 1997		\$ 1,500,000	\$ 9,700,000	\$ 9,718,000	\$ 9,718,000	\$ -	\$ -
Series 1998		4,028,000	3,651,000	3,308,000	2,976,000	2,453,000	2,042,000
Series 1999 - PFC		2,739,000	2,739,000	2,739,000	2,738,000	2,738,000	2,738,000
Series 1999 - REV		8,464,000	21,891,000	21,835,000	21,651,000	23,543,000	26,046,000
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	-	-	-	-	-
Series 2002E		21,114,000	11,603,000	11,625,000	11,648,000	11,667,000	11,716,000
Series 2003A		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
Existing Senior Bond Debt Service	[A]	\$ 80,765,000	\$ 69,108,000	\$ 68,754,000	\$ 68,253,000	\$ 69,596,000	\$ 85,427,000
<u>Proposed Series 2008 Bond Debt Service</u>							
Series 2008A (AMT)		\$ 17,619,000	\$ 36,139,000	\$ 35,949,000	\$ 35,738,000	\$ 35,640,000	\$ 21,906,000
Series 2008B (Taxable)		1,572,000	3,127,000	3,124,000	3,124,000	3,125,000	3,125,000
Proposed Series 2008 Debt Service	[B]	\$ 19,191,000	\$ 39,266,000	\$ 39,073,000	\$ 38,862,000	\$ 38,765,000	\$ 25,031,000
<u>Future Senior Bond Debt Service</u>							
Non-PFC-Supported		\$ -	\$ 483,000	\$ 2,766,000	\$ 13,381,000	\$ 16,722,000	\$ 20,003,000
PFC-Supported		-	-	-	3,183,000	7,041,000	14,817,000
Future Senior Bond Debt Service	[C]	\$ -	\$ 483,000	\$ 2,766,000	\$ 16,564,000	\$ 23,763,000	\$ 34,820,000
<u>Total Senior Bond Debt Service</u>							
Non-PFC-Supported		\$ 92,388,000	\$ 101,283,000	\$ 103,019,000	\$ 112,923,000	\$ 117,513,000	\$ 122,894,000
PFC-Supported		7,568,000	7,574,000	7,574,000	10,756,000	14,611,000	22,384,000
Total Senior Bond Debt Service	[D]=[A]+[B]+[C]	\$ 99,956,000	\$ 108,857,000	\$ 110,593,000	\$ 123,679,000	\$ 132,124,000	\$ 145,278,000
Subordinated Indebtedness							
1997B Gulf Breeze Loan		\$ 4,008,000	\$ 4,008,000	\$ 4,008,000	\$ 4,008,000	\$ 4,008,000	\$ 4,008,000
1998 B&C Gulf Breeze Loan		3,241,000	3,005,000	3,128,000	3,134,000	3,139,000	3,139,000
1998 Subordinated Refunding Bonds (PARS)		6,900,000	-	-	-	-	-
2002A Subordinated Bonds		4,195,000	4,368,000	4,388,000	4,421,000	2,520,000	-
Commercial Paper Notes		2,100,000	2,100,000	2,100,000	471,000	471,000	471,000
Total Subordinated Indebtedness	[E]	\$ 20,444,000	\$ 13,481,000	\$ 13,624,000	\$ 12,034,000	\$ 10,138,000	\$ 7,618,000
Total Indebtedness	= [D]+ [E]	\$ 120,400,000	\$ 122,338,000	\$ 124,217,000	\$ 135,713,000	\$ 142,262,000	\$ 152,896,000

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Table 6 (2 of 2)

Debt Service (Fiscal Years Ending September 30)

Orlando International Airport
 Greater Orlando Aviation Authority

	Projected					
	2008	2009	2010	2011	2012	2013
Senior Bond Debt Service						
Terminal	\$ 63,465,000	\$ 73,044,000	\$ 72,969,000	\$ 77,082,000	\$ 83,779,000	\$ 91,129,000
Ground Transportation	14,841,000	16,156,000	16,042,000	20,468,000	20,334,000	22,498,000
Hotel	-	188,000	188,000	188,000	1,713,000	1,713,000
Airfield	14,665,000	14,972,000	15,100,000	16,326,000	16,698,000	20,340,000
Apron	1,624,000	73,000	72,000	71,000	72,000	74,000
Other Buildings and Grounds	3,710,000	2,581,000	4,396,000	7,276,000	7,278,000	7,286,000
Fuel	1,651,000	1,843,000	1,826,000	2,268,000	2,250,000	2,238,000
OEA	-	-	-	-	-	-
Total Senior Bond Debt Service	\$ 99,956,000	\$ 108,857,000	\$ 110,593,000	\$ 123,679,000	\$ 132,124,000	\$ 145,278,000
Subordinated Indebtedness						
Terminal	\$ 8,602,000	\$ 4,008,000	\$ 4,008,000	\$ 4,008,000	\$ 4,008,000	\$ 4,008,000
Ground Transportation	1,565,000	-	-	-	-	-
Hotel	7,436,000	7,373,000	7,516,000	7,555,000	5,659,000	3,139,000
Airfield	501,000	-	-	-	-	-
Apron	8,000	-	-	-	-	-
Other Buildings and Grounds	2,148,000	2,100,000	2,100,000	471,000	471,000	471,000
Fuel	184,000	-	-	-	-	-
OEA	-	-	-	-	-	-
Total Subordinated Indebtedness	\$ 20,444,000	\$ 13,481,000	\$ 13,624,000	\$ 12,034,000	\$ 10,138,000	\$ 7,618,000

Source: UBS Securities LLC (Proposed Series 2008 Bonds), Ricondo & Associates, Inc. (Future Senior Bonds), and Greater Orlando Aviation Authority (all existing)

Prepared by: Ricondo & Associates, Inc.



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- Debt service associated with future Bonds was derived based on project-by-project calculations of debt service

Table 6 presents projections of Debt Service associated with outstanding Airport Facilities Revenue Bonds (reflected as Senior Bonds), the proposed Series 2008 Bonds, future Senior Bonds, and Subordinated Indebtedness—for FY 2008 through FY 2013. Table 6 also reflects the allocation of Debt Service and Subordinated Indebtedness to Airport cost centers.

As shown in Table 6, Senior Bond Debt Service is projected to increase from approximately \$100.0 million in FY 2008 to approximately \$145.3 million in FY 2013. Subordinated Indebtedness is projected to decrease from \$20.4 million in FY 2008 to \$7.6 million in FY 2013—primarily as a result of the refunding of the Series 1998 Subordinated Bonds.

Operation and Maintenance Expenses

Table 7 presents projected Operation and Maintenance (O&M) Expenses for the Airport for FY 2008 through FY 2013. 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 5 of this letter report.

O&M Expense projections were prepared on the basis of budgeted FY 2008 expenses, expected inflationary trends, and projected impacts of certain CIP projects. O&M Expenses increased at a compound annual growth rate of 6.7 percent for FY 2004 to FY 2007 and 5.1 percent for FY 2005 to FY 2007.

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
- Estimated O&M Expenses for labor, utilities, and materials associated with EDS pods coming online in FY 2008, FY 2009, and FY 2010
- Estimated O&M Expenses starting in FY 2013 in connection with ground transportation improvements
- Estimated O&M Expenses starting in FY 2013 in connection with CUTE/CUSS/CUPPS and other terminal improvements

As reflected on Table 7, Total O&M Expenses are projected to increase from \$195.7 million in FY 2008 to \$254.2 million in FY 2013, representing a compound annual growth rate of 5.4 percent.

Greater Orlando Aviation Authority
Orlando International Airport

Table 7

Operating and Maintenance Expenses (Fiscal Years Ending September 30)

Orlando International Airport

Greater Orlando Aviation Authority

	Projected					
	2008	2009	2010	2011	2012	2013
Existing Direct Expenses						
Terminal (excluding airline equipment)	\$ 58,599,000	\$ 61,970,000	\$ 66,489,000	\$ 69,569,000	\$ 73,024,000	\$ 76,676,000
Ground Transportation	13,174,000	13,833,000	14,525,000	15,251,000	16,014,000	16,815,000
Hotel	27,485,000	28,859,000	30,302,000	31,817,000	33,408,000	35,078,000
Airfield	2,870,000	3,014,000	3,165,000	3,323,000	3,489,000	3,663,000
Other Buildings and Grounds	2,631,000	2,763,000	2,901,000	3,046,000	3,198,000	3,358,000
Airline Equipment (Terminal)	1,416,000	1,782,000	2,275,000	2,321,000	2,461,000	2,584,000
	\$ 106,175,000	\$ 112,221,000	\$ 119,657,000	\$ 125,327,000	\$ 131,594,000	\$ 138,174,000
Annual % Change		5.7%	6.6%	4.7%	5.0%	5.0%
Average Growth FY 2008 to FY 2013						5.4%
Future Direct Expenses						
CUTE/CUSS/CUPS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 668,000
Other Future Terminal Expenses	-	-	-	-	-	267,000
NT Ground Transportation Improvements	-	-	-	-	-	1,000,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,935,000
Indirect Expenses						
Administration	\$ 31,253,000	\$ 32,816,000	\$ 34,457,000	\$ 36,180,000	\$ 37,989,000	\$ 39,888,000
Operations	18,167,000	19,075,000	20,029,000	21,030,000	22,082,000	23,186,000
Maintenance	11,335,000	11,902,000	12,497,000	13,122,000	13,778,000	14,467,000
Aircraft Rescue and Firefighting	7,568,000	7,946,000	8,343,000	8,760,000	9,198,000	9,658,000
Airport Police and Security	8,386,000	8,805,000	9,245,000	9,707,000	10,192,000	10,702,000
Properties	1,581,000	1,660,000	1,743,000	1,830,000	1,922,000	2,018,000
Insurance and Other	11,212,000	11,773,000	12,362,000	12,980,000	13,629,000	14,310,000
	\$ 89,502,000	\$ 93,977,000	\$ 98,676,000	\$ 103,609,000	\$ 108,790,000	\$ 114,229,000
Annual % Change		5.0%	5.0%	5.0%	5.0%	5.0%
Average Growth FY 2008 to FY 2013						5.0%
Direct and Indirect--Total O&M Expenses	\$ 195,677,000	\$ 206,198,000	\$ 218,333,000	\$ 228,936,000	\$ 240,384,000	\$ 254,338,000
Total By Cost Center						
Terminal	\$ 111,415,000	\$ 117,427,000	\$ 124,719,000	\$ 130,710,000	\$ 137,223,000	\$ 145,019,000
Ground Transportation	23,833,000	25,025,000	26,277,000	27,590,000	28,970,000	31,419,000
Hotel	29,240,000	30,702,000	32,237,000	33,849,000	35,541,000	37,318,000
Airfield	23,131,000	24,288,000	25,502,000	26,777,000	28,116,000	29,521,000
Other Buildings and Grounds	5,498,000	5,773,000	6,062,000	6,365,000	6,683,000	7,017,000
OEA	1,144,000	1,201,000	1,261,000	1,324,000	1,390,000	1,460,000
Airline Equipment (Terminal)	1,416,000	1,782,000	2,275,000	2,321,000	2,461,000	2,584,000
	\$ 195,677,000	\$ 206,198,000	\$ 218,333,000	\$ 228,936,000	\$ 240,384,000	\$ 254,338,000
Annual % Change		5.4%	5.9%	4.9%	5.0%	5.8%
Average Growth FY 2008 to FY 2013						5.4%

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

Prepared by: Ricondo & Associates, Inc.



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Nonairline Revenues

Table 8 presents projected Nonairline Revenues for the Airport for FY 2008 through FY 2013. Nonairline Revenues includes revenues from concessions (food & beverage and retail merchandise), rental car contracts, automobile parking, hotel, nonairline terminal space rents, cargo, fuel system revenues, and land and building rentals, and miscellaneous other revenues. Nonairline Revenues increased at a compounded annual growth rate of 6.8 percent for FY 2004 through FY 2007.

It should be noted that interest earnings and Available PFC Revenues (as defined in the Bond Resolution) are not reflected on Table 8, but are included as Revenues on Table 15 (Application of Revenues).

Nonairline Revenue projections were prepared on the basis of budgeted FY 2008 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 concession (merchandise and food/beverage), rental car, parking, and ground transportation revenues were projected based on actual/estimated revenues per passenger (with 3.0 percent growth assumed for inflation).

It should be noted that in connection with a new rental car agreement, the Authority is incorporating an increase in the privilege fee from 9.0 percent currently to 10.0 percent, a revised and more inclusive definition of gross receipts, and increased rents associated with ready/return spaces, terminal counter space, and quick turnaround facilities. The Authority expects to receive a substantial increase in rental car payments to the Authority. The Authority estimates that this increase would be upwards of \$10.0 million per fiscal year beginning with FY 2009 (compared to current payments). This estimated increase in concession payments is NOT incorporated in the Nonairline Revenue projections for this report.

It should also be noted that actual FY 2007 rental car concession revenues and terminal concession revenues were greater than amounts budgeted for FY 2008 (which are the basis for projections incorporated in this report).

- Other nonairline revenues were projected to increase 5.0 percent annually—to account for increased passenger/other activity and inflation.

Total Nonairline Revenues are projected to increase from \$220.9 million in FY 2008 to \$292.6 million in FY 2013, representing a compounded annual growth rate of 5.8 percent.

Table 8
Nonairline Revenues (Fiscal Years Ending September 30)

Orlando International Airport
 Greater Orlando Aviation Authority

	Projected					
	2008	2009	2010	2011	2012	2013
Terminal						
Merchandise	\$ 18,962,000	\$ 20,174,000	\$ 21,445,000	\$ 22,807,000	\$ 24,441,000	\$ 25,984,000
Food & Beverage	10,490,000	11,161,000	11,864,000	12,617,000	13,407,000	14,253,000
Advertising	4,000,000	4,200,000	4,410,000	4,631,000	4,863,000	5,106,000
Terminal Area Rents	3,185,000	3,750,000	3,909,000	4,144,000	4,351,000	4,629,000
Other ^{1/}	3,886,000	3,996,000	4,110,000	4,229,000	4,353,000	4,481,000
Total Terminal	\$ 40,523,000	\$ 43,281,000	\$ 45,738,000	\$ 48,428,000	\$ 51,415,000	\$ 54,453,000
Ground Transportation						
Rental Car	\$ 54,607,000	\$ 58,097,000	\$ 61,759,000	\$ 65,680,000	\$ 69,790,000	\$ 75,298,000
Auto Parking	55,091,000	58,612,000	62,306,000	66,263,000	70,409,000	74,855,000
Ground Transportation	11,083,000	11,791,000	12,535,000	13,330,000	14,165,000	15,059,000
Employee Parking Reimbursement	3,970,000	4,010,000	4,050,000	4,091,000	4,132,000	4,173,000
Total Ground Transportation	\$ 124,751,000	\$ 132,510,000	\$ 140,650,000	\$ 149,364,000	\$ 158,496,000	\$ 169,385,000
Other						
Hotel	\$ 38,198,000	\$ 40,108,000	\$ 42,113,000	\$ 44,219,000	\$ 46,430,000	\$ 48,752,000
Inflight Catering	1,662,000	1,745,000	1,832,000	1,924,000	2,020,000	2,121,000
Fuel System	4,889,000	3,406,000	3,448,000	3,946,000	3,992,000	4,040,000
Other Areas (Bldgs, Land Rents, FBO, etc.)	10,879,000	11,423,000	11,994,000	12,594,000	13,224,000	13,885,000
Total Other	\$ 55,628,000	\$ 56,682,000	\$ 59,387,000	\$ 62,683,000	\$ 65,666,000	\$ 68,798,000
Total Nonairline Revenues	\$ 220,902,000	\$ 232,473,000	\$ 245,775,000	\$ 260,475,000	\$ 275,577,000	\$ 292,636,000
Annual % Change		5.2%	5.7%	6.0%	5.8%	6.2%
Average Growth FY 2008-FY 2013						5.8%

Note:

^{1/} Includes swap savings and reimbursements for telecommunications, 911, and K9 expenses.

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

Prepared by: Ricondo & Associates, Inc.



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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 Fees and CUTE/CUSS/CUPPS Fees. The rate-setting formulas for these airline revenues are based on provisions of the Pending Airline Agreement and are summarized below.

Total airline revenues (including Signatory and non-signatory airline revenues) are projected to be approximately 26.0 percent of Revenues in FY 2008 (based on the FY 2008 Budget and airline rates and charges under the Existing Airline Agreement). Total airline revenues are projected to range from approximately 32.0 percent to 34.0 percent of Revenues between FY 2009 and FY 2013, based on the airline rate-setting formulas in the Pending Airline Agreement.

As reflected earlier on Table 3, for purposes of the financial projections in this report, it was assumed that 92 percent of enplaned passengers at the Airport would be Signatory Airline enplaned passengers (and that 88 percent of total aircraft landed weight at the Airport would be Signatory Airline landed weight)—based on actual FY 2007 data). As also stated earlier, the financial impacts of the CIP projects reflected on Table 4 are incorporated in the projected airline revenues.

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 Expenditure.** 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.



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Terminal Rentals. Table 9 presents the calculation of Signatory Airline terminal rental rates for FY 2009 through FY 2013, under the terminal rate methodology contained in the Pending Airline Agreement. The terminal rate methodology contained in the Pending 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 a Signatory Airline Terminal Rental Rate.

As shown on Table 9, the Airline Terminal Requirement is projected to increase from \$79.9 million in FY 2009 to \$118.5 million in FY 2013. The Signatory Airline Terminal Rental Rate is projected to increase from \$103.30 in FY 2009 to \$127.31 in FY 2013.

The terminal rental rate for Nonsignatory airlines will be equal to the Signatory Airline Terminal Rental Rate plus a 15.0 percent premium.

Landing Fees. Table 10 presents the calculation of Landing Fees for FY 2009 through FY 2013, under the Landing Fee rate methodology contained in the Pending Airline Agreement. The Landing Fee rate methodology contained in the Pending 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 10, Signatory Landing Fees are projected to increase from \$28.9 million in FY 2009 to \$34.8 million in FY 2013. The Signatory Airline Landing Fee rate is projected to increase from \$1.38 per 1,000-lb. unit in FY 2009 to \$1.47 in FY 2013.

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 88.0 percent of total projected landed weight for FY 2009 through FY 2013 (based on actual FY 2007 data).

Table 9

Terminal Rentals (New Lease Beginning FY 2009)

Orlando International Airport
 Greater Orlando Aviation Authority

		Projected				
		2009	2010	2011	2012	2013
Terminal Requirement						
(Includes Airline Equipment and CUTE/CUSS/CUPPS Requirements)						
O&M Expenses		\$ 119,209,000	\$ 126,994,000	\$ 133,031,000	\$ 139,684,000	\$ 147,603,000
O&M Reserve		998,000	1,156,000	1,009,000	1,089,000	1,326,000
Debt Service (Senior Bonds)						
Non-PFC Supported		\$ 68,483,000	\$ 68,405,000	\$ 72,018,000	\$ 74,857,000	\$ 76,522,000
PFC-Supported		4,563,000	4,563,000	5,065,000	8,921,000	14,606,000
		\$ 73,046,000	\$ 72,968,000	\$ 77,083,000	\$ 83,778,000	\$ 91,128,000
Subordinated Indebtedness		\$ 4,008,000	\$ 4,008,000	\$ 4,008,000	\$ 4,008,000	\$ 4,008,000
Amortization for GOAA-Funded Assets (CIP)		-	-	1,564,000	1,564,000	5,505,000
Amortization for GOAA-Funded R&R Projects		-	594,000	1,174,000	2,004,000	2,702,000
Less: Misc. Direct Reimbursements		(2,151,000)	(2,173,000)	(2,195,000)	(2,217,000)	(2,239,000)
Less: Common Facility and FIS Fees		(8,178,000)	(8,587,000)	(9,016,000)	(9,467,000)	(9,940,000)
Less: Tenant Hangar Payments		(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Less: Airline Equipment Requirement		(3,153,000)	(3,646,000)	(3,692,000)	(3,832,000)	(3,955,000)
Less: CUTE/CUSS/CUPPS Fees		(394,000)	(413,000)	(483,000)	(505,000)	(1,196,000)
Less: Available PFC Revenues (Terminal)		(4,563,000)	(4,563,000)	(5,065,000)	(8,921,000)	(14,606,000)
Total Terminal Requirement	[A]	\$ 178,622,000	\$ 186,138,000	\$ 197,218,000	\$ 206,985,000	\$ 220,136,000
Rentable Space	[B]	1,729,118	1,729,118	1,729,118	1,729,118	1,729,118
Average Rental Rate	[C]=[A]/[B]	\$ 103.30	\$ 107.65	\$ 114.06	\$ 119.71	\$ 127.31
Airline Rented Space	[D]	773,131	807,167	849,713	892,258	930,546
Airline Rentable Space		1,152,524	1,152,524	1,152,524	1,152,524	1,152,524
Airline Terminal Requirement	[E]=[C]x[D]	\$ 79,866,000	\$ 86,891,000	\$ 96,916,000	\$ 106,808,000	\$ 118,469,000
Airline Rented Space	[D]	773,131	807,167	849,713	892,258	930,546
Signatory Airline Terminal Rental Rate	= [E] / [D]	\$ 103.30	\$ 107.65	\$ 114.06	\$ 119.71	\$ 127.31

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

Prepared by: Ricondo & Associates, Inc.

Table 10

Landing Fees (New Lease Beginning FY 2009) Fiscal Years Ending September 30

Orlando International Airport

Greater Orlando Aviation Authority

	Projected				
	2009	2010	2011	2012	2013
Airfield Requirement (Airfield/Apron/Fuel)					
O&M Expenses	\$ 24,288,000	\$ 25,502,000	\$ 26,777,000	\$ 28,116,000	\$ 29,521,000
O&M Reserve	206,000	236,000	207,000	223,000	270,000
Debt Service (Senior Bonds)					
Non-PFC Supported	\$ 15,157,000	\$ 15,269,000	\$ 16,526,000	\$ 16,883,000	\$ 18,425,000
PFC-Supported	1,730,000	1,730,000	2,138,000	2,137,000	4,227,000
	\$ 16,887,000	\$ 16,999,000	\$ 18,664,000	\$ 19,020,000	\$ 22,652,000
Subordinated Indebtedness	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization for GOAA-Funded Assets (CIP)	-	-	-	-	-
Amortization for GOAA-Funded R&R Projects	-	173,000	276,000	402,000	534,000
Less: Available PFC Revenues (Airfield)	(1,730,000)	(1,730,000)	(2,138,000)	(2,137,000)	(4,227,000)
Total Airfield Requirement	\$ 39,651,000	\$ 41,180,000	\$ 43,786,000	\$ 45,624,000	\$ 48,750,000
Less: Other Airfield Area Revenues					
Signatory Airline Apron Use Fees	\$ (2,623,000)	\$ (2,886,000)	\$ (3,282,000)	\$ (3,641,000)	\$ (4,081,000)
Fuel System Revenues	(3,406,000)	(3,448,000)	(3,946,000)	(3,992,000)	(4,040,000)
Non-Signatory Landing Fees	(4,676,000)	(4,824,000)	(5,061,000)	(5,259,000)	(5,626,000)
Non-Signatory Apron Fees	-	(172,000)	(177,000)	(182,000)	(187,000)
	\$ (10,705,000)	\$ (11,330,000)	\$ (12,466,000)	\$ (13,074,000)	\$ (13,934,000)
Required Signatory Airline Landing Fees	\$ 28,946,000	\$ 29,850,000	\$ 31,320,000	\$ 32,550,000	\$ 34,816,000
Signatory Airline Landed Weight (1,000-lb units)	20,984,000	21,677,000	22,404,000	23,012,000	23,643,000
Signatory Airline Landing fee (per 1,000-lb unit)	\$ 1.38	\$ 1.38	\$ 1.40	\$ 1.41	\$ 1.47
Nonsignatory Landing fee (per 1,000-lb. unit)	\$ 1.59	\$ 1.58	\$ 1.61	\$ 1.63	\$ 1.69

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

Prepared by: Ricondo & Associates, Inc.



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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 11**. 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 16,679 lineal feet of Apron at the Airport, Signatory Airlines are estimated to lease 10,942 lineal feet of Apron in FY 2009—increasing to approximately 13,850 lineal feet projected to be leased by Signatory Airlines in FY 2013.

As shown on Table 11, Signatory Airline Apron Fees are projected to increase from \$2.6 million in FY 2009 to \$4.1 million in FY 2013. The Signatory Airline Apron Fee is projected to increase from \$239.72 per lineal foot in FY 2009 to \$294.74 in FY 2013.

The Apron Fee for Nonsignatory airlines will be equal to the Signatory Airline Apron Fee plus a 15.0 percent premium.

Airline Equipment Fees. As shown on **Table 12**, 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 to derive a per gate requirement, which is then multiplied by the number of Signatory Airline rented gates to derive the Signatory Airline requirement.

As shown on Table 12, Airline Equipment Fees are projected to increase from \$2.2 million in FY 2009 to \$3.5 million in FY 2013. The Airline Equipment fee per gate is projected to increase from \$32,844 in FY 2009 to \$41,198 in FY 2013.

Existing airline equipment balances (for loading bridges, PC air, ground power, and bag system equipment) that were funded from sources other than bond proceeds, as of September 30, 2008, will not be included in the rates and charges in connection with the Pending Airline Agreement. Existing airline equipment balances funded from prior bond proceeds, as of September 30, 2008, will be re-amortized over 15 years at 6.0 percent interest rate and included as amortization in the Airline Equipment Fee calculation. Future airline equipment costs are expected to be funded from future bond proceeds or Authority funds with the associated debt service or amortization included in the calculation of the Airline Equipment Fee.

CUTE/CUSS/CUPPS Fees. As shown on **Table 13**, the CUTE/CUSS/CUPPS requirement will consist of any debt service, amortization, and O&M Expenses allocable to CUTE/CUSS/CUPPS use.

Table 11

Apron Fees (New Lease Beginning FY 2009) Fiscal Years Ending September 30

Orlando International Airport

Greater Orlando Aviation Authority

	Projected				
	2009	2010	2011	2012	2013
Signatory Apron Fees					
Airfield Requirement	\$ 39,651,000	\$ 41,180,000	\$ 43,786,000	\$ 45,624,000	\$ 48,750,000
% Allocable to Apron	10%	10%	10%	10%	10%
Apron Requirement	\$ 3,965,000	\$ 4,118,000	\$ 4,379,000	\$ 4,562,000	\$ 4,875,000
Lineal Apron Feet	16,540	16,540	16,540	16,540	16,540
Apron Rate Per Lineal Foot	\$ 239.72	\$ 248.97	\$ 264.75	\$ 275.82	\$ 294.74
Signatory Leased Apron Lineal Feet	10,942	11,592	12,397	13,202	13,846
Signatory Apron Fee Revenues	\$ 2,623,000	\$ 2,886,000	\$ 3,282,000	\$ 3,641,000	\$ 4,081,000

Source: Greater Orlando Aviation Authority and Ricoondo & Associates, Inc.

Prepared by: Ricoondo & Associates, Inc.

Table 12

Airline Equipment Fees (New Lease Beginning FY 2009) Fiscal Years Ending September 30

Orlando International Airport
 Greater Orlando Aviation Authority

	Projected				
	2009	2010	2011	2012	2013
Airline Equipment Requirement ¹					
O&M Expenses					
Existing: Loading Bridges & PC Air	\$ 1,782,000	\$ 2,275,000	\$ 2,321,000	\$ 2,461,000	\$ 2,584,000
	\$ 1,782,000	\$ 2,275,000	\$ 2,321,000	\$ 2,461,000	\$ 2,584,000
Debt Service (Senior Bonds)					
Non-PFC Supported	\$ -	\$ -	\$ -	\$ -	\$ -
PFC-Supported	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -
Subordinated Indebtedness	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of Existing Equipment Balances	1,371,000	1,371,000	1,371,000	1,371,000	1,371,000
Amortization of Future GOAA-funded assets (CIP)	-	-	-	-	-
Total Airline Equipment Requirement	\$ 3,153,000	\$ 3,646,000	\$ 3,692,000	\$ 3,832,000	\$ 3,955,000
Total Airport gates	96	96	96	96	96
Requirement per gate	\$ 32,844	\$ 37,979	\$ 38,458	\$ 39,917	\$ 41,198
Gates rented by airlines	68	72	77	82	86
Airline Equipment Fees	\$ 2,233,000	\$ 2,735,000	\$ 2,961,000	\$ 3,273,000	\$ 3,543,000

Note:

¹ Includes requirements associated with loading bridges, pre-conditioned air, ground power, and bag system equipment.

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

Prepared by: Ricondo & Associates, Inc.

Table 13

CUTE/CUSS/CUPPS FEES (Fiscal Years Ending September 30)

Orlando International Airport

Greater Orlando Aviation Authority

	Projected				
	2009	2010	2011	2012	2013
CUTE/CUSS/CUPPS Requirement					
O&M Expenses					
Existing: CUTE/CUSS	\$ 394,000	\$ 413,000	\$ 434,000	\$ 456,000	\$ 479,000
Future: CUTE/CUSS/CUPPS	-	-	-	-	668,000
	<u>\$ 394,000</u>	<u>\$ 413,000</u>	<u>\$ 434,000</u>	<u>\$ 456,000</u>	<u>\$ 1,147,000</u>
Debt Service (Senior Bonds)					
Non-PFC Supported	\$ -	\$ -	\$ -	\$ -	\$ -
PFC-Supported	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Subordinated Indebtedness	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of Future GOAA-Funded Assets (CIP)	-	-	49,000	49,000	49,000
Total CUTE/CUSS/CUPPS Fees	\$ 394,000	\$ 413,000	\$ 483,000	\$ 505,000	\$ 1,196,000

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

Prepared by: Ricondo & Associates, Inc.



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Greater Orlando Aviation Authority
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As shown, CUTE/CUSS/CUPPS fees are projected to increase from \$394,000 in FY 2009 to \$1.2 million in FY 2013.

Signatory Airline Payments Per Enplaned Passenger

Table 14 presents the calculation of Signatory Airline payments per enplaned passenger for the Airport from FY 2009 to FY 2013. 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 Fees, CUTE/CUSS/CUPPS Fees, and the airline portion of revenue sharing.

As shown on Table 14, Signatory Airline payments per enplaned passenger (after incorporating revenue sharing) are projected to increase from \$5.62 in FY 2009 to \$7.02 in FY 2013. Signatory Airline payments per enplaned passenger were \$4.52 in FY 2007 and are projected by the Authority to be \$5.00 in FY 2008 (based on the FY 2008 Budget).

Application of Revenues

Table 15 presents the application of Revenues for FY 2009 to FY 2013—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 15 also reflects the allocation of remaining Revenues to the Authority and the Signatory Airlines based on the revenue sharing percentages included in the Pending 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.

Interest earnings reflected on Table 15 include earnings associated with debt service reserve funds, the O&M Reserve Account, and the Revenue Fund. Interest earnings are projected based on a 3.0 percent earnings rate for FY 2009, a 3.5 percent rate for FY 2010, and a 4.0 percent rate for FY 2011 through FY 2013.

Debt Service Coverage

Table 16 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, Debt Service and Subordinated Indebtedness is net of interest earnings associated with debt service 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

Table 14

Signatory Passenger Airline Payments Per Enplaned Passenger (Fiscal Years Ending September 30)

Orlando International Airport

Greater Orlando Aviation Authority

	Projected				
	2009	2010	2011	2012	2013
Signatory Airline payments					
Terminal Rents	\$ 79,866,000	\$ 86,891,000	\$ 96,916,000	\$ 106,808,000	\$ 118,469,000
Landing Fees	28,945,000	29,850,000	31,320,000	32,550,000	34,816,000
Apron Fees	2,623,000	2,886,000	3,282,000	3,641,000	4,081,000
Airline Equipment Fees	2,233,000	2,735,000	2,961,000	3,273,000	3,543,000
CUTE Fees	394,000	413,000	483,000	505,000	1,196,000
Total Signatory Airline Payments	\$ 114,061,000	\$ 122,775,000	\$ 134,962,000	\$ 146,777,000	\$ 162,105,000
Less: Airline Portion of Revenue Sharing	(16,168,000)	(19,218,000)	(18,476,000)	(21,853,000)	(25,033,000)
Net Signatory Passenger Airline Payments	\$ 97,893,000	\$ 103,557,000	\$ 116,486,000	\$ 124,924,000	\$ 137,072,000
Signatory Enplaned Passengers	17,417,000	17,923,000	18,453,000	18,981,000	19,535,000
Net Signatory Passenger Airline Payments Per Enplaned Passenger	\$ 5.62	\$ 5.78	\$ 6.31	\$ 6.58	\$ 7.02
In FY 2007 dollars (@ 3%)	\$ 5.30	\$ 5.29	\$ 5.61	\$ 5.68	\$ 5.88

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

Prepared by: Ricondo & Associates, Inc.

Table 15

Application of Revenues (Fiscal Years Ending September 30)

Orlando International Airport

Greater Orlando Aviation Authority

		Projected				
		2009	2010	2011	2012	2013
Revenues						
Signatory Airline Rentals, Fees, and Charges	\$	114,061,000	\$ 122,775,000	\$ 134,962,000	\$ 146,777,000	\$ 162,105,000
Nonsignatory Airline Rentals, Fees, and Charges		10,468,000	11,033,000	11,637,000	12,160,000	12,961,000
Tenant Hangar Payments		200,000	200,000	200,000	200,000	200,000
Common Facility and FIS Fees		8,178,000	8,587,000	9,016,000	9,467,000	9,940,000
Nonairline Revenues		232,473,000	245,775,000	260,475,000	275,577,000	292,636,000
Interest Earnings		10,029,000	12,195,000	14,965,000	15,753,000	16,748,000
Available PFC Revenues		9,468,000	9,468,000	13,445,000	18,264,000	27,980,000
Revenues	[A]	\$ 384,877,000	\$ 410,033,000	\$ 444,700,000	\$ 478,198,000	\$ 522,570,000
Application of Revenues						
Operation and Maintenance Expenses	\$	206,198,000	\$ 218,333,000	\$ 228,936,000	\$ 240,384,000	\$ 254,338,000
Less: OEA Expenses Paid with GOAA Funds		(1,201,000)	(1,261,000)	(1,324,000)	(1,390,000)	(1,460,000)
	\$	204,997,000	\$ 217,072,000	\$ 227,612,000	\$ 238,994,000	\$ 252,878,000
Debt Service						
Non-PFC-Supported	\$	101,283,000	\$ 103,019,000	\$ 112,923,000	\$ 117,513,000	\$ 122,894,000
PFC-Supported		7,574,000	7,574,000	10,756,000	14,611,000	22,384,000
	\$	108,857,000	\$ 110,593,000	\$ 123,679,000	\$ 132,124,000	\$ 145,278,000
Subordinated Indebtedness		13,481,000	13,624,000	12,034,000	10,138,000	7,618,000
O&M Reserve Account Deposit		1,753,000	2,023,000	1,767,000	1,908,000	2,326,000
Deposit to PFC Fund (from Avail. PFC Revenues)		1,894,000	1,894,000	2,689,000	3,653,000	5,596,000
Amortization to GOAA for GOAA-Funded CIP Projects		-	-	1,564,000	1,564,000	5,505,000
Amortization to GOAA for GOAA-Funded R&R Projects		-	767,000	1,450,000	2,406,000	3,236,000
Total Airport Requirements	[B]	\$ 330,982,000	\$ 345,973,000	\$ 370,795,000	\$ 390,787,000	\$ 422,437,000
Remaining Revenues	[C]=[A]-[B]	\$ 53,895,000	\$ 64,060,000	\$ 73,905,000	\$ 87,411,000	\$ 100,133,000
Split of Remaining Revenues						
GOAA		70%	70%	75%	75%	75%
Signatory Airlines		30%	30%	25%	25%	25%
GOAA	\$	37,727,000	\$ 44,842,000	\$ 55,429,000	\$ 65,558,000	\$ 75,100,000
Signatory Airlines		16,168,000	19,218,000	18,476,000	21,853,000	25,033,000

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

Prepared by: Ricondo & Associates, Inc.

Table 16

Debt Service Coverage (Fiscal Years Ending September 30)

Orlando International Airport
Greater Orlando Aviation Authority

		Projected				
		2009	2010	2011	2012	2013
Revenues		\$ 384,877,000	\$ 410,033,000	\$ 444,700,000	\$ 478,198,000	\$ 522,570,000
Less: Operation and Maintenance Expenses		(206,198,000)	(218,333,000)	(228,936,000)	(240,384,000)	(254,338,000)
Net Revenues	[A]	\$ 178,679,000	\$ 191,700,000	\$ 215,764,000	\$ 237,814,000	\$ 268,232,000
Less: Required Deposits on Senior Bonds						
O&M Reserve Fund		\$ (1,753,000)	\$ (2,023,000)	\$ (1,767,000)	\$ (1,908,000)	\$ (2,326,000)
Total Required Deposits of Senior Bonds	[B]	\$ (1,753,000)	\$ (2,023,000)	\$ (1,767,000)	\$ (1,908,000)	\$ (2,326,000)
Net Revenues Available for Senior Bond Debt Service	[C]=[A]+[B]	\$ 176,926,000	\$ 189,677,000	\$ 213,997,000	\$ 235,906,000	\$ 265,906,000
Debt Service on Senior Bonds		\$ 108,857,000	\$ 110,593,000	\$ 123,679,000	\$ 132,124,000	\$ 145,278,000
Less: Interest earnings -- Senior Debt Reserve Fund		(2,920,000)	(3,480,000)	(4,593,000)	(4,983,000)	(5,594,000)
Net Debt Service on Senior Bonds	[D]	\$ 105,937,000	\$ 107,113,000	\$ 119,086,000	\$ 127,141,000	\$ 139,684,000
Debt Service on Subordinated Indebtedness		\$ 13,481,000	\$ 13,624,000	\$ 12,034,000	\$ 10,138,000	\$ 7,618,000
Less: Interest earnings -- Subordinated Reserve Fund		(404,000)	(477,000)	(481,000)	(406,000)	(305,000)
Net Debt Service on Subordinated Indebtedness	[E]	\$ 13,077,000	\$ 13,147,000	\$ 11,553,000	\$ 9,732,000	\$ 7,313,000
Total Debt Service	[F]=[D]+[E]	\$ 119,014,000	\$ 120,260,000	\$ 130,639,000	\$ 136,873,000	\$ 146,997,000
Coverage Ratios:						
Senior Bond Debt	[C]/[D]	1.67	1.77	1.80	1.86	1.90
Subordinated Indebtedness	[C-D]/[E]	5.43	6.28	8.22	11.18	17.26
All Indebtedness	[C]/[F]	1.49	1.58	1.64	1.72	1.81

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

Prepared by: Ricondo & Associates, Inc.



Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
March 19, 2008

times Debt Service with respect to all Outstanding Bonds for such Fiscal Year. As shown on Table 16, the Debt Service coverage ratio for Senior Lien Debt is projected to increase from 1.67 in FY 2009 to 1.90 in FY 2013—exceeding the 1.25 times requirement in each year of the projection period. The coverage ratio for total indebtedness, including Subordinated Indebtedness is projected to be 1.49 times or greater in each year of the projection period.

* * * * *

On March 18, 2008 Delta Air lines (Delta) announced that as a result of rising fuel costs and a slowing economy, it plans to eliminate service to a number of domestic markets in the U.S., including non-stop service from the Airport to seven cities. The Authority has learned, through discussions with Delta, that the reductions are not an indication of any concern with the viability of the Orlando market, but represent reductions in service to selected markets that were producing lower load factors than Delta would prefer. It is expected that the impacts would primarily be experienced in service presently being provided by regional jets to smaller markets.

On March 19, 2008 jetBlue Airways (jetBlue) announced the development of the Airport into the airline's seventh focus city. The designation of Orlando as a key city in jetBlue's growing route network underscores its commitment to the Central Florida economy. It is expected, over the next few years, that jetBlue will add more flights and destinations; an expansion from six gates to as many as 10 gates at the Airport, including an international gate; the development of a 292-room JetBlue Crew Lodge; and the establishment of a local crew base for JetBlue's pilots and inflight crewmembers. jetBlue also has announced intentions to expand flights and destinations including to the Caribbean and Latin America.

As a result of the announcements by both Delta and jetBlue, R&A believes that the reduction of service by Delta could be more than offset by the announced increases planned by jetBlue. However, with particular details surrounding both announcements not yet finalized, R&A believes that changes in service by individual airlines is common in the industry, and with the strength of the Orlando air travel market, any impacts to the projections in this letter report are not expected to be material.

Therefore, 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 2013.

The projects included in the 5-year CIP (in addition to planned R&R projects) discussed in Section 4 of this report are expected to provide Airport facilities necessary to satisfy future airline and air passenger needs through the projection period (through FY 2013)--at a cost that will produce reasonable levels of rates and charges to the users of the Airport facilities.



Mr. Jeffry Fuqua, Chairman
Greater Orlando Aviation Authority
March 19, 2008

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 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.' The signature is written in a cursive, flowing style.

RICONDO & ASSOCIATES, INC.

APPENDIX E

FORM OF CO-BOND COUNSEL OPINION

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APPENDIX E

FORM OF CO-BOND COUNSEL OPINION

On the date of issuance of the Series 2008 Bonds in definitive form, Greenberg Traurig, P.A., and Ruye H. Hawkins, P.A., Co-Bond Counsel, propose to render their opinion in substantially the following form:

March [___], 2008

Greater Orlando Aviation Authority
One Airport Boulevard
Orlando, FL 32827

Ladies and Gentlemen:

We have acted as Co-Bond Counsel in connection with the issuance by the Greater Orlando Aviation Authority (the "Authority") of its \$310,000,000* Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2008A (AMT) of the City of Orlando, Florida (the "Series 2008A Bonds") and its \$40,000,000* Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2008B (Taxable) of the City of Orlando, Florida (the "Series 2008B Bonds" and together with the Series 2008A Bonds, the "Series 2008 Bonds"), dated of even date herewith.

The Series 2008 Bonds are being issued pursuant to the authority of the Constitution and laws of the State of Florida, and the Airport Facilities Revenue Bond Resolution Authorizing Airport Facilities Refunding Revenue Bonds of City of Orlando, Florida adopted by the Authority on June 13, 1978 and approved by the City of Orlando, Florida (the "City") on June 19, 1978, as supplemented and amended from time to time thereafter (collectively, the "Bond Resolution"), including, without limitation, pursuant to a resolution of the Authority adopted on March 19, 2008, which resolution was approved by the City on March 17, 2008 (such resolution being referred to herein as the "2008 Supplemental Resolution"). All terms used herein in capitalized form and not otherwise defined herein shall have the same meaning as ascribed to them under the Bond Resolution.

In rendering this opinion we have examined the transcript of the proceedings (the "Transcript") relating to the issuance of the Series 2008 Bonds which include the Bond Resolution, the 2008 Supplemental Resolution and certain other documentation, an executed or facsimile of each of the Series 2008 Bonds and such other documents as we have deemed necessary to render this opinion.

Based on this examination, we are of the opinion that, under existing law:

*Preliminary; subject to change.

1. All conditions precedent in the Bond Resolution to the delivery of the Series 2008 Bonds have been duly fulfilled and the Bond Resolution has been duly adopted by the Authority and approved by the City and constitutes a valid and legally binding obligation of the Authority enforceable in accordance with its terms.

2. The issuance and sale of the Series 2008 Bonds have been duly authorized by the Authority and the Series 2008 Bonds constitute valid and legally binding limited obligations of the Authority and the City, payable solely from, and secured by, the Revenues and other funds and investment earnings thereon held pursuant to the Bond Resolution in the manner and to the extent specified in the Bond Resolution (the "Pledged Revenues") on parity with the Outstanding Bonds.

3. Except as expressly provided for in the Bond Resolution, the Series 2008 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 Series 2008 Bonds, or the interest or premium, if any, thereon. The Authority has no taxing power. The principal of and interest on the Series 2008 Bonds shall not be payable from or be a charge or lien on any funds of the City or the Authority other than the Pledged Revenues and the owners of the Series 2008 Bonds shall have no recourse to the taxing power of the Authority, the City, the State of Florida or any agency or political subdivision thereof.

4. Under existing statutes, regulations, rulings and court decisions, subject to the assumption stated below: (i) interest on the Series 2008A Bonds is excludable from gross income for federal income tax purposes, except interest on a Series 2008A Bond for any period during which that Series 2008A Bond is held by a "substantial user" of the facilities financed by the Series 2008A Bonds, or a "related person" as those terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Series 2008A Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Interest on the Series 2008B Bonds is not excludable from gross income for federal income tax purposes.

In rendering the opinion in this Paragraph 4 above, we have assumed continuing compliance by the Authority with the requirements of the Code that must be met after the issuance of the Series 2008A Bonds in order that interest on the Series 2008A Bonds be, and continue to be, excludable from gross income for federal income tax purposes. The Authority has covenanted to comply with the requirements of the Code in order to maintain the excludability of interest on the Series 2008A Bonds from gross income for federal income tax purposes. The failure by the Authority to meet certain of such requirements may cause interest on the Series 2008A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2008A Bonds.

5. The Series 2008A Bonds and the interest thereon are not subject to taxation under the laws of the State, except estate taxes imposed by Chapter 220, Florida Statutes, as amended,

on interest, income or profits on debt obligations owned by corporations, as defined in Chapter 220, Florida Statutes, as amended.

Except as stated in Paragraphs 4 and 5 above, we express no opinion as to any other tax consequences regarding the Series 2008 Bonds.

This opinion is qualified to the extent that the enforceability of the Series 2008 Bonds and the Bond Resolution, respectively, may be limited by general principles of equity which may permit the exercise of judicial discretion, and by bankruptcy, insolvency, moratorium, reorganization or similar laws relating to the enforcement of creditors' rights generally, now or hereafter in effect.

In rendering the foregoing opinions we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We have not been engaged nor have we undertaken to review or verify and therefore express no opinion as to the accuracy, adequacy, fairness or completeness of any official statement or other offering materials relating to the Series 2008 Bonds, except as may be otherwise set forth in our supplemental opinion delivered to the initial purchaser of the Series 2008 Bonds. In addition, other than as expressly set forth herein, we have not passed upon and therefore express no opinion as to the compliance by the Authority or any other party involved in this financing, or the necessity of such parties complying, with any federal or state registration requirements or security statutes, regulations or rulings with respect to the offer and sale of the Series 2008 Bonds.

Reference is made to the opinion of even date herewith of Broad and Cassel, Issuer's Counsel to the Authority, on which we rely as to the due organization and valid existence of the Authority, the due adoption of the Bond Resolution and the approvals, if any, required from certain airlines under the Lease and Use Agreements; and to the opinion of even date herewith of the City's Office of Legal Affairs, as to the due adoption by the City of its resolutions approving the Bond Resolution. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in such opinions, and have relied solely on the matters described therein.

We express no opinion with respect to any other document or agreement entered into by the Authority or by any other person in connection with the Series 2008 Bonds, other than as expressed herein.

Our opinions expressed herein are predicated upon present laws, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

APPENDIX F

FORM OF FORM OF CONTINUING DISCLOSURE AGREEMENT

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APPENDIX F

**Form of
CONTINUING DISCLOSURE AGREEMENT**

by and between

THE GREATER ORLANDO AVIATION AUTHORITY

and

DIGITAL ASSURANCE CERTIFICATION, L.L.C.

relating to:

Greater Orlando Aviation Authority

\$310, 000, 000*

**Airport Facilities Refunding Revenue Bonds
Series 2008A (AMT)
of the City of Orlando, Florida**

and

\$40, 000, 000*

**Airport Facilities Refunding Revenue Bonds
Series 2008B (Taxable)
of the City of Orlando, Florida**

DATED AS OF MARCH ____, 2008

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (this “Disclosure Agreement”) is dated as of **March** ____, **2008** 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 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 \$310,000,000* Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2008A (AMT) of the City of Orlando, Florida (the "2008A Bonds") and the \$40,000,000* Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2008B (Taxable) of the City of Orlando, Florida (the “2008B Bonds” and together with the 2008A Bonds, the “2008 Bonds”, pursuant to the Authority’s Airport Facilities Revenue Bond Resolution adopted on June 13, 1978, as amended and supplemented from time to time, and as specifically supplemented by the Supplemented Airport Facilities Revenue Bond Resolution adopted by the Authority on March 19, 2008 (collectively, the “Bond Resolution”).

B. The 2008A 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, or a portion of the Greater Orlando Aviation Authority’s Airport Facilities Variable Rate Subordinated Refunding Revenue Bonds, 1998 Series A, B, C and D of the City of Orlando, Florida (“Refunded Bonds”) and (b) pay certain costs of issuance of the 2008A Bonds, including, but not limited to, a portion of the cost of a municipal bond insurance policy.

C. The 2008B 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 2008B Bonds, including, but not limited to a portion of the cost of municipal bond insurance policy.

D. The Authority has authorized the preparation and distribution of the Preliminary Official Statement dated March ____, 2008 with respect to the 2008 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 (“The Act”).

E. Upon the initial sale of the 2008 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 March ____, 2008, with respect to the 2008 Bonds (the “Official Statement”).

F. As a condition precedent to the initial purchase of the 2008 Bonds by the Underwriter in accordance with the Bond Purchase Agreement dated [March 31, 2008] (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 2008 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 2008 Bonds by the Underwriter and all subsequent Beneficial Owners of the 2008 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 auditing 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 2008 Bonds. Beneficial ownership is to be determined consistent with the definition thereof contained

in Rule 13d-3 of the Act of 1934, 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.

“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 each “nationally recognized municipal securities information repository” recognized for the purposes of the Rule and the MSRB.

“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 Repository” 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 2008 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 2008 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 2008 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 2008 Bonds, subject to the Dissemination Agent's right to resign or be removed 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 fifteen (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, 2008. 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 or the MSRB 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 Series 2008A Bonds,” 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 2008 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 2008 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 2008A Bonds;
- (7) Modifications to rights of Owners;
- (8) Unscheduled Bond calls;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the 2008 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 section 5(c) hereof. Such notice shall be accompanied with the text of the disclosure that the Authority desires to make (each a “Notice Event Filing”), the written authorization of the Authority for the Dissemination Agent to disseminate such information, and the date 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 (5) 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), 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 6 to report the occurrence of a Notice Event, the Dissemination Agent shall promptly file a notice of such occurrence with each National Repository, or 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 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 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 2008 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 (5) business days following notice of default given in writing to such party by any other party hereto or by any Third Party Beneficiary hereof, unless such default is cured within such five (5) business day notice period. An extension of such five (5) business day cure period may be granted for good cause (in the reasonable judgment of the party granting the extension) by written notice from the party who gave the default notice.

(b) If a default occurs and continues beyond the cure period specified above, any nondefaulting party or any Third-Party Beneficiary may seek specific performance of the defaulting party's obligations hereunder as the sole and exclusive remedy available upon any such default, excepting, however, that the party seeking such specific performance may recover from the defaulting party any reasonable attorneys' fees and expenses incurred in the course of enforcing this Disclosure Agreement as a consequence of such default. Each of the parties hereby acknowledges that monetary damages will not be an adequate remedy at law for any default hereunder, and therefore agrees that the exclusive remedy of specific performance shall be available in proceedings to enforce this Disclosure Agreement.

(c) Notwithstanding any provision of this Disclosure Agreement or the Bond Resolution to the contrary, no default under this Disclosure Agreement shall constitute a default or event of default under the Bond Resolution.

Section 10. Amendment or Modification.

(a) This Disclosure Agreement shall not be amended or modified except as provided in this Section 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 2008 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 2008 Bonds, as determined by either (1) an opinion of nationally recognized bond counsel firm or (2) approving vote of the owners of the 2008 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 2008 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 2008 Bonds and the 9-digit CUSIP numbers for the 2008 Bonds as to which the provided information relates.

Section 15. Central Post Office Mechanism for Filing. Any filing under this Disclosure Agreement may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org>, unless the United States Securities Exchange Commission has withdrawn the interpretative advice in its letter to the MAC dated September 7, 2004.

**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

**\$310,000,000
Airport Facilities Refunding Revenue Bonds
Series 2008A (AMT)
of the City of Orlando, Florida**

and

**\$40,000,000
Airport Facilities Refunding Revenue Bonds
Series 2008B (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
2008A 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 2008
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

APPENDIX G

FORM OF MUNICIPAL BOND INSURANCE POLICY

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**FINANCIAL
SECURITY
ASSURANCE®**

MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS:

Policy No.: -N

Effective Date:

Premium: \$

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of Financial Security, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which Financial Security shall have received Notice of Nonpayment, Financial Security will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by Financial Security, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in Financial Security. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, Financial Security shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by Financial Security hereunder. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless Financial Security shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment

made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to Financial Security which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to Financial Security to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of Financial Security, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

[Countersignature]

FINANCIAL SECURITY ASSURANCE INC.

By _____

By _____
Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.
31 West 52nd Street, New York, N.Y. 10019

(212) 826-0100

Form 500NY (5/90)

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GREATER ORLANDO AVIATION AUTHORITY
AIRPORT FACILITIES REFUNDING REVENUE BONDS AND SERIES 2008B (TAXABLE) OF THE CITY OF ORLANDO, FLORIDA SERIES 2008A (AMT)

